



APR 25 2014

MEMORANDUM FOR: SCOTT S. DAHL
Inspector General

FROM: ERIC M. SELEZNOW 
Acting Assistant Secretary

SUBJECT: Executive Order (E.O.) 13520 Report on High-Dollar
Overpayments in the Unemployment Insurance (UI) Program

This transmittal reflects the Fiscal Year 2014 first quarter (October to December 2013) High-Dollar report for the UI program, as required by E.O. 13520, Reducing Improper Payments.

Section 3 (f) of E.O. 13520 requires that at least once every quarter the head of each agency (or designated official) with programs designated as "high-priority" by the Office of Management and Budget (OMB) shall submit to the agency's Inspector General and the Council of Inspectors General on Integrity and Efficiency a report on any high-dollar overpayments identified by the agency. The UI program meets the threshold established by OMB of at least \$750 million in improper payments as reported in the U.S. Department of Labor's annual Agency Financial Report and has been designated as a "high-priority" program.

Please note that this report includes high-dollar overpayments from two sources:
1) population data provided on the revised ETA 227 Overpayment Detection and Recovery Activities report, and 2) high-dollar information based on sample cases in the Benefit Accuracy Measurement survey for those states that have not yet submitted data on the ETA 227 report.

Attachments

cc: Council of Inspectors General on Integrity and Efficiency

High-Dollar Report Unemployment Insurance

As required by Section 3 (f) of Executive Order 13520 and according to the guidelines specified in section C (3) of Part III to Office of Management and Budget (OMB) Circular A-123, Appendix C, the U.S. Department of Labor (Department) has identified in the attached report the number of individuals who received high-dollar overpayments of Unemployment Insurance (UI) benefits during the first quarter (October to December 2013) of Fiscal Year (FY) 2014.

According to section C (3) (j) of Part III to OMB Circular A-123, Appendix C:

Subsequent to the first [High-Dollar] report, agencies shall complete, submit, and publicize these reports at least once a quarter (i.e., four times per year) thereafter. Each quarterly report shall be completed, submitted, and published by the last day of each quarter.

State UI Benefit Payment Control (BPC) units are responsible for identifying and recovering all UI overpayments. The number of high-dollar overpayments identified by state BPC operations is reported on the Employment and Training Administration (ETA) 227 - Overpayment Detection and Recovery Activities report. Reporting instructions for the ETA 227 report that were included in UI Program Letter No. 8-12 (January 11, 2012) define fraud and non-fraud high-dollar overpayments as:

The total overpayment established during the reporting quarter for an individual exceeding \$5,000. Overpayments may be for a single payment or for cumulative payments made during or prior to the reporting quarter.

For the first quarter of FY 2014, 43 states submitted high-dollar data on the revised ETA 227 report. For those states that are not currently reporting high-dollar data on the ETA 227 report, we will continue to provide sample counts from the Benefit Accuracy Measurement (BAM) survey. BAM, a statistical survey of paid and denied UI claims, collects information on high-dollar overpayments. State BAM investigators are required to complete 95 percent of their sample cases within 90 days of selection. Effective with UI Program Letter No. 25-13 (August 9, 2013) states must also complete 98 percent of their cases sampled between July 1 and June 30 (the reporting period for UI integrity data published in the Department's Agency Financial Report) by October 28. Therefore, high-dollar data will be reported according to the following schedule.

Reporting Quarter	BAM Audit Completion Date	High-Dollar Report Submitted By
January - March	June 30	July 31
April - June	October 28	November 30
July - September	December 31	January 31
October - December	March 31	April 30

During the October to December 2013 reporting period, BAM completed audits for 5,615 paid claims. BAM data are available only at the state level of reporting. BAM covers the three largest permanently authorized unemployment compensation programs: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Service members (UCX). Although overpayments for all of these programs, including high-dollar overpayments, are included in the population from which BAM samples are drawn, because BAM surveys only a small percentage of total UI paid claims, the number of UI benefit recipients with high-dollar overpayments identified through BAM is significantly less than the number of high-dollar overpayments in the population.

In response to the level of improper payments, the Department has aggressively addressed the issue by developing a multifaceted Integrity Strategic Plan. Some of the initiatives target specific root causes while others support a broader effort to reduce improper payments. Our goal is to reduce the improper payment rate below the 10 percent criterion in the Improper Payments Elimination and Recovery Act of 2010. These core strategies to reduce improper payments are described in <http://www.dol.gov/dol/maps/Strategies.htm>.

Detailed data on state improper payments and state status reports on progress in implementing the Department's integrity initiatives can be found at <http://www.dol.gov/dol/maps/map-ipia.htm>.

The BPC and BAM UI High-Dollar Overpayment Reports for October to December 2013 are attached. Previous UI High-Dollar reports are posted on the Office of Unemployment Insurance Payment Accuracy Web page (http://www.oui.doleta.gov/unemploy/improp_pay.asp).

Unemployment Insurance High Dollar Report
Reporting Quarter: FY 2014 Quarter 1

ST	State UI UCFE/UCX Cases	State UI UCFE/UCX Amount	EB Cases	EB Amount	Total High Dollar Cases	Total High Dollar Amount
AK	56	\$494,586	2	\$18,912	58	\$513,498
AR	92	\$662,013	0	\$0	92	\$662,013
CA	1,340	\$9,877,749	12	\$71,149	1,352	\$9,948,898
CO	215	\$1,704,945	1	\$5,421	216	\$1,710,366
CT	14	\$275,129	0	\$0	14	\$275,129
DC	65	\$504,421	1	\$6,339	66	\$510,760
DE	28	\$185,112	0	\$0	28	\$185,112
GA	105	\$653,969	4	\$24,094	109	\$678,063
HI	12	\$108,479	0	\$0	12	\$108,479
IA	1,011	\$6,663,704	0	\$0	1,011	\$6,663,704
ID	80	\$589,445	0	\$0	80	\$589,445
IL	2,184	\$10,874,002	24	\$57,110	2,208	\$10,931,112
IN	320	\$2,322,743	7	\$57,823	327	\$2,380,566
KY	97	\$682,138	0	\$0	97	\$682,138
MD	466	\$3,497,867	0	\$0	466	\$3,497,867
ME	10	\$65,209	0	\$0	10	\$65,209
MN	175	\$1,369,300	0	\$0	175	\$1,369,300
MO	44	\$250,829	0	\$0	44	\$250,829
MS	68	\$208,957	0	\$0	68	\$208,957
MT	33	\$218,290	0	\$0	33	\$218,290
NC	1,616	\$3,878,241	4	\$0	1,620	\$3,878,241
ND	12	\$66,960	0	\$0	12	\$66,960
NE	28	\$179,118	0	\$0	28	\$179,118
NH	21	\$141,170	0	\$0	21	\$141,170
NM	148	\$1,110,050	1	\$5,281	149	\$1,115,331
NV	182	\$1,090,908	0	\$0	182	\$1,090,908
NY	637	\$4,845,464	22	\$142,763	659	\$4,988,227
OH	354	\$2,801,202	0	\$0	354	\$2,801,202
OR	199	\$1,647,309	1	\$34,605	200	\$1,681,914
PA	1,172	\$9,481,920	20	\$161,955	1,192	\$9,643,875
PR	2	\$10,906	0	\$0	2	\$10,906
RI	66	\$529,223	0	\$0	66	\$529,223
SC	35	\$224,221	0	\$0	35	\$224,221
SD	4	\$27,416	0	\$0	4	\$27,416
TN	99	\$754,169	2	\$13,730	101	\$767,899
TX	610	\$4,182,957	7	\$47,820	617	\$4,230,777
UT	76	\$610,842	0	\$0	76	\$610,842
VA	75	\$580,018	0	\$0	75	\$580,018
VI	4	\$32,326	0	\$0	4	\$32,326
VT	8	\$66,679	0	\$0	8	\$66,679

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 08 Apr 14

Unemployment Insurance High Dollar Report
Reporting Quarter: FY 2014 Quarter 1

ST	State UI UCFE/UCX Cases	State UI UCFE/UCX Amount	EB Cases	EB Amount	Total High Dollar Cases	Total High Dollar Amount
WI	267	\$1,914,214	0	\$0	267	\$1,914,214
WV	42	\$267,784	0	\$0	42	\$267,784
WY	10	\$74,893	0	\$0	10	\$74,893
US	12,082	\$75,726,877	108	\$647,002	12,190	\$76,373,879

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 08 Apr 14

BAM Unemployment Insurance High Dollar Report
Reporting Quarter: FY 2014 Quarter 1

ST	BAM Cases	BAM Amount OP
AL	1	\$2,385
KS	3	\$13,197
LA	2	\$10,023
MA	5	\$43,568
MI	1	\$7,910
NJ	5	\$40,717
OK	2	\$13,660
WA	2	\$17,017

Source: UI Benefit Accuracy Measurement
Prepared by OUI Division of Performance Management on 07 Apr 14