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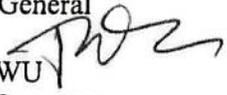
U.S. Department of Labor

Assistant Secretary for  
Employment and Training  
Washington, D.C. 20210



APR 28 2015

MEMORANDUM FOR: SCOTT S. DAHL  
Inspector General

FROM: PORTIA WU   
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 2015 first quarter (October to December 2014) 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

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EXEC. SECRETARIAT  
OSEC-DOL

## **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 2014) of Fiscal Year (FY) 2015.

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 2015, a total of 44 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. 20-14 (July 29, 2014) states must also complete 98 percent of their cases sampled between July 1 and June 30 (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 2014 reporting period, BAM completed audits for 5,561 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 2014 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](http://www.oui.doleta.gov/unemploy/improp_pay.asp)).

Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2015 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	36	\$246,743	0	\$0	36	\$246,743
AR	40	\$274,815	0	\$0	40	\$274,815
CA	1,050	\$7,170,373	3	\$32,083	1,053	\$7,202,456
CO	192	\$1,483,309	1	\$5,340	193	\$1,488,649
CT	195	\$1,613,288	1	\$7,854	196	\$1,621,142
DC	150	\$1,195,510	0	\$0	150	\$1,195,510
DE	10	\$66,820	0	\$0	10	\$66,820
GA	172	\$1,065,328	10	\$59,994	182	\$1,125,322
HI	4	\$35,397	0	\$0	4	\$35,397
IA	1,133	\$7,563,644	0	\$0	1,133	\$7,563,644
ID	29	\$180,953	0	\$0	29	\$180,953
IL	2,079	\$10,288,976	0	\$0	2,079	\$10,288,976
IN	561	\$7,447,966	2	\$13,659	563	\$7,461,625
KS	114	\$949,669	0	\$0	114	\$949,669
KY	76	\$516,895	0	\$0	76	\$516,895
MA	286	\$2,513,102	0	\$0	286	\$2,513,102
MD	218	\$1,685,430	0	\$0	218	\$1,685,430
ME	26	\$178,320	0	\$0	26	\$178,320
MI	1,559	\$9,919,805	2	\$12,160	1,561	\$9,931,965
MN	259	\$2,064,780	0	\$0	259	\$2,064,780
MO	37	\$210,170	0	\$0	37	\$210,170
MS	27	\$108,244	0	\$0	27	\$108,244
MT	23	\$171,609	0	\$0	23	\$171,609
NC	233	\$1,887,084	0	\$0	233	\$1,887,084
ND	25	\$148,297	0	\$0	25	\$148,297
NE	19	\$133,971	0	\$0	19	\$133,971
NH	26	\$235,725	0	\$0	26	\$235,725
NM	30	\$225,947	1	\$5,850	31	\$231,797
NV	317	\$1,507,691	3	\$6,475	320	\$1,514,166
NY	561	\$4,038,684	11	\$70,281	572	\$4,108,965
OH	180	\$1,307,106	0	\$0	180	\$1,307,106
OR	134	\$1,163,561	0	\$0	134	\$1,163,561
PA	1,655	\$11,003,040	16	\$105,098	1,671	\$11,108,138
RI	71	\$599,935	1	\$5,130	72	\$605,065
SC	22	\$157,442	0	\$0	22	\$157,442
SD	2	\$11,238	0	\$0	2	\$11,238
TN	79	\$481,332	2	\$11,285	81	\$492,617
TX	498	\$3,578,185	3	\$20,036	501	\$3,598,221
UT	46	\$336,670	0	\$0	46	\$336,670
VA	41	\$307,337	0	\$0	41	\$307,337

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 06 Apr 15

Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2015 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
VT	20	\$154,485	0	\$0	20	\$154,485
WI	189	\$1,328,272	0	\$0	189	\$1,328,272
WV	35	\$253,342	0	\$0	35	\$253,342
WY	5	\$35,712	0	\$0	5	\$35,712
US	12,464	\$85,846,202	56	\$355,245	12,520	\$86,201,447

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 06 Apr 15

BAM Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2015 Quarter 1

ST	BAM Cases	BAM Amount OP
AZ	1	\$3,600
LA	1	\$5,834
NJ	5	\$34,423
OK	1	\$5,192
WA	4	\$23,546

Source: UI Benefit Accuracy Measurement  
Prepared by OUI Division of Performance Management on 06 Apr 15