




UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE CHIEF FINANCIAL OFFICER

August 8, 2011

MEMORANDUM

TO : Kathleen Tighe, Inspector General
Office of the Inspector General

FROM : Hugh J. Hurwitz 
Deputy Chief Financial Officer

SUBJECT : Report on High-Dollar Overpayments for the Quarter Ended June 30, 2011

The purpose of this memorandum is to comply with the high-dollar overpayment reporting requirements addressed in the Office of Management and Budget (OMB) implementation guidance M-10-13, dated March 22, 2010, relative to Executive Order 13520. The OMB implementation guidance requires agency heads to submit quarterly reports on high-dollar overpayments to the Office of Inspector General, and the Council of Inspectors General on Integrity and Efficiency.

During the reporting period covering April 1, 2011 through June 30, 2011, the U.S. Department of Education (Department) identified improper payments totaling \$16,950.00. See Attachment for additional details.

The Department is committed to ensuring the integrity of its programs and is focused on identifying and managing the risk of improper payments and mitigating the risk with adequate control activities. The Department will continue to work closely with the Office of the Inspector General and OMB to explore additional opportunities for identifying and reducing potential improper payments.

If you have any questions, please contact me or Craig Stanton at (202) 245-7400.

Attachment

cc: Ms. Phyllis Fong, Chair
Council of Inspectors General
on Integrity and Efficacy

Mr. Danny Werfel, Controller
Office of Federal Financial Management
Office of Management and Budget

**U.S. Department of Education
High-Dollar Overpayments
April 1, 2011 – June 30, 2011**

Date	Amount	Payment Type (Individual/ Entity)	Location			Cognizant Program	Recovery Action(s) Taken/Planned	Future Preventive Action(s)
			City	County	State			
2/8/2011	16,950.00	Individual	Alexandria	Alexandria	VA	Education	<p>There was an overpayment to a Department employee which resulted from an erroneous dual entry of a request for a Voluntary Separation Incentive Payment (VSIP). The payment occurred on February 8, 2011 and the former employee notified the agency on February 10, 2011. The Department had a process in place to recover the funds. The former employee was issued a letter explaining the error and funds were retrieved on March 20, 2011.</p> <p>This overpayment is included in the 3rd quarter report because it was recently identified through the Department's internal A-123 review process.</p>	<p>The systems established by the Department's human resources division ensured that the former employee was notified in writing of their debt and that funds were recovered in a timely manner.</p> <p>The Department is currently reviewing internal controls in this area and will work to identify and correct any deficiencies. In addition, the Department is in the process of procuring continuous control monitoring software to help identify and prevent improper, duplicate payments such as this one.</p>