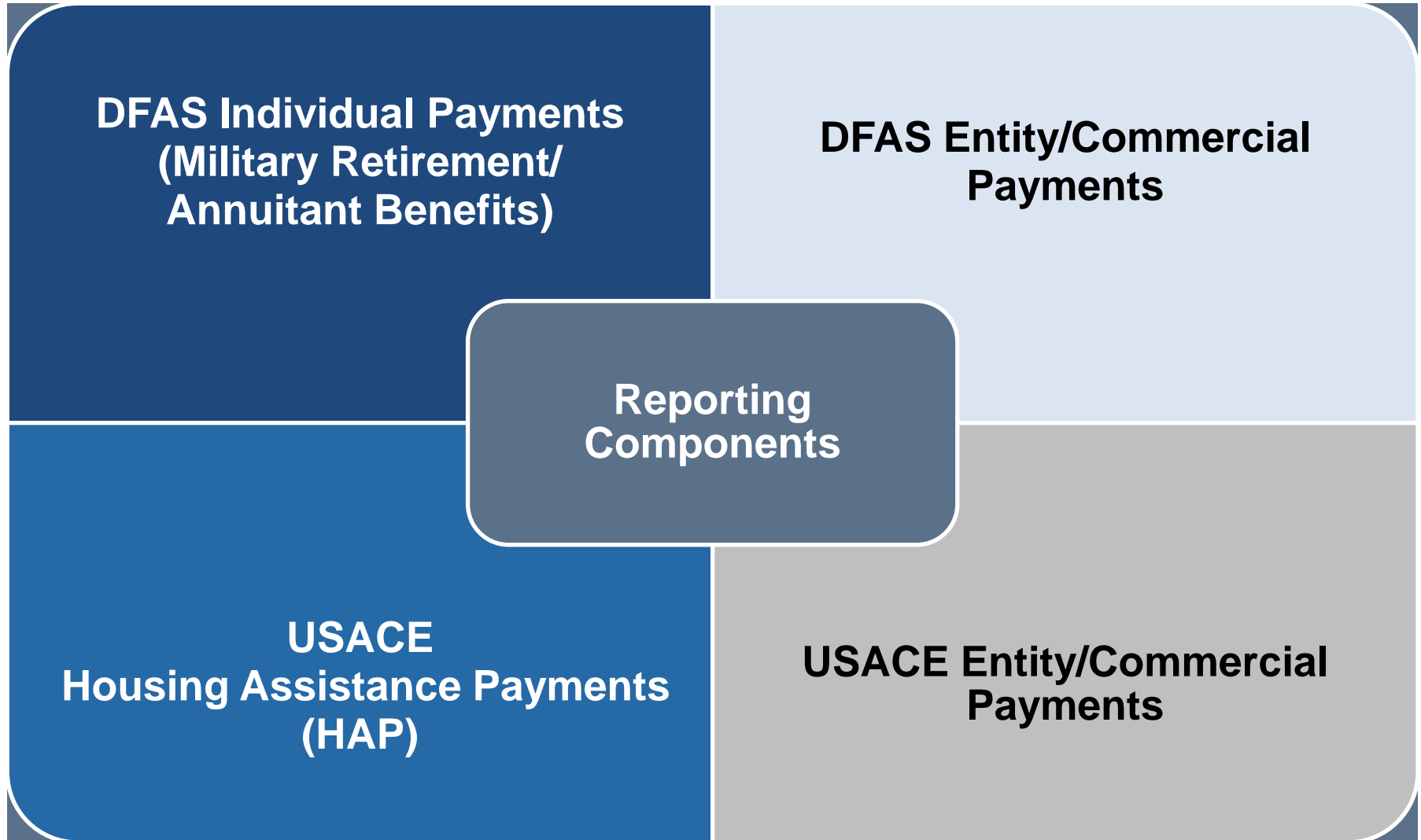




Department of Defense High Dollar Improper Payments

Quarter 2, Fiscal Year 2012

Quarter 2, FY 2012 Reporting Components



What is a High Dollar Improper Payment?

- As stated in Executive Order 13520, “Reducing Improper Payments and Eliminating Waste in the Federal Government”:
 - For payments to individuals, a high dollar improper payment is when the amount paid is \$5,000 or greater and more than 50 percent higher than the correct amount.
 - For payments to entities (commercial vendors and contractors), a high dollar improper payment is when the amount paid is \$25,000 or greater and more than 50 percent higher than the correct amount.
- In accordance with current Office of Management and Budget guidance, DoD is only to include high dollar improper payments to non-Federal individuals and entities beginning with the Quarter 1, FY 2012 report.

Reasons for High Dollar Improper Payments

- The main cause for improper payments to individuals relates to the timeliness of notification of death.
 - Overpayments sometimes continue for more than one month if notification of death is not timely.
 - Death notifications most often obtained through Social Security Administration file match.
- The main causes for commercial high dollar overpayments are technician input errors and inaccurate or duplicate invoicing by vendors/contractors.
- Approximately 72.3 percent of improper payments were recouped as of March 31, 2012, for both individuals and commercial entities.
 - A receivable is established as soon as the overpayment is identified.
 - Collection continues until the debt is satisfied.
 - Commercial overpayments can sometimes be recaptured quickly through offset of a pending invoice for the same firm.

Notes

- Click here for additional details on the causes and corrective actions for [Quarter 2, FY 2012's high dollar improper payments.](#)
- Click here for additional details on the actual transactions that were identified as high dollar improper payments for [Quarter 2, FY 2012.](#)