

U.S. Department of Labor

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



MAY 17 2011

MEMORANDUM FOR: DANIEL R. PETROLE
Acting Inspector General

FROM: JANE OATES *Jane Oates*
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 2011 first quarter (October to December 2010) 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 (CIGIE) 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 Department's annual Agency Financial Report and has been designated as a high-priority program.

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 Department of Labor has identified in the attached report the number of individuals who received over \$5,000 in Unemployment Insurance (UI) benefits and who received erroneous UI payments in excess of 50 percent of the correct amount paid during the first quarter (October to December 2010) of Fiscal Year (FY) 2011. Please note that cumulative UI benefits may have been paid during more than a single quarter.

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.

Information on high-dollar overpayments is collected through Benefit Accuracy Measurement (BAM), which is a statistical survey of paid and denied UI claims. State BAM investigators are required to complete 95 percent of their cases within 90 days of selection. States must also complete 98 percent of their calendar year cases by April 30 of the following year. 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	September 30	October 31
July - September	December 31	January 31
October - December	April 30	May 31

During the October to December 2010 reporting period, BAM completed audits for 6,029 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.

State UI Benefit Payment Control (BPC) units are responsible for identifying and recovering all UI overpayments. States currently report to the Department aggregate data on overpayment dollars established and recovered but do not identify specific individuals who received UI

benefits overpayments. The Department has begun the process of modifying the Employment and Training Administration (ETA) 227 - Overpayment Detection and Recovery Activities report to accommodate reporting of the total number of high-dollar overpayments identified by state BPC operations. Modification of this report requires the approval of OMB under the Paperwork Reduction Act. Once we have received OMB's approval to modify the data collection, ETA will issue reporting instructions to the state agencies, which will then have to complete the computer programming required to assemble and report the data. We anticipate that not all states will be ready to report at this time due to resources and capacity limitations. Given these requirements, we estimate that ETA can begin reporting high-dollar overpayment data for the state populations beginning with the first quarter of calendar year 2012 at the earliest. Until then, we will continue to provide sample counts from the BAM survey.

The Department has developed several management initiatives to prevent and recover improper payments in the UI program. These initiatives are discussed as part of the "Executive Order 13520 Report on Improper Payments in the Unemployment Insurance Program", which was transmitted to the Inspector General by the Assistant Secretary on March 18, 2011.

The UI High-Dollar Overpayment Report for October to December 2010 is attached. Previous UI High-Dollar reports are posted on the OUI Payment Accuracy Web page (http://www.oui.doleta.gov/unemploy/improp_pay.asp).

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.1

State	Amount Paid	Amount Proper	Amount Overpaid	Note
AK	\$6,096	\$3,618	\$2,478	*
Cases			1	
Total OP			\$2,478	
AL	\$3,366	\$0	\$5,657	#
	\$5,300	\$505	\$4,795	*
Cases			2	
Total OP			\$10,452	
AR	\$3,287	\$0	\$5,236	#
	\$6,519	\$0	\$7,065	#
	\$6,946	\$3,020	\$3,926	*
Cases			3	
Total OP			\$16,227	
AZ	\$5,135	\$1,200	\$3,935	*
Cases			1	
Total OP			\$3,935	
CA	\$8,100	\$0	\$10,800	#
	\$6,128	\$1,955	\$4,173	*
	\$5,222	\$2,542	\$2,680	*
	\$4,099	\$0	\$5,731	#
Cases			4	
Total OP			\$23,384	
CO	\$12,100	\$4,117	\$7,983	
	\$5,156	\$3,198	\$1,958	*
Cases			2	
Total OP			\$9,941	
CT	\$8,763	\$1,443	\$7,320	
	\$7,656	\$0	\$7,656	
	\$7,452	\$3,564	\$3,888	*
	\$6,745	\$4,199	\$2,546	*
Cases			4	
Total OP			\$21,410	
DE	\$6,210	\$0	\$6,210	

Notes:

* Overpayment is <= \$5,000 but exceeds 50% of amount properly paid.

Overpayment includes Extended Benefits and Emergency Unemployment

Compensation. Amount paid includes State UI, UCFE, and UCX payments only.

Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 04 May 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.1

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			1	
Total OP			\$6,210	
FL	\$3,575	\$0	\$5,225	#
Cases			1	
Total OP			\$5,225	
IA	\$6,209	\$0	\$7,438	#
	\$7,683	\$2,864	\$4,819	*
	\$9,776	\$4,136	\$5,640	
Cases			3	
Total OP			\$17,897	
ID	\$5,010	\$3,006	\$2,004	*
Cases			1	
Total OP			\$2,004	
IL	\$8,375	\$1,900	\$6,475	
	\$4,463	\$0	\$8,880	#
Cases			2	
Total OP			\$15,355	
IN	\$10,140	\$1,560	\$8,580	
	\$6,714	\$2,480	\$4,234	*
	\$8,670	\$5,350	\$3,320	*
	\$5,356	\$0	\$6,803	#
	\$780	\$0	\$5,500	#
Cases			5	
Total OP			\$28,437	
KS	\$7,518	\$2,957	\$4,561	*
Cases			1	
Total OP			\$4,561	
KY	\$5,446	\$0	\$9,925	#
	\$6,574	\$0	\$7,420	#
	\$3,750	\$0	\$5,919	#
Cases			3	
Total OP			\$23,264	

Notes:

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Unemployment Insurance High Dollar Report
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State	Amount Paid	Amount Proper	Amount Overpaid	Note
LA	\$5,382	\$3,042	\$2,340	*
	\$6,045	\$2,849	\$3,196	*
Cases			2	
Total OP			\$5,536	
MA	\$12,760	\$2,442	\$10,318	
Cases			1	
Total OP			\$10,318	
MD	\$10,250	\$6,041	\$4,209	*
Cases			1	
Total OP			\$4,209	
ME	\$5,063	\$0	\$6,245	#
Cases			1	
Total OP			\$6,245	
MI	\$8,326	\$3,472	\$4,854	*
	\$4,344	\$0	\$7,240	#
	\$9,412	\$2,945	\$6,467	
Cases			3	
Total OP			\$18,561	
MN	\$9,448	\$1,208	\$8,240	
	\$7,200	\$4,648	\$2,552	*
	\$5,689	\$0	\$6,502	#
	\$13,464	\$6,732	\$6,732	
	\$7,106	\$0	\$7,315	#
Cases			5	
Total OP			\$31,341	
MO	\$5,440	\$1,393	\$4,047	*
	\$5,039	\$2,768	\$2,271	*
Cases			2	
Total OP			\$6,318	
MS	\$4,539	\$0	\$5,987	#

Notes:

* Overpayment is <= \$5,000 but exceeds 50% of amount properly paid.
 # Overpayment includes Extended Benefits and Emergency Unemployment
 Compensation. Amount paid includes State UI, UCFE, and UCX payments only.
 Source: UI Benefit Accuracy Measurement
 Prepared by OUI Division of Performance Management on 04 May 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.1

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			1	
Total OP			\$5,987	
MT	\$5,811	\$2,223	\$3,588	*
Cases			1	
Total OP			\$3,588	
NC	\$6,072	\$3,036	\$3,036	*
	\$1,518	\$0	\$5,809	#
Cases			2	
Total OP			\$8,845	
ND	\$4,420	\$0	\$5,304	#
Cases			1	
Total OP			\$5,304	
NE	\$7,314	\$3,198	\$4,116	*
Cases			1	
Total OP			\$4,116	
NH	\$6,067	\$0	\$6,067	
	\$10,675	\$5,551	\$5,124	
	\$6,405	\$0	\$10,675	#
Cases			3	
Total OP			\$21,866	
NJ	\$6,802	\$0	\$7,542	#
	\$5,032	\$0	\$5,969	#
	\$8,418	\$0	\$9,150	#
	\$5,376	\$0	\$5,376	
	\$4,743	\$0	\$5,580	#
	\$6,230	\$1,660	\$4,570	*
	\$9,600	\$2,695	\$6,905	
	\$4,290	\$0	\$5,164	#
Cases			8	
Total OP			\$50,256	
NM	\$4,480	\$0	\$5,824	#
	\$7,220	\$0	\$7,980	#

Notes:

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Overpayment includes Extended Benefits and Emergency Unemployment Compensation. Amount paid includes State UI, UCFE, and UCX payments only.
Source: UI Benefit Accuracy Measurement
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Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.1

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			2	
Total OP			\$13,804	
NV	\$6,100	\$0	\$7,565	#
	\$10,400	\$0	\$10,400	
Cases			2	
Total OP			\$17,965	
NY	\$5,336	\$0	\$6,032	#
	\$4,860	\$0	\$5,670	#
	\$10,530	\$0	\$10,530	
Cases			3	
Total OP			\$22,232	
OH	\$6,468	\$0	\$8,008	#
Cases			1	
Total OP			\$8,008	
OK	\$8,875	\$4,260	\$4,615	*
	\$7,740	\$590	\$7,150	
	\$9,300	\$0	\$9,300	
Cases			3	
Total OP			\$21,065	
PA	\$6,700	\$1,565	\$5,135	
	\$6,424	\$0	\$6,930	#
	\$12,625	\$300	\$12,325	
	\$6,768	\$3,978	\$2,790	*
Cases			4	
Total OP			\$27,180	
RI	\$4,932	\$0	\$5,343	#
	\$6,126	\$2,644	\$3,482	*
Cases			2	
Total OP			\$8,825	
SC	\$1,226	\$0	\$8,476	#
Cases			1	
Total OP			\$8,476	

Notes:

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Source: UI Benefit Accuracy Measurement

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Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.1

State	Amount Paid	Amount Proper	Amount Overpaid	Note
TN	\$5,993	\$0	\$6,008	#
Cases			1	
Total OP			\$6,008	
TX	\$5,278	\$2,030	\$3,248	*
Cases			1	
Total OP			\$3,248	
UT	\$1,779	\$0	\$11,726	#
	\$8,510	\$4,297	\$4,213	*
Cases			2	
Total OP			\$15,939	
VA	\$5,138	\$0	\$5,243	#
	\$8,316	\$0	\$9,828	#
Cases			2	
Total OP			\$15,071	
VT	\$6,799	\$0	\$11,050	#
	\$4,851	\$0	\$6,413	#
	\$3,850	\$0	\$7,155	#
	\$6,968	\$2,172	\$4,796	*
	\$4,452	\$0	\$5,377	#
Cases			5	
Total OP			\$34,791	
WA	\$3,017	\$0	\$5,569	#
Cases			1	
Total OP			\$5,569	
WI	\$7,623	\$4,719	\$2,904	*
Cases			1	
Total OP			\$2,904	
WV	\$5,736	\$3,121	\$2,615	*
Cases			1	
Total OP			\$2,615	

Notes:

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Source: UI Benefit Accuracy Measurement

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Unemployment Insurance High Dollar Report
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State	Amount Paid	Amount Proper	Amount Overpaid	Note
WY	\$7,446	\$3,561	\$3,885	*
	\$9,198	\$0	\$9,198	
Cases			2	
Total OP			\$13,083	
US Cases			100	
US \$OP			\$600,053	

Notes:

* Overpayment is <= \$5,000 but exceeds 50% of amount properly paid.

Overpayment includes Extended Benefits and Emergency Unemployment Compensation. Amount paid includes State UI, UCFE, and UCX payments only.

Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 04 May 11