



JUL 20 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 second quarter (January to March 2011) 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.

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 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 second quarter (January to March 2011) 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 January to March 2011 reporting period, BAM completed audits for 6,096 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, and Unemployment Compensation for Ex-Service Members. 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. In May 2011, the Department requested OMB approval, which is required under the Paperwork Reduction Act, to modify the 227 report. 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 January to March 2011 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) - 2011.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
AK	\$5,550	\$3,585	\$1,965	*
Cases			1	
Total OP			\$1,965	
AR	\$4,510	\$0	\$5,412	#
Cases			1	
Total OP			\$5,412	
CA	\$3,600	\$0	\$5,707	#
	\$7,350	\$3,605	\$3,745	*
	\$5,680	\$0	\$6,363	#
Cases			3	
Total OP			\$15,815	
CO	\$9,790	\$3,560	\$6,230	
Cases			1	
Total OP			\$6,230	
CT	\$10,231	\$0	\$11,856	#
Cases			1	
Total OP			\$11,856	
DC	\$2,190	\$0	\$5,319	#
Cases			1	
Total OP			\$5,319	
DE	\$7,128	\$2,079	\$5,049	
	\$5,136	\$0	\$5,818	#
Cases			2	
Total OP			\$10,867	
IL	\$3,474	\$0	\$6,190	#
Cases			1	
Total OP			\$6,190	
IN	\$5,852	\$0	\$7,156	#
	\$1,065	\$0	\$6,074	#
	\$5,488	\$0	\$6,517	#

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 05 Jul 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
IN	\$3,900	\$0	\$7,419	#
Cases			4	
Total OP			\$27,166	
KY	\$4,424	\$0	\$7,268	#
	\$2,078	\$0	\$5,274	#
	\$2,794	\$0	\$5,080	#
Cases			3	
Total OP			\$17,622	
LA	\$237	\$0	\$5,817	#
Cases			1	
Total OP			\$5,817	
MA	\$5,625	\$3,297	\$2,328	*
Cases			1	
Total OP			\$2,328	
MD	\$786	\$0	\$6,812	#
	\$5,075	\$2,943	\$2,132	*
Cases			2	
Total OP			\$8,944	
MI	\$5,068	\$1,976	\$3,092	*
	\$6,175	\$3,280	\$2,895	*
Cases			2	
Total OP			\$5,987	
MN	\$5,140	\$514	\$4,626	*
Cases			1	
Total OP			\$4,626	
MO	\$2,507	\$0	\$9,781	#
	\$6,080	\$1,208	\$4,872	*
	\$5,160	\$1,777	\$3,383	*
	\$5,080	\$3,302	\$1,778	*
Cases			4	
Total OP			\$19,814	

Notes:

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Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 05 Jul 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
MS	\$4,935	\$0	\$5,640	#
	\$5,875	\$0	\$5,875	
Cases			2	
Total OP			\$11,515	
NE	\$7,632	\$0	\$7,632	
	\$6,248	\$3,124	\$3,124	*
Cases			2	
Total OP			\$10,756	
NH	\$1,144	\$0	\$7,436	#
Cases			1	
Total OP			\$7,436	
NJ	\$7,634	\$0	\$9,022	#
	\$7,175	\$0	\$7,175	#
	\$3,371	\$0	\$9,589	#
	\$5,789	\$0	\$5,811	#
Cases			4	
Total OP			\$31,597	
NM	\$6,840	\$890	\$5,950	
	\$7,723	\$0	\$7,775	#
	\$8,360	\$1,140	\$7,220	
	\$4,296	\$0	\$6,244	#
	\$3,840	\$0	\$6,367	#
	\$7,600	\$380	\$7,220	
Cases			6	
Total OP			\$40,776	
NV	\$3,076	\$0	\$5,460	#
Cases			1	
Total OP			\$5,460	
NY	\$7,493	\$4,253	\$3,240	*
	\$8,404	\$4,759	\$3,645	*
	\$6,786	\$0	\$8,606	#
	\$1,620	\$0	\$5,040	#

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

Prepared by OUI Division of Performance Management on 05 Jul 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			4	
Total OP			\$20,531	
OH	\$5,625	\$3,480	\$2,145	*
	\$6,000	\$0	\$7,500	#
	\$4,161	\$0	\$5,256	#
	\$6,000	\$2,352	\$3,648	*
	\$7,050	\$3,978	\$3,072	*
Cases			5	
Total OP			\$21,621	
OK	\$5,468	\$2,520	\$2,948	*
Cases			1	
Total OP			\$2,948	
PA	\$5,232	\$2,885	\$2,347	*
	\$5,018	\$912	\$4,106	*
	\$4,498	\$0	\$5,510	#
Cases			3	
Total OP			\$11,963	
SC	\$3,632	\$0	\$5,902	#
	\$7,498	\$3,260	\$4,238	*
Cases			2	
Total OP			\$10,140	
SD	\$4,710	\$0	\$6,280	#
	\$5,088	\$2,968	\$2,120	*
Cases			2	
Total OP			\$8,400	
UT	\$444	\$0	\$8,880	#
Cases			1	
Total OP			\$8,880	
VA	\$5,197	\$1,205	\$3,992	*
	\$5,670	\$0	\$8,316	#
Cases			2	
Total OP			\$12,308	

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 05 Jul 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
VT	\$6,812	\$3,779	\$3,033	*
	\$4,138	\$0	\$7,215	#
	\$2,591	\$0	\$7,228	#
Cases			3	
Total OP			\$17,476	
WA	\$5,034	\$706	\$4,328	*
Cases			1	
Total OP			\$4,328	
WI	\$8,608	\$0	\$9,433	#
Cases			1	
Total OP			\$9,433	
US Cases			70	
US \$OP			\$391,526	

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

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