



OCT 19 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 third quarter (April to June 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 (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 third quarter (April to June 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 April to June 2011 reporting period, BAM completed audits for 6,088 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. In May 2011, the Department requested OMB approval, which is required under the Paperwork Reduction Act, to modify the 227 report. OMB approved our request on August 25, 2011.

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. Given these requirements, we estimate that ETA can begin reporting high-dollar overpayment data for some state populations beginning with the first quarter of calendar year 2012 at the earliest. We anticipate that not all states will be ready to report at this time due to resources and capacity limitations. We will continue to provide sample counts from the BAM survey for those states not submitting population data on the revised ETA 227 report.

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.

On September 14, 2011, the Department launched a new Web page (<http://www.dol.gov/dol/maps/map-ipia.htm>) to provide detailed data on state improper payments and state status reports on progress in implementing the Department's integrity initiatives.

The UI High-Dollar Overpayment Report for April to June 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) - 2011.3

State	Amount Paid	Amount Proper	Amount Overpaid	Note
AR	\$3,918	\$0	\$5,044	#
	\$6,165	\$2,740	\$3,425	*
Cases			2	
Total OP			\$8,469	
AZ	\$3,600	\$0	\$7,920	#
	\$5,124	\$1,317	\$3,807	*
Cases			2	
Total OP			\$11,727	
CA	\$6,047	\$1,629	\$4,418	*
Cases			1	
Total OP			\$4,418	
CO	\$9,888	\$3,056	\$6,832	
Cases			1	
Total OP			\$6,832	
CT	\$8,294	\$405	\$7,889	
Cases			1	
Total OP			\$7,889	
DC	\$7,392	\$0	\$8,008	#
Cases			1	
Total OP			\$8,008	
DE	\$1,730	\$0	\$5,362	#
	\$2,360	\$0	\$5,099	#
	\$6,270	\$0	\$8,256	#
	\$2,508	\$0	\$10,214	#
Cases			4	
Total OP			\$28,931	
FL	\$5,775	\$1,025	\$4,750	*
Cases			1	
Total OP			\$4,750	
IA	\$6,392	\$0	\$6,392	

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 Oct 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.3

State	Amount Paid	Amount Proper	Amount Overpaid	Note
IA	\$6,702	\$3,535	\$3,167	*
	\$6,998	\$4,139	\$2,859	*
Cases			3	
Total OP			\$12,418	
ID	\$5,010	\$0	\$5,010	
Cases			1	
Total OP			\$5,010	
IL	\$6,622	\$3,862	\$2,760	*
Cases			1	
Total OP			\$2,760	
IN	\$6,240	\$1,560	\$4,680	*
	\$6,583	\$0	\$7,664	#
Cases			2	
Total OP			\$12,344	
KY	\$2,921	\$0	\$6,775	#
	\$7,595	\$5,024	\$2,571	*
Cases			2	
Total OP			\$9,346	
LA	\$4,444	\$0	\$5,252	#
	\$4,925	\$0	\$5,122	#
	\$6,175	\$988	\$5,187	
Cases			3	
Total OP			\$15,561	
MA	\$5,017	\$389	\$4,628	*
	\$5,454	\$1,027	\$4,427	*
Cases			2	
Total OP			\$9,055	
MD	\$1,720	\$0	\$6,450	#
	\$9,348	\$0	\$13,297	#
	\$9,460	\$0	\$10,750	#
Cases			3	

Notes:

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Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 04 Oct 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.3

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Total OP			\$30,497	
ME	\$6,348	\$0	\$6,348	
	\$5,104	\$875	\$4,229	*
	\$5,376	\$2,016	\$3,360	*
	\$7,640	\$1,589	\$6,051	
Cases			4	
Total OP			\$19,988	
MI	\$1,810	\$0	\$5,792	#
	\$4,706	\$0	\$7,964	#
	\$7,964	\$5,275	\$2,689	*
	\$5,200	\$0	\$5,200	
	\$7,964	\$0	\$9,412	#
	\$9,412	\$0	\$11,222	#
Cases			6	
Total OP			\$42,279	
MN	\$6,324	\$1,914	\$4,410	*
	\$10,188	\$0	\$10,188	
Cases			2	
Total OP			\$14,598	
MT	\$5,052	\$0	\$6,736	#
Cases			1	
Total OP			\$6,736	
NC	\$4,466	\$0	\$5,278	#
Cases			1	
Total OP			\$5,278	
NE	\$7,918	\$0	\$8,053	#
Cases			1	
Total OP			\$8,053	
NJ	\$10,800	\$0	\$10,800	
	\$4,370	\$0	\$5,520	#
	\$5,500	\$961	\$4,539	*
	\$5,263	\$3,185	\$2,078	*

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Source: UI Benefit Accuracy Measurement

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State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			4	
Total OP			\$22,937	
NM	\$5,866	\$3,422	\$2,444	*
	\$5,640	\$0	\$6,110	#
	\$9,500	\$0	\$9,720	#
	\$7,435	\$4,034	\$3,401	*
	\$4,632	\$0	\$21,162	#
	\$6,787	\$0	\$11,486	#
	\$5,224	\$0	\$5,524	#
	\$8,492	\$0	\$22,112	#
	\$5,685	\$3,054	\$2,631	*
Cases			9	
Total OP			\$84,590	
NV	\$6,368	\$0	\$6,890	#
	\$10,348	\$2,164	\$8,184	
Cases			2	
Total OP			\$15,074	
NY	\$8,404	\$0	\$8,808	#
Cases			1	
Total OP			\$8,808	
OH	\$3,542	\$0	\$5,060	#
	\$6,375	\$2,824	\$3,551	*
	\$6,192	\$3,372	\$2,820	*
	\$5,792	\$0	\$6,154	#
Cases			4	
Total OP			\$17,585	
PA	\$5,586	\$665	\$4,921	*
	\$8,364	\$2,807	\$5,557	
	\$13,677	\$6,466	\$7,211	
Cases			3	
Total OP			\$17,689	
RI	\$5,599	\$3,289	\$2,310	*
	\$9,367	\$3,306	\$6,061	
	\$6,108	\$3,054	\$3,054	*

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 04 Oct 11

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State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			3	
Total OP			\$11,425	
SC	\$8,476	\$0	\$8,476	
	\$4,636	\$0	\$6,344	#
	\$7,498	\$0	\$8,476	#
	\$6,475	\$518	\$5,957	
Cases			4	
Total OP			\$29,253	
SD	\$3,442	\$0	\$6,896	#
	\$4,074	\$0	\$6,293	#
	\$5,568	\$2,320	\$3,248	*
Cases			3	
Total OP			\$16,437	
UT	\$7,740	\$2,322	\$5,418	
Cases			1	
Total OP			\$5,418	
VA	\$7,452	\$4,565	\$2,887	*
	\$4,312	\$0	\$5,255	#
Cases			2	
Total OP			\$8,142	
WA	\$6,591	\$1,269	\$5,322	
	\$10,604	\$0	\$12,532	#
Cases			2	
Total OP			\$17,854	
WI	\$8,027	\$0	\$8,027	
Cases			1	
Total OP			\$8,027	
WV	\$4,300	\$0	\$5,174	#
Cases			1	
Total OP			\$5,174	
WY	\$8,600	\$0	\$10,750	#

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 Oct 11

Unemployment Insurance High Dollar Report
Reporting Quarter (FY QTR) - 2011.3

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			1	
Total OP			\$10,750	
US Cases			86	
US \$OP			\$554,110	

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 Oct 11