



JUL 23 2012

MEMORANDUM FOR: DANIEL R. PETROLE  
Deputy 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 2012 second quarter (January to March 2012) 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 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 (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 2012) of Fiscal Year (FY) 2012. 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 2012 reporting period, BAM completed audits for 6,125 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 modified 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. On August 25, 2011, OMB approved our request, required by the Paperwork Reduction Act, to modify the 227 report.

ETA issued reporting instructions to the state agencies (UI Program Letter No. 08-12, January 11, 2012), which are in the process of completing 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 second quarter of calendar year 2012 (which is due to the Department by August 1). 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.

In response to the level of improper payments, the Department has aggressively addressed the issue by developing a multifaceted Integrity Strategic Plan. Some of the initiatives target specific root causes while others support a broader effort to reduce improper payments. Our goal is to reduce the improper payment rate below the 10 percent criterion in the Improper Payments Elimination and Recovery Act of 2010, and we are confident that these initiatives will allow us to meet this goal. These core strategies to reduce improper payments are described in <http://www.dol.gov/dol/maps/Strategies.htm>.

Detailed data on state improper payments and state status reports on progress in implementing the Department's integrity initiatives can be found at (<http://www.dol.gov/dol/maps/map-ipia.htm>).

The UI High-Dollar Overpayment Report for January to March 2012 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](http://www.oui.doleta.gov/unemploy/improp_pay.asp)).

Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2012.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
AL	\$5,035	\$0	\$5,830	#
Cases			1	
Total OP			\$5,830	
AR	\$5,080	\$0	\$5,080	
	\$7,024	\$1,317	\$5,707	
	\$6,855	\$914	\$5,941	
Cases			3	
Total OP			\$16,728	
CA	\$6,495	\$0	\$9,093	#
	\$9,152	\$1,167	\$7,985	
	\$7,729	\$5,076	\$2,653	*
	\$3,401	\$0	\$5,659	#
Cases			4	
Total OP			\$25,390	
CO	\$6,718	\$1,468	\$5,250	
Cases			1	
Total OP			\$5,250	
CT	\$5,157	\$0	\$7,345	#
	\$5,488	\$0	\$6,168	#
Cases			2	
Total OP			\$13,513	
DE	\$846	\$0	\$15,390	#
Cases			1	
Total OP			\$15,390	
FL	\$5,355	\$0	\$14,321	#
Cases			1	
Total OP			\$14,321	
GA	\$4,620	\$0	\$5,940	#
Cases			1	
Total OP			\$5,940	

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 09 Jul 12

Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2012.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
IA	\$9,625	\$5,005	\$4,620	*
Cases			1	
Total OP			\$4,620	
IL	\$5,040	\$2,735	\$2,305	*
	\$2,976	\$0	\$5,355	#
	\$6,313	\$2,642	\$3,671	*
Cases			3	
Total OP			\$11,331	
IN	\$2,730	\$0	\$7,350	#
	\$1,950	\$0	\$8,081	#
	\$7,020	\$0	\$8,058	#
	\$8,970	\$1,170	\$7,800	
	\$5,225	\$236	\$4,989	*
Cases			5	
Total OP			\$36,278	
KS	\$6,847	\$168	\$6,679	
	\$9,158	\$0	\$9,585	#
Cases			2	
Total OP			\$16,264	
KY	\$5,263	\$2,780	\$2,483	*
	\$6,951	\$0	\$8,388	#
Cases			2	
Total OP			\$10,871	
LA	\$6,422	\$0	\$6,422	
	\$3,458	\$0	\$5,187	#
	\$6,422	\$0	\$6,422	
	\$4,446	\$0	\$6,422	#
Cases			4	
Total OP			\$24,453	
MA	\$1,836	\$0	\$6,687	#
	\$8,790	\$1,885	\$6,905	
	\$11,208	\$7,140	\$4,068	*
	\$580	\$0	\$10,414	#

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 09 Jul 12

Unemployment Insurance, High Dollar Report  
Reporting Quarter (FY QTR) - 2012.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
MA	\$3,047	\$0	\$6,879	#
	\$15,000	\$4,859	\$10,141	
	\$3,960	\$0	\$5,549	#
Cases			7	
Total OP			\$50,643	
MD	\$1,218	\$0	\$12,107	#
	\$8,600	\$0	\$10,938	#
	\$10,725	\$0	\$11,154	#
Cases			3	
Total OP			\$34,199	
ME	\$5,055	\$0	\$5,817	#
	\$5,175	\$0	\$5,256	#
Cases			2	
Total OP			\$11,073	
MI	\$4,997	\$0	\$6,557	#
	\$1,448	\$0	\$16,432	#
	\$7,059	\$3,978	\$3,081	*
Cases			3	
Total OP			\$26,070	
MN	\$4,776	\$0	\$7,164	#
Cases			1	
Total OP			\$7,164	
MS	\$359	\$0	\$7,069	#
Cases			1	
Total OP			\$7,069	
MT	\$7,034	\$4,059	\$2,975	*
Cases			1	
Total OP			\$2,975	
NC	\$5,220	\$0	\$8,352	#
	\$7,830	\$0	\$9,200	#
Cases			2	

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 09 Jul 12

Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2012.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Total OP			\$17,552	
NE	\$2,721	\$0	\$5,355	#
	\$6,462	\$3,243	\$3,219	*
Cases			2	
Total OP			\$8,574	
NH	\$8,426	\$0	\$8,809	#
Cases			1	
Total OP			\$8,809	
NJ	\$5,243	\$0	\$5,980	#
	\$4,480	\$0	\$7,073	#
	\$5,810	\$0	\$6,640	#
	\$7,176	\$3,312	\$3,864	*
	\$5,499	\$3,650	\$1,849	*
	\$6,280	\$0	\$12,944	#
Cases			6	
Total OP			\$38,350	
NM	\$4,660	\$0	\$6,792	#
Cases			1	
Total OP			\$6,792	
NV	\$7,128	\$0	\$7,400	#
Cases			1	
Total OP			\$7,400	
NY	\$3,835	\$0	\$5,310	#
	\$8,505	\$1,305	\$7,200	
	\$6,460	\$1,189	\$5,271	
	\$7,695	\$4,354	\$3,341	*
Cases			4	
Total OP			\$21,122	
OH	\$4,644	\$0	\$7,288	#
	\$3,870	\$0	\$6,090	#
Cases			2	
Total OP			\$13,378	

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 09 Jul 12

Unemployment Insurance, High Dollar Report  
Reporting Quarter (FY QTR) - 2012.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
PA	\$6,693	\$0	\$6,864	#
Cases			1	
Total OP			\$6,864	
SC	\$5,759	\$1,630	\$4,129	*
	\$6,762	\$3,542	\$3,220	*
Cases			2	
Total OP			\$7,349	
SD	\$7,752	\$0	\$8,398	#
	\$3,468	\$0	\$6,069	#
Cases			2	
Total OP			\$14,467	
TN	\$3,308	\$0	\$6,407	#
Cases			1	
Total OP			\$6,407	
TX	\$2,982	\$0	\$5,964	#
Cases			1	
Total OP			\$5,964	
UT	\$8,588	\$5,424	\$3,164	*
Cases			1	
Total OP			\$3,164	
VA	\$5,670	\$0	\$5,670	
	\$1,071	\$0	\$6,291	#
	\$3,300	\$0	\$7,911	#
Cases			3	
Total OP			\$19,872	
WA	\$7,579	\$583	\$6,996	
	\$5,130	\$810	\$4,320	*
	\$7,046	\$3,207	\$3,839	*
Cases			3	
Total OP			\$15,155	

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 09 Jul 12



Unemployment Insurance, High Dollar Report  
Reporting Quarter (FY QTR) - 2012.2

State	Amount Paid	Amount Proper	Amount Overpaid	Note
WI	\$5,659	\$0	\$6,318	#
Cases			1	
Total OP			\$6,318	
WV	\$6,720	\$1,680	\$5,040	
Cases			1	
Total OP			\$5,040	
WY	\$3,432	\$0	\$6,435	#
Cases			1	
Total OP			\$6,435	
US Cases			85	
US \$OP			\$564,384	

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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