



JAN 24 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 2011 fourth quarter (July to September 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

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## 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 fourth quarter (July to September 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 July to September 2011 reporting period, BAM completed audits for 6,011 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 will now 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.

In response to the level of improper payments, the Department has aggressively addressed the issue by developing a multifaceted Integrity Strategic Plan ([http://oui.doleta.gov/unemploy/pdf/StrategicPlan\\_Improp\\_Pay.pdf](http://oui.doleta.gov/unemploy/pdf/StrategicPlan_Improp_Pay.pdf)). Some of the initiatives in the Strategic Plan 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.

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 July to September 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](http://www.oui.doleta.gov/unemploy/improp_pay.asp)).

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Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2011.4

State	Amount Paid	Amount Proper	Amount Overpaid	Note
AK	\$8,140	\$1,132	\$7,008	
Cases			1	
Total OP			\$7,008	
AR	\$7,458	\$0	\$7,458	
Cases			1	
Total OP			\$7,458	
AZ	\$5,520	\$480	\$5,040	
Cases			1	
Total OP			\$5,040	
CA	\$5,932	\$597	\$5,335	
	\$4,784	\$0	\$5,888	#
	\$11,700	\$7,724	\$3,976	*
	\$9,269	\$0	\$10,050	#
Cases			4	
Total OP			\$25,249	
CO	\$10,235	\$890	\$9,345	
	\$9,345	\$890	\$8,455	
	\$11,164	\$5,252	\$5,912	
	\$3,000	\$0	\$6,000	#
Cases			4	
Total OP			\$29,712	
DE	\$2,310	\$0	\$6,593	#
	\$5,940	\$0	\$5,940	
	\$8,580	\$1,650	\$6,930	
	\$7,094	\$3,834	\$3,260	*
	\$4,660	\$0	\$5,156	#
	\$6,600	\$0	\$6,930	#
Cases			6	
Total OP			\$34,809	
FL	\$5,904	\$0	\$6,179	#
Cases			1	
Total OP			\$6,179	

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 Jan 12

Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2011.4

State	Amount Paid	Amount Proper	Amount Overpaid	Note
HI	\$5,193	\$0	\$5,844	#
Cases			1	
Total OP			\$5,844	
IA	\$6,016	\$0	\$9,292	#
	\$5,075	\$0	\$5,325	#
	\$2,344	\$0	\$5,729	#
Cases			3	
Total OP			\$20,346	
ID	\$5,106	\$3,101	\$2,005	*
	\$4,945	\$0	\$5,590	#
Cases			2	
Total OP			\$7,595	
IL	\$8,232	\$0	\$8,575	#
	\$6,688	\$3,520	\$3,168	*
Cases			2	
Total OP			\$11,743	
IN	\$2,730	\$0	\$44,087	#
	\$10,140	\$1,560	\$8,580	
Cases			2	
Total OP			\$52,667	
KS	\$6,576	\$1,880	\$4,696	*
	\$3,696	\$0	\$6,468	#
Cases			2	
Total OP			\$11,164	
KY	\$3,661	\$0	\$5,280	#
	\$7,885	\$0	\$10,790	#
Cases			2	
Total OP			\$16,070	
MA	\$4,693	\$0	\$5,440	#
Cases			1	

Notes:

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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 Jan 12

Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2011.4

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Total OP			\$5,440	
MD	\$6,736	\$2,446	\$4,290	*
	\$6,138	\$0	\$6,424	#
	\$11,180	\$4,568	\$6,612	
	\$4,560	\$0	\$6,840	#
Cases			4	
Total OP			\$24,166	
ME	\$6,103	\$2,571	\$3,532	*
	\$5,456	\$0	\$6,908	#
Cases			2	
Total OP			\$10,440	
MI	\$7,500	\$418	\$7,082	
Cases			1	
Total OP			\$7,082	
MO	\$2,240	\$0	\$6,232	#
	\$5,480	\$3,146	\$2,334	*
Cases			2	
Total OP			\$8,566	
MS	\$5,875	\$1,250	\$4,625	*
	\$5,903	\$1,049	\$4,854	*
	\$5,102	\$2,552	\$2,550	*
	\$3,525	\$0	\$5,405	#
Cases			4	
Total OP			\$17,434	
NC	\$6,149	\$397	\$5,752	
	\$10,626	\$355	\$10,271	
Cases			2	
Total OP			\$16,023	
NE	\$5,814	\$3,060	\$2,754	*
	\$6,239	\$1,456	\$4,783	*
	\$4,872	\$0	\$6,377	#
Cases			3	

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Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 04 Jan 12

Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2011.4

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Total OP			\$13,914	
NH	\$3,342	\$0	\$6,890	#
Cases			1	
Total OP			\$6,890	
NJ	\$7,153	\$2,225	\$4,928	*
	\$6,578	\$4,186	\$2,392	*
	\$15,600	\$8,561	\$7,039	
	\$7,072	\$0	\$7,923	#
	\$4,183	\$0	\$9,568	#
	\$4,186	\$0	\$7,176	#
	\$5,382	\$2,392	\$2,990	*
Cases			7	
Total OP			\$42,016	
NM	\$8,450	\$0	\$10,088	#
	\$7,334	\$0	\$8,106	#
	\$3,860	\$0	\$9,236	#
	\$5,565	\$0	\$6,065	#
	\$232	\$0	\$9,455	#
	\$6,176	\$0	\$7,334	#
	\$5,404	\$2,574	\$2,830	*
	\$6,630	\$0	\$7,386	#
	\$3,333	\$0	\$8,793	#
	\$9,500	\$675	\$8,825	
	\$2,640	\$0	\$5,376	#
Cases			11	
Total OP			\$83,494	
NV	\$5,572	\$402	\$5,170	
	\$9,950	\$0	\$10,348	#
	\$5,334	\$2,667	\$2,667	*
	\$5,526	\$0	\$7,687	#
Cases			4	
Total OP			\$25,872	
NY	\$5,255	\$170	\$5,085	
	\$8,096	\$3,896	\$4,200	*
	\$5,625	\$0	\$8,250	#
	\$7,695	\$0	\$11,340	#

Notes:

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Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 04 Jan 12

Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2011.4

State	Amount Paid	Amount Proper	Amount Overpaid	Note
Cases			4	
Total OP			\$28,875	
OH	\$6,966	\$4,504	\$2,462	*
	\$5,250	\$0	\$5,625	#
	\$7,203	\$343	\$6,860	
	\$6,192	\$0	\$7,304	#
	\$5,605	\$0	\$6,490	#
Cases			5	
Total OP			\$28,741	
OK	\$8,758	\$5,216	\$3,542	*
Cases			1	
Total OP			\$3,542	
PA	\$14,664	\$234	\$14,430	
	\$7,869	\$635	\$7,234	
	\$5,434	\$2,170	\$3,264	*
	\$6,204	\$2,898	\$3,306	*
	\$8,712	\$216	\$8,496	
	\$11,399	\$4,400	\$6,999	
Cases			6	
Total OP			\$43,729	
RI	\$5,564	\$3,599	\$1,965	*
	\$5,758	\$0	\$6,178	#
Cases			2	
Total OP			\$8,143	
SC	\$362	\$0	\$6,948	#
	\$796	\$0	\$6,208	#
Cases			2	
Total OP			\$13,156	
SD	\$5,225	\$0	\$7,315	#
	\$7,536	\$0	\$10,362	#
	\$2,580	\$0	\$5,325	#
Cases			3	
Total OP			\$23,002	

Notes:

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Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 04 Jan 12



Unemployment Insurance High Dollar Report  
Reporting Quarter (FY QTR) - 2011.4

State	Amount Paid	Amount Proper	Amount Overpaid	Note
TN	\$6,875	\$1,100	\$5,775	
Cases			1	
Total OP			\$5,775	
UT	\$4,068	\$0	\$8,136	#
	\$6,130	\$0	\$7,232	#
Cases			2	
Total OP			\$15,368	
VA	\$384	\$0	\$6,423	#
	\$7,182	\$0	\$11,444	#
Cases			2	
Total OP			\$17,867	
WA	\$7,360	\$4,725	\$2,635	*
Cases			1	
Total OP			\$2,635	
WY	\$6,450	\$0	\$7,740	#
Cases			1	
Total OP			\$7,740	
US Cases			104	
US \$OP			\$700,794	

Notes:

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Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 04 Jan 12