U.S. Department of Homeland Security
Washington, DC 20528

APR 3 0 2015

MEMORANDUM FOR: John Roth
Inspector General

Council of Inspectors General on Integrity and Efficiency

FROM: Chip Fulghum
Chief Financial Officer

SUBJECT: Quarterly High-Dollar Overpayments Report
January to March 2015

Attached is the Department's Quarterly High-Dollar Overpayments Report for the period January to March 2015, as required by Section 3(f) of Executive Order 13520, *Reducing Improper Payments.* During the period covered by this report, Components reported four high-dollar overpayments totaling $2.7 million, of which $96 thousand, or 4 percent, has been recovered. An item totaling $2.5 million, or 94 percent of the total, was pending refund as of March 31, 2015, but this amount was fully recovered the following month. This report also contains information on high-dollar overpayments reported in previous reports that remained uncollected as of the beginning of this reporting period.

This report supports the Department's commitment to fulfilling the Executive Order's goals of eliminating payment errors in Federal programs and increasing transparency. As responsible stewards of taxpayer dollars and reinforced by the tight budget environment, reducing improper payments remains a top priority for the Department. We continue to monitor programs and strengthen controls to reduce the instances of improper payments, take steps to mitigate systemic weaknesses, and address specific root causes.

This report will be made publicly available within 15 days.

Attachment

Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending March 31, 2015

Current Quarter Q1 FY15 Activity

Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	Recovery Actions Taken or Planned	Category (Bill)	Cause of Overpayment Category	Why the Overpayment Occurred And Actions to Prevent Reoccurrence	Payment Date	High $ Overpayment Date Identified	Date Overpayment Recouped	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Waived Amount or Documentation Received	Outstanding Balance
CBP	Entity	Bellingham	WA	Office of Administration	No recovery action taken since the vendor sent in the overpayment.	Incorrect Vendor	Contract Management Weaknesses	October and November auto pay lease payments were obligated using an incorrect vendor code. These obligations create a system generated payment at the end of each month. **Corrective Action Plan:** Program Office that set up the obligation was notified upon return of erroneous payment, vendor error was corrected, and notation made in financial system.	December 2, 2014	January 2, 2015	1/2/2015	$95,767.62	$0.00	$95,767.62	$95,767.62	$0.00	$0.00
USSS	Individual	Paris	France	Payroll	The United States Secret Service's (USSS) Payroll Office requested that the National Finance Center (NFC) set up the bill for repayment. The bill was received from NFC on 3/10/15. The USSS employee will receive this bill with re-payment options.	Late Notification - Change in Orders	Lack of Program Office Oversight	An USSS employee continued to receive post allowance for a year after leaving his foreign office permanent quarters. A breakdown in communication and oversight occurred between the employee, foreign office, and payroll operations office. **Corrective Action Plan:** A new procedure has been implemented within the Payroll Operations Division to prevent this from happening again. Reports are now generated based on the transaction code (TC) versus the organizational code. The TC is checked against the names on the foreign office rosters, NFC's database, and the amounts paid to each individual.	October 18, 2014	January 30, 2015		$27,229.44	$0.00	$27,229.44	$0.00	$0.00	$27,229.44
USCG	Individual	Aurora	CO	Coast Guard Pay & Personnel - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	Insufficient Documentation	Entitlement Error	Overpayment due to late notification from the Veterans Administration for Compensation Offset. **Corrective Action Plan:** Notification was sent to the Veterans Administration on the consequences of late notification.	January 1, 2015	March 9, 2015		$37,254.30	$0.00	$37,254.30	$0.00	$0.00	$37,254.30
USCG	Entity	Fargo	ND	FINCEN	Refund request letter was sent to the vendor.	Invoice Processing Error	Data Entry Error	The invoice "total current period activity" of ($3,174,276.94) was paid vice the "total account activity" amount of ($640.427.98). **Corrective Action Plan:** The vendor has been notified of overpayment and the refund is pending. The desk guide has been updated to clarify the correct payment amount and ACO training will be provided to prevent reoccurrence.	February 23, 2015	March 24, 2015		$3,174,276.94	$640,427.98	$2,533,848.96	$0.00	$0.00	$2,533,848.96 *
*The USCG $2,533,848.96 overpayment was recovered on April 15, 2015.																	
											Total	**$3,334,528.30**	**$640,427.98**	**$2,694,100.32**	**$95,767.62**	**$0.00**	**$2,598,332.70**

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending March 31, 2015

Debts Under Collection by DHS

Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date	High $ Overpayment Date Identified	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding
FEMA	Individual	Brick	NJ	Individuals and Households Payments	Applicant provided insufficent documentation to prove income. **Corrective Action Plan:** Update training manual and staff to make sure proper documentation is provided from applicants at the time of request.	January 23, 2013	September 30, 2014	$31,900.00	$0.00	$31,900.00	$0.00	$31,900.00	182
FEMA	Entity	Mansfield, Richland County	OH	Emergency Food & Shelter Program	OGC has determined that FEMA cannot implement collection actions on EFSP improper Payments. The servicing agent (United Way) will collect funds from Charitable Organization. The Servicing Agent will provide collection details by the 15th of each month. The Servicing Agent has reached out to the applicable Charitable Organizations and informed them that either they supply additional documentation to support their drawdowns or return the funds. If Charitable Organizations do not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program Phase 28 has been cleared with a returned check in the amount of $11,137.50. EFSP re-reviewed Phase 27 and AR. A missing check (#11327, M. Semmering) was found; the improper amount was reduced by $525.00. The status for Phase AR remains the same.	November 23, 2009	November 15, 2011	$26,837.50	$11,137.50	$15,700.00	$525.00	$15,175.00	1232
FEMA	Entity	Jacksonville, Duval County	FL	Emergency Food & Shelter Program	OGC has determined that FEMA cannot implement collection actions on EFSP improper Payments. The servicing agent (United Way) will collect funds from Charitable Organization. The Servicing Agent will provide collection details by the 15th of each month. The Servicing Agent has reached out to the applicable Charitable Organizations and informed them that either they supply additional documentation to support their drawdowns or return the funds. If Charitable Organizations do not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program Program Office reached out to grantee to receive more supporting documentation. Grantee had 30 days to send support. A collection notice will be sent by January 31, 2012. EFSP re-reviewed documentation on 12/9/2014. Improper amount was reduced to $11,955.17. Allowed $100 on past due amount for check #1143 (N. Colton)	May 18, 2009	November 15, 2011	$27,830.00	$15,782.74	$12,047.26	$92.09	$11,955.17	1232
FEMA	Entity	Sylcauga, Talladega County	AL	Emergency Food & Shelter Program	OGC has determined that FEMA cannot implement collection actions on EFSP improper Payments. The servicing agent (United Way) will collect funds from Charitable Organization. The Servicing Agent will provide collection details by the 15th of each month. The Servicing Agent has reached out to the applicable Charitable Organizations and informed them that either they supply additional documentation to support their drawdowns or return the funds. If Charitable Organizations do not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program	October 28, 2009	November 15, 2011	$52,549.00	$0.00	$52,549.00	$0.00	$52,549.00	1232
FLETC	Individual	Glynco	GA	Human Capital Division	A debt has been created with National Finance Center	March 26, 2014	April 4, 2014	$36,545.84	$0.00	$36,545.84	$0.00	$36,545.84	361
USCG	Individual	Washington	DC	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	May 15, 2014	September 23, 2014	$7,834.17	$0.00	$7,834.17	$0.00	$7,834.17	189
USCG	Individual	Alameda	CA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate September 2014 payment of $252.19 was listed in error. No payments have been made on this outstanding balance.	March 15, 2014	July 23, 2014	$5,554.90	$0.00	$5,554.90	$0.00	$5,554.90	251

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USCG	Individual	St. Johns	FL	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	March 1, 2014	May 15, 2014	$18,420.83	$0.00	$18,420.83	$925.78	$17,495.05	320
USCG	Individual	Orange	CA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	March 1, 2014	May 1, 2014	$7,784.04	$0.00	$7,784.04	$844.87	$6,939.17	334
USCG	Individual	Santa Rita	Guam	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	March 15, 2014	April 1, 2014	$7,801.55	$0.00	$7,801.55	$4,813.93	$2,987.62	364
USCG	Individual	Baltimore	MD	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	October 1, 2013	December 4, 2013	$12,307.00	$0.00	$12,307.00	$2,760.73	$9,546.27	482
USCG	Individual	Cheasapeake	VA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	August 15, 2009	December 3, 2013	$5,685.13	$0.00	$5,685.13	$2,308.80	$3,376.33	483
USCG	Individual	Portland	OR	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	October 15, 2013	December 1, 2013	$5,511.75	$0.00	$5,511.75	$4,291.76	$1,219.99	485

Department of Homeland Security
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Debts Under Collection by DHS

Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date	High $ Overpayment Date Identified	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding
USCG	Individual	Honolulu	HI	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	August 15, 2013	October 1, 2013	$5,318.99	$0.00	$5,318.99	$649.38	$4,669.61	546
USCG	Individual	Punte Gorta	FL	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	August 15, 2013	September 18, 2013	$13,169.60	$0.00	$13,169.60	$12,526.87	$642.73	559
USCG	Individual	San Juan	PR	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	May 31, 2013	June 26, 2013	$16,607.00	$0.00	$16,607.00	$16,369.76	$237.24	643
USCG	Individual	San Francisco	CA	Coast Guard Pay & Personnel Center Military Activie & Reserve Pay	Payroll deduction at maximum rate.	April 15, 2013	April 30, 2013	$5,923.50	$0.00	$5,923.50	$2,023.08	$3,900.42	700
USCG	Individual	Nashville	TN	Coast Guard Pay & Personnel Center Military Activie & Reserve Pay	Payroll deduction at maximum rate.	March 14, 2013	April 25, 2013	$9,195.67	$0.00	$9,195.67	$5,726.96	$3,468.71	705
USCG	Individual	New York	NY	Coast Guard Pay & Personnel Center Military Activie & Reserve Pay	Payroll deduction at maximum rate.	September 30, 2011	April 8, 2013	$10,893.70	$0.00	$10,893.70	$1,349.76	$9,543.94	722
USCG	Individual	Washington	DC	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	December 30, 2011	February 23, 2012	$9,280.24	$0.00	$9,280.24	$8,194.38	$1,085.86	1132
USCG	Individual	New Orleans	LA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate.	October 1, 2011	November 25, 2011	$7,135.16	$0.00	$7,135.16	$1,905.06	$5,230.10	1222
USCG	Individual	Seattle	WA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate.	November 1, 2008	June 15, 2011	$8,903.21	$1,051.71	$7,851.50	$6,329.02	$1,522.48	1385
							Total	**$332,988.78**	**$27,971.95**	**$305,016.83**	**$71,637.23**	**$233,379.60**	

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending March 31, 2015

Debts Cleared or Collected by DHS

Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	Recovery Action Taken To Recoup Overpayment	Payment Date	High $ Overpayment Date Identified	Date Overpayment Recouped	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Waived Amount or Documentation Received	Outstanding Balance	Days taken to Recoup Overpayment
CBP	Entity	Teaneck	NJ	Office of Administration	27830	July 1, 2014	July 2, 2014	March 5, 2015	$45,744.06	$0.00	$45,744.06	$45,744.06	$0.00	$0.00	180
USCG	Individual	New London	CT	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	December 1, 2013	February 19, 2014	March 2, 2015	$6,100.00	$0.00	$6,100.00	$6,100.00	$0.00	$0.00	180
USCG	Individual	Seward	AR	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	June 30, 2013	July 26, 2013	March 2, 2015	$7,059.49	$1,868.85	$5,190.64	$5,190.64	$0.00	$0.00	180
USCG	Individual	Cape Cod	MA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	June 15, 2014	August 1, 2014	March 9, 2015	$5,281.35	$0.00	$5,281.35	$0.00	$5,281.35	$0.00	180
USCG	Individual	Los Angeles	CA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	July 31, 2012	August 31, 2012	January 1, 2015	$7,715.68	$0.00	$7,715.68	$7,715.68	$0.00	$0.00	180
USCG	Individual	Pensacola	FL	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	March 7, 2013	April 5, 2013	January 1, 2015	$5,032.26	$0.00	$5,032.26	$5,032.26	$0.00	$0.00	180
USCG	Individual	New Orleans	LA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	August 31, 2013	September 1, 2013	February 25, 2015	$7,137.97	$0.00	$7,137.97	$7,137.97	$0.00	$0.00	180
USCG	Individual	San Juan	PR	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	June 15, 2014	August 1, 2014	February 9, 2015	$6,225.00	$0.00	$6,225.00	$6,225.00	$0.00	$0.00	180
								Total	**$90,295.81**	**$1,868.85**	**$88,426.96**	**$83,145.61**	**$5,281.35**	**$0.00**	

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending March 31, 2015

Debts Sent to Treasury Offset Program for Collection

Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date	High $ Overpayment Date Identified	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding
FEMA	Entity	U.S Virgin Islands	U.S. Virgin Islands	Port Security Grant Program	Recoupment package sent to Entity. Debt later sent to the Treasury Offset Program for collection.	November 11, 2008	September 30, 2010	$19,239.54	$0.00	$19,239.54	$0.00	$19,239.54	1643
USCG	Individual	Rochester	NY	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	41927	November 15, 2013	January 2, 2014	$6,779.56	$0.00	$6,779.56	$6,500.66	$278.90	453
USCG	Individual	Portsmouth	VA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate	June 15, 2013	December 10, 2013	$51,074.15	$824.99	$50,249.16	$0.00	$50,249.16	476
USCG	Individual	Santa Rose	CA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate	July 31, 2012	September 26, 2012	$29,842.78	$0.00	$29,842.78	$17,932.58	$11,910.20	916
							Total	**$106,936.03**	**$824.99**	**$106,111.04**	**$24,433.24**	**$81,677.80**	