

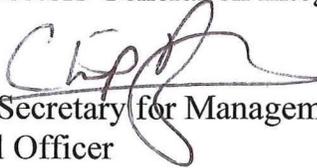


**Homeland
Security**

OCT 30 2015

MEMORANDUM FOR: John Roth
Inspector General

Council of Inspectors General on Integrity and Efficiency

FROM: Chip Fulghum 
Deputy Under Secretary for Management and
Chief Financial Officer

SUBJECT: Quarterly High-Dollar Overpayments Report
July to September 2015

Attached is the Department's Quarterly High-Dollar Overpayments Report for the period July to September 2015, as required by Section 3(f) of Executive Order 13520, *Reducing Improper Payments*. During this period, Components reported four high-dollar overpayments totaling \$617 thousand, three overpayments were recovered for \$128 thousand and one overpayment is still outstanding for \$489 thousand as of September 30, 2015. 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 error 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 September 30, 2015**

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
ICE	Entity	Greenfield	MA	Financial Operations Burlington/ Financial Operations Dallas/ Enforcement and Removal Operations	Financial Operations was notified by ICE Enforcement and Removal office as well as the Commonwealth of Massachusetts that funds were received by Franklin County rather than Suffolk County. Both counties operate under the same tax identification number (TIN). The obligation was established with the vendor identification number of Franklin County. The vendor did not include electronic banking information on the invoice, however a Data Universal Numbering System number (DUNS) was included on the invoice which is tied to the Suffolk County vendor identification number. A Letter of Indemnification was sent to the bank requesting funds be returned electronically. Franklin County has requested a check be sent to Financial Operations by the State of Massachusetts Treasury Department.	Incorrect Vendor	Lack of Program Office Oversight	The obligation was established with the incorrect vendor identification number for Franklin County. When the payment was created in the financial system, this number was entered as a default. The Payment Accounting Technician validated the tax identification number (TIN) but did not confirm the Data Universal Numbering System number (DUNS). The Contracting Officers Representative (COR) and the Payment Accounting Technician (PT) will be contacted to discuss their respective roles. The COR is responsible for ensuring the obligation is established properly prior to authorizing payments against the obligation. The PT is responsible for closely validating the vendor identification number selected to ensure it is in agreement with the contract.	July 30, 2015	September 24, 2015		\$488,610.00	\$0.00	\$488,610.00	\$0.00	\$0.00	\$488,610.00*
USCG	Individual	Alexandria	Virginia	Coast Guard Pay & Personnel - Military Active and Reserve Pay Office	Amount recovered from Treasury	Late notification - death	Late notification - death	Late death notification - Instructions on how to report a retiree death are printed in the monthly retiree newsletter.	September 1, 2015	September 4, 2015	September 21, 2015	\$34,455.68	\$0.00	\$34,455.68	\$34,455.68	\$0.00	\$0.00
USCG	Individual	San Francisco	California	Coast Guard Pay & Personnel - Military Active & Reserve Pay Office	Amount recovered from Treasury	Late notification - death	Late notification - death	Late death notification. Instructions on how to report a retiree death are printed in the monthly retiree newsletter.	July 1, 2015	July 6, 2015	August 3, 2015	\$32,718.00	\$0.00	\$32,718.00	\$32,718.00	\$0.00	\$0.00
USCG	Individual	Portsmouth	Virginia	Coast Guard Pay & Personnel - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	Insufficient Documentation	Entitlement Error	Over payment due to Family Separation Payments, Basic Allowance for Housing W/Dep and Cost of Living Allowance. Fraud investigation was initiated. Member was court martialed for fraud and debt was paid as part of the plea bargain. High dollar amount was identified on June 17, 2015 due to the plea bargain agreement.	September 1, 2014	June 17, 2015	July 6, 2015	\$61,170.53	\$0.00	\$61,170.53	\$61,170.53	\$0.00	\$0.00
Total												\$616,954.21	\$0.00	\$616,954.21	\$128,344.21	\$0.00	\$488,610.00

* The ICE High Dollar Overpayment of \$488,610 was recovered on October 14, 2015.

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending September 30, 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	Amount waived or determined to be uncollectable	Outstanding Balance	Days Outstanding
USSS	Individual	Paris	France	Payroll		October 18, 2014	January 30, 2015	\$27,229.44	\$0.00	\$27,229.44	\$3,250.00		\$23,979.44	243
USCG	Individual	Aurora	CO	Coast Guard Pay & Personnel - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	January 1, 2015	March 9, 2015	\$37,254.30	\$0.00	\$37,254.30	\$1,639.98		\$35,614.32	205
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	\$0.00	0
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	\$0.00	0
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	\$0.00	0
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	\$36,725.84	\$700.00		\$36,025.84	544

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending September 30, 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	Amount waived or determined to be uncollectable	Outstanding Balance	Days Outstanding			
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	\$1,476.04		\$16,944.79	503			
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	\$1,147.18		\$6,636.86	517			
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	\$6,915.70		\$885.85	547			
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	\$4,001.65		\$8,305.35	665			
USCG	Individual	Chesapeake	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	\$3,310.20		\$2,374.93	666			
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	\$1,153.27		\$4,165.72	729			
USCG	Individual	San Francisco	CA	Coast Guard Pay & Personnel Center Military Active & Reserve Pay	Payroll deduction at maximum rate.	April 15, 2013	April 30, 2013	\$5,923.50	\$0.00	\$5,923.50	\$2,629.28		\$3,294.22	883			
USCG	Individual	Nashville	TN	Coast Guard Pay & Personnel Center Military Active & Reserve Pay	Payroll deduction at maximum rate.	March 14, 2013	April 25, 2013	\$9,195.67	\$0.00	\$9,195.67	\$7,316.78		\$1,878.89	888			
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	\$2,198.90		\$4,936.26	1405			
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	1568			
								Total		\$296,721.16	\$27,971.95		\$268,929.21	\$42,685.09		\$146,564.95	

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending September 30, 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	1826
USCG	Individual	New York	New York	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Member seperated from active duty. 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	905
USCG	Individual	Alameda	California	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Member seperated from active duty. Payroll deduction at maximum rate	March 15, 2014	July 23, 2014	\$5,554.90	\$0.00	\$5,554.90	\$0.00	\$5,554.90	434
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		\$50,249.16	659
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	\$18,553.88	\$11,288.90	1099
Total								\$116,605.07	\$824.99	\$115,780.08	\$19,903.64	\$95,876.44	

**Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending September 30, 2015**

Debts Cleared or Collected by Component					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
Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible										
USCG	Individual	Portland	OR	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	October 15, 2013	December 1, 2013	August 3, 2015	\$5,511.75	\$0.00	\$5,511.75	\$5,511.75	\$0.00	\$0.00
Total									\$5,511.75	\$0.00	\$5,511.75	\$5,511.75	\$0.00	\$0.00