

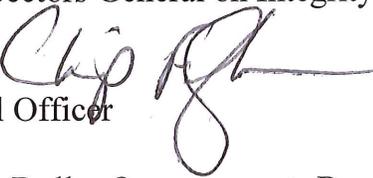


Homeland Security

FEB - 3 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
October to December 2014

Attached is the Department's Quarterly High-Dollar Overpayments Report for the period October to December 2014, as required by Section 3(f) of Executive Order 13520, *Reducing Improper Payments*. The reporting criteria has changed compared to previous reports, following revisions the Office of Management and Budget made to their Circular A-123, Appendix C, *Requirements for Effective Estimation and Remediation of Improper Payments*. For improper payments to individuals the reporting threshold was changed from \$5,000 to \$25,000, and for entities from \$25,000 to \$100,000. If an overpayment is made and fully resolved (recouped, waived, or corrected) within a quarter, it is not reported.

During this period covered by this report, Components reported 7 high-dollar overpayments totaling \$5.9 million, of which \$593 thousand or 10 percent has been recovered, and items totaling \$5.3 million, or 89 percent, have been cleared via receipt of proper supporting documentation as of December 31, 2014. 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 December 31, 2014**

Current Quarter Q1 FY 2015 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
FEMA	Entity	LaPlace	LA	Port Security Grants Program	On 11-1-2014, Program office has been given 30 days to contact grantee to either provide supporting documentation or refund moneys to FEMA. After the 30 day period a potential debt letter will be sent to the grantee from the FEMA CFO. If no resolution at that time FEMA will contact debt collection Agency for further pursuit	Insufficient Documentation	Documentation submission problem	Grantee neglected to provide supporting documentation for IPERIA FY 14 testing. Corrective Action Plan: Program office will reach out to all grantees on an annual basis to remind of documentation retention responsibilities as well as proper protocol to respond to audits and internal control reviews.	September 4, 2013	September 30, 2014	December 7, 2014	\$361,050.31	\$0.00	\$361,050.31	\$361,050.31	\$0.00	\$0.00
FEMA	Entity	Indianapolis	IN	Homeland Security Grants Program	On 11-1-2014, Program office has been given 30 days to contact grantee to either provide supporting documentation or refund moneys to FEMA. After the 30 day period a potential debt letter will be sent to the grantee from the FEMA CFO. If no resolution at that time FEMA will contact debt collection Agency for further pursuit.	Insufficient Documentation	Documentation submission problem	Grantee neglected to provide supporting documentation for IPERIA FY 14 testing. Corrective Action Plan: Program office will reach out to all grantees on an annual basis to remind of documentation retention responsibilities as well as proper protocol to respond to audits and internal control reviews.	August 14, 2013	September 30, 2014	December 2, 2014	\$100,000.00	\$0.00	\$100,000.00	\$0.00	\$100,000.00	\$0.00
FEMA	Entity	San Francisco	CA	Port Security Grants Program	On 11-1-2014, Program office has been given 30 days to contact grantee to either provide supporting documentation or refund moneys to FEMA. After the 30 day period a potential debt letter will be sent to the grantee from the FEMA CFO. If no resolution at that time FEMA will contact debt collection Agency for further pursuit.	Insufficient Documentation	Documentation submission problem	Grantee neglected to provide supporting documentation for IPERIA FY 14 testing. Corrective Action Plan: Program office will reach out to all grantees on an annual basis to remind of documentation retention responsibilities as well as proper protocol to respond to audits and internal control reviews.	July 15, 2013	September 30, 2014	November 16, 2014	\$12,947,451.00	\$7,867,849.77	\$5,079,601.23	\$0.00	\$5,079,601.23	\$0.00
FEMA	Individual	Brick	NJ	Individuals and Households Program	Program office conducting internal debt collection activities as of 11-1-2014	Insufficient Documentation	Documentation submission problem	Applicant provided insufficient 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	Not Yet Recouped	\$31,900.00	\$0.00	\$31,900.00	\$0.00	\$0.00	\$31,900.00
FEMA	Entity	Philadelphia	PA	Port Security Grants Program	On 11-1-2014, Program office has been given 30 days to contact grantee to either provide supporting documentation or refund moneys to FEMA. After the 30 day period a potential debt letter will be sent to the grantee from the FEMA CFO. If no resolution at that time FEMA will contact debtcollection Agency for further pursuit	Insufficient Documentation	Documentation submission problem	Grantee neglected to provide supporting documentation for IPERIA FY 14 testing. Corrective Action Plan: Program office will reach out to all grantees on an annual basis to remind of documentation retention responsibilities as well as proper protocol to respond to audits and internal control reviews.	December 18, 2012	September 30, 2014	November 25, 2014	\$111,896.54	\$0.00	\$111,896.54	\$0.00	\$111,896.54	\$0.00
TSA	Entity	Orlando	FL	Vendor/TSA	Refund package submitted to vendor on 10/30/14.	Duplicate Payment	Lack of Program Office Oversight	This monthly lease was paid through the Recurring Charge master (RCM). During May 2014, the vendor also sent an electronic invoice to FINCEN (with a different invoice number). Corrective Action Plan: The Real Estate Division has confirmed and verified that they have transitioned the Real Estate Leasing Division's rents from RCM to the vendor submitting invoices directly to FINCEN.	May 22, 2014	October 9, 2014	November 19, 2014	\$231,836.80	\$115,918.40	\$115,918.40	\$115,918.40	\$0.00	\$0.00
TSA	Entity	Orlando	FL	Vendor/TSA	Refund package submitted to vendor on 10/30/14.	Duplicate Payment	Lack of Program Office Oversight	This monthly lease was paid through the Recurring Charge master (RCM). During March 2014, the vendor also sent an electronic invoice to FINCEN (with a different invoice number). Corrective Action Plan: The Real Estate Division has confirmed and verified that they have transitioned the Real Estate Leasing Division's rents from RCM to the vendor submitting invoices directly to FINCEN.	March 24, 2014	October 9, 2014	November 19, 2014	\$231,836.80	\$115,918.40	\$115,918.40	\$115,918.40	\$0.00	\$0.00

Total	\$14,015,971.45	\$8,099,686.57	\$5,916,284.88	\$592,887.11	\$5,291,497.77	\$31,900.00
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**Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending December 31, 2014**

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
CBP	Entity	Teaneck	NJ	Office of Administration	A collection letter was sent on September 29, 2014 requesting payment of the outstanding amount be made by October 28, 2014. The follow-up 60 day collection letter was sent on October 31, 2014 requesting payment of the outstanding debt by December 30, 2014. The paperwork to start the process for Treasury Offset for collection of this debt was submitted on January 7, 2015.	July 1, 2014	July 2, 2014	\$45,744.06	\$0.00	\$45,744.06	\$44,006.14	\$1,737.92	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	1142
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	1142
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	1142
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	271
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	99
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	\$5,281.35	\$0.00	\$5,281.35	\$820.71	\$4,460.64	152

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USCG	Individual	San Juan	Puerto Rico	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	June 15, 2014	August 1, 2014	\$6,225.00	\$0.00	\$6,225.00	\$5,765.58	\$459.42	152
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	161
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	\$650.65	\$17,770.18	230
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	244
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	\$3,121.44	\$4,680.11	274
USCG	Individual	New London	CT	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	December 1, 2013	February 19, 2014	\$6,100.00	\$0.00	\$6,100.00	\$4,768.86	\$1,331.14	315
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	\$2,140.40	\$10,166.60	392
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	\$1,808.10	\$3,877.03	393
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	\$2,864.79	\$2,646.96	395
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	\$589.66	\$4,729.33	456
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	\$10,643.50	\$2,526.10	469
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	\$7,137.97	\$0.00	\$7,137.97	\$2,319.98	\$4,817.99	486
USCG	Individual	Seward	AK	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	June 30, 2013	July 26, 2013	\$7,059.49	\$1,868.85	\$5,190.64	\$4,224.60	\$966.04	523

**Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending December 31, 2014**

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	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	\$13,619.28	\$2,987.72	553
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	\$2,023.08	\$3,900.42	610
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	\$4,932.36	\$4,263.31	615
USCG	Individual	New York	NY	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	September 30, 2011	April 8, 2013	\$10,893.70	\$0.00	\$10,893.70	\$1,101.89	\$9,791.81	632
USCG	Individual	Pensacola	FL	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	March 7, 2013	April 5, 2013	\$5,032.26	\$0.00	\$5,032.26	\$4,902.54	\$129.72	635
USCG	Individual	Los Angeles	CA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	July 31, 2012	August 31, 2012	\$7,715.68	\$0.00	\$7,715.68	\$7,628.89	\$86.79	852
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	\$5,716.05	\$3,564.19	1042
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	\$1,834.55	\$5,300.61	1132
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	1295
Total								\$391,384.59	\$29,840.80	\$361,543.79	\$133,274.03	\$228,269.76	

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending December 31, 2014

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	1553
USCG	Individual	Rochester	NY	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at the maximum rate until the service member separated from the USCG. Debt later sent to the Treasury Offset Program for collection.	November 15, 2013	January 2, 2014	\$6,779.56	\$0.00	\$6,779.56	\$1,143.98	\$5,635.58	363
USCG	Individual	Portsmouth	VA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at the maximum rate until the service member separated from the USCG. Debt later sent to the Treasury Offset Program for collection.	June 15, 2013	December 10, 2013	\$51,074.15	\$0.00	\$51,074.15	\$824.99	\$50,249.16	386
USCG	Individual	Santa Rose	CA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at the maximum rate until the service member separated from the USCG. Debt later sent to the Treasury Offset Program for collection.	July 31, 2012	September 26, 2012	\$29,842.78	\$0.00	\$29,842.78	\$17,584.68	\$12,258.10	826
Total								\$106,936.03	\$0.00	\$106,936.03	\$19,553.65	\$87,382.38	

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending December 31, 2014

Debts Cleared or Collected by Component															
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	
FEMA	Entity	Steeville, Randolph County	IL	Emergency Food & Shelter Program	Received additional documentation. All improper payments are resolved	December 1, 2009	November 15, 2011	December 10, 2014	\$25,364.00	\$0.00	\$25,364.00	\$0.00	\$25,364.00	\$0.00	
FEMA	Entity	Englewood, Bergen County	NJ	Emergency Food & Shelter Program	Received additional documentation. All improper payments are resolved	October 7, 2009	November 15, 2011	December 10, 2014	\$178,890.00	\$118,489.40	\$60,400.60	\$0.00	\$60,400.60	\$0.00	
USCG	Individual	Pembroke Pines	FL	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate Complete	September 1, 2014	September 5, 2014	October 15, 2014	\$7,139.54	\$0.00	\$7,139.54	\$7,139.54	\$0.00	\$0.00	
USCG	Individual	Washington	DC	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate Complete	August 1, 2014	August 20, 2014	November 1, 2014	\$36,393.42	\$0.00	\$36,393.42	\$36,393.42	\$0.00	\$0.00	
USCG	Individual	Mountain View	CA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate Complete	July 1, 2014	July 15, 2014	November 1, 2014	\$6,068.25	\$0.00	\$6,068.25	\$6,068.25	\$0.00	\$0.00	
USCG	Individual	Boston	MA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate Complete	December 1, 2013	February 1, 2014	November 1, 2014	\$5,624.58	\$0.00	\$5,624.58	\$5,624.58	\$0.00	\$0.00	
USCG	Individual	Astoria	OR	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate Complete	November 1, 2012	November 1, 2012	December 4, 2014	\$12,085.12	\$0.00	\$12,085.12	\$12,085.12	\$0.00	\$0.00	
									Total	\$271,564.91	\$118,489.40	\$153,075.51	\$67,310.91	\$85,764.60	\$0.00