



Homeland Security

NOV 29 2016

MEMORANDUM FOR: John Roth
Inspector General

Mark Jones
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 2016

Attached is the Department's Quarterly High-Dollar Overpayments Report for the period July to September 2016, as required by Section 3(f) of Executive Order 13520, *Reducing Improper Payments*. During this period, Components reported five high-dollar overpayments totaling \$1.31 million, three overpayments were recovered totaling \$1.08 million, and two overpayments are still outstanding totaling \$232 thousand as of September 30, 2016. This report also contains information on high-dollar overpayments reported in previous reports that remained uncollected as of this reporting period.

The Department is committed 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, 2016**

Current Quarter 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	Days taken to Recoup Overpayment
USCG	Individual	Walnut Creek	CA	Coast Guard Pay & Personnel Center - Retired Pay	Funds recouped through reversal of EFT.	Late Notification - Death	Late Notification - Death	Late death notification. Instructions on how to report a retiree death are printed in the monthly retiree newsletter.	August 1, 2016	August 10, 2016	August 16, 2016	\$70,795.97	\$0.00	\$70,795.97	\$70,795.97	\$0.00	\$0.00	\$0.00	\$0.00	6	
TSA	Entity	Dania Beach	FL	Vendor/TSA	Fincen contacted the vendor to advise of the duplicate payment and forthcoming request for a refund. The refund request letter was mailed to the vendor on 8/25/16 and a copy was forwarded, on that same date, to Accounts Receivable, along with a request to establish a receivable for the refund.	Duplicate Payment	Data Entry Error	The invoice was submitted twice by the vendor. The first invoice was data entered by the Accounting Technician using only the numerical portion of the invoice number. The second invoice submission was paid using the entire invoice number (numeric & alpha). The Core Accounting System (CAS) has system controls to prevent payment of duplicate invoice numbers; however, due to the original invoice being entered as a partial invoice number, CAS did not flag the second invoice as a potential duplicate invoice. Refresher training has been given to Accounting Technicians/ACOs to reinforce the control of performing due diligence regarding proper invoice review and data entry.	August 22, 2016	August 24, 2016	September 7, 2016	\$881,994.39	\$0.00	\$881,994.39	\$881,994.39	\$0.00	\$0.00	\$0.00	\$0.00	14	
USCG	Individual	Easton	MD	Coast Guard Pay & Personnel Center - Retired Pay	Debt letter issued to next of kin.	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, 2016	September 8, 2016		\$31,703.20	\$0.00	\$31,703.20	\$0.00	\$0.00	\$0.00	\$0.00	\$31,703.20		
NPPD	Entity	Chicago	IL	Financial Operations Burlington / National Cyber Security Center	Financial Operation Burlington received a check from Northrop Grumman Systems Corporation for \$129,013.82. While researching where this check belonged it was determined invoice 3191 had been entered and processed for payment 2 times	Duplicate Payment	Lack of Program Office Oversight	On 8/9/16 Financial Operations Burlington received invoice 3191 which was entered, approved and transferred to 4-Pending for NPPD National Cyber Security Center review. On 8/24/16 NPPD National Cyber Security Center approved the record and on 8/29/16 they supplied a receiving ticket for payment. On 8/30/16 Financial Operations processed this invoice for payment. On 8/22/16 Financial Operations Burlington received a 2nd copy of 3191 which was also entered, approved and transferred to 4-Pending for NPPD National Cyber Security Center review. On 8/25/16 NPPD National Cyber Security Center approved this invoice and on 8/30/16 NPPD National Cyber Security Center supplied a receiving ticket for payment. On 9/2/16 Financial Operations Burlington processed this invoice for payment.	September 2, 2016	September 14, 2016	September 14, 2016	\$129,013.82	\$0.00	\$129,013.82	\$129,013.82	\$0.00	\$0.00	\$0.00	\$0.00	1	
NPPD	Entity	Boston	MA	Financial Operations Burlington / National Cyber Security Center	On September 15, 2016 Financial Operations Burlington was contacted by CSC Government Solutions LLC regarding payments they received. Financial Operation Burlington has worked with the vendor and they have agreed to send the duplicate payment back. Received email from vendor on 9/29/16 to verify mailing address and stated the check for the returned funds is being processed.	Duplicate Payment	Lack of Program Office Oversight	CSG Government Solutions submitted invoice INV-0001174209 on 7/25/16 which was reviewed and approved by Financial Operations Burlington and sent to 4-Pending for NPPD National Cyber Security Center review. On 8/5/16 NPPD National Cyber Security Center rejected this invoice back to the vendor because there was a lack of funding. On 8/20/16 the vendor submitted invoice INV-0001174209R which was entered, reviewed and approved by Financial Operations Burlington and sent to 4-Pending for NPPD National Cyber Security Center review. On 9/6/2016 NPPD National Cyber Security Center approved invoice INV-0001174209R as well as INV-0001174209 (which was in 2-Reject status). Both records were then given separate receiving ticket numbers on 9/9/16 and transferred back to Financial Operations Burlington for payment. Both records were then processed and paid by Financial	September 12, 2016	September 15, 2016		\$200,262.34	\$0.00	\$200,262.34	\$0.00	\$0.00	\$0.00	\$0.00	\$200,262.34		
Total															\$1,313,769.72	\$0.00	\$1,313,769.72	\$1,081,804.18	\$0.00	\$231,965.54	

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending September 30, 2016**

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	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	\$5,313.00	\$0.00	\$372.13	1032
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	\$3,098.30	\$0.00	\$4,036.86	1771
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	\$3,885.36	\$0.00	\$2,038.14	1249
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	\$2,066.53	\$0.00	\$3,252.46	1095
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	\$6,479.08	\$0.00	\$5,827.92	1031
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	\$2,813.78	\$0.00	\$15,607.05	869
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	\$1,777.70	\$0.00	\$6,006.34	883
FLETG	Individual	Glynco	GA	Human Capital Division	A debt has been created with National Finance Center	March 26, 2014	April 4, 2014	\$36,725.84	\$0.00	\$36,725.84	\$2,967.00	\$0.00	\$33,758.84	910
USSS	Individual	Paris	France	Payroll	The USSS employee agreed to a salary offset to repay the \$27,229.44 overpayment that was identified in January 2015. \$250 is automatically deducted from his bi-weekly salary beginning with pay period 6. Salary deductions were made from the employee's salary during payperiod 16 (paydate September 1, 2016), payperiod 17 (paydate September 15, 2016), & payperiod 18 (paydate September 30, 2016).	October 18, 2014	January 30, 2015	\$27,229.44	\$0.00	\$27,229.44	\$9,750.00	\$0.00	\$17,479.44	609
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	\$4,919.96	\$0.00	\$32,334.34	571
USCG	Individual	Seattle	WA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	August 15, 2015	February 1, 2016	\$64,687.36	\$0.00	\$64,687.36	\$1,994.81	\$0.00	\$62,692.55	242
USCG	Individual	Miramar	CA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate.	February 1, 2016	February 5, 2016	\$25,122.97	\$0.00	\$25,122.97	\$0.00	\$0.00	\$25,122.97	238
USCG	Individual	New London	CT	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	March 1, 2016	April 1, 2016	\$27,550.66	\$0.00	\$27,550.66	\$0.00	\$0.00	\$27,550.66	182
Total								\$281,145.22	\$0.00	\$281,145.22	\$45,065.52	\$0.00	\$236,079.70	

**Department of Homeland Security
High-Dollar Overpayments Report
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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
USCG	Individual	Seattle	WA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	November 1, 2008	June 15, 2011	\$8,903.21	\$1,051.71	\$7,851.50	\$6,329.02	\$1,522.48	1934
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	2192
USCG	Individual	New York	New York	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	September 30, 2011	April 8, 2013	\$10,893.70	\$0.00	\$10,893.70	\$5,001.90	\$5,891.80	1271
USCG	Individual	Santa Rose	CA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	July 31, 2012	September 26, 2012	\$29,842.78	\$0.00	\$29,842.78	\$19,191.47	\$10,651.31	1465
USCG	Individual	Portsmouth	VA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	June 15, 2013	December 10, 2013	\$51,074.15	\$824.99	\$50,249.16	\$0.00	\$50,249.16	1025
USCG	Individual	Alameda	California	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	March 15, 2014	July 23, 2014	\$5,554.90	\$0.00	\$5,554.90	\$0.00	\$5,554.90	800
USCG	Individual	Houston	Texas	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	July 15, 2015	December 17, 2015	\$76,905.38	\$0.00	\$76,905.38	\$2,731.04	\$74,174.34	288
USSS	Individual	Upper Marlboro	MD	Payroll	The United States Secret Service (USSS) Payroll Operations Branch sent a "Notice of Intent to Offset Salary" to an USSS employee on May 5, 2016. The USSS employee was notified that due to several corrected time and attendance reports, this action has forced a recalculation of her pay resulting in a bill of \$27,048.49. The employee is no longer an employee with the USSS. A portion of her overpayment was recovered from her lump sum leave payment in pay period 13 (paydate July 21, 2016). The remaining \$10,955.73 was been set up as a Treasury Offset by NFC. The remaining \$10,955.73 was recovered on September 6, 2016.	January 12, 2016	April 16, 2016	\$27,048.49	\$0.00	\$27,048.49	\$27,048.49	\$0.00	0
Total								\$229,462.15	\$1,876.70	\$227,585.45	\$60,301.92	\$167,283.53	

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending September 30, 2016**

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	Days taken to Recoup Overpayment
USCG	Individual	Seattle	Washington	Coast Guard Pay & Personnel Center - Military Active and Reserve	Payroll Deduction at maximum rate	April 1, 2016	April 27, 2016	July 13, 2016	\$30,397.74	\$0.00	\$30,397.74	\$30,397.74	\$0.00	\$0.00	90
Total									\$30,397.74	\$0.00	\$30,397.74	\$30,397.74	\$0.00	\$0.00	