

MAY 26 2017



Homeland
Security

MEMORANDUM FOR: John Roth
Inspector General

Mark Jones
Council of Inspectors General on Integrity and Efficiency

FROM: Stacy Marcott 
Chief Financial Officer (Acting)

SUBJECT: Quarterly High-Dollar Overpayments Report
January to March 2017

Attached is the Department's Quarterly High-Dollar Overpayments Report, as required by Section 3(f) of Executive Order 13520, *Reducing Improper Payments*. During this period, Components reported 19 high-dollar overpayments totaling \$17.4 million, 15 overpayments were resolved totaling \$16.9 million, and four overpayments are still outstanding totaling \$473 thousand as of March 31, 2017. This report also contains information on high-dollar overpayments reported in previous reports that remain uncollected as of this reporting period.

The Department is committed to eliminating payment error in federal programs and increasing transparency. As responsible stewards of taxpayer dollars, reducing improper payments remains a top priority. 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.

Attachments

**Department of Homeland Security
High-Dollar Overpayments Report
for the Current Quarter Ending March 31, 2017**

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 Recurrence	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
ICE	Entity	San Antonio	TX	DRO FHQ DMD	N/A	Insufficient Documentation	Lack of Program Office Oversight	At the time of IPERA testing, invoice 1114ICE-2 lacked the supporting documentation for determining which shift is worked to support shift differential rates	1/17/2015	3/21/2017	03/21/17	\$3,629,695.98	\$3,498,522.14	\$131,173.84	\$0.00	\$131,173.84	\$0.00	
ICE	Entity	San Antonio	TX	DRO FHQ DMD	N/A	Insufficient Documentation	Lack of Program Office Oversight	At the time of IPERA testing, invoice 0115ICE-2 lacked the supporting documentation for determining which shift is worked to support shift differential rates	2/24/2015	3/21/2017	03/21/17	\$3,899,848.39	\$3,787,063.98	\$112,784.41	\$0.00	\$112,784.41	\$0.00	
ICE	Entity	San Antonio	TX	DRO FHQ DMD	N/A	Insufficient Documentation	Lack of Program Office Oversight	At the time of IPERA testing, invoice 0515ICE-23R lacked the supporting documentation for determining which shift is worked to support shift differential rates	9/24/2015	3/21/2017	03/21/17	\$3,875,255.16	\$3,774,362.46	\$100,892.70	\$0.00	\$100,892.70	\$0.00	
FEMA	Entity	Fort Harrison	MT	Homeland Security Grant Program	Notice of potential Debt sent to grantee for resolution of improper transaction.	Insufficient Documentation	Documentation Submission Problem	Transaction was improper due to no submission of supporting documentation. Every year the program office conducts training and sends out guidance about documentation retention. The program relays to grantees audit and control proceedings for documentation submission annually.	March 23, 2015	December 30, 2016		\$114,682.58	\$0.00	\$114,682.58	\$0.00	\$0.00	\$114,682.58	
FEMA	Entity	New York	NY	Transit Security Grant Program	Notice of potential Debt sent to grantee for resolution of improper transaction.	Insufficient Documentation	Documentation Submission Problem	Transaction was improper due to no submission of supporting documentation. Every year the program office conducts training and sends out guidance about documentation retention. The program relays to grantees audit and control proceedings for documentation submission annually.	October 23, 2014	December 30, 2016		\$203,090.42	\$0.00	\$203,090.42	\$0.00	\$0.00	\$203,090.42	
FEMA	Entity	Hingham	MA	Port Security Grant Program	Notice of potential Debt sent to grantee for resolution of improper transaction.	Insufficient Documentation	Documentation Submission Problem	Transaction was improper due to no submission of supporting documentation. Every year the program office conducts training and sends out guidance about documentation retention. The program relays to grantees audit and control proceedings for documentation submission annually.	December 31, 2014	December 30, 2016		\$100,348.38	\$0.00	\$100,348.38	\$0.00	\$0.00	\$100,348.38	
FEMA	Entity	Lincoln	NE	Public Assistance	N/A	Insufficient Documentation	Documentation Submission Problem	The project work sheet was improper, the service dates on the invoices were out of period of performance. The program office conducted training and closeout guidance about documentation retention. Paperwork to extend the period of performance was submitted.	June 25, 2015	December 30, 2016	January 31, 2017	\$2,675,204.55	\$2,159,185.36	\$516,019.19	\$0.00	\$516,019.19	\$0.00	60
FEMA	Entity	San Francisco	CA	Assistance to Firefighter Grants	N/A	Insufficient Documentation	Documentation Submission Problem	Grantee did not send supporting documentation for fire personnel training. Annually, the program office conducts training and sends out guidance about documentation retention as a part of their overall guidance. The program relays to grantees audit and control proceedings for documentation submission annually. Transaction was improper due to no submission of supporting documentation. Paperwork to extend the period of performance was submitted.	December 18, 2014	November 30, 2016	January 31, 2017	\$346,312.00	\$143,250.00	\$203,062.00	\$0.00	\$203,062.00	\$0.00	90
FEMA	Entity	Cedar Rapids	IA	Public Assistance	N/A	Insufficient Documentation	Documentation Submission Problem	Transaction was improper for two reasons. 1) Insufficient documentation provided by the Grantee to validate transaction payment of \$8,088,359.26. 2) Failure to verify financial data. Supporting documentation was reviewed and verified during the close out process.	September 10, 2015	December 20, 2016	February 8, 2017	\$8,088,359.26	\$7,085,385.56	\$1,002,973.70	\$0.00	\$1,002,973.70	\$0.00	60
FEMA	Entity	Pittsburgh	PA	Flood Hazard Mapping and Risk Analysis	N/A	Insufficient Documentation	Documentation Submission Problem	Vendor was properly paid for work performed; improper payment status resulted from documentation issue not an actual high dollar overpayment. FEMA Procurement Office provided additional documentation to resolve the improper transaction.	December 18, 2017	December 31, 2016	January 31, 2017	\$2,363,174.45	\$0.00	\$2,363,174.45	\$0.00	\$2,363,174.45	\$0.00	60
FEMA	Entity	Farmington mills	MI	Vendor Payment	Notice of potential Debt sent to vendor for resolution of improper transaction.	Duplicate Invoice	Vendor Billing Error	Vendor invoice was paid twice. Re-emphasize Vendor payment training on paying and certifying proper invoices.	November 25, 2014	December 31, 2016		\$108,769.17	\$54,384.58	\$54,384.59	\$0.00	\$0.00	\$54,384.59	
FEMA	Entity	Arlington	VA	Vendor Payment	N/A	Insufficient Documentation	Documentation Submission Problem	Vendor was properly paid for work performed; improper payment status resulted from documentation issue not an actual high dollar overpayment. FEMA Procurement Office provided additional documentation to resolve the improper transaction.	April 17, 2015	December 31, 2016	January 31, 2017	\$1,426,674.09	\$0.00	\$1,426,674.09	\$0.00	\$1,426,674.09	\$0.00	60
FEMA	Entity	Alexandria	VA	Vendor Payment	N/A	Insufficient Documentation	Documentation Submission Problem	Vendor was properly paid for work performed; improper payment status resulted from documentation issue not an actual high dollar overpayment. FEMA Procurement Office provided additional documentation to resolve the improper transaction.	August 12, 2015	December 31, 2016	January 31, 2017	\$183,520.75	\$0.00	\$183,520.75	\$0.00	\$183,520.75	\$0.00	60
FEMA	Entity	McClean	VA	Vendor Payment	N/A	Insufficient Documentation	Documentation Submission Problem	Vendor was properly paid for work performed; improper payment status resulted from documentation issue not an actual high dollar overpayment. FEMA Procurement Office provided additional documentation to resolve the improper transaction.	November 26, 2014	December 31, 2016	January 31, 2017	\$410,968.20	\$0.00	\$410,968.20	\$0.00	\$410,968.20	\$0.00	60
FEMA	Entity	Bethesda	MD	Vendor Payment	N/A	Insufficient Documentation	Documentation Submission Problem	Vendor was properly paid for work performed; improper payment status resulted from documentation issue not an actual high dollar overpayment. FEMA Procurement Office provided additional documentation to resolve the improper transaction.	2/27/2015	12/31/2016	January 31, 2017	\$820,286.86	\$0.00	\$820,286.86	\$0.00	\$820,286.86	\$0.00	60
FEMA	Entity	Ashburn	VA	Vendor Payment	N/A	Insufficient Documentation	Documentation Submission Problem	Vendor was properly paid for work performed; improper payment status resulted from documentation issue not an actual high dollar overpayment. FEMA Procurement Office provided additional documentation to resolve the improper transaction.	March 3, 2015	December 31, 2016	January 31, 2017	\$1,805,185.02	\$0.00	\$1,805,185.02	\$0.00	\$1,805,185.02	\$0.00	60

**Department of Homeland Security
High-Dollar Overpayments Report
for the Current Quarter Ending March 31, 2017**

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 Recurrence	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	
FEMA	Entity	Atlanta	GA	Vendor Payment	N/A	Insufficient Documentation	Documentation Submission Problem	Vendor was properly paid for work performed; improper payment status resulted from documentation issue not an actual high dollar overpayment. FEMA Procurement Office provided additional documentation to resolve the improper transaction.	May 6, 2015	December 31, 2016	January 31, 2017	\$378,219.00	\$0.00	\$378,219.00	\$0.00	\$378,219.00	\$0.00	60	
FEMA	Entity	Joplin	MO	Public Assistance	N/A	Insufficient Documentation	Documentation Submission Problem	Grantee was paid based on invoices provided. Improper payment resulted from timing of extension request approvals for period of performance. Paperwork to extend the period of performance was submitted.	March 23, 2015	December 31, 2016	January 31, 2017	\$13,509,901.69	\$6,183,375.12	\$7,326,526.57	\$0.00	\$7,326,526.57	\$0.00	60	
FEMA	Entity	Seattle	WA	Port Security Grant Program	N/A	Insufficient Documentation	Documentation Submission Problem	Grantee reported all proper documents and returned excess funds back to FEMA. This transaction should have been deemed proper. Grantee sent excess funds back to FEMA.	February 2, 2015	December 31, 2016	January 31, 2017	\$120,000.00	\$0.00	\$120,000.00	\$0.00	\$120,000.00	\$0.00	60	
Total												\$44,745,376.60	\$26,685,529.20	\$18,059,847.40	\$588,026.46	\$16,901,460.78	\$570,360.16		

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending March 31, 2017**

Debits 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

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending March 31, 2017**

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	2374
Total								\$19,239.54	\$0.00	\$19,239.54	\$0.00	\$19,239.54	

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending March 31, 2017**

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	Days taken to Recoup Overpayment
Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible											