

Secretary

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



**Homeland
Security**

August 8, 2011

MEMORANDUM FOR: Charles K. Edwards
Acting Inspector General

Council of Inspectors General on Integrity and Efficiency

FROM: Janet Napolitano 
Secretary

SUBJECT: Quarterly High-Dollar Overpayments Report
April to June 2011

Attached, as required by Section 3f of Executive Order 13520: Reducing Improper Payments, is the Department's Quarterly High-Dollar Overpayments Report for the period April to June 2011. Additionally, information is included on high-dollar overpayments from prior reports which remain uncollected as of June 30, 2011. This report will be made publicly available within 15 days.

This report supports the Department's commitment to fulfilling the Executive Order's goals of eliminating payment error and waste in federal programs and increasing the transparency and public scrutiny of significant improper payments.

Attachment

**Department of Homeland Security
Quarterly High-Dollar Overpayments Report
for the Quarter Ending June 30, 2011**

Component	Recipient Type (Entity or Individual)	City and State	Program(s) Responsible	Recovery Actions Taken or Planned	Actions to Prevent Reoccurrence	Payment Date	High \$ Overpayment Date Identified	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance
HQ	ENTITY	Chantilly, VA	Office of the Chief Procurement Officer	Contacted vendor, overpayment collected	During a period of transition, two Contracting Officer Technical Representatives approved two invoices for the same services. The Program Office will ensure Contracting Officer Technical Representatives are aware of the proper approval process for invoices, especially during transition periods.	May 4, 2011	May 4, 2011	\$118,793.02	\$0.00	\$118,793.02	\$118,793.02	\$0.00
HQ	ENTITY	McLean, VA	Office of the Chief Procurement Officer	Contacted vendor, overpayment collected	The overpayment was due to an error in computation and analysis on the vendor's behalf. The vendor returned the funds and acknowledged that DHS was wrongfully billed.	July 23, 2009	April 29, 2011	\$73,680.00	\$0.00	\$73,680.00	\$73,680.00	\$0.00
NPPD	ENTITY	Sterling, VA	Office of the Under Secretary	Contacted vendor, overpayment collected	Overpayment occurred over multiple payments on one contract. Invoices were calculated using the wrong contract rate. A memo has been drafted and submitted for review and approval. Once finalized, it will be sent to all Contracting Officer Technical Representatives instructing them to validate vendor rates agreed upon in contracts on all invoices being processed and approved.	February 16, 2007	May 23, 2011	\$48,111.59	\$0.00	\$48,111.59	\$48,111.59	\$0.00
NPPD	ENTITY	Alexandria, VA	Office of the Under Secretary	Contacted vendor who claims overpayment was refunded by check. However, no evidence found showing receipt of this check. Supporting documentation requested from vendor.	A memo will be distributed to all Contracting Officer Technical Representatives highlighting the importance of thoroughly reviewing invoice charges against specific periods of performance to prevent duplicate payments.	December 11, 2007	June 27, 2011	\$33,989.31	\$0.00	\$33,989.31	\$0.00	\$33,989.31
USCG	ENTITY	Pittsburg, PA	CG-84, Office of Financial Policy and Systems	A refund memo and supporting documentation has been sent to the vendor.	Conduct internal training on the proper process to make an off-line payment through the United States Treasury along with proper annotation of the invoice for a clear audit trail.	June 13, 2011	June 16, 2011	\$60,368.27	\$30,178.90	\$30,189.37	\$29,758.00	\$431.37
USCG	ENTITY	Dallas, TX	CG-84, Office of Financial Policy and Systems	A refund memo and supporting documentation has been sent to the vendor.	A letter will be sent to the vendor requesting not to send a separate invoice with a different invoice number, amount and date of service for a corrected payment of a previous invoice.	May 10, 2011	June 21, 2011	\$62,344.23	\$31,152.99	\$31,191.24	\$0.00	\$31,191.24
USCG	INDIVIDUAL	San Juan, PR	CG-84, Office of Financial Policy and Systems	Contacted individual, overpayment collected	A payroll system change will be performed to remove default retention bonus amounts.	June 1, 2011	June 2, 2011	\$15,000.00	\$3,750.00	\$11,250.00	\$11,250.00	\$0.00
USCG	INDIVIDUAL	Newport, RI	CG-84, Office of Financial Policy and Systems	Contacted individual, overpayment collected	A payroll system change will be performed to remove default retention bonus amounts.	June 1, 2011	June 2, 2011	\$15,000.00	\$3,750.00	\$11,250.00	\$11,250.00	\$0.00
USCG	INDIVIDUAL	Cape Canaveral, FL	CG-84, Office of Financial Policy and Systems	A refund memo and supporting documentation has been sent to the individual. Payroll deductions will be taken, if amount is not paid in full.	A payroll system change will be performed to remove default retention bonus amounts.	June 1, 2011	June 2, 2011	\$15,000.00	\$3,750.00	\$11,250.00	\$0.00	\$11,250.00
USCG	INDIVIDUAL	Charleston, SC	CG-84, Office of Financial Policy and Systems	A refund memo and supporting documentation has been sent to the individual. Payroll deductions will be taken, if amount is not paid in full.	A payroll system change will be performed to remove default retention bonus amounts.	June 1, 2011	June 2, 2011	\$15,000.00	\$3,750.00	\$11,250.00	\$0.00	\$11,250.00

**Department of Homeland Security
Quarterly High-Dollar Overpayments Report
for the Quarter Ending June 30, 2011**

Component	Recipient Type (Entity or Individual)	City and State	Program(s) Responsible	Recovery Actions Taken or Planned	Actions to Prevent Reoccurrence	Payment Date	High \$ Overpayment Date Identified	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance
USCG	INDIVIDUAL	Bellevue, WA	CG-84, Office of Financial Policy and Systems	Contacted United States Treasury, overpayment collected	Next of kin reported retiree's death after payroll processing was completed. Payroll Processing Center requests immediate reporting of recipient's death. Payroll Processing Center performs data matches with other Federal agencies to detect deceased retirees. Late notification of death is not uncommon due to the stress of the situation.	June 1, 2011	June 10, 2011	\$6,778.58	\$0.00	\$6,778.58	\$6,778.58	\$0.00
USCG	ENTITY	Boise, ID	Marine Safety	The United States Treasury reported a cancelled returned check that was applied back to the original line of accounting. After the refund was applied the correct vendor was paid.	An incorrect Dun & Bradstreet Number was cited on the payment document. The Payables Team's Desk Guide will be updated to ensure vendor names are checked against Dun & Bradstreet Numbers to ensure accuracy.	February 2, 2011	April 4, 2011	\$56,329.00	\$0.00	\$56,329.00	\$56,329.00	\$0.00

**Department of Homeland Security
Outstanding High-Dollar Overpayments
from Prior Quarterly Reports**

DHS Component	Recipient Type (Entity or Individual)	Recipient's City/County	Recipient's State	Program(s) Responsible	Recovery Actions Taken or Planned	Payment Date	High \$ Overpayment Date Identified	Amount Paid	Correct Amount	Recovered Amount	Outstanding Balance	Days Outstanding as of June 30, 2011
FEMA	ENTITY	District of Columbia	District of Columbia	Homeland Security Grant Program	A large volume of supporting documentation received from grantee. FEMA reviewing for sufficiency.	August 19, 2009	July 28, 2010	\$3,133,009.25	\$1,141,785.10	\$0.00	\$1,991,224.15	337
FEMA	ENTITY	Indianapolis	Indiana	Public Assistance	Additional supporting documentation received from grantee. FEMA reviewing for sufficiency.	August 11, 2009	August 1, 2010	\$208,184.29	\$0.00	\$0.00	\$208,184.29	333
FEMA	ENTITY	Carson City	Nevada	Homeland Security Grant Program	Additional supporting documentation received from grantee. FEMA reviewing for sufficiency.	September 30, 2009	August 5, 2010	\$27,609.10	\$0.00	\$0.00	\$27,609.10	329
FEMA	INDIVIDUAL	Gilchrist	Texas	Individual and Households Payments	Refund package sent to individual. Debt sent to the Treasury Offset Program for collection.	October 13, 2008	September 30, 2010	\$27,372.00	\$0.00	\$0.00	\$27,372.00	273
FEMA	INDIVIDUAL	Seabrook	Texas	Individual and Households Payments	Refund package sent to individual. Debt sent to the Treasury Offset Program for collection.	November 11, 2008	September 30, 2010	\$19,239.54	\$0.00	\$0.00	\$19,239.54	273
FEMA	INDIVIDUAL	Houston	Texas	Individual and Households Payments	Refund package sent to individual. Debt sent to the Treasury Offset Program for collection.	February 2, 2009	September 30, 2010	\$17,702.46	\$9,823.27	\$0.00	\$7,879.19	273
FEMA	INDIVIDUAL	Hackberry	Louisiana	Individual and Households Payments	Refund package sent to individual. Debt sent to the Treasury Offset Program for collection.	January 9, 2009	September 30, 2010	\$7,252.67	\$1,275.24	\$0.00	\$5,977.43	273
USCG	ENTITY	Miami	Florida	Air Station Miami	Contacted vendor who confirmed overpayment. Vendor added to USCG 'Do Not Pay List' with automatic offset of overpayment on next invoice.	September 25, 2010	January 10, 2011	\$76,740.37	\$38,177.37	\$0.00	\$38,563.00	171