



Homeland
Security

FEB 04 2020

MEMORANDUM FOR: Joseph V. Cuffari
Inspector General

Margaret Weichert
Deputy Director for Management
Council of Inspectors General on Integrity and Efficiency

FROM: Stacy Marcott 
Acting Chief Financial Officer

SUBJECT: Quarterly High-Dollar Overpayments Report
October to December 2019

Attached is the Department's Quarterly High-Dollar Overpayments report, as required by Section 3(f) of Executive Order 13520, *Reducing Improper Payments*. During the reporting period, there was one High-Dollar Overpayment identified for the DHS programs identified as highly susceptible to improper payments, and thus applicable to high dollar overpayment reporting. This report contains information on the newly identified high-dollar overpayment as well as those high-dollar overpayments reported in the previous report 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.

Attachment

**Department of Homeland Security
High-Dollar Overpayments Report
for the Current Quarter ending December 31, 2019**

Current Quarter Activity																		
Component	Recipient Type (Entity or Individual)	City	State	Program Office	Treasury Fund Symbol (TFS)	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 ¹	Date Overpayment Recouped	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Waived Amount or Documentation Received	Outstanding Balance
FEMA	Entity	Bowie	MD	Financial Management Division - Vendor Payments	7070700	FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for recovery. HDOP is under review by FEMA OCPO. Can not offset or recoup, until confirmed by OCPO as a HDOP. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements.	Invoice Processing Error	Contract Management Weaknesses	POP stated in contract is for 12 months. Monthly price should have been \$144,227.41. Vendor Billed \$244,348.80. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements.	February 1, 2018	November 1, 2019		\$244,348.80	\$144,227.41	\$100,121.39	\$0.00	\$0.00	\$100,121.39
Total													\$244,348.80	\$144,227.41	\$100,121.39	\$0.00	\$0.00	\$100,121.39

1) As part of the IPIA review, DHS Components review prior fiscal year disbursements for the identified programs. For high dollar overpayments identified through the IPIA review, the reported "date identified" reflects the date upon which FEMA's improper payment testing results under the annual IPIA requirement were verified through the DHS HQ quality review process and extrapolated out as final testing results. Note that updates to testing results were taken by FEMA up until this point in order to allow FEMA programs the most extensive time to gather any outstanding documentation and to ensure the most accurate IPIA testing results.

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending December 31, 2019

Debts Under Collection by DHS													
Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date ¹	High \$ Overpayment Date Identified ²	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding ³
FEMA	Entity	Arlington	VA	Financial Management Division - Vendor Payments	FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for recovery. HDOP is under review by FEMA OCPO. Can not off-set or recoup, until confirmed by OCPO as a HDOP. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements. OCFO will conduct meeting with OCPO to evaluate the contracting/ invoice processing and develop system to address noncompliance issue. FEMA OCFO and OCPO are creating SOP for CO and CORS to follow.	November 9, 2016	October 9, 2018	\$373,386.28	\$0.00	\$373,386.28	\$0.00	\$373,386.28	448
FEMA	Entity	Ashburn	VA	Financial Management Division - Vendor Payments	FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for recovery. HDOP is under review by FEMA OCPO. Can not off-set or recoup, until confirmed by OCPO as a HDOP. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements. OCFO will conduct meeting with OCPO to evaluate the contracting/ invoice processing and develop system to address noncompliance issue. FEMA OCFO and OCPO are creating SOP for CO and CORS to follow.	March 9, 2017	October 9, 2018	\$410,000.00	\$0.00	\$410,000.00	\$0.00	\$410,000.00	448
FEMA	Entity	Rockville	MD	Financial Management Division - Vendor Payments	Potential debt letters were sent to vendor in June 2019. FEMA Office of the Chief Financial Officer and Procurement Office are working to resolve the discrepancies. FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for recovery. HDOP is under review by FEMA OCPO. Can not off-set or recoup, until confirmed by OCPO as a HDOP. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements. OCFO will conduct meeting with OCPO to evaluate the contracting/ invoice processing and develop system to address noncompliance issue. FEMA OCFO and OCPO are creating SOP for CO and CORS to follow.	May 17, 2017	October 9, 2018	\$198,284.17	\$92,440.37	\$105,843.80	\$0.00	\$105,843.80	448
FEMA	Entity	Reston	VA	Financial Management Division - Vendor Payments	Potential debt letters were sent to vendor in June 2019. FEMA Office of the Chief Financial Officer and Procurement Office are working to resolve the discrepancies. FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for recovery. HDOP is under review by FEMA OCPO. Can not off-set or recoup, until confirmed by OCPO as a HDOP. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements. OCFO will conduct meeting with OCPO to evaluate the contracting/ invoice processing and develop system to address noncompliance issue. FEMA OCFO and OCPO are creating SOP for CO and CORS to follow.	April 19, 2017	October 9, 2018	\$232,658.48	\$0.00	\$232,658.48	\$0.00	\$232,658.48	448
FEMA	Entity	Reston	VA	Financial Management Division - Vendor Payments	Potential debt letters were sent to vendor in June 2019. FEMA Office of the Chief Financial Officer and Procurement Office are working to resolve the discrepancies. FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for recovery. HDOP is under review by FEMA OCPO. Can not off-set or recoup, until confirmed by OCPO as a HDOP. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements. OCFO will conduct meeting with OCPO to evaluate the contracting/ invoice processing and develop system to address noncompliance issue. FEMA OCFO and OCPO are creating SOP for CO and CORS to follow.	January 27, 2017 January 30, 2017 February 22, 2017	October 9, 2018	\$3,056,859.67	\$1,194,487.68	\$1,862,371.99	\$0.00	\$1,862,371.99	448
FEMA	Entity	Farmingtonmills	MI	Vendor Payment	Notice of potential Debt sent to vendor for resolution of improper transaction. Transaction was improper due to nonsubmission of supporting documentation. The incentive fee for the time period of June 23, 2014 - June 27, 2014, for the vendor was 6% when it should have only received 3%. The contract, under SSPA-3 it states that they must have an error rate of less than 10% to get the 6% incentive payment and therefore would only qualify for a 3% incentive. The error rate for this period was 11%. Thus the total incentive should have been \$54,384.59 not \$108,769.17. The Bill for Collection was sent on March 8, 2018 to FEMA Finance Center by the Contracting Officer. The AON Contractor has put in Appeal and the Notice of Debt Letter. The Contracting Officer and the COR remain engaged regarding the issue. FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for recovery. HDOP is under review by FEMA OCPO. Can not off-set or recoup, until confirmed by OCPO as a HDOP. FEMA Financial Office will coordinate with Procurement office for updated training on contract billing requirements. OCFO will conduct meeting with OCPO to evaluate the contracting/ invoice processing and develop system to address noncompliance issue. FEMA OCFO and OCPO are creating SOP for CO and CORS to follow.	November 25, 2014	December 31, 2016	\$108,769.17	\$54,384.59	\$54,384.58	\$0.00	\$54,384.58	1095
Total								\$4,379,957.77	\$1,341,312.64	\$3,038,645.13	\$0.00	\$3,038,645.13	

1) For multiple payments consolidated into one identified quarterly high dollar overpayment to the individual or entity, all payment dates are noted. Payment date set as the PARS Transaction Date for Homeland Security Grant Program (HSGP) payments and as the SMARTLINK Payment Drawdown date for Public Assistance.

2) As part of the IPIA review, DHS Components review prior fiscal year disbursements for the identified programs. For high dollar overpayments identified through the IPIA review, the reported "date identified" reflects the date upon which FEMA's improper payment testing results under the annual IPIA requirement were verified through the DHS HQ quality review process and extrapolated out as final testing results. Note that updates to testing results were taken by FEMA up until this point in order to allow FEMA programs the most extensive time to gather any outstanding documentation and to ensure the most accurate IPIA testing results.

3) Days outstanding calculated as the days between when the payment was identified and the current quarter end date.

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending December 31, 2019

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
					N/A - No prior overpayments referred to Treasury Offset							
Total								\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Department of Homeland Security
Current Status of Outstanding High-Dollar Overpayments Previously Reported
for the Quarter Ending December 31, 2019

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	Days Taken to Recoup Overpayment
Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible										
					N/A - No prior outstanding overpayments collected									
Total									\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00