



**Homeland  
Security**

MEMORANDUM FOR: Distribution

FROM: Troy D. Edgar                      TROY D  
Chief Financial Officer              EDGAR

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Date: 2020.12.23  
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SUBJECT:                                      **Quarterly High-Dollar Overpayments Report  
July to September 2020**

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 were nine High-Dollar Overpayments identified for the Department of Homeland Security (DHS) programs identified as highly susceptible to improper payments, and thus applicable to high dollar overpayment reporting. Applicable information has been included in this report with regards to why this high-dollar overpayment occurred and the actions underway for the Department to recoup the funds. In addition, this report contains updated information on those high-dollar overpayments reported previously as uncollected.

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.

If you have any questions, please contact Alyssa Smiley, Acting Director, Risk Management and Assurance, at [alyssa.smiley@hq.dhs.gov](mailto:alyssa.smiley@hq.dhs.gov).

Distribution:

Inspector General, Department of Homeland Security  
Deputy Director for Management, Council of Inspectors General on Integrity and Efficiency  
(CIGIE)

Attachment

1. Q4 High-Dollar Overpayment Report for the Quarter Ending September 30, 2020

**Department of Homeland Security  
High-Dollar Overpayments Report  
for the Current Quarter ending September 30, 2020**

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 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
FEMA	Entity	N/A	GA	Public Assistance	70X0702	FEMA has implemented Validate as You Go (VAYGo) for Public Assistance subawards. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies.  As final reviews are completed, FEMA plans to issue Debt letters in accordance with FEMA Debt Directive Procedures, as appropriate. Recipients have a right to appeal in order to drive the final determination and debt recoupment amount(s).	Assistance	Failure to Verify: Financial Data	Inadequate documentation received/available to validate payment - supporting documentation was not submitted/is not available to substantiate the transaction. FEMA has incorporated the Validate as You Go (VAYGo) review process to review grants payments incrementally.	7/6/2018 7/17/2018	9/30/2020	-	\$253,712.32	\$39,796.10	\$213,916.22	\$0.00	\$0.00	\$213,916.22
FEMA	Entity	N/A	PR	Public Assistance	70X0702	FEMA has implemented Validate as You Go (VAYGo) for Public Assistance subawards. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies.  As final reviews are completed, FEMA plans to issue Debt letters in accordance with FEMA Debt Directive Procedures, as appropriate. Recipients have a right to appeal in order to drive the final determination and debt recoupment amount(s).	Assistance	Inability to Access Data Data Needed Does Not Exist	Inadequate documentation received/available to validate payment - supporting documentation was not submitted/is not available to substantiate the transaction. FEMA has incorporated the Validate as You Go (VAYGo) review process to review grants payments incrementally.	10/30/2017	9/30/2020	-	\$5,549,426.00	\$0.00	\$5,549,426.00	\$0.00	\$0.00	\$5,549,426.00
FEMA	Entity	N/A	PR	Public Assistance	70X0702	FEMA has implemented Validate as You Go (VAYGo) for Public Assistance subawards. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies.  As final reviews are completed, FEMA plans to issue Debt letters in accordance with FEMA Debt Directive Procedures, as appropriate. Recipients have a right to appeal in order to drive the final determination and debt recoupment amount(s).	Assistance	Failure to Verify: Financial Data	Inadequate documentation received/available to validate payment - supporting documentation was not submitted/is not available to substantiate the transaction. FEMA has incorporated the Validate as You Go (VAYGo) review process to review grants payments incrementally.	2/2/2018	9/30/2020	-	\$646,822.48	\$297.46	\$646,525.02	\$0.00	\$0.00	\$646,525.02
FEMA	Entity	N/A	VI	Public Assistance	70X0702	FEMA has implemented Validate as You Go (VAYGo) for Public Assistance subawards. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies.  As final reviews are completed, FEMA plans to issue Debt letters in accordance with FEMA Debt Directive Procedures, as appropriate. Recipients have a right to appeal in order to drive the final determination and debt recoupment amount(s).	Assistance	Failure to Verify: Financial Data	Inadequate documentation received/available to validate payment - supporting documentation was not submitted/is not available to substantiate the transaction. FEMA has incorporated the Validate as You Go (VAYGo) review process to review grants payments incrementally.	2/9/2018 3/26/2018	9/30/2020	-	\$53,176,168.94	\$2,831,064.63	\$50,345,104.31	\$0.00	\$0.00	\$50,345,104.31
FEMA	Entity	N/A	VI	Public Assistance	70X0702	FEMA has implemented Validate as You Go (VAYGo) for Public Assistance subawards. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies.  As final reviews are completed, FEMA plans to issue Debt letters in accordance with FEMA Debt Directive Procedures, as appropriate. Recipients have a right to appeal in order to drive the final determination and debt recoupment amount(s).	Assistance	Inability to Access Data	Inadequate documentation received/available to validate payment - supporting documentation was not submitted/is not available to substantiate the transaction. FEMA has incorporated the Validate as You Go (VAYGo) review process to review grants payments incrementally.	4/5/2018 4/6/2018 5/21/2018	9/30/2020	-	\$255,521.00	\$0.00	\$255,521.00	\$0.00	\$0.00	\$255,521.00

**Department of Homeland Security  
High-Dollar Overpayments Report  
for the Current Quarter ending September 30, 2020**

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 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
FEMA	Entity	N/A	VI	Public Assistance	70X0702	FEMA has implemented Validate as You Go (VAYGo) for Public Assistance subawards. VAYGo is focused on ensuring drawdowns and disbursements are in compliance with all applicable Federal laws, regulations, and policies.  As final reviews are completed, FEMA plans to issue Debt letters in accordance with FEMA Debt Directive Procedures, as appropriate. Recipients have a right to appeal in order to drive the final determination and debt recoupment amount(s).	Assistance	Inability to Access Data	Inadequate documentation received/available to validate payment - supporting documentation was not submitted/is not available to substantiate the transaction. FEMA has incorporated the Validate as You Go (VAYGo) review process to review grants payments incrementally.	8/21/2018	9/30/2020	-	\$141,105.29	\$0.00	\$141,105.29	\$0.00	\$0.00	\$141,105.29
FEMA	Individual	Dallas	TX	Mission Support - Payroll	70X0702	The amount identified to be improper was initially caught by FEMA in 2018 and a bill was issued to the employee for the collection of overpaid funds. FEMA does not have confirmation/documentation of the payment in full from the separated employee.	Employee Payment	Administrative or Process Error Made by Federal Agency	Department of Agriculture National Finance Center (NFC) programming issue resulted in a miscalculation of the payroll payment.	11/9/2017	9/30/2020	-	\$55,462.03	\$405.00	\$55,057.03	\$0.00	\$0.00	\$55,057.03
FEMA	Individual	Bloomington	IN	Mission Support - Travel	70X0702	Based on the nature of the improper payment, FEMA is evaluating whether any actual overpayment was made to the employee and thus recoverable.	Employee Payment	Administrative or Process Error Made by Federal Agency	Due to a travel system issue, receipt documentation was inadvertently deleted by the employee. The travel system was unable to restore the deleted documents.	3/26/2018	9/30/2020	-	\$34,755.54	\$5,991.20	\$28,764.34	\$0.00	\$0.00	\$28,764.34
FEMA	Entity	Germantown	MD	Financial Management Division - Vendor Payments	70X0702	Chief Financial Officer (CFO) Office will meet with the Procurement Office to correct issues with task orders and train employees.	Vendor Invoice	Administrative or Process Error Made by Federal Agency	Invoiced rates could not be confirmed as formally established contract labor rates.	1/22/2019 1/28/2019	9/30/2020	-	\$2,618,231.44	\$1,693,973.16	\$924,258.28	\$0.00	\$0.00	\$924,258.28
<b>Total</b>													<b>\$62,731,205.04</b>	<b>\$4,571,527.55</b>	<b>\$58,159,677.49</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$58,159,677.49</b>

1) For multiple payments consolidated into one identified quarterly high dollar overpayment to the individual or entity, all overpayment categories and payment dates are noted. Payment date set as the SMARTLINK Payment Drawdown date for Public Assistance.

2) As part of the PIA review, DHS Components review prior fiscal year disbursements (for disaster supplemental programs, payments are reviewed two years in arrears) for the identified programs. For high dollar overpayments identified through the PIA review, the reported "date identified" reflects the date upon which FEMA's improper payment testing results under the annual PIA requirement were reported as the end of the FY2020 reporting period to most accurately reflect finalized results.

**Department of Homeland Security  
Current Status of Outstanding High-Dollar Overpayments Previously Reported  
for the Quarter Ending September 30, 2020**

Debts Under Collection by DHS					Recovery Action Taken or Planned	Payment Date <sup>1</sup>	High \$ Overpayment Date Identified <sup>2</sup>	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding <sup>3</sup>
Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible									
CBP	Entity	Greenville	SC	Revenue Division - Refunds and Drawback	The CBP Revenue Division has communicated with the company in receipt of the two erroneous payments. The company has acknowledged receipt of payment and the necessity of returning the funds to CBP. CBP is in ongoing efforts to work with the business for recovery.	June 11, 2020	June 11, 2020	\$122,792.98	\$0.00	\$122,792.98	\$0.00	\$122,792.98	111
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. HDO is under review by FEMA OCPO; cannot off-set or recoup, until confirmed by OCPO as a HDO.	May 17, 2017	October 9, 2018	\$198,284.17	\$92,440.37	\$105,843.80	\$0.00	\$105,843.80	722
FEMA	Entity	Bowie	MD	Financial Management Division - Vendor Payments	FEMA is finalizing determination as to whether improper payment is administrative only and thus not applicable for; cannot off-set or recoup, until confirmed by OCPO as a HDO; cannot offset or recoup, until confirmed by OCPO as a HDO.	February 1, 2018	November 1, 2019	\$244,348.80	\$144,227.41	\$100,121.39	\$0.00	\$100,121.39	334
<b>Total</b>								<b>\$565,425.95</b>	<b>\$236,667.78</b>	<b>\$328,758.17</b>	<b>\$0.00</b>	<b>\$328,758.17</b>	

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 September 30, 2020**

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
FEMA	Entity	Farmington Mills	MI	Financial Management Division - Vendor Payments	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. As no repayment has been received by FEMA, the balance has been deferred to Treasury for collection.	November 25, 2014	December 31, 2016	\$108,769.17	\$54,384.59	\$54,384.58	\$0.00	\$54,384.58
<b>Total</b>								<b>\$108,769.17</b>	<b>\$54,384.59</b>	<b>\$54,384.58</b>	<b>\$0.00</b>	<b>\$54,384.58</b>

**Department of Homeland Security**  
**Current Status of Outstanding High-Dollar Overpayments Previously Reported**  
**for the Quarter Ending September 30, 2020**

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	Days Taken to Recoup Overpayment
					N/A - No prior outstanding overpayments collected									
<b>Total</b>									<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	