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-dollars 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.

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
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 process.

FEMA has incorporated the Validate as You Go (VAYGo) process into the review process to review grants 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) process into the review process to review grants payments incrementally.

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

| Component | Recipient Type | City | State | Program Office | Treasury Fund Symbol (TFS) | Recovery Actions Taken or Planned | Category (BSL) | 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      | Grity          | N/A  | TX    | 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 Federal laws, regulations, and policies. All that reviewed are compliant FEMA, and we have not identified any overpayments. Requests have a right to a timely and fair administrative and/or judicial review of any adverse determination or decision. | Assistance | Inability to Access Data | Inadequate documentation nonexistent/deficient to validate payment. Inadequate documentation for validation was not available for recoupage to substantiate the incorrect payment. FEMA has an action plan in place, and we have communicated to the recipient to review and provide payments. | 8/21/2018 | 9/30/2020 | - | $141,105.29 | $0.00 | $0.00 | $141,105.29 | $141,105.28 |
| 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 | $495.06 | $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 an actual overpayment was made and if the employee is due restitution. | 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 documentation. | 3/26/2018 | 9/30/2020 | - | $34,755.54 | $5,991.20 | $28,764.34 | $0.00 | $0.00 | $28,764.34 |
| FEMA      | Grity          | Germantown | MD | Financial Management Division - Vendor Payments | 70X0702 | Chief Financial Office (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. | 10/2/2019 | 12/18/2019 | - | $2,618,231.44 | $1,693,973.16 | $924,258.28 | $0.00 | $0.00 | $924,258.28 |

Total: $62,731,205.04 $4,571,527.55 $58,159,677.49 $0.00 $0.00 $58,159,677.49

1) For multiple payments consolidated into one identified quarterly high dollar overpayment to the individual or entity, all overpayment category and payment dates are noted. Payment date set as the SMARTLINK Payment Drawdown date for Public Assistance.
2) As part of the PIIA review, DHS Components review prior fiscal year disbursements (for disaster supplemental programs) if actual overpaid funds, identified are not recovered. For the identified programs, for high dollar overpayments identified through the PIIA review, the reported “date identified” reflects the date upon which FEMA improper payment testing results under the annual PIIA requirement were reported as the end of the FY2020 reporting period to most accurately reflect final results.
## Current Status of Outstanding High-Dollar Overpayments Previously Reported

### for the Quarter Ending September 30, 2020

### Debt Under Collection by DHS Component

<table>
<thead>
<tr>
<th>Component</th>
<th>Recipient Type (Entity or Individual)</th>
<th>City</th>
<th>State</th>
<th>Program(s) Responsible</th>
<th>Recovery Action Taken or Planned</th>
<th>Payment Date¹</th>
<th>High $ Overpayment Date Identified²</th>
<th>Amount Paid</th>
<th>Correct Amount</th>
<th>Overpayment Amount</th>
<th>Recovered Amount</th>
<th>Outstanding Balance</th>
<th>Days Outstanding³</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBP</td>
<td>Entity</td>
<td>Greenville</td>
<td>SC</td>
<td>Revenue Division - Refunds and Drawback</td>
<td>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.</td>
<td>June 11, 2020</td>
<td>June 11, 2020</td>
<td>$122,792.98</td>
<td>$0.00</td>
<td>$122,792.98</td>
<td>$0.00</td>
<td>$122,792.98</td>
<td>111</td>
</tr>
<tr>
<td>FEMA</td>
<td>Entity</td>
<td>Rockville</td>
<td>MD</td>
<td>Financial Management Division - Vendor Payments</td>
<td>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 determinations on whether improper payment is administrative only and thus not applicable for recovery. HDO is under review by FEMA-OCFO, cannot offset or recoup, will be confirmed by OCFO as a HDO.</td>
<td>May 17, 2017</td>
<td>October 8, 2018</td>
<td>$198,284.17</td>
<td>$92,440.37</td>
<td>$105,843.80</td>
<td>$0.00</td>
<td>$105,843.80</td>
<td>722</td>
</tr>
<tr>
<td>FEMA</td>
<td>Entity</td>
<td>Bowie</td>
<td>MD</td>
<td>Financial Management Division - Vendor Payments</td>
<td>FEMA is finalizing determination on whether improper payment is administrative only and thus not applicable for, cannot offset or recoup, will be confirmed by OCFO as a HDO; cannot offset or recoup, will be confirmed by OCFO as a HDO.</td>
<td>February 1, 2018</td>
<td>November 1, 2019</td>
<td>$244,348.80</td>
<td>$144,227.41</td>
<td>$100,121.39</td>
<td>$0.00</td>
<td>$100,121.39</td>
<td>334</td>
</tr>
</tbody>
</table>

### Total

- Total: $565,425.95
- $236,667.78
- $328,758.17
- $0.00
- $328,758.17

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1. For multiple payments consolidated into one identified quarterly high dollar overpayment to the individual or entity, all payment dates are used. Payment date set as the PINS 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 reports “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

<table>
<thead>
<tr>
<th>Component</th>
<th>Recipient Type (Entity or Individual)</th>
<th>City</th>
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<th>Program(s) Responsible</th>
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<th>Recovered Amount</th>
<th>Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEMA</td>
<td>Entity</td>
<td>Farmington</td>
<td>MI</td>
<td>Financial Management Division - Vendor Payments</td>
<td>Notice of potential Debt sent to vendor for resolution of improper transaction. Transaction was improper due to non-submission 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, 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.</td>
<td>November 25, 2014</td>
<td>December 31, 2016</td>
<td>$108,769.17</td>
<td>$54,384.59</td>
<td>$54,384.58</td>
<td>$0.00</td>
<td>$54,384.58</td>
</tr>
</tbody>
</table>

**Total** | $108,769.17 | $54,384.59 | $54,384.58 | $0.00 | $54,384.58 |
## 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 | 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 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Total: $0.00 $0.00 $0.00 $0.00 $0.00

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N/A = No prior outstanding overpayments collected