

Secretary


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



Homeland  
Security

February 11, 2013

MEMORANDUM FOR: Charles K. Edwards  
Acting Inspector General  
  
Council of Inspectors General on Integrity and Efficiency

FROM: Secretary Napolitano 

SUBJECT: Quarterly High-Dollar Overpayments Report  
July to September 2012

Attached is the Department's Quarterly High-Dollar Overpayments Report for the period July to September 2012, as required by Section 3f of Executive Order 13520, *Reducing Improper Payments*. In addition, information is included on high-dollar overpayments from prior reports which remain uncollected as of September 30, 2012. 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  
High-Dollar Overpayments Report  
for the Quarter Ending September 30, 2012**

Component	Recipient Type (Entity or Individual)	City and State	Program(s) Responsible	Collection Actions Taken or Planned	Why the Overpayment Occurred And Actions to Prevent Reoccurrence	Payment Date	Date High \$ Overpayment Identified for Reporting to the Department	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance
CBP	Entity	Washington, DC	Office of Human Resources Management and Office of Administration	Vendor returned overpayment.	An invoice was paid twice due to a manual override of the duplicate invoice warning message by the payment technician.  To prevent reoccurrence in the future, the Office of Human Resources Management will review the internal controls currently in place to ensure duplicate invoice information will not be entered. The Office of Administration met with the technician and reinforced the need to ensure system error warnings are properly researched prior to overriding the control.	June 11, 2012	September 17, 2012	\$40,104.13	\$0.00	\$40,104.13	\$40,104.13	\$0.00
FLETC	Individual	Glynco, GA	Human Capital Operations Division	A collection bill was sent to the recipient to recoup the overpayment.	A list of individuals eligible for back payment of overtime was not properly vetted by staff within the Human Capital Operations Division prior to disbursement of funds. As a result, nine individuals were paid that were later deemed ineligible due to their position classification.  New processes have been implemented by management that require review and certification of payments to individuals by Human Capital Division staff prior to the disbursement of funds.	January 25-26, 2012	August 10, 2012	\$122,460.32	\$0.00	\$122,460.32	\$0.00	\$122,460.32
ICE	Entity	Corpus Christi, TX	Office of Financial Management Burlington Finance Center	The vendor returned the funds through Treasury.	An inter-governmental service agreement was prepared using the wrong DUNS number, which resulted in the creation of an obligation and four payments under an incorrect vendor code.  The importance of verifying all of the vendor's information, to include but not limited to, the Tax Identification Number and banking information will be verified prior to submitting payment for processing. Periodic refresher training will be provided to staff to ensure payment technicians properly validate payment information.	September 19-24, 2012	September 26-27, 2012	\$2,057,231.00	\$0.00	\$2,057,231.00	\$2,057,231.00	\$0.00
TSA	Entity	Pittsburgh, PA	Commercial Payables	The overpayment will be offset against a future invoice.	The same invoice was received twice, once by e-mail and once by regular mail. The invoice received first was paid using the invoice number. The second invoice received was paid using the billing number. Since two different numbers were used, research did not reveal that the second invoice was a duplicate.  Training was conducted over invoice verification & payment procedures to ensure that this issue does not reoccur.	August 9, 2012	August 9, 2012	\$345,270.00	\$0.00	\$345,270.00	\$0.00	\$345,270.00
USCG	Individual	Washington, DC	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	Early termination of orders were issued for a service member. No notice was generated for the Servicing Personnel Office to terminate entitlement.  The Pay & Personnel Center will update the Personnel & Pay Procedures Manual to clarify the process for services members regarding the review and validation of monthly leave and earnings statements, as well as the process for reporting discrepancies. Process controls will be implemented to require the retention of a monthly recall roster to ensure those members are removed timely from entitlement status to avoid an overpayment. A memo will be distributed to all Servicing Personnel Offices, emphasizing the importance of timely reporting of early terminations.	June 29, 2012	July 9, 2012	\$20,703.69	\$0.00	\$20,703.69	\$9,116.52	\$11,587.17
USCG	Individual	Los Angeles, CA	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	Early termination of orders were issued for a service member. No notice was generated for the Servicing Personnel Office to terminate entitlement.  The Pay & Personnel Center will update the Personnel & Pay Procedures Manual to clarify the process for services members regarding the review and validation of monthly leave and earnings statements, as well as the process for reporting discrepancies. Process controls will be implemented to require the retention of a monthly recall roster to ensure those members are removed timely from entitlement status to avoid an overpayment. A memo will be distributed to all Servicing Personnel Offices, emphasizing the importance of timely reporting of early terminations.	July 31, 2012	August 31, 2012	\$7,715.68	\$0.00	\$7,715.68	\$0.00	\$7,715.68
USCG	Individual	Malaga, Spain	Pay & Personnel Center	Collection received from the service member's estate.	Two payments were made to the service member prior to receiving a notification of their death. The overpayments were identified through the Defense Manpower Data Center death match.  Individuals will be identified in the Do Not Pay Portal which includes the Death Master File, as part of the Department's Do Not Pay Plan.	August 31, 2012	September 6, 2012	\$7,519.24	\$0.00	\$7,519.24	\$7,519.24	\$0.00
Totals								\$2,601,004.06	\$0.00	\$2,601,004.06	\$2,113,970.89	\$487,033.17

**Department of Homeland Security  
Current Status of Outstanding High-Dollar Overpayments on the Previous Secretary's High-Dollar Overpayments Report  
for the Quarter Ending September 30, 2012**

**Debts Under Collection by DHS**

Component	Recipient Type	City and State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date	Date High \$ Overpayment Identified for Reporting to the Department	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding
FEMA	Entity	Steelville, IL	Emergency Food & Shelter Program	<p>FEMA's Office of the General Counsel has determined that FEMA does not have the legal authority to process debt collections for the Emergency Food and Shelter Program. Instead, FEMA's Servicing Agent will collect the funds from the Charitable Organizations on our behalf. Funds collected are remitted back to FEMA.</p> <p>The Servicing Agent has reached out to the applicable Charitable Organization and informed them that either they supply additional documentation to support their drawdowns or return the funds. If the Charitable Organization does not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program.</p>	December 1, 2009	November 15, 2011	\$25,364.00	\$0.00	\$25,364.00	\$0.00	\$25,364.00	320
FEMA	Entity	Mansfield, OH	Emergency Food & Shelter Program	<p>FEMA's Office of the General Counsel has determined that FEMA does not have the legal authority to process debt collections for the Emergency Food and Shelter Program. Instead, FEMA's Servicing Agent will collect the funds from the Charitable Organizations on our behalf. Funds collected are remitted back to FEMA.</p> <p>The Servicing Agent has reached out to the applicable Charitable Organization and informed them that either they supply additional documentation to support their drawdowns or return the funds. If the Charitable Organization does not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program.</p>	November 23, 2009	November 15, 2011	\$26,837.50	\$11,137.50	\$15,700.00	\$0.00	\$15,700.00	320
FEMA	Entity	Jacksonville, FL	Emergency Food & Shelter Program	<p>FEMA's Office of the General Counsel has determined that FEMA does not have the legal authority to process debt collections for the Emergency Food and Shelter Program. Instead, FEMA's Servicing Agent will collect the funds from the Charitable Organizations on our behalf. Funds collected are remitted back to FEMA.</p> <p>The Servicing Agent has reached out to the applicable Charitable Organization and informed them that either they supply additional documentation to support their drawdowns or return the funds. If the Charitable Organization does not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program.</p>	May 18, 2009	November 15, 2011	\$27,830.00	\$15,782.74	\$12,047.26	\$0.00	\$12,047.26	320

**Department of Homeland Security  
Current Status of Outstanding High-Dollar Overpayments on the Previous Secretary's High-Dollar Overpayments Report  
for the Quarter Ending September 30, 2012**

**Debts Under Collection by DHS**

Component	Recipient Type	City and State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date	Date High \$ Overpayment Identified for Reporting to the Department	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding
FEMA	Entity	Sylacauga, AL	Emergency Food & Shelter Program	FEMA's Office of the General Counsel has determined that FEMA does not have the legal authority to process debt collections for the Emergency Food and Shelter Program. Instead, FEMA's Servicing Agent will collect the funds from the Charitable Organizations on our behalf. Funds collected are remitted back to FEMA.  The Servicing Agent has reached out to the applicable Charitable Organization and informed them that either they supply additional documentation to support their drawdowns or return the funds. If the Charitable Organization does not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program.	October 28, 2009	November 15, 2011	\$52,549.00	\$0.00	\$52,549.00	\$0.00	\$52,549.00	320
FEMA	Entity	Englewood, NJ	Emergency Food & Shelter Program	FEMA's Office of the General Counsel has determined that FEMA does not have the legal authority to process debt collections for the Emergency Food and Shelter Program. Instead, FEMA's Servicing Agent will collect the funds from the Charitable Organizations on our behalf. Funds collected are remitted back to FEMA.  The Servicing Agent has reached out to the applicable Charitable Organization and informed them that either they supply additional documentation to support their drawdowns or return the funds. If the Charitable Organization does not comply with the Servicing Agent's request, they will be denied any future funding from the Emergency Food and Shelter Program.	October 7, 2009	November 15, 2011	\$178,890.00	\$118,489.40	\$60,400.60	\$0.00	\$60,400.60	320
FEMA	Entity	Carson City, NV	Homeland Security Grant Program	A collection bill was sent to the recipient to recoup the overpayment.	September 30, 2009	August 5, 2010	\$27,609.10	\$0.00	\$27,609.10	\$0.00	\$27,609.10	787
FEMA	Entity	Washington, DC	Homeland Security Grants Program	A collection bill was sent to the recipient to recoup the overpayment.	August 19, 2009	July 28, 2010	\$3,133,009.25	\$2,489,893.60	\$643,115.65	\$0.00	\$643,115.65	795
FEMA	Entity	Albany, NY	Homeland Security Grants Program	A collection bill was sent to the recipient to recoup the overpayment.	November 23, 2009	November 15, 2011	\$48,474.76	\$0.00	\$48,474.76	\$0.00	\$48,474.76	320
FEMA	Entity	U.S. Virgin Islands	Port Security Grant Program	A collection bill was sent to the recipient to recoup the overpayment.	September 13, 2010	November 15, 2011	\$53,000.00	\$0.00	\$53,000.00	\$0.00	\$53,000.00	320
FEMA	Entity	Silver Creek, NY	Public Assistance	A collection bill was sent to the recipient to recoup the overpayment.	March 17, 2010	November 15, 2011	\$75,440.99	\$0.00	\$75,440.99	\$0.00	\$75,440.99	320
USCG	Individual	Seattle, WA	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	November 1, 2008	June 15, 2011	\$8,903.21	\$1,051.71	\$7,851.50	\$2,735.05	\$5,116.45	473
USCG	Individual	New York, NY	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	August 31, 2011	October 31, 2011	\$5,994.00	\$0.00	\$5,994.00	\$817.46	\$5,176.54	335
USCG	Individual	Alameda, CA	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	September 30, 2011	October 31, 2011	\$5,603.55	\$0.00	\$5,603.55	\$4,866.71	\$736.84	335
USCG	Individual	New Orleans, LA	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	October 1, 2011	November 25, 2011	\$7,135.16	\$0.00	\$7,135.16	\$446.72	\$6,688.44	310

**Department of Homeland Security  
Current Status of Outstanding High-Dollar Overpayments on the Previous Secretary's High-Dollar Overpayments Report  
for the Quarter Ending September 30, 2012**

**Debts Under Collection by DHS**

Component	Recipient Type	City and State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date	Date High \$ Overpayment Identified for Reporting to the Department	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding
USCG	Individual	Kodiak, AK	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	November 1, 2011	November 18, 2011	\$6,307.41	\$0.00	\$6,307.41	\$2,819.44	\$3,487.97	317
USCG	Individual	Kodiak, AK	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	October 31, 2011	November 8, 2011	\$10,241.50	\$0.00	\$10,241.50	\$6,390.90	\$3,850.60	327
USCG	Individual	Miami, FL	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	December 15, 2011	December 29, 2011	\$5,124.83	\$0.00	\$5,124.83	\$1,693.52	\$3,431.31	276
USCG	Individual	Washington, DC	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	December 30, 2011	February 23, 2012	\$9,280.24	\$0.00	\$9,280.24	\$1,049.90	\$8,230.34	220
USCG	Individual	Washington, DC	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	December 30, 2011	February 27, 2012	\$20,197.18	\$0.00	\$20,197.18	\$4,189.58	\$16,007.60	216
USCG	Individual	Juneau, AK	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	February 1, 2012	March 1, 2012	\$19,996.20	\$0.00	\$19,996.20	\$10,008.38	\$9,987.82	213
USCG	Individual	Guam	Pay & Personnel Center	Payroll deduction implemented to recoup overpayment.	April 1, 2012	May 5, 2012	\$6,736.72	\$0.00	\$6,736.72	\$832.35	\$5,904.37	148
<b>Totals</b>									<b>\$1,118,169.65</b>	<b>\$35,850.01</b>	<b>\$1,082,319.64</b>	

**Department of Homeland Security  
Current Status of Outstanding High-Dollar Overpayments on the Previous Secretary's High-Dollar Overpayments Report  
for the Quarter Ending September 30, 2012**

**Debts Sent to Treasury Offset Program for Collection**

Component	Recipient Type	City and State	Program(s) Responsible	Recovery Action Taken or Planned	Payment Date	Date High \$ Overpayment Identified for Reporting to the Department	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance	Days Outstanding
FEMA	Individual	Seabrook, TX	Individual and Households Payments	Recoupment package sent to individual. 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	639
USCG	Entity	Miami, FL	Office of Financial Policy and Systems	Contacted vendor who confirmed overpayment. Vendor added to USCG 'Do Not Pay List' with automatic offset of overpayment on next invoice. Debt sent to Treasury Offset Program for collection.	September 25, 2010	January 10, 2011	\$76,740.37	\$38,177.37	\$38,563.00	\$0.00	\$38,563.00	537
USCG	Individual	New Orleans, LA	Pay & Personnel Center	Debt sent to the Treasury Offset Program for collection.	December 27, 2011	January 24, 2012	\$6,990.34	\$0.00	\$6,990.34	\$0.00	\$6,990.34	189
Totals							\$102,970.25	\$38,177.37	\$64,792.88	\$0.00	\$64,792.88	

**Department of Homeland Security**  
**Current Status of Outstanding High-Dollar Overpayments on the Previous Secretary's High-Dollar Overpayment Report**  
**for the Quarter Ending September 30, 2012**

**Debts Cleared or Collected by DHS**

Component	Recipient Type	City and State	Program(s) Responsible	Recovery Action Taken To Recoup Overpayment	Payment Date	High \$ Overpayment Date Identified	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Outstanding Balance
FEMA	Entity	San Juan, PR	Emergency Food & Shelter Program	Grantee submitted additional documentation to resolve overpayment.	April 27, 2010	November 15, 2011	\$98,758.00	\$98,758.00	\$0.00	\$0.00	\$0.00
FEMA	Entity	Sedgwick County, KS	Emergency Food & Shelter Program	Grantee submitted additional documentation to resolve overpayment.	May 7, 2010	November 15, 2011	\$59,952.00	\$59,952.00	\$0.00	\$0.00	\$0.00
FEMA	Entity	Tuscaloosa, AL	Emergency Food & Shelter Program	Grantee submitted additional documentation to resolve overpayment.	September 10, 2010	November 15, 2011	\$40,993.00	\$40,993.00	\$0.00	\$0.00	\$0.00
FEMA	Entity	Utah County, UT	Emergency Food & Shelter Program	Grantee submitted additional documentation to resolve overpayment.	April 27, 2010	November 15, 2011	\$82,000.00	\$82,000.00	\$0.00	\$0.00	\$0.00
FEMA	Entity	Yuma, AZ	Emergency Food & Shelter Program	Grantee submitted additional documentation to resolve overpayment.	October 7, 2009	November 15, 2011	\$60,000.00	\$60,000.00	\$0.00	\$0.00	\$0.00
MGMT	Entity	McLean, VA	Chief Administrative Front Office	Offset collection taken against invoice.	April 16, 2012	June 22, 2012	\$40,606.79	\$0.00	\$40,606.79	\$40,606.79	\$0.00

Totals	\$382,309.79	\$341,703.00	\$40,606.79	\$40,606.79	\$0.00
--------	--------------	--------------	-------------	-------------	--------