

NOV 17 2017



Homeland
Security

MEMORANDUM FOR: John Roth
Inspector General

Mark Jones
Council of Inspectors General on Integrity and Efficiency

FROM: Stacy Marcott 
Deputy Chief Financial Officer

SUBJECT: Quarterly High-Dollar Overpayments Report
July to September 2017

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, a total of twenty high-dollar overpayments totaling \$12.3 million were identified through improper payment testing. Nineteen overpayments were resolved totaling \$12.2 million, and one overpayment is still outstanding totaling \$119,000 as of September 30, 2017. This report also contains information on high-dollar overpayments reported in previous reports 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 remain 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 September 30, 2017

Current Quarter Activity																	
Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	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	Amount Resolved	Outstanding Balance
FEMA	Entity	Indianapolis	IN	Homeland Security Grant Program	FEMA has contacted Grantee to provide documentation within 60 days or a Notice for Bill collection will be submitted.	Insufficient Documentation	Documentation Submission Problem	Grantee failed to submit required documentation for IPERA testing within the appropriate timeframe. The FEMA program office will reach out to the grantee and emphasize the documentation retention requirement as noted in 44CFR and the audit requests requirements.	4/27/2016	9/30/2017		\$182,375.63	\$63,245.90	\$119,129.73	\$0.00	\$0.00	\$119,129.73
FEMA	Entity	Alexandria	VA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	12/30/2015	9/30/2017		\$216,615.37	\$0.00	\$216,615.37	\$0.00	\$216,615.37	\$0.00
FEMA	Entity	Alexandria	VA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	7/1/2016	9/30/2017		\$223,540.40	\$0.00	\$223,540.40	\$0.00	\$223,540.40	\$0.00
FEMA	Entity	Alexandria	VA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	9/27/2016	9/30/2017		\$181,562.28	\$0.00	\$181,562.28	\$0.00	\$181,562.28	\$0.00
FEMA	Entity	Alexandria	VA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	4/29/2016	9/30/2017		\$427,994.04	\$0.00	\$427,994.04	\$0.00	\$427,994.04	\$0.00
FEMA	Entity	Baltimore	MD	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	5/16/2016	9/30/2017		\$375,696.69	\$0.00	\$375,696.69	\$0.00	\$375,696.69	\$0.00
FEMA	Entity	Vienna	VA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Vendor Billing Error	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	7/26/2016	9/30/2017		\$257,463.19	\$0.00	\$257,463.19	\$0.00	\$257,463.19	\$0.00
FEMA	Entity	Baltimore	MD	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	9/2/2016	9/30/2017		\$403,107.94	\$0.00	\$403,107.94	\$0.00	\$403,107.94	\$0.00
FEMA	Entity	Vienna	VA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Vendor Billing Error	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	9/2/2016	9/30/2017		\$233,197.03	\$0.00	\$233,197.03	\$0.00	\$233,197.03	\$0.00
FEMA	Entity	Bilerica	MA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Vendor Billing Error	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	5/13/2016	9/30/2017		\$196,133.50	\$85,393.00	\$110,740.50	\$0.00	\$110,740.50	\$0.00
FEMA	Entity	Fairfax	VA	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	5/27/2016	9/30/2017		\$182,799.30	\$0.00	\$182,799.30	\$0.00	\$182,799.30	\$0.00

Department of Homeland Security
High-Dollar Overpayments Report
for the Current Quarter Ending September 30, 2017

Current Quarter Activity																	
Component	Recipient Type (Entity or Individual)	City	State	Program(s) Responsible	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	Amount Resolved	Outstanding Balance
FEMA	Entity	Bethesda	MD	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	3/29/2016	9/30/2017		\$325,813.63	\$0.00	\$325,813.63	\$0.00	\$325,813.63	\$0.00
FEMA	Entity	Baltimore	MD	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	5/25/2016	9/30/2017		\$404,272.68	\$20,272.93	\$383,999.75	\$0.00	\$383,999.75	\$0.00
FEMA	Entity	Baltimore	MD	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	5/16/2016	9/30/2017		\$926,931.73	\$174,129.34	\$752,802.39	\$0.00	\$752,802.39	\$0.00
FEMA	Entity	Baltimore	MD	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	6/9/2016	9/30/2017		\$995,821.78	\$416,876.96	\$578,944.82	\$0.00	\$578,944.82	\$0.00
FEMA	Entity	Beavercreek	OH	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	9/27/2016	9/30/2017		\$927,899.26	\$0.00	\$927,899.26	\$0.00	\$927,899.26	\$0.00
FEMA	Entity	Cincinnati	OH	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	10/30/2015	9/30/2017		\$2,599,895.50	\$0.00	\$2,599,895.50	\$0.00	\$2,599,895.50	\$0.00
FEMA	Entity	Cincinnati	OH	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	10/30/2015	9/30/2017		\$1,374,012.15	\$0.00	\$1,374,012.15	\$0.00	\$1,374,012.15	\$0.00
FEMA	Entity	Washington	DC	Financial Management Division-Vendor Payments	Coordinate with Procurement office for updated guidance and training to be issued to Contract Officers (COs) on contract billing requirements. Debt is not recoverable as Vendor performed requested services, during the approved period of performance and within the total price of the contract. However, the tester is unable to validate the unit prices/hours charged on the invoice with the contract prices listed.	Insufficient Documentation	Lack of Program Office Oversight	During yearly IPERA testing, the test staff was unable to validate unit cost billed with the contract. FEMA RMC will coordinate with Procurement office for updated training on contract billing requirements.	3/1/2016	9/30/2017		\$1,842,224.09	\$0.00	\$1,842,224.09	\$0.00	\$1,842,224.09	\$0.00
ICE	Entity	Chicago	IL	ICE DRO HQ DMD	This payment is not recoverable because it was an ICE administrative error in the contract and has since been corrected.	Insufficient Documentation	Contract Management Weaknesses	The vendor and Office of Acquisition Management came to an agreement to pay outstanding travel and retention incentives for contractors traveling outside a 50 miles radius. The Retention portion was supposed to be included on the modification but only included the "Travel Cost". Since Retention and Incentive was not stated on the contract the payment was considered improper.	5/23/2016	9/5/2017	N/A	\$1,757,657.26	\$966,769.60	\$790,887.66	\$0.00	\$790,887.66	\$0.00
Total												\$14,035,013.45	\$1,726,687.73	\$12,308,325.72	\$0.00	\$12,189,195.99	\$119,129.73

Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending September 30, 2017

Debts Under Collection by DHS														
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	Amount waived or determined to be uncollectable	Outstanding Balance	Days Outstanding
FEMA	Entity	Farmingtonmills	MI	Vendor Payment	Notice of potential Debt sent to vendor for resolution of improper transaction. Originally reported as a duplicate payment in Q3 of \$54K-however further research demonstrated this is an overpayment of an incentive fee. An overpayment of incentive fee requires the Contract Officer to determine if it is a recoupable improper payment. FEMA will submit the documentation to the CO for debt collection determination and provide RM&A an update by November 15, 2017.	November 25, 2014	December 31, 2016	\$108,769.17	\$0.00	\$108,769.17	\$0.00	\$0.00	\$108,769.17	273
Total								\$108,769.17	\$0.00	\$108,769.17	\$0.00	\$0.00	\$108,769.17	

Department of Homeland Security
 High-Dollar Overpayments Report
 for the Quarter Ending September 30, 2017

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	Days Outstanding
							Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending September 30, 2017

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	Recovered Amount	Waived Amount or Documentation Received	Outstanding Balance	Days taken to Recoup Overpayment
FEMA	Entity	Fort Harrison	MT	Homeland Security Grant Program	Notice of potential Debt sent to grantee for resolution of improper transaction. The Program Office submitted the missing invoices that supports the payment amount. No further action required.	March 23, 2015	December 30, 2016	N/A	\$114,682.58	\$0.00	\$0.00	Documentation Received	\$0.00	
FEMA	Entity	New York	NY	Transit Security Grant Program	Notice of potential Debt sent to grantee for resolution of improper transaction. The Program Office submitted the missing invoices that supports the payment amount. No further action required.	October 23, 2014	December 30, 2016	N/A	\$203,090.42	\$0.00	\$0.00	Documentation Received	\$0.00	
FEMA	Entity	Hingham	MA	Port Security Grant Program	Notice of potential Debt sent to grantee for resolution of improper transaction. The Program Office submitted the missing invoices that supports the payment amount. No further action required.	December 31, 2014	December 30, 2016	N/A	\$100,348.38	\$0.00	\$0.00	Documentation Received	\$0.00	
									Total	\$418,121.38	\$0.00	\$0.00		\$0.00