

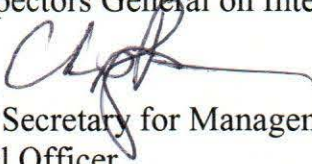


Homeland
Security

AUG 08 2016

MEMORANDUM FOR: John Roth
Inspector General

Mark Jones
Council of Inspectors General on Integrity and Efficiency

FROM: Chip Fulghum 
Deputy Under Secretary for Management and
Chief Financial Officer

SUBJECT: Quarterly High-Dollar Overpayments Report
April to June 2016

Attached is the Department's Quarterly High-Dollar Overpayments Report for the period April to June 2016, as required by Section 3(f) of Executive Order 13520, *Reducing Improper Payments*. During this period, Components reported nine high-dollar overpayments totaling \$1.55 million, six overpayments were recovered totaling \$1.47 million, and three overpayments are still outstanding totaling \$84 thousand as of June 30, 2016. To date, the Department has identified \$2.6 million overpayments of the \$41 billion non-federal outlays resulting in less than a 0.0064% high dollar overpayment rate. This report also contains information on high-dollar overpayments reported in previous reports that remained uncollected as of this reporting period.

This report supports the Department's commitment to fulfilling the Executive Order's goals of eliminating payment error in federal programs and increasing transparency. As responsible stewards of taxpayer dollars and reinforced by the tight budget environment, reducing improper payments remains a top priority for the Department. 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.

This report will be made publicly available within 15 days.

Attachment

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending June 30, 2016**

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 Reoccurrence	Payment Date	High \$ Overpayment Date Identified	Date Overpayment Recouped	Amount Paid	Correct Amount	Overpayment Amount	Recovered Amount	Waived Amount or Documentation Received	Outstanding Balance	Days taken to Recoup Overpayment
USCG	Individual	Washington	DC	Coast Guard Pay & Personnel Center - Retired Pay	Payroll deduction at maximum rate	Late Notification - Death	Late Notification - Death	Late death notification. Instructions on how to report a retiree death are printed in the monthly retiree newsletter.	June 1, 2016	June 3, 2016	June 15, 2016	\$35,437.31	\$0.00	\$35,437.31	\$35,437.31	\$0.00	\$0.00	30
USCG	Individual	Boerne	TX	Coast Guard Pay & Personnel Center - Retired Pay	Payroll deduction at maximum rate	Late Notification - Death	Late Notification - Death	Late death notification. Instructions on how to report a retiree death are printed in the monthly retiree newsletter.	June 1, 2016	June 3, 2016	June 7, 2016	\$50,452.29	\$0.00	\$50,452.29	\$50,452.29	\$0.00	\$0.00	30
DNDO	Entity	Alexandria	VA	FINCEN	The vendor has been notified and a refund package has been prepared to request the full amount of the overpayment. The supervisory accounting technician personally contacted the vendor on two different occasions regarding the recoupment of the overpayments. Potomacwave's POC, Jennifer Harris, stated that the owners of the company are out of the country and will not return until early next week (06JUN2016); they are the only ones authorized to sign the refund checks. USCG FINCEN A/P has requested the checks be expedited and sent via overnight mail once the refund is issued. USCG FINCEN A/P advised the vendor it also forwarded the refund package to the POC via email as she has not received the refund package in the mail, as yet.	Duplicate Payment	Manual Override	DNDO has experienced challenges in processing payments through the IBC Oracle due to new business processes and the new project-based accounting classification structure. DNDO, working with DHS, determined that making manual payments through the Treasury's Secure Payment System (SPS) was necessary to help with payment backlog; however, sufficient internal controls were not implemented at the time to prevent duplicate payments. The ACO will query each invoice number in Oracle for payment status prior to certifying each payment. The vendor has been contacted and has notified the FINCEN the refunds are forthcoming and will be expedited back to FINCEN via overnight mail.	May 11, 2016	May 19, 2016	June 28, 2016	\$1,175,643.00	\$587,678.86	\$587,964.14	\$587,964.14	\$0.00	\$0.00	60
DNDO	Entity	Alexandria	VA	FINCEN	The vendor has been notified and a refund package has been prepared to request the full amount of the overpayment. The supervisory accounting technician personally contacted the vendor on two different occasions regarding the recoupment of the overpayments. Potomacwave's POC, Jennifer Harris, stated that the owners of the company are out of the country and will not return until early next week (06JUN2016); they are the only ones authorized to sign the refund checks. USCG FINCEN A/P has requested the checks be expedited and sent via overnight mail once the refund is issued. USCG FINCEN A/P advised the vendor it also forwarded the refund package to the POC via email as she has not received the refund package in the mail, as yet.	Duplicate Payment	Manual Override	DNDO has experienced challenges in processing payments through the IBC Oracle due to new business processes and the new project-based accounting classification structure. DNDO, working with DHS, determined that making manual payments through the Treasury's Secure Payment System (SPS) was necessary to help with payment backlog; however, sufficient internal controls were not implemented at the time to prevent duplicate payments. The ACO will query each invoice number in Oracle for payment status prior to certifying each payment. The vendor has been contacted and has notified the FINCEN the refunds are forthcoming and will be expedited back to FINCEN via overnight mail.	May 11, 2016	May 19, 2016	June 28, 2016	\$948,714.69	\$474,258.68	\$474,456.01	\$474,456.01	\$0.00	\$0.00	60
USSS	Individual	Upper Marlboro	MD	Payroll	The United States Secret Service (USSS) Payroll Operations Branch sent a "Notice of Intent to Offset Salary" to an USSS employee on May 5, 2016. The USSS employee was notified that due to several corrected time and attendance reports, this action has forced a recalculation of her pay resulting in a bill of \$27,048.49. The employee is no longer an employee with the USSS. The overpayment will be deducted from the employee's lump sum leave payment. It is anticipated that the employee's overpayment will be deducted from her lump sum leave payment in pay period 14.	Invoice Processing Error	Data Entry Error	The timecard for an United States Secret Service (USSS) employee that was placed on indefinite suspension was coded incorrectly. This error caused the employee to be paid in error during the period of the employee's suspension. The error was discovered during a review of the employee's timecards. The timecards have been corrected and future timecards will be reviewed at the end of each pay period to prevent recurrence.	January 12, 2016	April 16, 2016		\$27,048.49	\$0.00	\$27,048.49	\$0.00	\$0.00	\$27,048.49	
USCG	Entity	Denver	CO	USCG Finance Center	The vendor was contacted by phone and e-mail on 3/23/16 requesting refund of the payment and an offset against an invoice.	Incorrect Vendor	Data Entry Error	The Accounting Technician selected the wrong vendor for payment and it was overlooked by the Certifying Officer. To prevent recurrence, the responsible supervisor provided team training on 3/29/16, re-emphasizing the importance of adhering to established internal controls and using the checklist when reviewing/auditing invoices.	February 22, 2016	April 1, 2016	April 13, 2016	\$283,360.40	\$0.00	\$283,360.40	\$283,360.40	\$0.00	\$0.00	30
USCG	Individual	New London	CT	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	Insufficient Documentation	Entitlement Error	Reserve orders stopped 11/30/15 but not approved in Global Pay until 2/29/16 causing overpayment of Basic Pay, Basic Allowance for Housing W/Dep, Basic Allowance for Subsistence. Servicing Personnel Office notified of consequences of not entering data in a timely manner.	March 1, 2016	April 1, 2016		\$27,550.66	\$0.00	\$27,550.66	\$0.00	\$0.00	\$27,550.66	
USCG	Individual	Washington	DC	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	Insufficient Documentation	Entitlement Error	Late notification that dependents arrived in the United Kingdom. Servicing Personnel Office notified of consequences of not entering data in a timely manner.	February 1, 2016	April 19, 2016	June 1, 2016	\$33,099.83	\$0.00	\$33,099.83	\$33,099.83	\$0.00	\$0.00	60
USCG	Individual	Seattle	WA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate.	Duplicate Payment	Entitlement Error	Due to position change member was incorrectly reflected as a reservist instead of Active duty. Incorrect payroll category caused the system to debit member for all pay and allowances received for this period, this money was not collected from member. After the payroll category was corrected, member received corresponding credits in end-Month March 2016 pay. So member was actually paid twice for the same period. Servicing Personnel Office notified of consequences of not entering data in a timely manner.	April 1, 2016	April 27, 2016		\$30,397.74	\$0.00	\$30,397.74	\$951.48	\$0.00	\$29,446.26	
Total												\$2,611,704.41	\$1,061,937.54	\$1,549,766.87	\$1,465,721.46	\$0.00	\$84,045.41	

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending June 30, 2016**

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
FLETC	Individual	Glynco	GA	Human Capital Division	A debt has been created with National Finance Center	March 26, 2014	April 4, 2014	\$36,725.84	\$0.00	\$36,725.84	\$5,839.00	\$0.00	\$30,886.84	818
USCG	Individual	Seattle	WA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate	August 15, 2015	February 1, 2016	\$64,687.36	\$0.00	\$64,687.36	\$983.94	\$0.00	\$63,703.42	150
USCG	Individual	Miramar	CA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate.	February 1, 2016	February 5, 2016	\$25,122.97	\$0.00	\$25,122.97	\$0.00	\$0.00	\$25,122.97	146
USCG	Individual	Aurora	CO	Coast Guard Pay & Personnel - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	January 1, 2015	March 9, 2015	\$37,254.30	\$0.00	\$37,254.30	\$4,099.97	\$0.00	\$33,154.33	479
USCG	Individual	St. Johns	FL	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	March 1, 2014	May 15, 2014	\$18,420.83	\$0.00	\$18,420.83	\$2,385.20	\$0.00	\$16,035.63	777
USCG	Individual	Orange	CA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay Office	Payroll deduction at maximum rate	March 1, 2014	May 1, 2014	\$7,784.04	\$0.00	\$7,784.04	\$1,412.54	\$0.00	\$6,371.50	791
USCG	Individual	Baltimore	MD	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	October 1, 2013	December 4, 2013	\$12,307.00	\$0.00	\$12,307.00	\$5,859.91	\$0.00	\$6,447.09	939
USCG	Individual	Chesapeake	VA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	August 15, 2009	December 3, 2013	\$5,685.13	\$0.00	\$5,685.13	\$4,812.30	\$0.00	\$872.83	940
USCG	Individual	Honolulu	HI	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Payroll deduction at maximum rate.	August 15, 2013	October 1, 2013	\$5,318.99	\$0.00	\$5,318.99	\$1,488.23	\$0.00	\$3,830.76	1003
USCG	Individual	San Francisco	CA	Coast Guard Pay & Personnel Center Military Active & Reserve Pay	Payroll deduction at maximum rate.	April 15, 2013	April 30, 2013	\$5,923.50	\$0.00	\$5,923.50	\$3,487.61	\$0.00	\$2,435.89	1157
USCG	Individual	New Orleans	LA	Coast Guard Pay & Personnel Center - Military Active and Reserve Pay	Payroll deduction at maximum rate.	October 1, 2011	November 25, 2011	\$7,135.16	\$0.00	\$7,135.16	\$2,772.76	\$0.00	\$4,362.40	1679
USSS	Individual	Paris	France	Payroll	The USSS employee agreed to a Salary Offset to repay the \$27,229.44 overpayment that was identified in January 2015. \$250 is automatically deducted from his bi-weekly salary beginning with pay period 6. Salary deductions were made from the employee's salary during pay period 10 (pay date June 9, 2016) & pay period 11 (pay date June 23, 2016) for this reporting period.	October 18, 2014	January 30, 2015	\$27,229.44	\$0.00	\$27,229.44	\$8,000.00	\$0.00	\$19,229.44	517
Total								\$253,594.56	\$0.00	\$253,594.56	\$41,141.46	\$0.00	\$212,453.10	

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending June 30, 2016**

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
FEMA	Entity	U.S Virgin Islands	U.S. Virgin Islands	Port Security Grant Program	Recoupment package sent to Entity. 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	2100
USCG	Individual	Seattle	WA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	November 1, 2008	June 15, 2011	\$8,903.21	\$1,051.71	\$7,851.50	\$6,329.02	\$1,522.48	1842
USCG	Individual	New York	New York	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	September 30, 2011	April 8, 2013	\$10,893.70	\$0.00	\$10,893.70	\$5,001.90	\$5,891.80	1179
USCG	Individual	Alameda	California	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	March 15, 2014	July 23, 2014	\$5,554.90	\$0.00	\$5,554.90	\$0.00	\$5,554.90	708
USCG	Individual	Portsmouth	VA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	June 15, 2013	December 10, 2013	\$51,074.15	\$824.99	\$50,249.16	\$0.00	\$50,249.16	933
USCG	Individual	Santa Rose	CA	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	July 31, 2012	September 26, 2012	\$29,842.78	\$0.00	\$29,842.78	\$19,191.47	\$10,651.31	1373
USCG	Individual	Houston	Texas	Coast Guard Pay & Personnel Center - Military Active & Reserve Pay	Attempted to recoup overpayment prior to member's departure from USCG. Unable to recoup and sent to Treasury.	July 15, 2015	December 17, 2015	\$76,905.38	\$0.00	\$76,905.38	\$2,731.04	\$74,174.34	196
Total								\$202,413.66	\$1,876.70	\$200,536.96	\$33,253.43	\$167,283.53	

**Department of Homeland Security
High-Dollar Overpayments Report
for the Quarter Ending June 30, 2016**

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	Outstanding Balance	Days taken to Recoup Overpayment
USCG	Individual	Nashville	Tennessee	Coast Guard Pay & Personnel Center - Military Active and Reserve	Payroll Deduction at maximum rate	March 14, 2013	April 25, 2013	May 11, 2016	\$9,195.67	\$0.00	\$9,195.67	\$9,195.67	\$0.00	\$0.00	1112
USCG	Individual	Santa Rita	Guam	Coast Guard Pay & Personnel Center - Military Active and Reserve	Payroll Deduction at maximum rate	March 15, 2014	April 1, 2014	May 1, 2016	\$7,801.55	\$0.00	\$7,801.55	\$7,801.55	\$0.00	\$0.00	761
Total									\$16,997.22	\$0.00	\$16,997.22	\$16,997.22	\$0.00	\$0.00	