

## **Department of Veterans Affairs (VA)**

### **Executive Order 13520 – Reducing Improper Payments**

### **FY 2011 Fourth Quarter High-Dollar Overpayments Report**

The President signed Executive Order 13520, "Reducing Improper Payments" on November 20, 2009. On March 22, 2010, the Office of Management and Budget (OMB) issued government-wide guidance on the implementation of the Executive Order. The guidance is under Part III, Appendix C of OMB Circular A-123. This guidance requires agencies with programs susceptible to significant improper payments to submit to the agency's Inspector General and the Council of Inspectors General on Integrity and Efficiency, and make available to the public, a quarterly report on any high-dollar overpayments identified by the agency.

In its 2010 Performance and Accountability Report, VA reported four programs under the Veterans Benefits Administration (VBA) and two programs under the Veterans Health Administration (VHA) that meet the Improper Payments Elimination and Recovery Act of 2010 (IPERA) thresholds for susceptibility to significant improper payments. These programs are Compensation, Pension, Education, Insurance, Non-VA Care Fee, and Non-VA Care Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA).

In accordance with OMB Circular A-123, Appendix C, Part III, VBA and VHA reviewed the six programs susceptible to significant improper payments. The OMB guidelines define a high-dollar improper payment as any payment in excess of 50 percent of the correct amount of the intended payment under the following circumstances:

1. Where the total payment to an individual exceeds \$5,000 as a single payment or in cumulative payments for the quarter; or
2. Where a payment to an entity exceeds \$25,000 as a single payment or in cumulative payments for the quarter.

The OMB guidelines require that agencies submit, on a quarterly basis, a report to:

1. List all high-dollar overpayments identified by the agency during the quarter;
2. Describe whether each high-dollar overpayment was made to an entity or individual, and the city/county and state where that entity or individual was located;
3. List the program responsible for each high-dollar overpayment error;
4. Describe any actions the agency has taken or plans to take to recover high-dollar overpayments; and
5. Describe any actions the agency will take to prevent overpayments from occurring in the future.

The report is divided into five parts (Compensation and Pension Programs are combined in part 1) for each program area, and the high-dollar overpayments are identified from the highest to lowest overpayments within each program area. In addition to OMB's guidelines, our report includes two additional categories: the cause of overpayment and the status of overpayment. The status of an overpayment will be "collection in progress," or "collection in full." Collection in Progress is defined as actions taken by VA to recover from future benefit awards or payments, referral to the Treasury Offset Program, or request to return money that was paid after the death of a beneficiary through reclamation procedures. Veterans also have dispute and waiver request rights during the collection processes.

## **1. Compensation and Pension Programs**

Beginning in the third quarter of FY 2011, VBA modified its analytical procedures to improve the statistical validity of the high dollar overpayment review. The new procedure requires a review of a stratified random sample of the total number of Compensation and Pension overpayments. There were 18,884 overpayments identified in the fourth quarter of FY 2011. A random sample of 385 Compensation and Pension overpayments was reviewed. The review revealed that 52 (14 percent) were Compensation overpayments, 112 (29 percent) were Pension overpayments, and 221 (57 percent) were payments that did not meet the high dollar overpayment criteria because the total payments to each individual were less than \$5,000. Based on these sampling results, we projected that 2,644 of 18,884 overpayments originally identified were high dollar Compensation overpayments, 5,476 were high dollar Pension overpayments, and 10,764 were payments to beneficiaries each with less than \$5,000 total payments. These results are based on estimates at a 95 percent confidence level with a  $\pm 2.5$  percent interval. These findings cannot be compared to

previous quarters prior to the third quarter of FY 2011 due to the new analytical procedures in place. Previous reviews focused on a subset of all overpayments where the new procedure includes all overpayments.

## 1a. Compensation Program

The Compensation and Pension Service identified 52 high-dollar compensation overpayments.

Fourteen overpayments (27 percent) were created due to the death of the beneficiary. Entitlement to benefits ceases effective the first day of the month in which death occurs. These overpayments are caused when a beneficiary dies too late in a month to stop the release of the payment for the month of death, or when VA is not timely notified of the death of a beneficiary. While VA has a death match program with the Social Security Administration (SSA), the match is received once monthly from SSA, and usually after a benefit payment has been released. The number of overpayments following death has been reduced as a result of VA's VETSNET "real time" processing technology.

Twelve overpayments (23 percent) were caused by changes in dependency. VA beneficiaries may receive additional monetary allowance for eligible dependents. In some cases, VA is not notified timely when there is a change in dependency status due to circumstances such as divorces or a school-aged child who is no longer attending school. If we receive first-party information from the beneficiary indicating the change in dependency status, VA will adjust the award to reflect the change. When this type of information is received from a third-party source, VA must provide due process notice to the beneficiary before any adjustment may occur.

Ten overpayments (19 percent) were caused by retroactive adjustments due to incarceration or fugitive felon status. Notification of incarceration is a function of agreements made with states, the Bureau of Prisons, and other law enforcement agencies. Once notified of a beneficiary's incarceration, VA must provide due process notice to the beneficiary before any adjustment may occur. Law enforcement agencies notify VA when a beneficiary has been identified as a fugitive felon. Once notified, VA must provide due process notice to the beneficiary before any adjustment may occur.

Seven overpayments (13 percent) were caused when Veterans returned to Active Duty status. The Department of Defense runs a quarterly match of the active duty and VA disability files to identify persons who are receiving active duty pay and VA disability benefits concurrently. Once notified of active duty status, VA must provide due process notice to the beneficiary before any adjustment may occur.

An additional six potential high-dollar overpayments (12 percent) were identified, but there was insufficient information available electronically to determine the period covered by the overpayment and/or the propriety or cause of the overpayment.

The overpayments listed below attributed to 6 percent of the compensation records identified as high dollar overpayments.

- One overpayment due to an apportionment adjustment
- One overpayment due to hospitalization at VA expense requiring an adjustment
- One overpayment due to military retired pay adjustments

Some VA overpayments are inherent based on the requirements of 38 CFR § 3.103, Procedural Due Process and Appellate Rights, which do not allow VA to take adverse action regarding the payment of benefits without providing the beneficiary 60 days advance notice, unless the beneficiary requests that VA take the adverse action immediately. This "due process" period extends an overpayment period by two additional months. The only exception to providing procedural due process is when VA is notified of a beneficiary's death. Following are some examples.

When a beneficiary dies during the latter days of a month, a recurring benefit payment is often made before VA is notified that the death occurred. While VA has a death match program with the Social Security Administration (SSA), the match is received once a month from SSA, and usually after a benefit payment has been released. The number of overpayments following death has been reduced as a result of VA's Veterans Service Network, a "real time" processing technology.

While the Defense Finance and Accounting Service (DFAS) notifies VA of Veterans who return to active duty, VA must provide a 60-day “due process” period prior to discontinuing benefits, thereby extending the overpayment by two months.

Beneficiaries who are incarcerated or are fugitive felons are subject to a reduction or termination of benefits. Through matching programs, such as the fugitive felon program, the Bureau of Prisons, and other law enforcement agencies, VA receives information regarding incarcerated and fugitive felon beneficiaries after the beneficiary has been incarcerated or deemed a fugitive felon. By law, VA must provide a 60-day “due process” period prior to reducing or terminating benefits. As such, overpayments in these cases most frequently cannot be avoided.

Total Compensation Payments made this quarter: \$8,355,786,125.07  
 Random sample total of High-Dollar Overpayments identified in this quarter: \$1,056,096.70  
 Percent of random sample Overpayments: 0.0126

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$285,921.00	Individual	Deltona	FL	Fugitive Felon	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See combined note after the Pension program table
\$133,920.00	Individual	Horseheads	NY	Death of Beneficiary		Collection in Progress	
\$88,183.77	Individual	Chandler	AZ	Fugitive Felon		Collection in Progress	
\$58,806.00	Individual	Tucson	AZ	Unknown		Collection in Progress	
\$58,555.00	Individual	Sharon	PA	Death of Beneficiary		Collection in Progress	
\$39,480.00	Individual	Lemon Grove	CA	Military Retired Pay		Collection in Progress	
\$31,680.00	Individual	Shelbyville	IN	Unknown		Collection in Full	
\$30,784.00	Individual	Walkersville	MD	Unknown		Collection in Progress	
\$29,400.00	Individual	Apollo Beach	FL	Death of Beneficiary		Collection in Progress	
\$15,260.20	Individual	Philadelphia	PA	Fugitive Felon		Collection in Progress	
\$14,076.00	Individual	Redwood City	CA	Dependency Issue		Collection in Progress	
\$12,970.76	Individual	Saint Cloud	FL	Fugitive Felon		Collection in Progress	
\$11,883.67	Individual	Rapid City	SD	Fugitive Felon		Collection in Progress	
\$11,811.00	Individual	Valdosta	GA	Returned to Active Duty		Collection in Progress	
\$11,616.00	Individual	Emporia	VA	Death of Beneficiary		Collection in Progress	
\$10,758.00	Individual	Albuquerque	NM	Dependency Issue		Collection in Progress	
\$10,199.90	Individual	Big Rapids	MI	Dependency Issue		Collection in Progress	
\$9,252.00	Individual	Pleasant Grove	UT	Dependency Issue		Collection in Progress	
\$9,000.00	Individual	DeKalb	IL	Apportionment		Collection in Progress	
\$8,426.33	Individual	Sandusky	OH	Dependency Issue		Collection in Progress	
\$8,418.67	Individual	Whitwell	TN	Fugitive Felon		Collection in Progress	
\$8,350.00	Individual	New Lisbon	WI	Hospitalized at VA Expense		Collection in Progress	
\$8,307.00	Individual	Philo	OH	Death of Beneficiary		Collection in Progress	
\$7,900.00	Individual	Amarillo	TX	Death of Beneficiary		Collection in Progress	
\$7,474.00	Individual	Brunswick	GA	Dependency Issue		Collection in Progress	
\$7,414.00	Individual	Carlsbad	CA	Returned to Active Duty		Collection in Progress	
\$7,132.07	Individual	Lawton	OK	Returned to Active Duty	Collection in Progress		
\$7,055.00	Individual	Blanchard	OK	Incarcerated Beneficiary	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$6,210.33	Individual	Hico	TX	Returned to Active Duty	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See combined note after the Pension program table
\$6,016.00	Individual	Harvey	LA	Fugitive Felon		Collection in Progress	
\$5,936.00	Individual	Bath	MI	Dependency Issue		Collection in Progress	
\$5,856.00	Individual	Erie	PA	Dependency Issue		Collection in Progress	
\$5,770.00	Individual	Fayetteville	NY	Death of Beneficiary		Collection in Progress	
\$5,510.00	Individual	Akron	OH	Dependency Issue		Collection in Progress	
\$5,469.00	Individual	Sorrento	FL	Dependency Issue		Collection in Progress	
\$5,458.13	Individual	Memphis	TN	Returned to Active Duty		Collection in Progress	
\$5,414.00	Individual	Ballston Spa	NY	Dependency Issue		Collection in Progress	
\$5,346.00	Individual	Clanton	AL	Death of Beneficiary		Collection in Progress	
\$5,319.00	Individual	Springfield	IL	Dependency Issue		Collection in Progress	
\$5,122.60	Individual	Visalia	CA	Fugitive Felon		Collection in Progress	
\$5,058.00	Individual	Bayamon	PR	Death of Beneficiary		Collection in Progress	
\$5,058.00	Individual	Ogdensburg	NY	Death of Beneficiary		Collection in Progress	
\$5,058.00	Individual	Cameron	WV	Death of Beneficiary		Collection in Full	
\$5,038.40	Individual	Burtrum	MN	Returned to Active Duty		Collection in Full	
\$4,649.57	Individual	Othello	WA	Returned to Active Duty		Collection in Progress	
\$4,281.30	Individual	Clarksville	TN	Incarcerated Beneficiary		Collection in Progress	
\$3,089.00	Individual	Las Vegas	NV	Unknown		Collection in Full	
\$2,993.00	Individual	Bellingham	WA	Death of Beneficiary		Collection in Progress	
\$2,673.00	Individual	Coplay	PA	Death of Beneficiary	Collection in Full		
\$2,648.00	Individual	Peebles	OH	Death of Beneficiary	Collection in Progress		
\$2,337.00	Individual	Curtis	MI	Unknown	Collection in Progress		
\$1,752.00	Individual	Portland	OR	Unknown	Collection in Progress		

## 1b. Pension Program

The Compensation and Pension Service identified 112 high-dollar pension overpayments:

- Ninety-six (86 percent) were created due to a change in countable income.
- Six (5 percent) were created due to death of the beneficiary.
- Six (5 percent) were due to incarceration or fugitive felon status.
- Two (2 percent) were created due to changes in dependency.
- Two (2 percent) were unknown overpayments created where there was insufficient information available electronically to determine the period covered by the overpayment and/or the propriety or cause of the overpayment.

Beneficiaries who are in receipt of pension before the end of August and who are not exempt from reporting their income under Public Law 103-271, will receive an Eligibility Verification Review (EVR) form in January of the following year. This form is used to report income for the prior calendar year, and claimants have 60 days to return the form. If the information received within this time frame is insufficient, an additional 60 days will be given to submit the required information.

Increases in countable income may result in high dollar overpayments when there are not enough medical expenses to reduce the countable income. VA receives information on a regular basis from several Federal agencies and compares it to information used to determine the status of VA beneficiaries. The matches identify cases where there are apparent contradictions between information contained in VA records and information furnished by other Federal agencies that affect entitlement. Some matching data, such as that received from the SSA and the Internal Revenue Service (IRS), is usually received after the increase in countable income has already occurred. The EVR process and the data matching agreements with other Federal agencies ensure that necessary adjustments in countable income are appropriately processed when notification is received showing a change in countable income.

Total Pension Payments made this quarter: \$1,056,158,825.93

Random sample total of High-Dollar Overpayments identified in this quarter: \$1,829,927.00

Percent of random sample Overpayments: 0.1733

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$85,831.00	Individual	Albany	KY	Income Change	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See combined note after the Pension program table
\$66,608.00	Individual	Wadley	AL	Income Change		Collection in Progress	
\$60,651.00	Individual	Goshen	IN	Income Change		Collection in Progress	
\$52,530.00	Individual	Findlay	OH	Income Change		Collection in Progress	
\$40,028.00	Individual	Cleveland	AL	Income Change		Collection in Progress	
\$35,867.00	Individual	Jacksonville	FL	Income Change		Collection in Progress	
\$35,435.00	Individual	Aurora	CO	Income Change		Collection in Progress	
\$35,401.00	Individual	Happy Valley	OR	Income Change		Collection in Progress	
\$35,244.00	Individual	Sheffield	AL	Income Change		Collection in Full	
\$34,740.00	Individual	Dublin	TX	Income Change		Collection in Progress	
\$32,451.00	Individual	Marion	IN	Income Change	Collection in Progress		
\$31,560.00	Individual	Greene	NY	Income Change	Overpayments are routinely recovered from future benefits awarded.	Collection in Progress	See combined note after the Pension program table
\$29,973.00	Individual	Land O Lakes	FL	Income Change		Collection in Progress	
\$29,731.00	Individual	Long Beach	CA	Income Change		Collection in Progress	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$29,550.00	Individual	Lake Preston	SD	Fugitive Felon	If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	
\$28,399.00	Individual	Alexandria	VA	Income Change		Collection in Progress	
\$27,672.00	Individual	Mansfield	OH	Income Change		Collection in Progress	
\$27,286.00	Individual	Moundsville	WV	Income Change		Collection in Progress	
\$24,694.00	Individual	Tillamook	OR	Income Change		Collection in Progress	
\$23,698.00	Individual	Union City	GA	Income Change		Collection in Progress	
\$23,232.00	Individual	Eufaula	AL	Income Change		Collection in Progress	
\$22,176.00	Individual	Booneville	MS	Income Change		Collection in Progress	
\$21,622.00	Individual	Zion	IL	Income Change		Collection in Progress	
\$21,172.00	Individual	Batesville	MS	Income Change		Collection in Progress	
\$21,168.00	Individual	Venice	FL	Income Change		Collection in Progress	
\$21,148.00	Individual	St Petersburg	FL	Income Change		Collection in Progress	
\$20,295.00	Individual	Colorado Springs	CO	Income Change		Collection in Progress	
\$20,064.00	Individual	Lake Stevens	WA	Income Change		Collection in Progress	
\$19,840.00	Individual	Hollidaysburg	PA	Income Change		Collection in Progress	
\$19,700.00	Individual	Pasadena	CA	Incarcerated Beneficiary		Collection in Progress	
\$19,700.00	Individual	Monroe	LA	Income Change		Collection in Progress	
\$19,410.00	Individual	Eaton	OH	Death of Beneficiary		Collection in Progress	
\$19,365.00	Individual	Clio	MI	Income Change		Collection in Progress	
\$19,008.00	Individual	Gladstone	NJ	Income Change		Collection in Progress	
\$18,732.00	Individual	Ford	WA	Income Change		Collection in Progress	
\$18,715.00	Individual	Mannford	OK	Income Change		Collection in Progress	
\$18,694.00	Individual	Livingston	TX	Income Change		Collection in Progress	
\$17,580.00	Individual	Lake Worth	FL	Income Change		Collection in Progress	
\$17,354.00	Individual	Big Cabin	OK	Income Change		Collection in Progress	
\$16,896.00	Individual	Titusville	PA	Unknown		Collection in Full	
\$16,440.00	Individual	Reading	MA	Income Change		Collection in Full	
\$16,368.00	Individual	American Fork	UT	Income Change		Collection in Progress	
\$15,971.00	Individual	Gwynn Oak	MD	Income Change		Collection in Progress	
\$15,916.00	Individual	Bayfield	CO	Income Change		Collection in Progress	
\$15,203.00	Individual	Torrance	CA	Unknown	Collection in Progress		
\$14,784.00	Individual	West Lafayette	IN	Income Change	Collection in Progress		
\$14,784.00	Individual	Granger	IN	Income Change	Collection in Progress		
\$14,740.00	Individual	Fresno	TX	Income Change	Collection in Progress		
\$14,466.00	Individual	Englewood	TN	Income Change	Collection in Full		
\$14,434.00	Individual	Erath	LA	Income Change	Collection in Progress		
\$14,204.00	Individual	Phoenix	AZ	Income Change	Collection in Progress		
\$13,656.00	Individual	Bella Vista	AR	Income Change	Overpayments are routinely recovered from future benefits awarded.	Collection in Full	See combined note after the Pension program table
\$13,635.00	Individual	Venice	FL	Death of Beneficiary	Collection in Progress		
\$13,587.00	Individual	Fontana	CA	Income Change	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$13,485.00	Individual	Lilburn	GA	Income Change	If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	
\$13,441.00	Individual	Traverse City	MI	Income Change		Collection in Progress	
\$13,281.00	Individual	Waukesha	WI	Income Change		Collection in Progress	
\$13,152.00	Individual	Tilton	NH	Income Change		Collection in Progress	
\$12,411.00	Individual	Slocomb	AL	Income Change		Collection in Progress	
\$11,830.00	Individual	Houston	TX	Income Change		Collection in Progress	
\$11,820.00	Individual	Portland	OR	Fugitive Felon		Collection in Progress	
\$11,820.00	Individual	Coatesville	PA	Incarcerated Beneficiary		Collection in Progress	
\$11,820.00	Individual	Clinton	MD	Income Change		Collection in Progress	
\$11,174.00	Individual	Lafollette	TN	Income Change		Collection in Progress	
\$10,944.00	Individual	Libby	MT	Income Change		Collection in Progress	
\$10,311.00	Individual	Roseboro	NC	Income Change		Collection in Progress	
\$10,209.00	Individual	University Place	WA	Income Change		Collection in Progress	
\$10,016.00	Individual	Tallassee	AL	Income Change		Collection in Progress	
\$9,861.00	Individual	North Lauderdale	FL	Income Change		Collection in Progress	
\$9,833.00	Individual	Hampton	IA	Income Change		Collection in Progress	
\$9,352.00	Individual	Canonsburg	PA	Income Change		Collection in Progress	
\$9,299.00	Individual	Selah	WA	Income Change		Collection in Full	
\$9,291.00	Individual	Cape Coral	FL	Income Change		Collection in Progress	
\$9,243.00	Individual	Saltville	VA	Income Change		Collection in Progress	
\$9,240.00	Individual	Washington	LA	Income Change		Collection in Progress	
\$8,974.00	Individual	Sacramento	CA	Income Change		Collection in Progress	
\$8,888.00	Individual	Spearfish	SD	Income Change		Collection in Progress	
\$8,592.00	Individual	Fairfield	OH	Income Change		Collection in Progress	
\$8,148.00	Individual	Juno Beach	FL	Income Change		Collection in Progress	
\$8,060.00	Individual	Los Angeles	CA	Income Change		Collection in Progress	
\$7,805.00	Individual	Kokomo	IN	Income Change		Collection in Progress	
\$7,320.00	Individual	Florence	AL	Income Change		Collection in Progress	
\$7,272.00	Individual	El Granada	CA	Income Change		Collection in Progress	
\$7,251.00	Individual	Saline	MI	Death of Beneficiary		Collection in Full	
\$7,205.50	Individual	Eagle River	AK	Income Change	Collection in Progress		
\$7,167.00	Individual	Newtown Square	PA	Income Change	Collection in Progress		
\$7,152.00	Individual	Spring	TX	Death of Beneficiary	Collection in Progress		
\$6,953.00	Individual	Shevlin	MN	Income Change	Collection in Progress		
\$6,895.00	Individual	Jacksonville	FL	Death of Beneficiary	Collection in Progress		
\$6,895.00	Individual	Newport News	VA	Fugitive Felon	Collection in Progress		
\$6,842.30	Individual	Eastover	NC	Fugitive Felon	Collection in Progress		
\$6,830.00	Individual	Frederick	SD	Income Change	Collection in Progress	See combined note after the Pension program table	
\$6,732.00	Individual	Boone	NC	Dependency Issue	Collection in Progress		
\$6,590.49	Individual	New Orleans	LA	Income Change	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$6,572.00	Individual	Tulare	CA	Income Change	If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	
\$6,416.71	Individual	Dayton	OH	Income Change		Collection in Progress	
\$6,372.00	Individual	Owensville	MO	Income Change		Collection in Progress	
\$6,368.00	Individual	Waukesha	WI	Income Change		Collection in Progress	
\$5,949.00	Individual	Ponca City	OK	Income Change		Collection in Full	
\$5,847.00	Individual	Mission Viejo	CA	Death of Beneficiary		Collection in Full	
\$5,616.00	Individual	Whiterocks	UT	Income Change		Collection in Progress	
\$5,520.00	Individual	Lawnside	NJ	Income Change		Collection in Progress	
\$5,514.00	Individual	Bark River	MI	Income Change		Collection in Progress	
\$5,370.00	Individual	Poulsbo	WA	Income Change		Collection in Progress	
\$5,138.00	Individual	McMinnville	OR	Income Change		Collection in Progress	
\$4,627.00	Individual	Clarksville	TN	Income Change		Collection in Full	
\$4,200.00	Individual	Union City	GA	Income Change		Collection in Progress	
\$3,185.00	Individual	West Terre Haute	IN	Income Change		Collection in Progress	
\$2,360.00	Individual	St. Louis	MO	Income Change		Collection in Progress	
\$2,328.00	Individual	Headland	AL	Income Change		Collection in Progress	
\$1,949.00	Individual	Madison	WI	Dependency Issue		Collection in Progress	
\$1,782.00	Individual	Keno	OR	Income Change	Collection in Progress		

**Note:**

Field offices are reminded of the following:

Guidance provided in FL 08-05, Controls to Minimize Compensation Benefit Overpayments, requires claims processors to establish an end product (EP) 690 in addition to the control EP. The purpose of this EP 690 is to help monitor timeliness in completing action on pending issues with potential overpayments.

FL 08-09, Prioritization and Processing of System-Generated Messages (Write-outs), includes current procedures for monitoring notice of exception reports. The FL provides guidance for prioritization and processing of system-generated messages (write-outs).

Guidance under M21-1MR, Part I, Chapter 2.B.7.a requires field personnel to take immediate action to resolve claims involving due process when their associated controls mature.

Provide quarterly feedback to the field on the findings from the review of overpayments through the *Compensation Service Bulletin*.

Include “matching program” training as a mandatory topic for the FY 2012 National Training Curriculum.

## 2. Education Program

Beginning in the third quarter of FY 2011, VBA modified its analytical process to improve the statistical validity of the high dollar overpayment review. The new process requires a review of a stratified random sample of the total number of Education overpayments. Conclusions and estimates are at a 95 percent confidence level with a  $\pm 2.5$  percent interval.

There were 17,589 Education overpayments identified in the fourth quarter of FY 2011. Of these overpayments, 48.3 percent were to entities and 51.7 percent were to individuals. A random sample of 269 Education overpayments was reviewed. The review revealed that 14 (5.2 percent) overpayments were due to VA error, 18 (6.7 percent) overpayments were due to school errors, and the remaining 237 (88.1 percent) were not overpayments. These remaining payments were proper when disbursed, but later became overpayments due to students' changing enrollment status. Based on these sampling results, we projected that 915 of the 17,589 overpayments originally identified were due to VA error, 1,178 overpayments were due to school error, and 15,496 were proper payments when disbursed and became overpayments later based on students' changing enrollment status. These findings cannot be compared to findings prior to the third quarter of FY 2011 due to the new analytical process in place. Previous reviews focused on a subset of all overpayments whereas the new process includes all overpayments.

Total Education payments made this quarter: \$2,503,864,779.50

Random sample total of high-dollar overpayments identified in this quarter: \$1,042,247.30

Percent of random sample overpayments: 0.0416

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$21,558.73	Individual	New Hope	AL	Proper payment when disbursed	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Full	See Note Below Table
\$21,153.32	Entity	Cheyenne	WY	VA Error		Collection in Progress	
\$17,965.44	Individual	Santa Ana	CA	Proper payment when disbursed		Collection in Progress	
\$14,699.50	Entity	Daytona Beach	FL	VA Error		Collection in Progress	
\$14,030.94	Entity	Louisville	KY	VA Error		Collection in Full	
\$13,071.67	Individual	Trumann	AR	Proper payment when disbursed		Collection in Full	
\$13,005.15	Entity	Cavite	PR	School Error		Collection in Full	
\$12,860.00	Entity	Fremont	NE	Proper payment when disbursed		Collection in Progress	
\$12,320.00	Entity	Frackville	PA	Proper payment when disbursed		Collection in Full	
\$11,550.60	Individual	Northridge	CA	Proper payment when disbursed		Collection in Full	
\$10,200.00	Entity	New Orleans	LA	School Error		Collection in Progress	
\$10,016.83	Entity	Norfolk	VA	Proper payment when disbursed		Collection in Progress	
\$9,825.46	Individual	South Pekin	IL	Proper payment when disbursed		Collection in Progress	
\$9,547.20	Individual	Yonkers	NY	Proper payment when disbursed		Collection in Progress	
\$8,990.00	Entity	Dover	NH	Proper payment when disbursed		Collection in Progress	
\$8,758.00	Entity	Fayetteville	NC	Proper payment when disbursed		Collection in Progress	
\$8,721.00	Individual	Brooklyn	NY	Proper payment when disbursed		Collection in Progress	
\$8,577.55	Individual	Glencoe	KY	Proper payment when disbursed		Collection in Full	
\$8,229.00	Individual	Reno	NV	Proper payment when disbursed		Collection in Progress	
\$8,152.20	Individual	Fort Belvoir	VA	Proper payment when disbursed		Collection in Progress	
\$8,120.00	Entity	Deming	NM	Proper payment when disbursed	Collection in Progress		
\$7,979.32	Individual	Athens	OH	Proper payment when disbursed	Collection in Progress		
\$7,916.93	Individual	Ashburn	VA	Proper payment when disbursed	Collection in Full		
\$7,624.35	Individual	Peyton	CO	VA Error	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$7,587.46	Entity	Cavite	PI	Proper payment when disbursed	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table
\$7,403.75	Entity	St. Louis	MO	Proper payment when disbursed		Collection in Full	
\$7,327.50	Entity	Apo	AE	School Error		Collection in Progress	
\$7,251.00	Entity	San Jose	CA	Proper payment when disbursed		Collection in Full	
\$7,188.18	Entity	Colorado Springs	CO	Proper payment when disbursed		Collection in Progress	
\$6,987.40	Individual	Orlando	FL	Proper payment when disbursed		Collection in Full	
\$6,954.63	Individual	Florence	KY	Proper payment when disbursed		Collection in Full	
\$6,950.00	Entity	Brooklyn	NY	Proper payment when disbursed		Collection in Full	
\$6,879.01	Individual	Spring	TX	Proper payment when disbursed		Collection in Full	
\$6,825.00	Entity	Huntington Beach	CA	Proper payment when disbursed		Collection in Progress	
\$6,585.00	Entity	Honolulu	HI	Proper payment when disbursed		Collection in Progress	
\$6,474.04	Individual	Houston	TX	Proper payment when disbursed		Collection in Full	
\$6,455.00	Entity	Murfreesboro	TN	School Error		Collection in Progress	
\$6,158.00	Entity	Prescott	IL	Proper payment when disbursed		Collection in Full	
\$6,037.73	Individual	Vinita	OK	Proper payment when disbursed		Collection in Progress	
\$6,009.00	Entity	San Bernardino	CA	Proper payment when disbursed		Collection in Progress	
\$5,940.00	Individual	Fairbanks	AK	Proper payment when disbursed		Collection in Progress	
\$5,916.00	Entity	Gibsonton	FL	Proper payment when disbursed		Collection in Progress	
\$5,916.00	Entity	Devine	TX	Proper payment when disbursed		Collection in Progress	
\$5,905.96	Individual	Hampton	VA	Proper payment when disbursed		Collection in Progress	
\$5,829.88	Individual	Hollywood	FL	Proper payment when disbursed		Collection in Progress	
\$5,796.00	Entity	Prairieville	WA	Proper payment when disbursed		Collection in Full	
\$5,715.74	Individual	Westminster	CO	Proper payment when disbursed		Collection in Progress	
\$5,516.10	Individual	Milwaukee	WI	Proper payment when disbursed		Collection in Progress	
\$5,515.20	Individual	Portage	WI	VA Error		Collection in Full	
\$5,263.00	Entity	Kahului	HI	Proper payment when disbursed		Collection in Progress	
\$5,160.36	Entity	Los Angeles	CA	Proper payment when disbursed		Collection in Progress	
\$4,962.00	Individual	Bay Shore	NY	Proper payment when disbursed		Collection in Progress	
\$4,877.69	Entity	Duncansville	PA	VA Error		Collection in Progress	
\$4,870.26	Individual	Vista	CA	Proper payment when disbursed		Collection in Progress	
\$4,608.00	Entity	Westmont	IL	Proper payment when disbursed		Collection in Progress	
\$4,606.00	Individual	Nipomo	CA	Proper payment when disbursed	Collection in Progress		
\$4,605.60	Entity	Washington	DC	Proper payment when disbursed	Collection in Progress		
\$4,551.76	Entity	Imperial Beach	CA	Proper payment when disbursed	Collection in Progress		
\$4,491.90	Individual	Tumwater	WA	Proper payment when disbursed	Collection in Full		
\$4,488.32	Entity	Round Rock	TX	Proper payment when disbursed	Collection in Progress		
\$4,485.60	Individual	Virginia Beach	VA	Proper payment when disbursed	Collection in Full		
\$4,393.17	Entity	Daly City	CA	Proper payment when disbursed	Collection in Progress		
\$4,389.93	Individual	Perris	CA	Proper payment when disbursed	Collection in Progress		
\$4,359.00	Entity	Lancaster	CA	Proper payment when disbursed	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$4,320.00	Entity	Knoxville	TN	Proper payment when disbursed	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table
\$4,317.60	Individual	Morgantown	WV	Proper payment when disbursed		Collection in Progress	
\$4,314.60	Individual	Clarks Summit	PA	Proper payment when disbursed		Collection in Progress	
\$4,298.77	Individual	Charlotte	NC	Proper payment when disbursed		Collection in Progress	
\$4,236.15	Entity	Splendora	TX	Proper payment when disbursed		Collection in Progress	
\$4,212.00	Entity	Marietta	GA	School Error		Collection in Progress	
\$4,050.00	Entity	Upper Marlboro	MD	VA Error		Collection in Full	
\$4,040.40	Entity	West Linn	OR	Proper payment when disbursed		Collection in Progress	
\$4,038.00	Individual	San Diego	CA	Proper payment when disbursed		Collection in Progress	
\$4,017.04	Entity	Norcross	GA	Proper payment when disbursed		Collection in Progress	
\$4,008.00	Entity	Sandy	UT	Proper payment when disbursed		Collection in Progress	
\$4,000.00	Entity	Clayton	NC	Proper payment when disbursed		Collection in Progress	
\$3,970.70	Individual	Encinitas	CA	Proper payment when disbursed		Collection in Progress	
\$3,933.38	Individual	Myrtle Beach	SC	Proper payment when disbursed		Collection in Progress	
\$3,891.20	Entity	Decatur	GA	Proper payment when disbursed		Collection in Progress	
\$3,815.20	Entity	Valentine	NE	Proper payment when disbursed		Collection in Progress	
\$3,806.00	Entity	Athens	OH	Proper payment when disbursed		Collection in Progress	
\$3,742.30	Individual	Oxford	NC	Proper payment when disbursed		Collection in Progress	
\$3,725.77	Individual	San Jose	CA	Proper payment when disbursed		Collection in Progress	
\$3,669.00	Entity	Lynn	NC	Proper payment when disbursed		Collection in Full	
\$3,653.25	Entity	West Point	NY	Proper payment when disbursed		Collection in Full	
\$3,648.00	Individual	Colorado Springs	CO	Proper payment when disbursed		Collection in Full	
\$3,590.08	Entity	Ellenwood	GA	Proper payment when disbursed		Collection in Progress	
\$3,531.60	Individual	Shippensburg	PA	Proper payment when disbursed		Collection in Progress	
\$3,482.48	Individual	Boone	SC	Proper payment when disbursed		Collection in Progress	
\$3,461.12	Entity	Springfield	VA	Proper payment when disbursed		Collection in Progress	
\$3,449.44	Entity	W Hollywood	CA	Proper payment when disbursed		Collection in Progress	
\$3,432.30	Individual	San Diego	CA	Proper payment when disbursed		Collection in Progress	
\$3,432.30	Individual	El Cajon	CA	Proper payment when disbursed		Collection in Progress	
\$3,423.00	Individual	Mulhall	OK	Proper payment when disbursed		Collection in Progress	
\$3,386.68	Individual	Roxbury	MA	Proper payment when disbursed		Collection in Progress	
\$3,374.00	Entity	Airway Heights	WA	Proper payment when disbursed		Collection in Progress	
\$3,364.40	Individual	Alexandria	VA	Proper payment when disbursed		Collection in Progress	
\$3,335.52	Individual	Phoenix	AZ	Proper payment when disbursed	Collection in Full		
\$3,305.63	Entity	Urbandale	IA	Proper payment when disbursed	Collection in Progress		
\$3,303.00	Entity	Woodbridge	VA	School Error	Collection in Progress		
\$3,298.75	Individual	Valencia	CA	Proper payment when disbursed	Collection in Progress		
\$3,280.00	Entity	Bluffton	SC	Proper payment when disbursed	Collection in Full		
\$3,279.00	Entity	Boynton Beach	FL	School Error	Collection in Progress		
\$3,272.24	Entity	Colorado Springs	CO	Proper payment when disbursed	Collection in Full		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$3,261.20	Individual	Englewood	FL	Proper payment when disbursed	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table
\$3,255.75	Entity	FPO AP	AE	Proper payment when disbursed		Collection in Full	
\$3,255.75	Entity	Dumfries	VA	Proper payment when disbursed		Collection in Progress	
\$3,245.70	Individual	Topeka	KS	Proper payment when disbursed		Collection in Progress	
\$3,237.60	Individual	Staten Island	NY	Proper payment when disbursed		Collection in Progress	
\$3,234.00	Entity	San Francisco	CA	School Error		Collection in Progress	
\$3,232.27	Individual	Indianapolis	IN	Proper payment when disbursed		Collection in Progress	
\$3,216.80	Individual	Kyle	TX	Proper payment when disbursed		Collection in Progress	
\$3,197.88	Individual	Levittown	PA	Proper payment when disbursed		Collection in Progress	
\$3,187.50	Entity	Clearwater	FL	Proper payment when disbursed		Collection in Progress	
\$3,180.00	Entity	Marietta	GA	Proper payment when disbursed		Collection in Progress	
\$3,171.00	Entity	Ozone Park	NY	Proper payment when disbursed		Collection in Progress	
\$3,125.05	Entity	North Logan	UT	Proper payment when disbursed		Collection in Progress	
\$3,099.71	Individual	Esterro	FL	Proper payment when disbursed		Collection in Progress	
\$3,084.39	Entity	Orlando	FL	Proper payment when disbursed		Collection in Progress	
\$3,046.00	Entity	Charleston	SC	Proper payment when disbursed		Collection in Progress	
\$3,041.40	Entity	San Bernardino	CA	Proper payment when disbursed		Collection in Progress	
\$3,016.91	Entity	Newark	DE	Proper payment when disbursed		Collection in Progress	
\$3,004.13	Entity	Yonkers	NY	Proper payment when disbursed		Collection in Progress	
\$2,984.54	Individual	Moorhead	MI	Proper payment when disbursed		Collection in Progress	
\$2,982.88	Individual	Euclid	OH	Proper payment when disbursed		Collection in Progress	
\$2,975.00	Entity	Gainesville	FL	VA Error		Collection in Full	
\$2,965.57	Entity	Miami	FL	Proper payment when disbursed		Collection in Progress	
\$2,943.00	Entity	Fallbrook	CA	Proper payment when disbursed		Collection in Full	
\$2,938.00	Entity	Lansdale	PA	School Error		Collection in Progress	
\$2,927.55	Entity	Waverly	WA	Proper payment when disbursed		Collection in Progress	
\$2,899.53	Individual	Fort Worth	TX	Proper payment when disbursed		Collection in Progress	
\$2,875.77	Individual	Lincolnwood	IL	Proper payment when disbursed		Collection in Full	
\$2,856.40	Individual	W Lafayette	IN	Proper payment when disbursed		Collection in Progress	
\$2,843.93	Entity	Medilien	APO	Proper payment when disbursed		Collection in Progress	
\$2,841.00	Entity	Charleston	WV	School Error		Collection in Progress	
\$2,828.05	Individual	Clovis	NM	Proper payment when disbursed		Collection in Progress	
\$2,811.80	Individual	North Babylon	NY	Proper payment when disbursed		Collection in Progress	
\$2,790.00	Entity	Kyle	TX	Proper payment when disbursed		Collection in Progress	
\$2,769.30	Entity	Albuquerque	NM	Proper payment when disbursed	Collection in Progress		
\$2,763.60	Entity	Tuscaloosa	AL	Proper payment when disbursed	Collection in Progress		
\$2,760.00	Entity	Sneads Ferry	NC	Proper payment when disbursed	Collection in Progress		
\$2,741.20	Individual	Taylor	SC	Proper payment when disbursed	Collection in Progress		
\$2,726.40	Individual	Chantilly	VA	Proper payment when disbursed	Collection in Progress		
\$2,717.80	Entity	Galesburg	MN	Proper payment when disbursed	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$2,714.60	Individual	New Port Richey	FL	Proper payment when disbursed	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table
\$2,714.50	Individual	Prescott	AZ	Proper payment when disbursed		Collection in Progress	
\$2,700.50	Individual	Webster	TX	Proper payment when disbursed		Collection in Progress	
\$2,693.29	Individual	Bolling AFB	DC	Proper payment when disbursed		Collection in Progress	
\$2,656.50	Individual	Fayetteville	NC	Proper payment when disbursed		Collection in Progress	
\$2,653.20	Entity	Mahomet	IL	School Error		Collection in Progress	
\$2,636.00	Individual	Cathedral City	CA	Proper payment when disbursed		Collection in Progress	
\$2,624.16	Individual	El Paso	TX	Proper payment when disbursed		Collection in Full	
\$2,614.33	Individual	Mary Esther	FL	Proper payment when disbursed		Collection in Progress	
\$2,592.10	Individual	Pepperell	MA	Proper payment when disbursed		Collection in Progress	
\$2,568.00	Entity	Avon	MA	Proper payment when disbursed		Collection in Progress	
\$2,564.28	Individual	San Antonio	TX	Proper payment when disbursed		Collection in Progress	
\$2,562.84	Individual	Pilesgrove	NJ	Proper payment when disbursed		Collection in Progress	
\$2,561.00	Entity	Camarillo	CA	School Error		Collection in Full	
\$2,558.45	Entity	San Diego	CA	Proper payment when disbursed		Collection in Full	
\$2,550.60	Individual	Oklahoma City	OK	Proper payment when disbursed		Collection in Progress	
\$2,547.50	Entity	El Paso	TX	Proper payment when disbursed		Collection in Progress	
\$2,544.30	Individual	Tampa	FL	Proper payment when disbursed		Collection in Progress	
\$2,496.00	Entity	Bronx	NY	Proper payment when disbursed		Collection in Progress	
\$2,475.60	Entity	Chicago	IL	Proper payment when disbursed		Collection in Full	
\$2,471.73	Individual	Dallas	TX	Proper payment when disbursed		Collection in Progress	
\$2,465.00	Entity	Clayton	DE	Proper payment when disbursed		Collection in Full	
\$2,462.12	Entity	San Antonio	TX	VA Error		Collection in Progress	
\$2,431.00	Entity	Bronx	NY	School Error		Collection in Progress	
\$2,429.00	Entity	Albuquerque	NM	VA Error		Collection in Full	
\$2,414.14	Individual	Crestview	FL	Proper payment when disbursed		Collection in Progress	
\$2,409.77	Individual	Chicago	IL	Proper payment when disbursed		Collection in Progress	
\$2,401.20	Individual	Las Vegas	NV	Proper payment when disbursed		Collection in Progress	
\$2,382.01	Entity	Silverdale	WA	Proper payment when disbursed		Collection in Progress	
\$2,365.50	Individual	Glen Burnie	MD	Proper payment when disbursed		Collection in Progress	
\$2,355.57	Entity	Katy	TX	Proper payment when disbursed		Collection in Progress	
\$2,345.13	Entity	Orlando	FL	Proper payment when disbursed		Collection in Progress	
\$2,332.20	Individual	Baton Rouge	LA	Proper payment when disbursed		Collection in Progress	
\$2,320.00	Individual	Canyon County	CA	Proper payment when disbursed	Collection in Progress		
\$2,306.40	Individual	Phillipsburg	NJ	Proper payment when disbursed	Collection in Progress		
\$2,304.00	Entity	Pinellas Park	FL	Proper payment when disbursed	Collection in Full		
\$2,290.00	Entity	Moon Township	PA	School Error	Collection in Progress		
\$2,281.60	Individual	Prattville	AL	Proper payment when disbursed	Collection in Progress		
\$2,268.00	Individual	Pleasant Hill	CA	Proper payment when disbursed	Collection in Full		
\$2,263.80	Individual	Santa Rosa	CA	Proper payment when disbursed	Collection in Full		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$2,257.20	Individual	Falls Church	VA	Proper payment when disbursed	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table
\$2,250.00	Entity	Fort McCoy	FL	Proper payment when disbursed		Collection in Progress	
\$2,247.50	Individual	Long Beach	CA	Proper payment when disbursed		Collection in Progress	
\$2,246.40	Individual	Locust Grove	GA	Proper payment when disbursed		Collection in Progress	
\$2,244.80	Individual	Guaynabo	PR	Proper payment when disbursed		Collection in Progress	
\$2,242.98	Entity	Fountain Valley	CA	Proper payment when disbursed		Collection in Progress	
\$2,216.63	Entity	Phoenix	AZ	Proper payment when disbursed		Collection in Progress	
\$2,208.80	Individual	Fort Myers	FL	Proper payment when disbursed		Collection in Progress	
\$2,208.00	Entity	Riverside	AL	School Error		Collection in Progress	
\$2,206.90	Entity	Coden	AL	Proper payment when disbursed		Collection in Progress	
\$2,199.80	Individual	Alexandria	VA	Proper payment when disbursed		Collection in Progress	
\$2,189.99	Individual	Fort Polk	LA	Proper payment when disbursed		Collection in Progress	
\$2,184.93	Individual	Milwaukee	WI	Proper payment when disbursed		Collection in Progress	
\$2,182.80	Individual	Fort Wayne	IN	Proper payment when disbursed		Collection in Progress	
\$2,181.64	Entity	Spokane	WA	Proper payment when disbursed		Collection in Full	
\$2,179.41	Entity	San Antonio	TX	Proper payment when disbursed		Collection in Progress	
\$2,172.60	Entity	Tempe	AZ	Proper payment when disbursed		Collection in Full	
\$2,170.00	Entity	Kokomo	IN	Proper payment when disbursed		Collection in Progress	
\$2,168.00	Entity	Dallas	TX	Proper payment when disbursed		Collection in Progress	
\$2,144.34	Individual	Alexandria	VA	Proper payment when disbursed		Collection in Progress	
\$2,139.51	Individual	Savoy	IL	Proper payment when disbursed		Collection in Progress	
\$2,135.00	Entity	Romeoville	IL	Proper payment when disbursed		Collection in Progress	
\$2,115.23	Individual	Watertown	WI	Proper payment when disbursed		Collection in Progress	
\$2,111.40	Individual	Joplin	MO	Proper payment when disbursed		Collection in Progress	
\$2,103.80	Individual	Philadelphia	PA	Proper payment when disbursed		Collection in Progress	
\$2,103.29	Entity	Eden	ID	Proper payment when disbursed		Collection in Progress	
\$2,103.00	Entity	Hallam	PA	School Error		Collection in Progress	
\$2,102.75	Entity	Hinesville	GA	Proper payment when disbursed		Collection in Progress	
\$2,102.50	Individual	Valencia	CA	Proper payment when disbursed		Collection in Progress	
\$2,088.00	Individual	Tacoma	WA	Proper payment when disbursed		Collection in Progress	
\$2,080.00	Individual	Chesapeake	VA	Proper payment when disbursed		Collection in Progress	
\$2,061.96	Entity	West Des Moines	IA	Proper payment when disbursed		Collection in Full	
\$2,048.24	Entity	St. Petersburg	FL	Proper payment when disbursed		Collection in Progress	
\$2,043.40	Individual	Swansboro	NC	Proper payment when disbursed	Collection in Progress		
\$2,037.92	Entity	N Brunswick	NJ	Proper payment when disbursed	Collection in Progress		
\$2,035.64	Entity	Queens Village	NY	Proper payment when disbursed	Collection in Progress		
\$2,032.20	Entity	Brooklyn	NY	VA Error	Collection in Full		
\$2,019.00	Individual	Lemon Grove	AZ	Proper payment when disbursed	Collection in Progress		
\$2,000.00	Individual	Home	PA	Proper payment when disbursed	Collection in Progress		
\$1,989.94	Entity	Winter Park	FL	Proper payment when disbursed	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$1,976.25	Entity	Joliet	IL	Proper payment when disbursed	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table
\$1,974.70	Individual	Bethlehem	PA	Proper payment when disbursed		Collection in Progress	
\$1,972.00	Entity	Richardson	TX	Proper payment when disbursed		Collection in Progress	
\$1,957.50	Individual	Ontario	CA	Proper payment when disbursed		Collection in Progress	
\$1,953.00	Individual	University Place	WA	Proper payment when disbursed		Collection in Progress	
\$1,950.00	Individual	Virginia Beach	VA	Proper payment when disbursed		Collection in Progress	
\$1,948.87	Individual	Renton	WA	Proper payment when disbursed		Collection in Full	
\$1,938.24	Individual	San Diego	CA	Proper payment when disbursed		Collection in Progress	
\$1,931.78	Individual	Jacksonville Beach	FL	Proper payment when disbursed		Collection in Progress	
\$1,920.00	Entity	Tucson	AZ	Proper payment when disbursed		Collection in Progress	
\$1,914.61	Individual	Rockford	IL	Proper payment when disbursed		Collection in Progress	
\$1,900.00	Individual	Norfolk	VA	Proper payment when disbursed		Collection in Full	
\$1,899.13	Individual	San Bernardino	CA	Proper payment when disbursed		Collection in Progress	
\$1,892.10	Individual	Navarre	FL	Proper payment when disbursed		Collection in Progress	
\$1,891.20	Individual	Raleigh	NC	Proper payment when disbursed		Collection in Progress	
\$1,880.00	Individual	Greensboro	NC	Proper payment when disbursed		Collection in Progress	
\$1,871.77	Individual	Orlando	FL	Proper payment when disbursed		Collection in Progress	
\$1,871.00	Entity	Peoria	AZ	Proper payment when disbursed		Collection in Progress	
\$1,869.00	Individual	Glendale	AZ	Proper payment when disbursed		Collection in Progress	
\$1,859.20	Individual	Haddonfield	NJ	School Error		Collection in Progress	
\$1,848.67	Individual	Evarts	KY	Proper payment when disbursed		Collection in Progress	
\$1,848.67	Individual	Santa Cruz	CA	Proper payment when disbursed		Collection in Progress	
\$1,838.67	Individual	San Diego	CA	Proper payment when disbursed		Collection in Progress	
\$1,836.00	Entity	Henrietta	OK	Proper payment when disbursed		Collection in Progress	
\$1,811.60	Individual	Herndon	VA	Proper payment when disbursed		Collection in Progress	
\$1,809.00	Individual	Severna Park	MD	Proper payment when disbursed		Collection in Progress	
\$1,807.24	Entity	Keller	TX	Proper payment when disbursed		Collection in Full	
\$1,800.00	Entity	Fort Drum	NY	School Error		Collection in Full	
\$1,800.00	Entity	Hawthorne	CA	VA Error		Collection in Full	
\$1,792.22	Individual	Framingham	MA	VA Error		Collection in Progress	
\$1,788.80	Individual	Apopka	FL	Proper payment when disbursed		Collection in Progress	
\$1,784.42	Individual	Suffolk	VA	Proper payment when disbursed		Collection in Full	
\$1,774.80	Individual	Federal Way	WA	Proper payment when disbursed	Collection in Progress		
\$1,768.00	Entity	Charlotte	NC	Proper payment when disbursed	Collection in Progress		
\$1,752.12	Entity	Douglasville	GA	Proper payment when disbursed	Collection in Progress		
\$1,748.00	Entity	Fort Mill	SC	Proper payment when disbursed	Collection in Progress		
\$1,747.60	Individual	Tampa	FL	Proper payment when disbursed	Collection in Progress		
\$1,734.97	Individual	Elyria	OH	Proper payment when disbursed	Collection in Progress		
\$1,711.20	Individual	Virginia Beach	VA	Proper payment when disbursed	Collection in Progress		
\$1,701.40	Individual	Beatrice	NE	Proper payment when disbursed	Collection in Progress		

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$1,701.11	Entity	Lancaster	CA	VA Error	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table
\$1,695.60	Individual	Clio	MI	Proper payment when disbursed		Collection in Progress	
\$1,689.32	Entity	San Antonio	TX	Proper payment when disbursed		Collection in Full	
\$1,682.50	Individual	San Diego	CA	Proper payment when disbursed		Collection in Progress	
\$1,671.00	Entity	Walterboro	SC	Proper payment when disbursed		Collection in Progress	

**Note:**

To reduce the number of payments later adjusted due to students' changing enrollment status, VA provides cautionary information in print publications and electronic media, and includes this information in letters to students each time they are awarded benefits.

VA error was mostly the result of issuing duplicate payments, data input errors, and lack of coordination with the Department of Defense to validate Veteran information. Common errors were the result of human error. To decrease the potential for human error, VA has taken a two-step approach: (1) focus on training our employees and (2) field improvements in electronic processing systems. Each Regional Processing Office and the VA Central Office have established required training for employees. Supervisory officials also monitor individual employee performance and provide additional training as necessary. Fielding improvements in electronic processing systems has been a challenge for VA due to recent and possible future statutory changes in the Post-9/11 GI Bill. The recent changes have required VA to redirect its information technology resources away from *enhancing* current systems to *developing changes* to current systems to *implement the recent changes*. Barring future changes in statutory requirements, VA expects to implement additional changes in FY2012 which are expected to decrease human errors.

The main cause of school error was incorrect reporting of tuition and fees. In June 2010, VA published a handbook for School Certifying Officials, establishing common requirements and detailed instructions for preparing and submitting enrollment and attendance information to VA. VA believes that the main contributor to the 3 percent reduction in school errors from the 3rd to 4th quarter was the recent statutory change authorizing State Approving Agencies to conduct school compliance surveys. This will increase VA presence on campuses, enabling additional assessment of school official compliance, and increase VA opportunities to provide focused training for school officials.

### 3. Insurance Program

The Insurance Program's Internal Control Staff (ICS) identified one high-dollar overpayment.

The ICS augments the program's traditional management controls, such as internal system edits, supervision, performance reviews, and quality control reviews. The staff monitor, review, and approve manual insurance disbursements and certain other controlled transactions. The ICS verifies the correctness and propriety of all critical insurance actions.

The high dollar overpayment was due to an error in sending the award check to the beneficiary's daughter, and the daughter cashed the award check. The beneficiary (wife of Veteran) who was entitled to the award was eventually paid her rightful share. Two checks were issued. The award check cashed by the daughter needs to be recouped.

Total Insurance payments made this quarter: \$343,485,945.00

Total high-dollar overpayments identified in this quarter: \$8,634.57

Percent of overpayments: 0.003

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$8,634.57	Individual	Abbeville	AL	Daughter endorsed & cashed mother's award check	See Note Below Table	Collection In Progress	N/A

**Note:**

An accounts receivable is established for the overpayments and is transferred to VBA's Finance division for collection, either through direct contact with the recipient of the funds or through the offset program with the Department of the Treasury. Finance is also empowered to refer large debts to our District Counsel for legal action and recovery. During FY 2010, Finance recovered approximately 85 percent of the overpayments.

### 4. Non-VA Care Fee Program

VHA identified 35 Non-VA Care Fee high-dollar overpayments totaling \$1,567,711 through joint efforts of the VHA Chief Business Office (CBO), the Veterans Integrated Service Networks (VISNs), and the VA Management Quality Assurance Service (MQAS). High-dollar overpayments consisted of both single and cumulative payments. Of the overpayments, eight totaling \$495,544 were caused solely by duplicate payments. Nine overpayments totaling \$312,599 were caused by incorrect application of payment methodology. Four overpayments totaling \$230,596 were caused by VHA paying an incorrect vendor. Four overpayments totaling \$114,536 were caused by duplicate payments and VHA paying an incorrect vendor. The remaining 10 overpayments totaling \$414,436 included a combination of the above causes in addition to vendor billing errors; payments not properly authorized; payments made to an ineligible recipient; other health insurance not verified; and data entry errors.

The CBO Purchased Care Program Office worked closely with each VISN to identify high-dollar overpayments during the fourth quarter. VISN overpayments were consolidated nationally to ensure the appropriate capture of all high-dollar overpayments. Facilities used numerous techniques to identify overpayments. Those techniques included, but are not limited to, reviewing internal reports and bills of collections and conducting self audits and reviews. CBO internal reports included (1) monthly outlier reports, (2) monthly inpatient outlier reports, and (3) post payment duplicate reports. MQAS identified overpayments in their reviews of purchased care at VHA facilities. The Financial Services Center and the VA Office of Inspector General, who identified high-dollar overpayments in prior quarters, reported no high-dollar overpayments this quarter.

Total Fee payments made this quarter: \$1,166,865,313

Total high-dollar overpayments identified in this quarter<sup>1</sup>: \$1,567,711

Percentage of overpayments<sup>2</sup>: 0.13

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$133,562.51	Entity	Phoenix	AZ	Duplicate Payment	Bill of Collection	Collection in Progress	See Note Below Table
\$130,000.00	Entity	Baltimore	MD	Duplicate Payment	Bill of Collection	Collection in Progress	
\$119,057.83	Entity	Indianapolis	IN	Incorrect Vendor	Bill of Collection	Collection in Progress	
\$99,871.54	Entity	Louisville	KY	1) Duplicate Payment, 2) Vendor Billing Error , 3) Incorrect Application of Payment Methodology	Bill of Collection	Collection in Progress	
\$89,027.42	Entity	Deland	FL	Incorrect Application of Payment Methodology	Refund Received	Collection in Full	
\$74,741.00	Entity	Kissimmee	FL	Duplicate Payment	Bill of Collection	Collection in Progress	
\$57,954.37	Entity	Vancouver	WA	Payment not Authorized	Bill of Collection	Collection in Progress	
\$50,619.00	Entity	New Bedford	MA	1) Incorrect Application of Payment Methodology, 2) Incorrect Vendor	Bill of Collection	Collection in Progress	
\$47,113.86	Entity	Fargo	ND	Incorrect Vendor	Bill of Collection	Collection in Progress	
\$42,440.21	Entity	Vancouver	WA	1) Ineligible Recipient , 2) Incorrect Vendor	Bill of Collection	Collection in Progress	
\$40,553.89	Entity	Bullhead City	AZ	Incorrect Application of Payment Methodology	Bill of Collection	Collection in Progress	
\$39,186.01	Entity	Omaha	NE	Duplicate Payment	Refund Received	Collection in Full	
\$37,809.20	Entity	Philadelphia	PA	Payment not Authorized	Bill of Collection	Collection in Progress	
\$36,387.41	Entity	St. Louis	MO	Incorrect Vendor	Refund Received	Collection in Full	
\$36,075.48	Entity	Tucson	AZ	Incorrect Application of Payment Methodology	Bill of Collection	Collection in Progress	
\$35,244.15	Entity	Amarillo	TX	Vendor Billing Error	Refund Received	Collection in Full	
\$35,114.00	Entity	Melbourne	FL	Duplicate Payment	Bill of Collection	Collection in Progress	
\$33,423.10	Entity	Westchester	IL	Incorrect Application of Payment Methodology	Refund Received	Collection in Full	
\$33,363.55	Entity	Rock Springs	WY	1) Incorrect Vendor , 2) Duplicate Payment	Refund Received	Collection in Full	
\$32,387.44	Entity	Albuquerque	NM	1) Incorrect Vendor, 2) Duplicate Payment	Refund Received	Collection in Full	
\$31,025.79	Entity	Plainview	TX	Incorrect Application of Payment Methodology	Refund Received	Collection in Full	
\$30,058.00	Entity	Titusville	FL	Duplicate Payment	Bill of Collection	Collection in Progress	

<sup>1</sup> High-dollar overpayments identified in the Non-VA Care Fee Program were initially processed during the period, FY 2007 through FY 2011.

<sup>2</sup> The “Percentage of Overpayments” compares high-dollar overpayments processed in prior quarters with the total payments processed in the fourth quarter of FY 2011.

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$28,037.00	Entity	Syracuse	NY	Incorrect Vendor	Bill of Collection	Collection in Progress	See Note Below Table
\$28,008.13	Entity	Rochester	MN	1) Other Health Insurance not Verified 2) Duplicate Payment	Bill of Collection	Collection in Progress	
\$27,610.76	Entity	El Paso	TX	Duplicate Payment	Bill of Collection	Collection in Progress	
\$27,447.42	Entity	Las Vegas	NV	Incorrect Application of Payment Methodology	Refund Received	Collection in Full	
\$27,355.00	Entity	Albuquerque	NM	1) Incorrect Vendor, 2) Duplicate Payment	Bill of Collection	Collection in Progress	
\$25,394.04	Entity	Chicago	IL	Incorrect Application of Payment Methodology	Bill of Collection	Collection in Progress	
\$25,365.31	Entity	Danville	PA	Data Entry Error	Bill of Collection	Collection in Progress	
\$25,272.00	Entity	Louisville	KY	Duplicate Payment	Bill of Collection	Collection in Progress	
\$22,894.21	Entity	St. Louis	MO	1) Duplicate Payment, 2) Vendor Billing Error, 3) Ineligible Recipient	Bill of Collection	Collection in Progress	
\$21,430.19	Entity	Fort Myers	FL	1) Incorrect Vendor, 2) Duplicate Payment	Refund Received	Collection in Full	
\$16,947.11	Entity	Albany	NY	Incorrect Application of Payment Methodology	Bill of Collection	Collection in Progress	
\$14,229.69	Entity	Grand Island	NE	Vendor Billing Error	Bill of Collection	Collection in Progress	
\$12,704.41	Entity	Atlanta	GA	Incorrect Application of Payment Methodology	Refund Received	Collection in Full	

**Note:**

VHA will provide additional training and emphasize the importance of internal controls to staff members processing Fee claims. Training will include procedures on properly paying dialysis claims, determining Veteran eligibility status, and using Snap Web to identify duplicate payments.

## 5. Non-VA Care CHAMPVA Program

VHA identified 13 Non-VA Care CHAMPVA high-dollar overpayments totaling \$407,444 through expanded efforts of the Health Administration Center (HAC). High-dollar overpayments consisted of both single and cumulative payments. Seven overpayments totaling \$150,791 were the result of payments made to ineligible beneficiaries. One overpayment totaling \$96,487 was caused by using an incorrect vendor selection. One overpayment totaling \$70,210 was due to multiple causes including other health insurance not properly input; payment sent to the incorrect provider; and payment made to an ineligible beneficiary. The remaining four overpayments totaling \$89,957 included a combination of the above causes in addition to a duplicate payment.

To identify high-dollar overpayments, the HAC reviewed (1) a quarterly possible duplicate payment audit, (2) a monthly proper payment audit, (3) an ongoing weekly high-dollar audit for all claims over \$100,000, and (4) the fourth quarter bills of collection audit. The HAC conducts a 100 percent multi-division in-depth prepayment review of all claims over \$100,000, and the Claims Processing Division conducts a prepayment review of all claims over \$10,000 to reduce the likelihood of high-dollar improper payments being made.

Total CHAMPVA payments made this quarter: \$236,900,000  
 Total high-dollar overpayments identified in this quarter<sup>3</sup>: \$407,444  
 Percentage of overpayments<sup>4</sup>: 0.17

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$96,486.51	Entity	Los Angeles	CA	Incorrect Vendor	HAC's standard recoupment process where bills of collection are created, issued to the debtor, and tracked. Unpaid bills are then forwarded to the Treasury Offset Program after 180 days.	Collection in Progress	See Note Below Table
\$70,209.87	Entity	Chicago	IL	1) Other Health Insurance not Input 2) Incorrect Vendor 3) Ineligible Beneficiary		Collection in Progress	
\$42,541.89	Entity	Amarillo	TX	Ineligible Beneficiary		Collection in Progress	
\$36,764.31	Entity	Chicago	IL	1) Duplicate Payment, 2) Ineligible Beneficiary		Collection in Progress	
\$31,786.18	Entity	Richmond	IN	1) Incorrect Vendor, 2) Other Health Insurance not Input		Collection in Progress	
\$28,134.34	Individual	Lexington	SC	Ineligible Beneficiary		Collection in Progress	
\$26,650.92	Entity	Waukesha	WI	Ineligible Beneficiary		Collection in Progress	
\$26,292.67	Entity	Houston	TX	Ineligible Beneficiary		Collection in Progress	
\$11,053.43	Individual	Fort Worth	TX	Ineligible Beneficiary		Collection in Progress	
\$10,858.11	Individual	Warren	OH	Other Health Insurance not Input		Collection in Progress	
\$10,548.02	Individual	Pineville	LA	Other Health Insurance not Input		Collection in Progress	
\$8,422.98	Individual	Apache Junction	AZ	Ineligible Beneficiary		Collection in Progress	
\$7,694.49	Individual	Fort Worth	TX	Ineligible Beneficiary		Collection in Progress	

<sup>3</sup> High-dollar overpayments identified in the Non-VA Care CHAMPVA Program were initially processed during the period, FY 2003 through FY 2011.

<sup>4</sup> The "Percentage of Overpayments" compares high-dollar overpayments processed in prior quarters with the total payments processed in the fourth quarter.