Department of Veterans Affairs

Memorandum

Date: Feb 8 2013
From: Secretary of Veterans Affairs (00)
Subj: FY 2012 Fourth Quarter Report on High-Dollar Overpayments (VAIQ 7313419)
To: Inspector General (50)

1. Executive Order 13520, “Reducing Improper Payments,” dated November 20, 2009, requires the head of each agency to submit a quarterly report to the Agency’s Inspector General (IG) and the Council of Inspectors General on Integrity and Efficiency on any identified high-dollar overpayments and to make this report available to the public.

2. In accordance with the Office of Management and Budget (OMB) Circular A-123, Appendix C, Part III, the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), and National Cemetery Administration (NCA) examined their programs for overpayments that met thresholds of the Improper Payments Information Act of 2002 for susceptibility to significant improper payments. In fiscal year (FY) 2011, VBA began reviewing statistically valid samples of Compensation, Pension, and Education program debts in excess of $1,667 in accordance with the IG’s recommendation. Attached is VA’s consolidated report on identified high-dollar overpayments for the fourth quarter FY 2012.

3. The attached report lists, by program, all high-dollar overpayment transactions that meet OMB’s definition of improper payments. The report details whether the payments were made to an entity or individual; the recipient’s location; the root cause of the overpayments, categorized according to OMB’s three error types (documentation and administrative errors, authentication and medical necessity errors, and verification errors); any actions VA has taken or plans to take to recover overpayments; and any actions to help prevent improper payments from occurring in the future.

4. A total of 392 high-dollar overpayments were identified in 10 programs (4 within VHA, 5 within VBA, and 1 within NCA). Following is a summary of the programs in which high-dollar overpayments were identified in the quarter.

- **Non-VA Care Fee**: A total of 44 high-dollar overpayments were identified ($4.2 million out of $1.12 billion in total payments); 37 were due to documentation and administrative errors, and 7 were due to verification errors.

- **State Home Per Diem Grant Program**: Five high-dollar overpayments were identified ($1.2 million out of $212 million in total payments), and all were due to documentation and administrative errors.

- **Other Contractual Services Program**: A total of 24 high-dollar overpayments were identified ($1.5 million out of $792 million in total payments), and all were due to documentation and administrative errors.
Supplies and Materials Program: Two high-dollar overpayments were identified ($35,567 out of $229 million in total payments), and both were due to documentation and administrative errors.

Compensation (including Dependency and Indemnity Compensation): From a population of 9,088 overpayments, a random sample of 385 was reviewed to determine if any were high-dollar. Of the sampling results, 86 met the criteria ($29 million projected out of $14 billion in total payments). Only the sampling results are included in this report. Of the 86 improper payments found, 72 were due to verification errors, 10 were due to authentication and medical necessity errors, and 4 were due to documentation and administrative errors.

Pension: From a population of 7,912 overpayments, a random sample of 385 was reviewed to determine if any were high-dollar. Of the sampling results, 156 met the criteria ($50 million projected out of $1.2 billion in total payments). Only the sampling results are included in this report. Of the 156 improper payments found, 131 were due to authentication and medical necessity errors, and 25 were due to verification errors.

Education: From a population of 16,476 overpayments, a random sample of 251 was reviewed to determine if any were high-dollar. Of the sampling results, seven met the criteria ($58 million projected out of $2.5 billion in total payments). Only the sampling results are included in this report. Of the seven improper payments found, five were due to verification errors, and two were due to documentation and administrative errors.

Vocational Rehabilitation and Employment: A total of 67 high-dollar overpayments were identified ($225,284 out of $177 million in total payments); 5 were due to documentation and administrative errors, 2 were due to authentication and medical necessity errors, and 60 were due to verification errors.

Insurance: One high-dollar overpayment was identified ($26,428 out of $328 million in total payments). It was due to a documentation and administrative error.

Burial Services: One high-dollar overpayment of $65,364 was identified. It was due to a documentation and administrative error.

5. If you have any questions, please have a member of your staff contact Mr. Edward Murray, Deputy Assistant Secretary for Finance, at (202) 461-6180.

/s/Eric K. Shinseki

Attachment
Veterans Health Administration
Executive Order 13520 – Reducing Improper Payments
FY 2012 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 the 2011 Performance and Accountability Report, the Veterans Health Administration (VHA) reported four programs that met the Improper Payments Elimination and Recovery Act of 2010 (IPERA) thresholds for susceptibility to significant improper payments. These programs are Non-VA Care Fee, State Home Per Diem Grants, Other Contractual Services, and Supplies and Materials.

In accordance with OMB Circular A-123, Appendix C, Part III, VHA reviewed the four programs that were susceptible to significant improper payments. 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 either of the following circumstances.

- The total payment to an individual exceeds $5,000 as a single payment or in cumulative payments for the quarter.
- A payment to an entity exceeds $25,000 as a single payment or in cumulative payments for the quarter.

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 or 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.

In addition to meeting OMB guidelines, our report includes two additional categories: the root cause of each overpayment as categorized by OMB’s three error types, and the status of each overpayment. OMB’s three error types include:

- Administrative and Documentation Errors, which are caused by the absence of supporting documentation to validate the payment, or inputting, classifying, or processing errors made by someone other than the recipient of the payment (i.e., the payee or a third-party).
- Authentication and Medical Necessity Errors, which are caused by the payee’s inability to authenticate eligibility criteria through third-party databases or other resources because nothing else exists, or the beneficiary was provided a service that was not medically necessary given the patient’s condition.
- Verification Errors, which are caused by the payee’s failure to verify recipient information (i.e., earnings, income, assets, or work status) even though third-party databases or other resources do exist, the payee’s inability to verify recipient information (i.e., earnings, income, assets, or work status) because there are legal or other restrictions that deny access to verify against third-party databases or other resources that do exist, or beneficiaries fail to report correct information to the payee.

The status of an overpayment will either 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 or referral to the Treasury Offset Program.
Veterans Health Administration

1. Non-VA Care Fee Program

VHA identified 44 Non-VA Care Fee high-dollar overpayments totaling $4,216,055.11 through the expanded efforts of the VHA Chief Business Office (CBO) Purchased Care Program Office, the Veterans Integrated Service Networks (VISNs), and the VA Financial Services Center (FSC). High-dollar overpayments consisted of both single and cumulative payments. VISN overpayments were consolidated nationally to ensure the appropriate capture of all high-dollar overpayments. Facilities used numerous techniques to identify overpayments. The techniques included, but are not limited to, reviewing internal reports and bills of collection 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. The FSC identified high-dollar overpayments during its payment reviews. The Management Quality and Assurance Service (MQAS) and the VA Office of Inspector General (OIG), which identified high-dollar overpayments in prior quarters, reported no high-dollar overpayments this quarter.

In the fourth quarter FY2012, the Non-VA Care Fee program generated 44 high-dollar overpayments; 37 are Documentation and Administrative Errors, and 7 are Verification Errors.

- 13 overpayments (30%) totaling $2,379,262 are Documentation and Administrative Errors caused by Medicare re-pricing not being used.
- 7 overpayments (16%) totaling $684,800 are Verification Errors caused by failure to verify other health insurance (OHI) information.
- 10 overpayments (23%) totaling $566,858 are Documentation and Administrative Errors caused by incorrect payment methodologies.
- 4 overpayments (9%) totaling $219,108 are Documentation and Administrative Errors caused by issuing duplicate payments.
- 4 overpayments (9%) totaling $135,186 are Documentation and Administrative Errors caused by vendor billing errors.
- 4 overpayments (9%) totaling $128,161 are Documentation and Administrative Errors caused by data entry errors.
- 2 overpayments (4%) totaling $102,680 are Documentation and Administrative Errors where the wrong vendor was paid.

Total Fee Payments made this quarter: $1,121,722,900
Total High-Dollar Overpayments identified in this quarter: $4,216,055.11
Percentage of Overpayments: 0.37
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</tbody>
</table>

**Note:** VHA will provide education and training to clerks on payment methodologies to ensure proper claim processing and on Snap Web to help identify potential duplicate payments.
2. State Home Per Diem Grant Program

VHA identified five State Home Per Diem Grant high-dollar overpayments totaling $1,167,511 through expanded efforts of the CBO and FSC. High-dollar overpayments consisted of both single and cumulative payments. MQAS and the OIG reported no high-dollar overpayments this quarter for State Home Per Diem Grants.

In the fourth quarter FY2012, the State Home Per Diem Grant program generated five high-dollar overpayments, and all are Documentation and Administrative Errors.

- 1 overpayment (20%) totaling $809,856 is a Documentation and Administrative Error caused by issuing a duplicate payment.
- 4 overpayments (80%) totaling $357,655 are Documentation and Administrative Errors caused by using incorrect payment methodologies.

Total State Home Per Diem Grant Payments made this quarter: $211,733,567
Total High-Dollar Overpayments identified in this quarter: $1,167,511
Percentage of Overpayments: 0.55

<table>
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<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error Type</th>
<th>Action/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-occurrence</th>
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<td>Collection in progress</td>
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</table>

Note: To prevent future occurrence of overpayments in this program, VHA will provide additional training to staff.

3. Other Contractual Services Program

VHA identified 24 Other Contractual Services high-dollar overpayments totaling $1,499,103 through expanded efforts of the FSC and VISNs. The FSC identified high-dollar overpayments during its payment reviews, and the VISNs worked closely with each facility to identify high-dollar overpayments. MQAS and the OIG reported no high-dollar overpayments this quarter for Other Contractual Services. High-dollar overpayments consisted of both single and cumulative payments.

In the fourth quarter FY2012, Other Contractual Services generated 24 high-dollar overpayments, and all are Documentation and Administrative Errors.

- 6 overpayment (25%) totaling $476,328 is a Documentation and Administrative Error caused by paying incorrect invoices.
- 4 overpayments (17%) totaling $430,715 are Documentation and Administrative Errors where the wrong vendor was paid.
- 12 overpayments (50%) totaling $421,814 are Documentation and Administrative Errors where duplicate payments were issued.
- 2 overpayments (8%) totaling $170,246 are Documentation and Administrative Errors caused by vendor billing errors.
Total Other Contractual Services Payments made this quarter: $792,128,088
Total High-Dollar Overpayments identified in this quarter: $1,499,103
Percentage of Overpayments: 0.19

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<tr>
<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error Type</th>
<th>Action/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-occurrence</th>
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<td>Vendor billing error</td>
<td>Documentation and Administrative Error</td>
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$27,744.00 Entity Wauconda IL Duplicate payment Documentation and Administrative Error Bill of collection Collection in full

$27,495.00 Entity Sacramento CA Incorrect invoice Documentation and Administrative Error Bill of collection Collection in progress

$26,000.00 Entity Indianapolis IN Incorrect vendor Documentation and Administrative Error Bill of collection Collection in full

$22,986.00 Entity Alexandria VA Duplicate payment Documentation and Administrative Error Bill of collection Collection in progress

$17,331.60 Entity Moline IL Duplicate payment Documentation and Administrative Error Bill of collection Collection in progress

$16,695.00 Entity Roswell GA Duplicate payment Documentation and Administrative Error Bill of collection Collection in progress

$13,516.00 Entity Atlanta GA Duplicate payment Documentation and Administrative Error Bill of collection Collection in full

$12,953.60 Entity Leavenworth KS Duplicate payment Documentation and Administrative Error Bill of collection Collection in progress

Note: To prevent future occurrence of overpayments in this program, VHA will provide additional training to staff.

4. Supplies and Materials Program
VHA identified two Supplies and Materials high-dollar overpayment totaling $35,567 through expanded efforts of the FSC. The FSC identified high-dollar overpayments during its payment reviews. The VISNs, MQAS and the OIG reported no high-dollar overpayments this quarter for Supplies and Materials.

During the fourth quarter of FY2012, Supplies and Materials issued two high-dollar overpayments, and both are Documentation and Administrative Errors.

- 2 overpayments (100%) totaling $35,567.40 are Documentation and Administrative Errors where duplicate payments were issued.

Total Supplies and Materials Payments made this quarter: $229,429,619
Total High-Dollar Overpayments identified in this quarter: $35,567
Percentage of Overpayments: 0.015

<table>
<thead>
<tr>
<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error Type</th>
<th>Action/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-occurrence</th>
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<tr>
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<td>PA</td>
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<td>See Note Below</td>
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<td>$14,864.81</td>
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<td>Charlotte</td>
<td>NC</td>
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<td>Documentation and Administrative Error</td>
<td>Bill of collection</td>
<td>Collection in progress</td>
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</tr>
</tbody>
</table>

Note: VHA will provide additional training to prevent future overpayments in this program.

7
Veterans Benefits Administration

1. Compensation Program

VBA uses analytical procedures to improve the statistical validity of the high dollar overpayment review. This procedure requires a review of a stratified random sample of the total number of overpayments. There were 9,088 compensation overpayments identified in the fourth quarter FY 2012.

A random sample of 385 overpayments was reviewed. The review revealed that 86 (22%) were high dollar overpayments and 299 (78%) were payments that did not meet the high-dollar overpayment criteria. Based on these results, we projected that 2,030 of 9,088 overpayments originally identified were high dollar compensation overpayments, and an estimated 7,058 were payments that did not meet the high-dollar overpayment criteria. These results are based on estimates at a 95 percent confidence level with a ± 5 percent interval.

The Compensation Service identified 86 high-dollar compensation overpayments; 72 are due to Verification Errors, 10 are due to Authentication and Medical Necessity Errors, and 4 are due to Documentation and Administrative Errors.

A total of 36 overpayments (42%) are Verification Errors caused by delayed notification of a Veterans death. 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. 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.

A total of 16 overpayments (19%) are due to Verification Errors caused by delayed notification of when a Veteran returns 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.

A total of 15 overpayments (18%) are due to Verification Errors caused by notification of dependency changes by third parties. VA is not always 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.

A total of 9 overpayments (10%) are due to Authentication and Medical Necessity Errors caused by changes in countable income or a change in unreimbursed medical expenses. Increases in countable income may result in high-dollar overpayments when there are not enough medical expenses to reduce the countable income, or if the income itself has increased.

A total of 5 overpayments (6%) are due to Verification Errors caused by retroactive adjustments due to incarceration or fugitive felon status. Notification of incarceration or fugitive felon status 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.

A total of 3 overpayments (3%) are due to Documentation and Administrative Errors caused by military retired pay and separation pay adjustments. An adjustment to benefits payable may be warranted when a Veteran is in receipt of military retired or separation pay. When VA receives third-party information indicating a Veteran is in receipt of these types of payments, beneficiaries must be provided with a 60-day “due process” before any reduction in benefits can occur.

A total of 1 overpayment (1%) is due to an Authentication and Medical Necessity Error caused by a Veteran being granted a total evaluation when the surgery did not require the minimum one-month convalescence period. A total disability rating (100 percent) will be assigned without regard to other provisions of the rating schedule when it is established by report at hospital discharge (regular discharge or release to non-bed care) or outpatient release that entitlement is warranted due to surgery necessitating at least one month of convalescence.

A total of 1 overpayment (1%) is due to a Documentation and Administrative Error caused by inability to determine, through electronic records, the period covered by the overpayment and the propriety or cause of the overpayment.
Total Compensation Payments made this quarter: $14,199,352,840.48  
Projected High-Dollar Overpayments for this quarter: $29,391,121.57  
Percentage of High-Dollar Overpayments to Compensation payments: 0.20

<table>
<thead>
<tr>
<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error Type</th>
<th>Action/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-occurrence</th>
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</table>
Note:
1. 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.
2. VBA established a workgroup in March 2012 to review the Compensation program and identify best practices for reducing high-dollar overpayments.
3. VBA manages timeliness of completing action on issues involving potential overpayments by using special controls such as the workload End Product 690.
4. Field personnel monitor exception reports and take corrective action when system-generated messages indicate there are potential overpayments. Claims processors are directed to initiate action within 30 days of receiving these notices.
5. VBA requires field personnel take immediate action to resolve claims involving due process, once their associated controls mature. This reduces the amount of potential overpayments created through delayed processing.
6. Some VA overpayments are inherent based on the requirements of 38 CFR §3.103, Procedural Due Process and Appellate Rights, that 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. One exception to this requirement is when VA is notified of a beneficiary’s death.

2. Pension Program
VBA uses analytical procedures to improve the statistical validity of the high-dollar overpayment review. This procedure requires a review of a stratified random sample of the total number of overpayments. There were 7,912 pension overpayments identified in the fourth quarter FY 2012.

A random sample of 385 pension overpayments was reviewed. The review revealed that 156 (41%) were high-dollar overpayments, and 229 (59%) were pension payments that did not meet the high-dollar overpayment criteria. Based on these results, we projected that 3,244 overpayments originally identified were high-dollar pension overpayments, and an estimated 4,668 were payments that did not meet the high-dollar overpayment criteria. These results are based on estimates at a 95 percent confidence level with a ± 5 percent interval.

The Pension and Fiduciary Service identified 156 high-dollar pension overpayments; 131 are due to Authentication and Medical Necessity Errors, and 25 are due to Verification Errors.

A total of 130 (83%) are due to Authentication and Medical Necessity Errors caused by changes in countable income or a change in unreimbursed medical expenses. Increases in countable income may result in high-dollar overpayments when there are not enough medical expenses to reduce the countable income, or if the income itself has increased.

A total of 17 overpayments (11%) are due to Verification Errors caused by delayed notification of a Veteran’s death. 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. 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.

A total of 6 overpayments (4%) are due to Verification Errors caused by retroactive adjustments due to incarceration or fugitive felon status. Notification of incarceration or fugitive felon status 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.

A total of 2 overpayments (1%) are due to Verification Errors caused by notification of dependency changes by third parties. VA is not always 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 when notified by a third-party before adjusting the beneficiary’s benefits.

A total of 1 overpayment (1%) is due to a Authentication and Medical Necessity Error when a Veteran is hospitalized at VA expense. An adjustment in benefits is made when a Veteran is furnished hospital, domiciliary, or nursing home care by the Department of Veterans Affairs, or at VA expense. VA must provide due process when notified by a medical facility or other third-party of the Veteran’s hospitalization.
Total Pension Payments made this quarter: $1,247,433,468.17
Projected High-Dollar Overpayments for this quarter: $49,867,361.02
Percentage of High-Dollar Overpayments to Pension: 4.00

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<th>State</th>
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<th>Action/Plans to Recover Overpayment</th>
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<td>Paid In Full</td>
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</table>

**Note:**
1. 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.
2. VBA established a workgroup in March 2012 to formulate and implement a strategy to reduce the number of high-dollar overpayments.
3. Develop specific guidance on pension benefit adjustments.
4. Provide guidance under M21-1MR, Part I, Chapter 2.B.7.a, which requires field personnel to resolve claims involving due process when the associated controls mature.
5. Continue to provide feedback to field employees, through PMC conference calls. VBA is establishing performance measures to address timeliness of processing maintenance workload.
6. Share the findings from this review with the field so it can implement local reviews and address local high-dollar overpayment issues.
7. Include matching program training in the mandatory topics for the FY 2013 National Pension Training Curriculum.
3. Education

VBA uses analytical procedures to improve the statistical validity of the high-dollar overpayment review. This procedure requires a review of a stratified random sample of the total number of overpayments. There were 16,476 Education overpayments identified in the fourth quarter of FY 2012.

A random sample of 251 education pension overpayments was reviewed. The review revealed that 7 (2.8%) were high-dollar overpayments and 244 (97.2%) were education payments that did not meet the high-dollar overpayment criteria. Based on these results, we projected that 460 overpayments originally identified were high-dollar pension overpayments, and an estimated 16,016 were payments that did not meet the high-dollar overpayment criteria. These results are based on estimates at a 95 percent confidence level with a ± 5 percent interval.

The Education Service identified 7 high-dollar education overpayments; 5 are due to Verification Errors and 2 are due to Documentation and Administrative Errors.

- 5 overpayments (71%) are due to Verification Errors caused by schools failing to report correct information to VA.
- 2 overpayments (29%) are due to Documentation and Administrative Errors caused by VA processing incorrect information.

Total Education Payments made this quarter: $2,460,180,922.15
Projected High-Dollar Overpayments for this quarter: $57,528,076.72
Percentage of High-Dollar Overpayments to Education: 2.0

<table>
<thead>
<tr>
<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error Type</th>
<th>Action/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-occurrence</th>
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<td>In Collection Status</td>
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</tbody>
</table>

Note:
1. 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.
2. 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. The main causes of VA error were issuing duplicate payments and data input errors. This is similar to third quarter FY 2012 where the most common VA errors were the same. Common errors identified are a result of human error. To decrease the potential for human error, VA continues to take a two-step approach; one, focus on training our employees; and two, field improvements in electronic processing systems to aid in decreasing human errors. The Regional Processing Offices and VA Central Office have established required training that employees must attend. Supervisory officials also monitor individual employee performance and provide additional training as necessary. Fielding improvements in electronic processing systems continues to be a challenge for VA due to recent and possible future statutory changes in the Post-9/11 GI Bill. The recent changes required VA to redirect its information technology resources from enhancing current systems to developing changes to current systems to implement the recent changes.

3. The main cause of school error remains incorrect reporting of tuition and fees. VA published a nationwide School Certifying Official Handbook, which establishes common requirements and detailed instructions for School Certifying Officials to prepare and submit enrollment and attendance information to VA. In addition, recent statutory changes authorized State Approving Agencies to conduct school Compliance Surveys. This will increase VA presence on campuses and enable additional assessment of school official compliance and increase VA opportunities to provide focused training for school officials.

4. Vocational Rehabilitation & Employment (VR&E) Service

VBA identified 67 VR&E high-dollar overpayments totaling $226,977.46. During the fourth quarter FY2012, VR&E generated 67 high-dollar overpayments; 5 are due to Documentation and Administrative Errors; 2 are due to Authentication and Medical Necessity Errors, and 60 are due to Verification Errors.

A total of 13 overpayments (23%) are due to Verification Errors and were created due to school error. This is mainly caused when a school provides a certification with information that is incorrect or not updated in regards to the number of credits a Veteran is enrolled in for a particular semester. This causes their subsistence allowance to be processed at a certain amount and then has to be adjusted based on the Veteran’s actual number of credits they are pursuing. An overpayment is created because the Veteran is only entitled to receive subsistence allowance based on number of credits being pursued. This also occurs when a Veteran drops a class during add/drop period but the school does not provide the certification until after add/drop period closes.

A total of 4 overpayments (6%) are due to Documentation and Administrative Errors caused by a Vocational Rehabilitation Counselor (VRC) incorrectly processing an award. The circumstances are as follows.

- A Veteran’s subsistence allowance award was stopped to change the number of dependents. However, full file pass (FFP) ended and the award was not re-processed in enough time to collect the overpayment. FFP is the last day of the month to process a payment in order for the Veteran to receive payment (or reduction in pay) by the first of the following month.
- The VRC was notified of a change in a Veteran’s training facility but award was not stopped in time.
- A subsistence allowance award was processed at a higher rate of pursuit and did not match certification from the school.

A total of 42 overpayments (62%) are due to Verification Errors where the payments made were proper at the time they were disbursed, but most of these overpayments occurred when the Veteran failed to timely inform their VRC of any changes in enrollment. Therefore, by the time change was known and proper documentation was obtained from the school, an overpayment was created.

A total of 6 overpayments (9%) are due to Authentication and Medical Necessity Errors caused by retroactive inductions. Per CFR 21.282, an individual may be inducted into a rehabilitation program on a retroactive basis. If the individual is retroactively inducted, VA may authorize payment pursuant to §21.262 or §21.264 for tuition, fees, and other verifiable expenses that an individual paid or incurred consistent with the approved rehabilitation program. In addition, VA may authorize payment of subsistence allowance pursuant to §§21.260, 21.266, and 21.270 for the period of retroactive induction, except for any period during which the individual was on active duty.

A total of 2 overpayments (3%) are due to Verification Errors when the Veterans switched from Chapter 31 benefits to the Post-9/11 GI Bill, Chapter 33 program and did not notify their counselor in time. By the time the system caught up with this, the Veterans had received allowances from more than one benefit.

A total of 1 overpayment (1%) is due to a Documentation and Administrative Error where a payment was made to a Veteran who registered for classes outside of his degree.
Total VR&E Payments made this quarter: $176,543,079.03  
High-Dollar Overpayments for this quarter: $225,283.68  
Percentage of High-Dollar Overpayments to VR&E: 0.1

<table>
<thead>
<tr>
<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error</th>
<th>Actions/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-Occurrence</th>
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<td>Individual</td>
<td>Boston</td>
<td>MA</td>
<td>Other: Retroactive Induction</td>
<td>Authentication and Medical Necessity Error</td>
<td>Payment has been recovered.</td>
<td>Paid In Full</td>
<td>Veteran understands the process of retroactive induction.</td>
</tr>
<tr>
<td>$1,677.10</td>
<td>Individual</td>
<td>Hyannis</td>
<td>MA</td>
<td>VR&amp;E Error: Paid for 3 dep instead of 2. QA revealed veteran did not provide adequate documentation.</td>
<td>Documentation and Administrative Error</td>
<td>Payment has been recovered.</td>
<td>Collected In Full</td>
<td>VRC provided training and counseling to ensure he understands error.</td>
</tr>
<tr>
<td>$1,171.31</td>
<td>Individual</td>
<td>Williamsville</td>
<td>NY</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Vet and school advised to inform VA.</td>
<td>Collection In Progress</td>
<td>Advise school to inform VA ASAP.</td>
</tr>
<tr>
<td>$3,346.50</td>
<td>Individual</td>
<td>Clinton</td>
<td>CT</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Deduction from C&amp;P check.</td>
<td>Collection In Progress</td>
<td>VR&amp;E staff is now aware of acceptable documentation to add dependents.</td>
</tr>
<tr>
<td>$2,008.50</td>
<td>Individual</td>
<td>Pittsburgh</td>
<td>PA</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection in progress from other VA Benefits.</td>
<td>Collection In Progress</td>
<td>Will inform school of effect of delayed reporting.</td>
</tr>
<tr>
<td>$1,825.00</td>
<td>Individual</td>
<td>Baltimore</td>
<td>MD</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection from C&amp;P Benefits to begin.</td>
<td>Collection In Progress</td>
<td>Veteran met with VRC to discuss his training and ensure he provides updates timely.</td>
</tr>
<tr>
<td>Amount</td>
<td>Type</td>
<td>City</td>
<td>State</td>
<td>Payment Status</td>
<td>Error Type</td>
<td>Action Taken</td>
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</tr>
<tr>
<td>$2,347.53</td>
<td>Individual</td>
<td>Baltimore</td>
<td>MD</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection from C&amp;P Benefits to begin.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$4,404.95</td>
<td>Individual</td>
<td>Baltimore</td>
<td>MD</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Paid in Full</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$2,235.31</td>
<td>Individual</td>
<td>Nottingham</td>
<td>MD</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>The Veteran was notified of the OP; in fact, she did not cash the check, but held onto it until she received information on where to make the payment to VA. VR&amp;E staff provided her with that information.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,778.49</td>
<td>Individual</td>
<td>Birmingham/Jefferson</td>
<td>AL</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Veteran notified of payment error. DMC notified.</td>
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<tr>
<td>$2,315.20</td>
<td>Individual</td>
<td>Atlanta</td>
<td>GA</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection from next subsistence allowance check</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>Type</td>
<td>Location</td>
<td>Error Description</td>
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<tr>
<td>$18,374.78</td>
<td>Individual</td>
<td>Orlando  FL</td>
<td>Other - Veteran was collecting Ch 31 and Ch 33 payments simultaneously.</td>
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<tr>
<td>$3,153.57</td>
<td>Individual</td>
<td>Jacksonville FL</td>
<td>Proper Payment When Disbursed</td>
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<tr>
<td>$2,912.05</td>
<td>Individual</td>
<td>Jacksonville FL</td>
<td>Proper Payment When Disbursed</td>
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<tr>
<td>$2,304.50</td>
<td>Individual</td>
<td>Orange Park FL</td>
<td>Proper Payment When Disbursed</td>
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<tr>
<td>$1,926.54</td>
<td>Individual</td>
<td>Pompano Beach FL</td>
<td>Proper Payment When Disbursed</td>
<td></td>
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<tr>
<td>$1,889.90</td>
<td>Individual</td>
<td>Orlando  FL</td>
<td>School Error - Veteran dropped out of school on 10/19/11. VRC was notified on 6/19/12.</td>
<td></td>
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<tr>
<td>$1,837.62</td>
<td>Individual</td>
<td>Winter Park FL</td>
<td>School Error - Failure to notify of w/d.</td>
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<tr>
<td>$1,719.81</td>
<td>Individual</td>
<td>Jacksonville FL</td>
<td>School Error - Failure to notify of w/d.</td>
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</tr>
<tr>
<td>$1,706.25</td>
<td>Individual</td>
<td>Naples   FL</td>
<td>Other: Veteran took classes outside of degree.</td>
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</tr>
</tbody>
</table>

- **Verification Error**: Collection In Progress
- **Recouping From Comp**: Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
- **Proper Payment When Disbursed**: Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
- **School Error - Failure to notify of w/d.**: Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
- **Documenting and Administrative Error**: Review rules with Vet and school.
<table>
<thead>
<tr>
<th>Amount</th>
<th>Type</th>
<th>Location</th>
<th>City/State</th>
<th>Reason for Disbursement</th>
<th>Action Required</th>
<th>Status</th>
<th>Notes</th>
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<tbody>
<tr>
<td>$1,700.20</td>
<td>Individual</td>
<td>Jacksonville</td>
<td>FL</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Due Process</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$2,441.40</td>
<td>Individual</td>
<td>Crestview</td>
<td>FL</td>
<td>Other: Transfer of Debt from Ch. 33 to Ch. 31</td>
<td>Verification Error</td>
<td>Debt is registered in DMC for due process in 60 days</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$1,877.91</td>
<td>Individual</td>
<td>Winston-Salem</td>
<td>NC</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>DMC Collection After Due Process</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$1,926.54</td>
<td>Individual</td>
<td>Fort Bragg</td>
<td>NC</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>DMC Collection After Due Process</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$1,739.84</td>
<td>Individual</td>
<td>Fort Bragg</td>
<td>NC</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>DMC Collection After Due Process</td>
<td>Collection In Progress</td>
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<tr>
<td>$3,163.86</td>
<td>Individual</td>
<td>Jacksonville</td>
<td>NC</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Debt has been paid</td>
<td>Paid In Full</td>
</tr>
<tr>
<td>$3,407.47</td>
<td>Individual</td>
<td>Jacksonville</td>
<td>NC</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Will be recouped from C&amp;P</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$5,607.98</td>
<td>Individual</td>
<td>Winston-Salem</td>
<td>NC</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>DMC collection after due process</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$2,011.20</td>
<td>Individual</td>
<td>Ladson</td>
<td>SC</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Debt has been established is being repays with deductions from C&amp;P Comp.</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>Amount</td>
<td>Type</td>
<td>Location</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Result</td>
<td>Notes</td>
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<td>$3,104.16</td>
<td>Individual</td>
<td>Nashville</td>
<td>TN</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Will be recouped from C&amp;P</td>
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<tr>
<td>$3,231.97</td>
<td>Individual</td>
<td>Lake Charles</td>
<td>LA</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection from C&amp;P to begin</td>
<td></td>
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<tr>
<td>$2,140.00</td>
<td>Individual</td>
<td>Chesterfield</td>
<td>SC</td>
<td>VR&amp;E Error</td>
<td>Documentation and Administrative Error</td>
<td>Veteran returned to CH 33, making CH 31 payment erroneous. Vet has arranged to repay her debt at $50/mo from her C&amp;P.</td>
<td></td>
</tr>
<tr>
<td>$2,590.57</td>
<td>Individual</td>
<td>Portage</td>
<td>MI</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection from C&amp;P to begin</td>
<td></td>
</tr>
<tr>
<td>$3,651.22</td>
<td>Individual</td>
<td>Ironwood</td>
<td>MI</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection from C&amp;P to begin</td>
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<tr>
<td>$2,837.24</td>
<td>Individual</td>
<td>DePere</td>
<td>WI</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Debt has rolled over to Compensation</td>
<td></td>
</tr>
<tr>
<td>$5,343.60</td>
<td>Individual</td>
<td>Sun Prairie</td>
<td>WI</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Debt has rolled over to Compensation</td>
<td></td>
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<tr>
<td>Amount</td>
<td>Type</td>
<td>Location</td>
<td>City/State</td>
<td>Error Type</td>
<td>Corrective Action</td>
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<tr>
<td>$2,118.67</td>
<td>Individual</td>
<td>Denver</td>
<td>CO</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
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<td>Collection from C&amp;P to begin</td>
<td>Collection In Progress</td>
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<td>Cure and reminded him of the importance to provide updates on changes</td>
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<tr>
<td>$1,969.18</td>
<td>Individual</td>
<td>Denver</td>
<td>CO</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
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<td>Collection from next subsistence allowance check</td>
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<td>Collection In Progress</td>
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<td>Counsel and reminded him of the importance to provide updates on changes</td>
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<tr>
<td>$2,173.39</td>
<td>Individual</td>
<td>Salt Lake City</td>
<td>UT</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
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<td>DMC collection after due process</td>
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<td>Met with Veteran to discuss changes made</td>
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<tr>
<td>$4,368.48</td>
<td>Individual</td>
<td>Ogden</td>
<td>UT</td>
<td>School Error</td>
<td>Verification Error</td>
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<td>DMC collection after due process</td>
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<td></td>
<td></td>
<td>Spoke with certifying official and provided training</td>
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<tr>
<td>$1,994.40</td>
<td>Individual</td>
<td>Salt Lake City</td>
<td>UT</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
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<td>Spoke with Veteran and provided counseling.</td>
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<tr>
<td>$2,458.71</td>
<td>Individual</td>
<td>Waldorf</td>
<td>MD</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
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<td>Collection is established in compensation. DMC was scheduled to being recouping the overpayment in Dec 2012.</td>
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<td>Collection In Progress</td>
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<td>Coordinate with Veteran and school certification to prevent the submission of late student withdrawal training certifications.</td>
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<tr>
<td>$23,716.35</td>
<td>Individual</td>
<td>Oakland</td>
<td>CA</td>
<td>Other: Retroactive Induction</td>
<td>Authentication and Medical Necessity Error</td>
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<td>DMC collection after due process</td>
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<td>Veteran and counselor met to discuss retroactive induction and she understood.</td>
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<tr>
<td>$2,040.71</td>
<td>Individual</td>
<td>Los Angeles</td>
<td>CA</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
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<td>DMC collection after due process</td>
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<td>Collection In Progress</td>
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<td></td>
<td>Met with Veteran to discuss changes made.</td>
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</tr>
<tr>
<td>$5,945.00</td>
<td>Individual</td>
<td>Los Angeles</td>
<td>CA</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
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<tr>
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<td></td>
<td></td>
<td>Will be recouped from C&amp;P</td>
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<td>Collection In Progress</td>
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<td></td>
<td>Met with Veteran to provide guidance on making changes to his schedule</td>
<td></td>
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</tr>
<tr>
<td>Amount</td>
<td>Type</td>
<td>City</td>
<td>State</td>
<td>Issue Description</td>
<td>Verification Error</td>
<td>Collection Status</td>
<td>Notes</td>
</tr>
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<tr>
<td>$2,310.64</td>
<td>Individual</td>
<td>Seattle</td>
<td>WA</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Collection In Progress</td>
<td>Spoke with certifying official to ensure we receive certifications timely.</td>
</tr>
<tr>
<td>$7,777.05</td>
<td>Individual</td>
<td>Portland</td>
<td>OR</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection In Progress</td>
<td>Met with Veteran to provide guidance on making changes to his schedule</td>
</tr>
<tr>
<td>$3,321.19</td>
<td>Individual</td>
<td>Sasakwa</td>
<td>OK</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection In Progress</td>
<td>Spoke with Veteran to remind her of the importance of contacting VRC when changes are made</td>
</tr>
<tr>
<td>$3,015.03</td>
<td>Individual</td>
<td>El Paso</td>
<td>TX</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Collected in Full</td>
<td>Case Manager will provide additional training to certifying official at school.</td>
</tr>
<tr>
<td>$2,163.65</td>
<td>Individual</td>
<td>Gainesville</td>
<td>GA</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection In Progress</td>
<td>Counseled Veteran and reminded him of the importance to provide updates on changes.</td>
</tr>
<tr>
<td>$1,772.54</td>
<td>Individual</td>
<td>El Paso</td>
<td>TX</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection In Progress</td>
<td>Case Manager counseled Veteran about registering for courses and the importance of attending.</td>
</tr>
<tr>
<td>$1,971.05</td>
<td>Individual</td>
<td>Little Rock</td>
<td>AK</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Collection In Progress</td>
<td>Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.</td>
</tr>
<tr>
<td>Amount</td>
<td>Type</td>
<td>Location</td>
<td>State</td>
<td>Error Type</td>
<td>Verification Error</td>
<td>Action Details</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>--------------</td>
<td>----------</td>
<td>-------</td>
<td>-----------------------------</td>
<td>--------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>$5,092.14</td>
<td>Individual</td>
<td>Little Rock</td>
<td>AK</td>
<td>School Error</td>
<td>Verification Error</td>
<td>DMC collection after due process Progress</td>
<td></td>
</tr>
<tr>
<td>$3,231.97</td>
<td>Individual</td>
<td>Del City</td>
<td>OK</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>His VA Benefit will be withheld until the amount is paid in full. Collection In Progress</td>
<td></td>
</tr>
<tr>
<td>$3,439.62</td>
<td>Individual</td>
<td>Lawton</td>
<td>OK</td>
<td>VR&amp;E Error</td>
<td>Documentation and Administrative Error</td>
<td>Her VA Benefit will be withheld until the amount is paid in full. Collection In Progress</td>
<td></td>
</tr>
<tr>
<td>$1,918.77</td>
<td>Individual</td>
<td>Reno</td>
<td>NV</td>
<td>VR&amp;E Error</td>
<td>Documentation and Administrative Error</td>
<td>Collection from C&amp;P to begin. Collection In Progress</td>
<td></td>
</tr>
<tr>
<td>$2,837.34</td>
<td>Individual</td>
<td>Orocovis</td>
<td>PR</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Debt is registered at the DMC for due process in 60 days Collection In Progress</td>
<td></td>
</tr>
</tbody>
</table>

1. Change the veteran level of supervision to a Level III, which will require monthly face-to-face with his counselor.
2. The VRC will identify any issues that are causing the veteran to drop his classes before approving additional classes.

VRC met with Supervisor and provided training.
<table>
<thead>
<tr>
<th>Amount</th>
<th>Type</th>
<th>City</th>
<th>State</th>
<th>Issue</th>
<th>Verification Error</th>
<th>Collection Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,611.61</td>
<td>Individual</td>
<td>Laredo</td>
<td>TX</td>
<td>Other: Veteran switched from Ch33 to Ch31- Retroactive Induction back to Aug 2011.</td>
<td>Verification Error</td>
<td>Waiting for Finance to set up collection code.</td>
<td>Will not have a reoccurrence as retroactive inductions are a one-time occurrence.</td>
</tr>
<tr>
<td>$1,952.20</td>
<td>Individual</td>
<td>San Antonio</td>
<td>TX</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Overpayment Collection C&amp;P</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$1,804.20</td>
<td>Individual</td>
<td>Houston</td>
<td>TX</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Overpayment Collection C&amp;P</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$1,984.24</td>
<td>Individual</td>
<td>Houston</td>
<td>TX</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Overpayment Collection C&amp;P</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$1,898.86</td>
<td>Individual</td>
<td>Houston</td>
<td>TX</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>collection from next subsistence allowance check</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$1,731.25</td>
<td>Individual</td>
<td>Fort Harrison</td>
<td>MT</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>DMC collection after due process</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$2,270.25</td>
<td>Individual</td>
<td>Fort Harrison</td>
<td>MT</td>
<td>School Error</td>
<td>Verification Error</td>
<td>Will be recouped from C&amp;P</td>
<td>Collection In Progress</td>
</tr>
<tr>
<td>$2,695.90</td>
<td>Individual</td>
<td>Wichita</td>
<td>KS</td>
<td>Proper Payment When Disbursed</td>
<td>Verification Error</td>
<td>Paid in full. Came out of Fall semester</td>
<td>Paid In Full</td>
</tr>
</tbody>
</table>
Notes: Additional Actions/Plans to Prevent Reoccurrence

To reduce the number of payments later adjusted due to students changing enrollment status, VR&E provides cautionary information in print publications and includes this information in letters to students each time they are awarded benefits. VR&E also assigns a case manager to each Veteran in the program and they are reminded to communicate to Veterans up-to-date information on the benefits they receive, how they receive them, and the importance of informing us of any changes that include their training and dependents, which affects their subsistence allowance.

VR&E officers and other management staff are held responsible for ensuring their case managers are provided appropriate training to address overpayment issues with Veterans and conduct on-the-spot training based on quality reviews completed by the QA team on a monthly basis. Quality assurance of cases helps to reduce human error by providing the right guidance and follow-up to ensure these errors are reduced.

VR&E continues to provide updates to the field during Hotline Bulletin meetings to continue to communicate with the Veterans and provide ongoing reminders about the importance of communicating any changes in a timely manner.

5. Insurance

VBA identified one Insurance high-dollar overpayment in the amount of $26,428.14. During the fourth quarter FY2012, the Insurance Service generated one high-dollar overpayment; it was due to a Documentation and Administrative Error caused by incorrectly processing a payment to the wrong Veteran.

Total Insurance Payments made this quarter: $327,520,974
Projected High-Dollar Overpayments for this quarter: $26,428.14
Percentage of High-Dollar Overpayments to Insurance: 0.008

<table>
<thead>
<tr>
<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error</th>
<th>Actions/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>$26,428.14</td>
<td>Individual</td>
<td>Highland Beach</td>
<td>FL</td>
<td>Two Man Case (two veterans with same name). The address on the Insurance account was changed to the incorrect veteran, who then cash surrenders the policy.</td>
<td>Documentation and Administrative Error</td>
<td>AR Established</td>
<td>Collection In Progress</td>
<td>Additional Training</td>
</tr>
</tbody>
</table>

Notes: Additional Actions/Plans to Prevent Reoccurrence

The Insurance Service’s Internal Control Staff (ICS) augments traditional management controls (e.g., internal system edits, supervision, performance reviews and quality control reviews). ICS monitors, reviews and approves all manual insurance disbursements and certain other controlled transactions. These reviewers are held responsible for performing accurate reviews to verify the correctness and propriety of all critical insurance actions.
National Cemetery Administration
1. Burial Services
NCA identified one Burial Service high-dollar overpayment in the amount of $65,364.00. During the fourth quarter FY2012, Burial Services generated one high-dollar overpayment. It was due to a Documentation and Administrative Error caused by a vendor resubmitting invoices twice, and a duplicate payment was made.

<table>
<thead>
<tr>
<th>Amount of Overpayment</th>
<th>Entity or Individual</th>
<th>City/County</th>
<th>State</th>
<th>Cause of Overpayment</th>
<th>OMB Error</th>
<th>Actions/Plans to Recover Overpayment</th>
<th>Status of Overpayment</th>
<th>Overall Actions/Plans to Prevent Re-Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>$65,364.00</td>
<td>Entity</td>
<td>Falls Church</td>
<td>VA</td>
<td>Duplicate Payment</td>
<td>Documentation and Administrative Error</td>
<td>AR Established</td>
<td>Collected in Full</td>
<td>Provide additional training</td>
</tr>
</tbody>
</table>