

**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.

FY 2012 Fourth Quarter Report on High-Dollar Overpayments (VAIQ 7313419)

- **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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$708,595.40	Entity	Chandler	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	See Note Below
\$542,314.01	Entity	Phoenix	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$388,274.74	Entity	Phoenix	AZ	Failed to verify OHI	Verification Error	Bill of collection	Collection in progress	
\$246,693.97	Entity	Show Low	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$234,333.77	Entity	Phoenix	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$228,508.15	Entity	Scottsdale	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	

\$108,845.70	Entity	Scottsdale	AZ	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$85,781.50	Entity	Duluth	MN	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$81,034.00	Entity	Miami	FL	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$75,145.10	Entity	Charlotte	NC	Failed to verify OHI	Verification Error	Bill of collection	Collection in progress	
\$74,971.78	Entity	Phoenix	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$73,707.30	Entity	Salt Lake City	UT	Failed to verify OHI	Verification Error	Refund received	Collection in full	
\$72,286.57	Entity	Minneapolis	MN	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$70,124.47	Entity	Troy	NY	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$68,697.51	Entity	Milwaukee	WI	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$68,165.20	Entity	Columbus	OH	Incorrect vendor	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$63,891.22	Entity	Phoenix	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$59,719.16	Entity	Phoenix	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$59,715.27	Entity	Oklahoma City	OK	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$58,834.90	Entity	Hartford	CT	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$57,892.33	Entity	Greenville	NC	Failed to verify OHI	Verification Error	Bill of collection	Collection in progress	
\$52,553.71	Entity	Las Vegas	NV	Incorrect payment methodology	Documentation and Administrative Error	Refund received	Collection in full	
\$49,344.20	Entity	St Cloud	MN	Vendor billing error	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$49,068.14	Entity	Phoenix	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$42,074.61	Entity	Phoenix	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$41,926.14	Entity	Payson	AZ	Failed to verify OHI	Verification Error	Refund received	Collection in full	

\$40,513.94	Entity	Columbia	MO	Data entry error	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$40,325.34	Entity	Louisville	KY	Data entry error	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$38,422.92	Entity	Gilbert	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$36,876.14	Entity	Las Vegas	NV	Vendor billing error	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$34,515.06	Entity	Springfield	MO	Incorrect vendor	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$33,281.25	Entity	Charlotte	NC	Duplicate payment	Documentation and Administrative Error	Refund received	Collection in full	
\$30,954.10	Entity	Glendale	AZ	Medicare re-pricing not used	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$28,615.50	Entity	St. Louis	MO	Vendor billing error	Documentation and Administrative Error	Refund received	Collection in full	
\$27,985.87	Entity	Waterbury	CT	Failed to verify OHI	Verification Error	Bill of collection	Collection in progress	
\$26,282.31	Entity	Ocala	FL	Data entry error	Documentation and Administrative Error	Refund received	Collection in full	
\$24,393.61	Entity	Astoria	OR	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$21,039.29	Entity	Tacoma	WA	Data entry error	Documentation and Administrative Error	Refund received	Collection in full	
\$20,349.68	Entity	Phoenix	AZ	Vendor billing error	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$19,868.47	Entity	San Juan	PR	Failed to verify OHI	Verification Error	Refund received	Collection in full	
\$19,836.25	Entity	Philadelphia	PA	Incorrect payment methodology	Documentation and Administrative Error	Refund received	Collection in full	
\$18,145.88	Entity	El Paso	TX	Duplicate payment	Documentation and Administrative Error	Refund received	Collection in full	
\$17,053.61	Entity	Iowa City	IA	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$75,097.04	Entity	Tucson	AZ	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	

**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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$809,855.86	Entity	Charlotte Hall	MD	Duplicate	Documentation and Administrative Error	Bill of collection	Collection in progress	See Note Below
\$269,390.46	Entity	Boise	ID	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in full	
\$64,165.56	Entity	Cape Girardeau	MO	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$13,885.20	Individual	Philadelphia	PA	Incorrect payment methodology	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$10,214.40	Individual	Philadelphia	PA	Incorrect payment methodology	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.

## 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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$201,594.77	Entity	Omaha	NE	Incorrect vendor	Documentation and Administrative Error	Bill of collection	Collection in full	See Note Below
\$171,115.47	Entity	Alexandria	VA	Incorrect invoice	Documentation and Administrative Error	Bill of collection	Collection in full	
\$108,629.70	Entity	Bremerton	WA	Vendor billing error	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$107,294.98	Entity	Miami	FL	Incorrect invoice	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$103,120.00	Entity	Cranberry Township	PA	Incorrect vendor	Documentation and Administrative Error	Bill of collection	Collection in full	
\$100,000.00	Entity	Washington	DC	Incorrect vendor	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$98,723.15	Entity	Chandler	AZ	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in full	
\$86,007.76	Entity	Pleasanton	CA	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$78,146.64	Entity	Middletown	MD	Incorrect invoice	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$61,617.00	Entity	Seattle	WA	Vendor billing error	Documentation and Administrative Error	Bill of collection	Collection in progress	
\$46,286.00	Entity	San Francisco	CA	Incorrect invoice	Documentation and Administrative Error	Bill of collection	Collection in full	
\$45,990.00	Entity	Miami	FL	Incorrect invoice	Documentation and Administrative Error	Bill of collection	Collection in full	
\$33,925.00	Entity	New York	NY	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in full	
\$32,066.75	Entity	Honolulu	HI	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in full	
\$31,178.20	Entity	Tacoma	WA	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in full	
\$28,686.54	Entity	Salt Lake City	UT	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in progress	

\$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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$20,702.59	Entity	Carlisle	PA	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in full	See Note Below
\$14,864.81	Entity	Charlotte	NC	Duplicate payment	Documentation and Administrative Error	Bill of collection	Collection in progress	

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

## 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  $\pm 5$  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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/ Plans to Prevent Re-occurrence
\$109,953.00	Individual	ELBERTA	MI	Incarcerated Beneficiary	Verification Error	See Note 1 Below	In Collection Status	See Note 2 - 6 below
\$72,459.00	Individual	ELLETTSVILLE	IN	Death of Beneficiary	Verification Error		In Collection Status	
\$68,464.00	Individual	SAN FRANCISCO	CA	Death of Beneficiary	Verification Error		In Collection Status	
\$56,870.60	Individual	FRANKFORT	NY	Returned to Active Duty	Verification Error		In Collection Status	
\$54,186.00	Individual	LA HABRA	CA	Death of Beneficiary	Verification Error		In Collection Status	
\$42,168.00	Individual	PLANO	TX	Death of Beneficiary	Verification Error		In Collection Status	
\$41,913.00	Individual	GRASS VALLEY	CA	Death of Beneficiary	Verification Error		In Collection Status	
\$37,406.00	Individual	ENCINITAS	CA	Death of Beneficiary	Verification Error		In Collection Status	
\$29,347.27	Individual	KILLEEN	TX	Returned to Active Duty	Verification Error		In Collection Status	
\$29,285.00	Individual	LITHIA SPRINGS	GA	Returned to Active Duty	Verification Error		In Collection Status	
\$28,004.00	Individual	WARSAW	IL	Death of Beneficiary	Verification Error		In Collection Status	
\$25,575.00	Individual	RIVERSIDE	CA	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$23,628.00	Individual	AUSTIN	TX	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$22,241.83	Individual	TUCSON	AZ	Dependency Issue	Verification Error		In Collection Status	
\$20,113.80	Individual	BELLEVILLE	IL	Returned to Active Duty	Verification Error		In Collection Status	
\$18,582.07	Individual	FUQUAY VARINA	NC	Incarcerated Beneficiary	Verification Error		In Collection Status	

\$18,211.00	Individual	PEARL RIVER	NY	Death of Beneficiary	Verification Error		In Collection Status	
\$17,699.33	Individual	MOORES HILL	IN	Incarcerated Beneficiary	Verification Error		In Collection Status	
\$17,318.20	Individual	SPRINGFIELD	IL	Returned to Active Duty	Verification Error		In Collection Status	
\$16,940.00	Individual	LONDON	KY	Returned to Active Duty	Verification Error		In Collection Status	
\$16,484.00	Individual	PORT TOWNSEND	WA	Dependency Issue	Verification Error		In Collection Status	
\$16,381.60	Individual	SAN ANTONIO	TX	Returned to Active Duty	Verification Error		In Collection Status	
\$16,160.00	Individual	VINALHAVEN	ME	Death of Beneficiary	Verification Error		Paid In Full	
\$15,778.00	Individual	RENO	NV	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		Paid In Full	
\$15,101.00	Individual	NORTH HILLS	CA	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$14,260.70	Individual	LEXINGTON	NC	Returned to Active Duty	Verification Error		In Collection Status	
\$13,447.00	Individual	PLAINWELL	MI	Separation Pay	Documentation and Administrative Error		In Collection Status	
\$12,908.60	Individual	COLORADO SPRINGS	CO	Returned to Active Duty	Verification Error		In Collection Status	
\$12,531.50	Individual	VEGA ALTA	PR	Incarcerated Beneficiary	Verification Error		In Collection Status	
\$12,063.00	Individual	THIBODAUX	LA	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$12,047.00	Individual	MUNSTER	IN	Dependency Issue	Verification Error		In Collection Status	
\$11,592.00	Individual	AMSTERDAM	NY	Death of Beneficiary	Verification Error		Paid In Full	
\$11,478.00	Individual	SEYMOUR	IN	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$11,169.50	Individual	ALAMOGORDO	NM	Dependency Issue	Verification Error		In Collection Status	
\$10,622.20	Individual	EVANSVILLE	IN	Unknown	Documentation and Administrative Error		In Collection Status	
\$10,386.00	Individual	CRANBERRY TWP	PA	Death of Beneficiary	Verification Error		Paid In Full	
\$10,229.20	Individual	MILTON	FL	Incarcerated Beneficiary	Verification Error		In Collection Status	
\$10,092.60	Individual	VINE GROVE	KY	Returned to Active Duty	Verification Error		In Collection Status	

\$9,359.00	Individual	ELIZABETHTOWN	NC	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$9,166.53	Individual	BLOOMINGTON	MN	Returned to Active Duty	Verification Error		In Collection Status	
\$9,162.00	Individual	RATHDRUM	ID	Dependency Issue	Verification Error		In Collection Status	
\$8,909.00	Individual	AUSTIN	TX	Death of Beneficiary	Verification Error		In Collection Status	
\$8,796.00	Individual	PONCHATOULA	LA	Death of Beneficiary	Verification Error		In Collection Status	
\$8,772.00	Individual	HOSCHTON	GA	Death of Beneficiary	Verification Error		Paid In Full	
\$8,725.00	Individual	NEWBURGH	ME	Death of Beneficiary	Verification Error		In Collection Status	
\$8,514.57	Individual	PARAGOULD	AR	Returned to Active Duty	Verification Error		In Collection Status	
\$8,444.00	Individual	HAYSVILLE	KS	Returned to Active Duty	Verification Error		In Collection Status	
\$8,024.00	Individual	LONEDELL	MO	Dependency Issue	Verification Error		In Collection Status	
\$7,416.00	Individual	JACKSONVILLE	AR	Death of Beneficiary	Verification Error		Paid In Full	
\$7,248.00	Individual	SOUTH PLAINFIELD	NJ	Death of Beneficiary	Verification Error		In Collection Status	
\$7,229.41	Individual	NEW BRAUNFELS	TX	Military Retired Pay	Documentation and Administrative Error		In Collection Status	
\$7,159.00	Individual	NEWNAN	GA	Dependency Issue	Verification Error		In Collection Status	
\$6,804.00	Individual	CHOCTAW	OK	Returned to Active Duty	Verification Error		In Collection Status	
\$6,564.00	Individual	SEQUIM	WA	Death of Beneficiary	Verification Error		In Collection Status	
\$6,404.00	Individual	BENICIA	CA	Death of Beneficiary	Verification Error		Paid In Full	
\$6,291.00	Individual	SANTA YNEZ	CA	Military Retired Pay	Documentation and Administrative Error		Paid In Full	
\$6,046.00	Individual	ELIZABETHTON	TN	Death of Beneficiary	Verification Error		Paid In Full	
\$6,046.00	Individual	NEW ORLEANS	LA	Death of Beneficiary	Verification Error		Paid In Full	
\$5,975.00	Individual	ALBUQUERQUE	NM	Death of Beneficiary	Verification Error		Paid In Full	
\$5,964.00	Individual	FAYETTEVILLE	NC	Death of Beneficiary	Verification Error		In Collection Status	
\$5,857.70	Individual	TAMPA	FL	Returned to Active Duty	Verification Error		In Collection Status	
\$5,848.00	Individual	DALZELL	SC	Death of Beneficiary	Verification Error		In Collection Status	
\$5,848.00	Individual	UNIONDALE	NY	Death of Beneficiary	Verification Error		Paid In Full	

\$5,848.00	Individual	CRESTED BUTTE	CO	Death of Beneficiary	Verification Error		In Collection Status	
\$5,848.00	Individual	GLENDALE	AZ	Death of Beneficiary	Verification Error		In Collection Status	
\$5,840.00	Individual	SAGINAW	MI	Dependency Issue	Verification Error		In Collection Status	
\$5,769.00	Individual	PORTLAND	OR	Death of Beneficiary	Verification Error		Paid In Full	
\$5,736.00	Individual	SOUTH ORLEANS	MA	Death of Beneficiary	Verification Error		Paid In Full	
\$5,672.00	Individual	SIOUX CITY	IA	Dependency Issue	Verification Error		In Collection Status	
\$5,538.00	Individual	MELVINDALE	MI	Death of Beneficiary	Verification Error		Paid In Full	
\$5,538.00	Individual	GUIN	AL	Death of Beneficiary	Verification Error		In Collection Status	
\$5,310.00	Individual	LOCKPORT	IL	Dependency Issue	Verification Error		In Collection Status	
\$5,266.37	Individual	CLEVELAND	OH	Dependency Issue	Verification Error		In Collection Status	
\$5,256.00	Individual	FORT WORTH	TX	Dependency Issue	Verification Error		In Collection Status	
\$5,157.00	Individual	KELLER	TX	Dependency Issue	Verification Error		In Collection Status	
\$5,140.00	Individual	NEW YORK	NY	Dependency Issue	Verification Error		In Collection Status	
\$5,103.00	Individual	BELLEVUE	NE	Death of Beneficiary	Verification Error		Paid In Full	
\$5,049.00	Individual	LAKE KATRINE	NY	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$4,857.00	Individual	ROSICLARE	IL	Death of Beneficiary	Verification Error		Paid In Full	
\$3,717.30	Individual	WARNER ROBINS	GA	Death of Beneficiary	Verification Error		In Collection Status	
\$3,515.00	Individual	NEW PORT RICHEY	FL	Change in income or unreimbursed medical expenses	Authentication and Medical Necessity Error		In Collection Status	
\$3,023.00	Individual	SUISUN CITY	CA	Death of Beneficiary	Verification Error		In Collection Status	
\$2,916.00	Individual	COVINA	CA	Returned to Active Duty	Verification Error		In Collection Status	
\$2,868.00	Individual	FAR ROCKAWAY	NY	Death of Beneficiary	Verification Error		In Collection Status	
\$1,803.00	Individual	JACKSONVILLE	FL	Administrative Error	Authentication and Medical Necessity Error		In Collection Status	
\$1,705.00	Individual	EDGEWOOD	NM	Dependency Issue	Verification Error		In Collection Status	

**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  $\pm$  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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$70,709.00	Individual	Euclid	OH	Income Change	Authentication and Medical Necessity Error	See Note 1 Below	In Collection Status	See Note 2 - 7 below
\$68,035.00	Individual	Columbus	GA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$64,810.00	Individual	Bristol	RI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$64,600.00	Individual	Santa Monica	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$36,769.00	Individual	Lexington	MS	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$35,533.00	Individual	Sesser	IL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$35,114.00	Individual	Puyallup	WA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$33,150.00	Individual	Lutz	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$32,860.00	Individual	Slinger	WI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$31,979.00	Individual	Houston	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$31,708.00	Individual	Simi Valley	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$30,686.00	Individual	Overland Park	KS	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$29,624.00	Individual	Sugar Grove	NC	Income Change	Authentication and Medical Necessity Error		Paid In Full	

\$29,213.00	Individual	New Richmond	OH	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$28,579.00	Individual	Oroville	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$28,538.00	Individual	Colorado Springs	CO	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$27,558.00	Individual	Crossville	TN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$26,775.00	Individual	Edinburg	VA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$26,194.00	Individual	Charlotte	NC	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$25,590.00	Individual	La Crescent	MN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$25,547.00	Individual	Greendale	WI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$25,086.00	Individual	Gonvick	MN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$24,610.00	Individual	Woolley	WA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$23,754.00	Individual	Corpus Christi	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$23,583.00	Individual	West Palm Bch	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$23,547.00	Individual	Riverside	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$23,196.00	Individual	Montgomery	AL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$23,193.00	Individual	Yelm	WA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$22,574.00	Individual	American Canyon	CA	Income Change	Authentication and Medical Necessity		In Collection Status	

					Error			
\$22,556.00	Individual	Largo	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$22,393.00	Individual	Lexington	KY	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$22,370.00	Individual	Greensboro	NC	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$22,160.00	Individual	Mc Millan	MI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$21,462.00	Individual	Norman	OK	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$21,462.00	Individual	Clyde	NC	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$21,462.00	Individual	Roseville	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$21,460.00	Individual	Meriden	KS	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$20,557.50	Individual	Middletown	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$20,254.00	Individual	Livonia	MI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$20,029.40	Individual	Youngstown	OH	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$19,274.00	Individual	Albuquerque	NM	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$19,222.00	Individual	Murray	UT	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$19,042.00	Individual	Somerset	PA	Income Change	Authentication and Medical Necessity Error		Paid In Full	
\$19,039.00	Individual	Medford	OR	Income Change	Authentication and Medical Necessity Error		In Collection Status	

\$18,469.00	Individual	Tucson	AZ	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$18,294.00	Individual	Saint Johns	MI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$17,912.00	Individual	Norman	OK	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$17,280.00	Individual	Fort Lauderdale	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$17,020.00	Individual	Kila	MT	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$17,016.00	Individual	Syracuse	NY	Income Change	Authentication and Medical Necessity Error		Paid In Full	
\$16,672.47	Individual	Houston	TX	Incarcerated	Verification Error		In Collection Status	
\$16,634.00	Individual	Hudson	MA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$16,546.00	Individual	Las Vegas	NV	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$16,286.00	Individual	Tucson	AZ	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$15,844.00	Individual	Warrenton	VA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$15,414.00	Individual	Baton Rouge	LA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$15,414.00	Individual	Okmulgee	OK	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$15,025.00	Individual	Nashville	GA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$14,910.00	Individual	Chicago	IL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$14,639.00	Individual	Carmel	IN	Income Change	Authentication and Medical Necessity Error		In Collection Status	

\$14,210.00	Individual	Grand Rapids	MI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$13,804.00	Individual	Plantation	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$13,737.00	Individual	Oshkosh	WI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$13,595.00	Individual	Cape Coral	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$13,487.00	Individual	Birmingham	AL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$13,326.00	Individual	Long Beach	CA	Incarcerated	Verification Error		In Collection Status	
\$12,770.00	Individual	Memphis	TN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$12,695.83	Individual	Cleveland	OH	Incarcerated	Verification Error		In Collection Status	
\$12,630.00	Individual	Meredith	NH	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$12,265.00	Individual	Philpot	KY	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$12,144.00	Individual	Delmar	NY	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$11,685.00	Individual	Montoursville	PA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$11,621.00	Individual	Fredericksburg	OH	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$11,508.00	Individual	Roslindale	MA	Death of Beneficiary	Verification Error		In Collection Status	
\$11,098.00	Individual	Redding	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,868.00	Individual	Oswego	IL	Income Change	Authentication and Medical Necessity Error		In Collection Status	

\$10,859.00	Individual	Birmingham	AL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,771.00	Individual	Detroit	MI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,614.00	Individual	Montgomery	IL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,450.00	Individual	Banning	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,399.00	Individual	Houston	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,223.00	Individual	Houston	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,221.00	Individual	Escondido	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,202.00	Individual	Henderson	NV	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,130.00	Individual	Everett	WA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,095.00	Individual	Columbiana	OH	Dependency Issue	Verification Error		In Collection Status	
\$10,046.00	Individual	Brady	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$10,041.00	Individual	Farmersville	OH	Death of Beneficiary	Verification Error		In Collection Status	
\$10,012.00	Individual	Kingman	AZ	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$9,846.00	Individual	Franklin	TN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$9,846.00	Individual	Cabo Rojo	PR	Death of Beneficiary	Verification Error		In Collection Status	
\$9,838.00	Individual	Hood River	OR	Income Change	Authentication and Medical Necessity Error		In Collection Status	

\$9,752.00	Individual	Snohomish	WA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$9,735.27	Individual	Houston	TX	Incarcerated	Verification Error		In Collection Status	
\$9,708.00	Individual	Wakefield	RI	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$9,684.00	Individual	Rapids	NC	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$9,671.00	Individual	New Hampton	NH	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$9,402.00	Individual	McMinnville	TN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$8,865.00	Individual	Fort Wayne	IN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$8,807.00	Individual	Chesapeake	VA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$8,752.00	Individual	Flint	MI	Death of Beneficiary	Verification Error		In Collection Status	
\$8,678.00	Individual	Ardmore	OK	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$8,456.00	Individual	Ashland	KY	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$8,132.00	Individual	Chattanooga	TN	Income Change	Authentication and Medical Necessity Error		Paid In Full	
\$7,941.00	Individual	Orlando	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,897.00	Individual	Cape Coral	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,873.00	Individual	Tripp	SD	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,804.00	Individual	Bagley	MN	Income Change	Authentication and Medical Necessity Error		In Collection Status	

\$7,734.00	Individual	Jackson	GA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,672.00	Individual	Moore	OK	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,658.00	Individual	Slidell	LA	Death of Beneficiary	Verification Error		In Collection Status	
\$7,658.00	Individual	Jefferson	GA	Death of Beneficiary	Verification Error		In Collection Status	
\$7,658.00	Individual	Fort Wright	KY	Death of Beneficiary	Verification Error		In Collection Status	
\$7,596.00	Individual	Lancaster	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,560.00	Individual	Gresham	OR	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,560.00	Individual	Brookfield	MA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$7,475.00	Individual	Worthington	IN	Incarcerated	Verification Error		In Collection Status	
\$6,986.20	Individual	Youngstown	OH	Dependency Issue	Verification Error		In Collection Status	
\$6,957.00	Individual	Dallas	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$6,894.00	Individual	Gaffney	SC	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$6,876.00	Individual	Las Vegas	NV	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$6,820.00	Individual	Ward	SC	Income Change	Authentication and Medical Necessity Error		Paid In Full	
\$6,820.00	Individual	Cincinnati	OH	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$6,564.00	Individual	Munford	AL	Death of Beneficiary	Verification Error		In Collection Status	
\$6,564.00	Individual	Springfield	MO	Death of Beneficiary	Verification Error		In Collection Status	
\$6,523.00	Individual	Winchester	TN	Income Change	Authentication and Medical Necessity Error		In Collection Status	

\$6,428.00	Individual	Seattle	WA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$6,336.00	Individual	Montgomery	AL	Death of Beneficiary	Verification Error		Paid In Full	
\$6,114.00	Individual	Birmingham	AL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$5,940.00	Individual	Lees Summit	MO	Income Change	Authentication and Medical Necessity Error		Paid In Full	
\$5,705.00	Individual	West Palm Bch	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$5,655.00	Individual	National City	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$5,634.00	Individual	Oldsmar	FL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$5,470.00	Individual	New York	NY	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$5,470.00	Individual	Murrieta	CA	Death of Beneficiary	Verification Error		In Collection Status	
\$5,470.00	Individual	Gibsonia	PA	Death of Beneficiary	Verification Error		In Collection Status	
\$5,292.00	Individual	Miami Beach	FL	Death of Beneficiary	Verification Error		In Collection Status	
\$5,215.00	Individual	Great Bends	KS	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$5,112.00	Individual	Clinton TWP	MI	Death of Beneficiary	Verification Error		In Collection Status	
\$5,109.00	Individual	Rolla	MO	Death of Beneficiary	Verification Error		Paid In Full	
\$5,109.00	Individual	Beach City	OH	Death of Beneficiary	Verification Error		Paid In Full	
\$5,064.00	Individual	Lancaster	KY	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$5,004.00	Individual	Temple	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$4,990.00	Individual	Jefferson Hills	PA	Death of Beneficiary	Verification Error		Paid In Full	
\$4,785.36	Individual	Lubbock	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	

\$4,588.00	Individual	Robbins	IL	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$4,550.00	Individual	San Francisco	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$4,423.00	Individual	New Castle	IN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$3,749.00	Individual	Gallatin	TN	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$3,255.00	Individual	Austin	TX	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$2,816.00	Individual	Elizabethtown	KY	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$2,752.00	Individual	Redding	CA	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$2,634.00	Individual	Greeley	CO	Income Change	Authentication and Medical Necessity Error		In Collection Status	
\$2,403.00	Individual	Pegram	TN	Fugitive Felon	Verification Error		In Collection Status	
\$2,345.50	Individual	Wenatchee	WA	Veteran Hospitalized at VA expense	Authentication and Medical Necessity Error		In Collection Status	
\$2,188.00	Individual	Irving	TX	Income Change	Authentication and Medical Necessity Error		Paid In Full	

**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  $\pm 5$  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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$2,264.71	Entity	BURTON	MI	School Error	Verification Errors	See Note 1 Below	In Collection Status	See Note 2 - 7 below
\$17,364.00	Entity	CAMBRIDGE	MA	School Error	Verification Errors		In Collection Status	
\$6,190.00	Entity	HOUSTON	TX	School Error	Verification Errors		In Collection Status	
\$2,030.00	Entity	MILWAUKEE	WI	School Error	Verification Errors		In Collection Status	
\$3,842.83	Individual	SAN DIEGO	CA	School Error	Verification Errors		In Collection Status	
\$2,725.72	Individual	SAN DIEGO	CA	VA Error	Documentation and Administrative Error		In Collection Status	
\$4,002.32	Individual	BLAINE	MN	VA Error	Documentation and Administrative Error		In Collection Status	

**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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-Occurrence
\$12,288.83	Individual	Boston	MA	Other: Retroactive Induction	Authentication and Medical Necessity Error	Payment has been recovered.	Paid In Full	Veteran understands the process of retroactive induction.
\$1,677.10	Individual	Hyannis	MA	VR&E Error: Paid for 3 dep instead of 2. QA revealed veteran did not provide adequate documentation.	Documentation and Administrative Error	Payment has been recovered.	Collected In Full	VRC provided training and counseling to ensure he understands error.
\$1,171.31	Individual	Williamsville	NY	School Error	Verification Error	Vet and school advised to inform VA.	Collection In Progress	Advise school to inform VA ASAP.
\$3,353.92	Individual	Rochester	NY	School Error	Verification Error	Collection in progress from other VA benefits.	Collection In Progress	Will inform school of effect of delayed reporting.
\$3,346.50	Individual	Clinton	CT	Proper Payment When Disbursed	Verification Error	Deduction from C+P check.	Collection In Progress	VR&E staff is now aware of acceptable documentation to add dependents.
\$2,008.50	Individual	Pittsburgh	PA	Proper Payment When Disbursed	Verification Error	Collection in progress from other VA Benefits.	Collection In Progress	Will inform school of effect of reporting.
\$1,825.00	Individual	Baltimore	MD	Proper Payment When Disbursed	Verification Error	Collection from C&P Benefits to begin.	Collection In Progress	Veteran met with VRC to discuss his training and ensure he provides updates timely.

\$2,347.53	Individual	Baltimore	MD	Proper Payment When Disbursed	Verification Error	Collection from C&P Benefits to begin.	Collection In Progress	Counseled Veteran and reminded him of the importance to provide updates on changes.
\$4,404.95	Individual	Baltimore	MD	Proper Payment When Disbursed	Verification Error	Paid in Full	Paid In Full	Spoke with Veteran to remind her of the importance of contacting VRC when changes are made.
\$2,235.31	Individual	Nottingham	MD	Proper Payment When Disbursed	Verification Error	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&E staff provided her with that information.	Collection in Progress	Continue to advise Veterans to inform their VR&E case managers in a timely manner when changes in enrollment.
\$1,778.49	Individual	Birmingham/Jefferson	AL	School Error	Verification Error	Veteran notified of payment error. DMC notified.	Collection In Progress	School informed about the delay in notification, and veteran reminded to notify case manager when withdrawal is necessary.
\$2,315.20	Individual	Atlanta	GA	Proper Payment When Disbursed	Verification Error	Collection from next subsistence allowance check	Collection In Progress	Met with Veteran to go over changes made and remind him how these affect his subsistence allowance

\$18,374.78	Individual	Orlando	FL	Other - Veteran was collecting Ch 31 and Ch 33 payments simultaneously.	Verification Error	Recouping From Comp	Collection In Progress	Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
\$3,153.57	Individual	Jacksonville	FL	Proper Payment When Disbursed	Verification Error	Recouping From Comp	Collection In Progress	Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
\$2,912.05	Individual	Jacksonville	FL	Proper Payment When Disbursed	Verification Error	Recouping From Comp	Collection In Progress	Veteran was counseled several times on the need to notify VRC of schedule changes
\$2,304.50	Individual	Orange Park	FL	Proper Payment When Disbursed	Verification Error	Recouping From Comp	Collection In Progress	Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
\$1,926.54	Individual	Pompano Beach	FL	Proper Payment When Disbursed	Verification Error	Recouping From Comp	Collection In Progress	Review rules with Vet and school.
\$1,889.90	Individual	Orlando	FL	School Error - Veteran dropped out of school on 10/19/11. VRC was notified on 6/19/12.	Verification Error	Recouping payments from Vet that he was not entitled to based on total withdrawal	Collection In Progress	Veteran is missing in action and has not responded to any VRC attempts to re-engage in Ch31.
\$1,837.62	Individual	Winter Park	FL	School Error - Failure to notify of w/d.	Verification Error	Payment Plan w/ DMC	Collection In Progress	Waiver Request Recommendation.
\$1,719.81	Individual	Jacksonville	FL	School Error - Failure to notify of w/d.	Verification Error	Payment Plan w/ DMC	Collection In Progress	Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
\$1,706.25	Individual	Naples	FL	Other: Veteran took classes outside of degree.	Documentation and Administrative Error	Recouping from Comp	Collection In Progress	Review rules with Vet and school.

\$1,700.20	Individual	Jacksonville	FL	Proper Payment When Disbursed	Verification Error	Due Process	Collection In Progress	Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.
\$2,441.40	Individual	Crestview	FL	Other: Transfer of Debt from Ch. 33 to Ch. 31	Verification Error	Debt is registered in DMC for due process in 60 days	Collection In Progress	VR&E will counsel the Veteran.
\$1,877.91	Individual	Winston-Salem	NC	Proper Payment When Disbursed	Verification Error	DMC Collection After Due Process	Collection In Progress	Met with Veteran to provide guidance on making changes to his schedule.
\$1,926.54	Individual	Fort Bragg	NC	Proper Payment When Disbursed	Verification Error	DMC Collection After Due Process	Collection In Progress	Met with Veteran to provide guidance on making changes to his schedule.
\$1,739.84	Individual	Fort Bragg	NC	Proper Payment When Disbursed	Verification Error	DMC Collection After Due Process	Collection In Progress	Spoke with certifying official and provided some training.
\$3,163.86	Individual	Jacksonville	NC	Proper Payment When Disbursed	Verification Error	Debt has been paid	Paid In Full	Met with Veteran to provide guidance on making changes to his schedule.
\$3,407.47	Individual	Jacksonville	NC	Proper Payment When Disbursed	Verification Error	Will be recouped from C&P	Collection In Progress	Spoke with certifying official and provided training.
\$5,607.98	Individual	Winston-Salem	NC	Proper Payment When Disbursed	Verification Error	DMC collection after due process	Collection In Progress	Spoke with Veteran and provided counseling.
\$2,011.20	Individual	Ladson	SC	Proper Payment When Disbursed	Verification Error	Debt has been established is being repays with deductions from C&P Comp.	Collection In Progress	Counselor has been instructed to more closely monitor her CHG. 31 awards.

\$3,104.16	Individual	Nashville	TN	School Error	Verification Error	Will be recouped from C&P	Collection In Progress	Met with certifying official to make sure lines of communication are open.
\$3,231.97	Individual	Lake Charles	LA	Proper Payment When Disbursed	Verification Error	Collection from C&P to begin	Collection In Progress	Vet will not be approved to return to training until he meets for counseling.
\$2,140.00	Individual	Chesterfield	SC	VR&E Error	Documentation and Administrative Error	Veteran returned to CH 33, making CH 31 payment erroneous. Vet has arranged to repay her debt at \$50/mo from her C&P.	Collection In Progress	Refresher training was provided on benefit cross-over cases,
\$2,590.57	Individual	Portage	MI	Proper Payment When Disbursed	Verification Error	Collection from C&P to begin	Collection In Progress	VRC educated Veteran on drop process.
\$3,651.22	Individual	Ironwood	MI	Proper Payment When Disbursed	Verification Error	Collection from C&P to begin	Collection In Progress	Spoke with Veteran to provide guidance on reporting any changes with school timely.
\$2837.24	Individual	DePere	WI	Proper Payment When Disbursed	Verification Error	Debt has rolled over to Compensation	Collection In Progress	Requested school certifying official notify VR&E immediately when a Veteran ceases attendance.
\$5,343.60	Individual	Sun Prairie	WI	Proper Payment When Disbursed	Verification Error	Debt has rolled over to Compensation	Collection In Progress	Requested school certifying official notify VR&E immediately when a Veteran ceases attendance.

\$2,118.67	Individual	Denver	CO	Proper Payment When Disbursed	Verification Error	Collection from C&P to begin	Collection In Progress	Counseled Veteran and reminded him of the importance to provide updates on changes
\$1,969.18	Individual	Denver	CO	Proper Payment When Disbursed	Verification Error	Collection from next subsistence allowance check	Collection In Progress	Counseled Veteran and reminded him of the importance to provide updates on changes
\$2,173.39	Individual	Salt Lake City	UT	Proper Payment When Disbursed	Verification Error	DMC collection after due process	Collection In Progress	Met with Veteran to discuss changes made
\$4,368.48	Individual	Ogden	UT	School Error	Verification Error	DMC collection after due process	Collection In Progress	Spoke with certifying official and provided training
\$1,994.40	Individual	Salt Lake City	UT	Proper Payment When Disbursed	Verification Error	DMC collection after due process	Collection In Progress	Spoke with Veteran and provided counseling.
\$2,458.71	Individual	Waldorf	MD	Proper Payment When Disbursed	Verification Error	Collection is established in compensation. DMC was scheduled to being recouping the overpayment in Dec 2012.	Collection In Progress	Coordinate with Veteran and school certification to prevent the submission of late student withdrawal training certifications.
\$23,716.35	Individual	Oakland	CA	Other: Retroactive Induction	Authentication and Medical Necessity Error	DMC collection after due process	Collection In Progress	Veteran and counselor met to discuss retroactive induction and she understood.
\$2,040.71	Individual	Los Angeles	CA	Proper Payment When Disbursed	Verification Error	DMC collection after due process	Collection In Progress	Met with Veteran to discuss changes made.
\$5,945.00	Individual	Los Angeles	CA	Proper Payment When Disbursed	Verification Error	Will be recouped from C&P	Collection In Progress	Met with Veteran to provide guidance on making changes to his schedule

\$2,310.64	Individual	Seattle	WA	School Error	Verification Error	Will be recouped from C&P	Collection In Progress	Spoke with certifying official to ensure we receive certifications timely.
\$7,777.05	Individual	Portland	OR	Proper Payment When Disbursed	Verification Error	Will be recouped from C&P	Collection In Progress	Met with Veteran to provide guidance on making changes to his schedule
\$3,321.19	Individual	Sasakwa	OK	Proper Payment When Disbursed	Verification Error	Will be collected from Compensation 12-1-12	Collection In Progress	Spoke with Veteran to remind her of the importance of contacting VRC when changes are made
\$3,015.03	Individual	El Paso	TX	School Error	Verification Error	Collected in full	Collected In Full	Case Manager will provide additional training to certifying official at school.
\$2,163.65	Individual	Gainesville	GA	Proper Payment When Disbursed	Verification Error	Will be collected from Compensation 12-1-12	Collection In Progress	Counseled Veteran and reminded him of the importance to provide updates on changes.
\$1,772.54	Individual	El Paso	TX	Proper Payment When Disbursed	Verification Error	Will be collected from Compensation 12-1-12	Collection In Progress	Case Manager counseled Veteran about registering for courses and the importance of attending.
\$1,971.05	Individual	Little Rock	AK	Proper Payment When Disbursed	Verification Error	DMC collection after due process	Collection In Progress	Counsel Veteran to notify Voc Rehab immediately of any changes to his enrollment.

\$5,092.14	Individual	Little Rock	AK	School Error	Verification Error	DMC collection after due process	Collection In Progress	Improve communications with certifying official at the school.
\$3,231.97	Individual	Del City	OK	Proper Payment When Disbursed	Verification Error	His VA Benefit will be withheld until the amount is paid in full.	Collection In Progress Starting December 2012.	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.
\$3,439.62	Individual	Lawton	OK	VR&E Error	Documentation and Administrative Error	Her VA Benefit will be withheld until the amount is paid in full.	Collection In Progress: Withholding was scheduled to begin in January 2013.	VRC met with Supervisor and provided training.
\$1,918.77	Individual	Reno	NV	VR&E Error	Documentation and Administrative Error	Collection from C&P to begin	Collection In Progress	Counselor met with Supervisor and was provided with on-the-spot training as well as review guidance for subsistence payments.
\$2,837.34	Individual	Orocovis	PR	Proper Payment When Disbursed	Verification Error	Debt is registered at the DMC for due process in 60 days	Collection In Progress	VR&E will counsel the veteran.

\$8,611.61	Individual	Laredo	TX	Other: Veteran switched from Ch33 to Ch31-Retroactive Induction back to Aug 2011.	Verification Error	When collection code is set up and award is processed, debt will automatically be recouped and Veteran will be paid the difference.	Waiting for Finance to set up collection code.	Will not have a reoccurrence as retroactive inductions are a one-time occurrence.
\$1,952.20	Individual	San Antonio	TX	School Error	Verification Error	Overpayment Collection C&P	Collection In Progress	Improve communications with the facility certifying official.
\$1,804.20	Individual	Houston	TX	Proper Payment When Disbursed	Verification Error	Overpayment Collection C&P	Collection In Progress	Improve communications with Veteran to provide adequate documentation timely.
\$1,984.24	Individual	Houston	TX	Proper Payment When Disbursed	Verification Error	Overpayment Collection C&P	Collection In Progress	Improve communications with the facility certifying official.
\$1,898.86	Individual	Houston	TX	Proper Payment When Disbursed	Verification Error	collection from next subsistence allowance check	Collection In Progress	Counseled Veteran and reminded him of the importance to provide updates on changes.
\$1,731.25	Individual	Fort Harrison	MT	Proper Payment When Disbursed	Verification Error	DMC collection after due process	Collection In Progress	Counseled Veteran and reminded him of the importance to provide updates on changes.
\$2,270.25	Individual	Fort Harrison	MT	School Error	Verification Error	Will be recouped from C&P	Collection In Progress	Spoke with certifying official to ensure we receive certifications timely.
\$2,695.90	Individual	Wichita	KS	Proper Payment When Disbursed	Verification Error	Paid in full. Came out of Fall semester	Paid In Full	Counselor met with Veteran in person.

\$2,774.66	Individual	Anchorage	AK	Proper Payment When Disbursed	Verification Error	Collection from next subsistence allowance check	Collection In Progress	Spoke with Veteran about the importance of contacting VRC when making changes with school.
------------	------------	-----------	----	-------------------------------	--------------------	--	------------------------	--

**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

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-Occurrence
\$26,428.14	Individual	Highland Beach	FL	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.	Documentation and Administrative Error	AR Established	Collection In Progress	Additional Training

**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.

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