

Department of  
Veterans Affairs

# Memorandum

Date: **DEC 13 2013**

From: Secretary of Veterans Affairs (00)

Subj: Fiscal Year 2013 Third Quarter Report on High-Dollar Overpayments (VAIQ # 7411828)

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 high-dollar overpayments identified 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), National Cemetery Administration (NCA), and Central Office (VACO Staff Offices) examined their programs for the issuance of high-dollar overpayment transactions which meet OMB's definition of improper payments. Attached is the Department of Veteran Affairs (VA) consolidated report on identified high-dollar overpayments for the third quarter of fiscal year 2013.

3. The attached report lists, by program, whether the payments were made to an entity or individual; the recipients location; the root causes of the overpayments, categorized according to OMB's three error types (administrative and documentation errors, verification errors, and authentication and medical necessity 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 415 high-dollar overpayments were identified. Following is a summary of the programs with \$500,000 or more high-dollar overpayments in the third quarter of fiscal year 2013:

- **VHA - Communications, Utilities, and Other Rent:** Six high-dollar overpayments were identified (\$910,987 out of \$329 million in total payments); all were due to documentation and administrative errors.
- **VHA – State Home Per Diem Grants:** Eight high-dollar overpayments were identified (\$1.3 million out of \$256 million in total payments); all were due to documentation and administrative errors.
- **Non-Institutional Care:** Seven high-dollar overpayments were identified (\$518,152 out of \$317 million in total payments); all were due to documentation and administrative errors.

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- **Non-VA Care CHAMPVA:** 14 high-dollar overpayments were identified (\$553,171 out of \$232 million in total payments); 9 were due to documentation and administrative errors, and 5 were due to verification errors.
- **Non-VA Care Fee:** 61 high-dollar overpayments were identified (\$3.4 million out of \$502 million in total payments); 56 were due to documentation and administrative errors, and 5 were due to verification errors.
- **VHA – Other Services:** 36 high-dollar overpayments were identified (\$3.6 million out of \$1.1 billion in total payments); 33 were due to documentation and administrative errors, and 3 were due to verification errors.
- **Compensation (including Dependency and Indemnity Compensation):** From a population of 9,663 overpayments, a random sample of 385 was reviewed to determine if any were high-dollar overpayments. Of the sampling results, 74 met the criteria (\$38 million projected out of \$15 billion in total payments). Only the sampling results are included in this report. Of the 74 improper payments found, 8 were due to administrative and documentation errors, 65 were due to verification errors, and 1 was due to authentication and medical necessity errors.
- **Pension:** From a population of 6,449 overpayments, a random sample of 385 was reviewed to determine if any were high-dollar overpayments. Of the sampling results, 134 met the criteria (\$30 million projected out of \$1.3 billion in total payments). Only the sampling results are included in this report. Of the 134 improper payments found, 4 were due to administrative and documentation errors, 44 were due to verification errors, and 86 were due to authentication and medical necessity errors.
- **Education:** From a population of 19,405 overpayments, a random sample of 251 was reviewed to determine if any were high-dollar overpayments. Of the sampling results, 18 met the criteria (\$4.4 million projected out of \$2.5 billion in total payments). Only the sampling results are included in this report. Of the 18 improper payments found, 2 were due to administration and documentation errors and 16 were due to verification errors.
- **Other:** In the other 14 programs, 57 high-dollar overpayments were identified (\$1.7 million out of \$9.7 billion); 52 were due to administrative and documentation errors, and 5 were due to verification errors.

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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.

A handwritten signature in blue ink, appearing to read "Eric K. Shinseki". The signature is fluid and cursive, with a large initial "E" and "S".

Eric K. Shinseki

Attachment

## Executive Order 13520 – Reducing Improper Payments Fiscal Year (FY) 2013 Third 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 accordance with OMB Circular A-123, Appendix C, Part III, the Department of Veterans Affairs (VA) has reviewed applicable programs to identify the issuance of any high-dollar overpayments in the third quarter of fiscal year (FY) 2013. The OMB guidelines define a high-dollar improper payment as any payment in excess of 50 percent of the correct amount of the intended payment under the following circumstances:

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

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

1. List all high-dollar overpayments identified by the agency during the quarter;
2. Describe whether each high-dollar overpayment was made to an entity or individual, and the city 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 OMB’s guidelines, our report includes two additional categories: the root cause of the overpayment as categorized by OMB’s three error types and the status of the overpayment. The root cause information of each of the high-dollar overpayments is being reported according to OMB’s three error types. The error types are:

1. 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 another other than the recipient of the payment (i.e. the payee or a third-party).
2. 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.
3. Verification error 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.

## Veterans Health Administration (VHA)

### 1. Activities with Other Federal Agencies

VHA identified one high-dollar Activities with Other Federal Agencies overpayment made during the third quarter of FY 2013. This overpayment consisted of a cumulative overpayment caused by an Administrative and Documentation error.

- 1 overpayment (100%) totaling \$112,715.64 was an Administrative and Documentation error where duplicate payments were issued, the amount was incorrect, or the wrong vendor was paid.

Total Activities with Other Federal Agencies Payments made this quarter: \$23,675,247

Total High-Dollar Overpayments identified in this quarter: \$112,716

Percentage of Overpayments: 0.48%

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
\$112,715.64	Entity	Honolulu	HI	Duplicate Payment	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below

**Notes:**

- Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
- VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

### 2. Beneficiary Travel

VHA identified 16 high-dollar Beneficiary Travel overpayments made during the third quarter of FY 2013. These overpayments consisted of both singular and cumulative overpayments. Thirteen overpayments were caused by Administrative and Documentation errors, and three were Verification errors.

- 13 overpayments (81%) totaling \$430,717 are Administrative and Documentation errors where duplicate payments were issued, the amount was incorrect, or the wrong vendor was paid.
- 3 overpayments (19%) totaling \$24,918 are Verification errors where an ineligible recipient was paid, or VHA failed to verify beneficiary information.

Total Beneficiary Travel Payments made this quarter: \$198,420,497

Total High-Dollar Overpayments identified this quarter: \$455,635

Percentage of Overpayments: 0.23%

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
\$102,232.73	Entity	Albuquerque	NM	Incorrect Amount	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below
\$71,495.36	Entity	Ladson/Richland	SC	Duplicate Payment	Administrative and Documentation error		Collection in Progress	
\$67,572.70	Entity	Atlanta	GA	Incorrect Amount	Administrative and Documentation error		Collected in Full	

\$55,570.80	Entity	Albuquerque	NM	Incorrect Application of the Payment Methodologies	Administrative and Documentation error	Collected in Full
\$50,122.29	Entity	Beachwood	OH	Wrong Vendor Paid	Administrative and Documentation error	Collected in Full
\$42,385.95	Entity	Carmichael	CA	Duplicate Payment	Administrative and Documentation error	Collection In Progress
\$9,173.00	Individual	Flagstaff	AZ	Ineligible Recipient	Verification error	Collection in Progress
\$8,358.00	Individual	Milwaukee	WI	Failure to Verify Beneficiary Information	Verification error	Collection in Progress
\$7,386.99	Individual	Kentwood	LA	Ineligible Recipient	Verification error	Collection in Progress
\$7,267.58	Individual	Plainfield	IL	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$6,777.39	Individual	Knoxville	TN	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$6,160.40	Individual	Johnson City	TN	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$5,751.42	Individual	Hinckley	IL	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$5,195.65	Individual	Burr Ridge	IL	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$5,104.12	Individual	Forest Park	IL	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$5,080.88	Individual	Kingsport	TN	Duplicate Payment	Administrative and Documentation error	Collection in Progress

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans. Examples include:
  - a. Processing ambulance payments according to contract.
  - b. Identifying a fraudulent claim quicker using the Beneficiary Travel Payment and Reconciliation tool.

### 3. Caregiver Stipend

VHA identified two high-dollar Caregiver Stipend overpayments made during the third quarter of FY 2013. The overpayments consisted of singular overpayments caused by one Verification error and one Administrative and Documentation error.

- 1 overpayment (50%) totaling \$10,043 is a Verification error where an ineligible recipient was paid.
- 1 overpayment (50%) totaling \$9,451 is an Administrative and Documentation error where an incorrect amount was paid.

Total Caregiver Stipend Payments made this quarter: \$32,646,447  
 Total High-Dollar Overpayments identified in this quarter: \$19,494  
 Percentage of Overpayments: 0.06%

Amount of Overpayment	Entity or Individual	City a/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$10,043.01	Individual	Pago Pago	AS	Ineligible Recipient	Verification error	See Note 1 Below	Collection in Progress	See Note 2 Below
\$9,450.72	Individual	Denton	TX	Incorrect Amount	Administrative and Documentation error		Collection in Progress	

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

#### 4. Communications, Utilities, and Other Rent

VHA identified six high-dollar Communications, Utilities, and Other Rent overpayments made during the third quarter of FY 2013. These overpayments consisted of both singular and cumulative overpayments. The overpayments were caused by Administrative and Documentation errors.

- 6 overpayments (100%) totaling \$910,987 are Administrative and Documentation errors where duplicate payments were issued, the incorrect amount was paid, or where the wrong vendors were paid.

Total Communications, Utilities, and Other Rent Payments made this quarter: \$328,670,676  
 Total High-Dollar Overpayments identified this quarter: \$910,987  
 Percentage of Overpayments: 0.28%

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
\$692,152.42	Entity	Fernandina Beach	FL	Duplicate Payment	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below
\$58,600.00	Entity	Prospect	KY	Wrong Vendor Paid	Administrative and Documentation error		Collection In Progress	
\$49,586.94	Entity	Woodbridge	NJ	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full	
\$39,033.38	Entity	Miramar	FL	Duplicate Payment	Administrative and Documentation error		Collection In Progress	
\$37,500.00	Entity	Prospect	KY	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full	
\$34,114.35	Entity	Marquette	MI	Incorrect Amount	Administrative and Documentation error		Collected in Full	

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

**5. Compensated Work Therapy/Incentive Therapy**

VHA identified one high-dollar Compensated Work Therapy/Incentive Therapy overpayment made during the third quarter of FY 2013. This overpayment consisted of a singular overpayment caused by an Administrative and Documentation error.

- 1 overpayment (100%) totaling \$5,624 is an Administrative and Documentation error caused by issuing a duplicate payment.

Total Compensated Work Therapy/Incentive Therapy Payments made this quarter: \$21,393,039  
 Total High-Dollar Overpayments identified in this quarter: \$5,624  
 Percentage of Overpayments: 0.03%

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
\$5,624.11	Individual	Carrollton	TX	Duplicate Payment	Administrative and Documentation error	See Note 1 Below	Collection in Progress	See Note 2 Below

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans. An example would be not issuing Treasury checks and requiring direct deposit.

**6. Equipment**

VHA identified three high-dollar Equipment overpayments made during the third quarter of FY 2013. These overpayments consisted of both singular and cumulative overpayments. The overpayments were caused by Administrative and Documentation errors.

- 3 overpayments (100%) totaling \$157,059 are Administrative and Documentation errors where the wrong vendor or an incorrect amount was paid.

Total Equipment Payments made this quarter: \$336,964,258  
 Total High-Dollar Overpayments identified in this quarter: \$157,059  
 Percentage of Overpayments: 0.05%

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
\$59,080.20	Entity	Issaquah	WA	Incorrect Amount	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below
\$51,479.20	Entity	Issaquah	WA	Incorrect Amount	Administrative and Documentation error		Collected in Full	

\$46,500.00	Entity	Memphis	TN	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full	
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**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

## 7. Grants - State Home Per Diem

VHA identified eight high-dollar State Home Per Diem Grants overpayments made during the third quarter of FY 2013. These overpayments consisted of both singular and cumulative payments. The overpayments were caused by Administrative and Documentation errors.

- 8 overpayments (100%) totaling \$1,285,542 are Administrative and Documentation errors caused by issuing duplicate payments, applying incorrect application of the payment methodologies, or where the wrong vendors were paid.

Total State Home Per Diem Grants Payments made this quarter: \$256,021,759

Total High-Dollar Overpayments identified in this quarter: \$1,285,542

Percentage of Overpayments: 0.50%

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
\$614,215.88	Entity	Lincoln	NE	Duplicate Payment	Administrative and Documentation error	See Note 1 Below	Collection In Progress	See Note 2 Below
\$306,447.23	Entity	Lincoln	NE	Duplicate Payment	Administrative and Documentation error		Collected in Full	
\$251,538.85	Entity	Lincoln	NE	Duplicate Payment	Administrative and Documentation error		Collected in Full	
\$28,252.00	Entity	Austin	TX	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collected in Full	
\$28,114.90	Entity	Lincoln	NE	Duplicate Payment	Administrative and Documentation error		Collected in Full	
\$28,114.90	Entity	Lincoln	NE	Duplicate Payment	Administrative and Documentation error		Collection In Progress	
\$20,698.60	Individual	Norfolk	NE	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full	
\$8,159.40	Individual	Norfolk/Madison	NE	Wrong Vendor Paid	Administrative and Documentation error		Collection in Progress	

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

## 8. Land and Structures

VHA identified one high-dollar Land and Structures overpayment made during the third quarter of FY 2013. This overpayment consisted of cumulative payments caused by an Administrative and Documentation error.

- 1 overpayments (100%) totaling \$24,311 was an Administrative and Documentation error where the amount paid was incorrect.

Total Land and Structures Payments made this quarter: \$491,529,176

Total High-Dollar Overpayments identified in this quarter: \$24,311

Percentage of Overpayments: 0.005%

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
\$24,311.16	Individual	Silver Spring	MD	Incorrect Amount	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans. An example would be for Central Office to request additional breakdown information of charges.

## 9. Non-Institutional Care

VHA identified seven high-dollar Non-Institutional Care overpayments made during the third quarter of FY 2013. These overpayments consisted of singular and cumulative overpayments caused by Administrative and Documentation errors.

- 7 overpayments (100%) totaling \$518,152 are Administrative and Documentation errors caused by issuing a duplicate payments, applying incorrect application of the payment methodologies, or where wrong vendors and incorrect amounts were paid.

Total Non-Institutional Care Payments made this quarter: \$317,355,557

Total High-Dollar Overpayments identified in this quarter: \$518,152

Percentage of Overpayments: 0.16%

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
\$213,072.25	Entity	Southfield	MI	Wrong Vendor Paid	Administrative and Documentation error	See Note 1 Below	Collection in Progress	See Note 2 Below
\$86,491.02	Entity	Kennewick	WA	Incorrect Amount	Administrative and Documentation error		Collection in Progress	
\$79,257.61	Entity	Detroit	MI	Duplicate Payment	Administrative and Documentation error		Collected in Full	
\$45,178.98	Entity	Pottstown	PA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collected in Full	

\$38,330.00	Entity	Cranford/Union	NJ	Duplicate Payment	Administrative and Documentation error		Collection in Progress
\$28,141.35	Entity	Duffield	VA	Wrong Vendor Paid	Administrative and Documentation error		Collection in Progress
\$27,681.03	Entity	Miami	FL	Incorrect Amount	Administrative and Documentation error		Collected in Full

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans. Examples include:
  - a. Requiring Fee clerks to cross-reference the payment history in the Veterans Health Information Systems and Technology Architecture.
  - b. Denying date range billing.
  - c. Reviewing payments prior to processing.

### 10. Non-VA Care CHAMPVA

VHA identified 14 high-dollar Non-VA Care CHAMPVA overpayments made during the third quarter of FY 2013. The overpayments consisted of singular and cumulative overpayments. Nine overpayments were caused by Administrative and Documentation errors, and five were Verification errors.

- 9 overpayments (64%) totaling \$426,074 are Administrative and Documentation errors caused by Lack of Documentation to verify proper payment or the incorrect amount was paid.
- 5 overpayments (36%) totaling \$127,097 are Verification errors caused by paying an ineligible recipient or ineligible good or service.

Total Non-VA Care CHAMPVA Payments made this quarter: \$231,929,824

Total High-Dollar Overpayments identified in this quarter: \$553,171

Percentage of Overpayments: 0.24%

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
\$109,429.17	Entity	Kansas City	MI	Lack of Documentation	Administrative and Documentation error	See Note 1 Below	Collection in Progress	See Note 2 Below
\$67,271.34	Entity	Wynne	AR	Lack of Documentation	Administrative and Documentation error		Collection in Progress	
\$55,492.03	Entity	Baltimore	MD	Lack of Documentation	Administrative and Documentation error		Collection in Progress	
\$48,594.35	Entity	Charlotte	NC	Ineligible Recipient	Verification error		Collection in Progress	
\$43,255.34	Entity	Traverse City	MI	Lack of Documentation	Administrative and Documentation error		Collected in Full	
\$40,591.52	Entity	New York	NY	Ineligible Recipient	Verification error		Collection in Progress	
\$31,481.74	Entity	Atlanta	GA	Lack of Documentation	Administrative and Documentation error		Collection in Progress	
\$31,350.80	Entity	Chicago	IL	Lack of Documentation	Administrative and Documentation error		Collection in Progress	

\$31,173.71	Entity	Kansas City	MO	Lack of Documentation	Administrative and Documentation error		Collection in Progress
\$30,066.01	Entity	Columbus	GA	Incorrect Amount	Administrative and Documentation error		Collection in Progress
\$26,553.46	Entity	Knoxville	TN	Lack of Documentation	Administrative and Documentation error		Collected in Full
\$25,718.74	Entity	Seattle	WA	Ineligible Good or Service	Verification error		Collected in Full
\$6,810.74	Individual	Deep River	MN	Ineligible Recipient	Verification error		Collected in Full
\$5,381.49	Individual	Grants Pass	OR	Ineligible Recipient	Verification error		Collection in Progress

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

### 11. Non-VA Care Fee

VHA identified 61 high-dollar Non-VA Care Fee overpayments made during the third quarter of FY 2013. These overpayments consisted of both singular and cumulative payments. The overpayments were caused by Administrative and Documentation errors, and Verification errors.

- 56 overpayments (92%) totaling \$3,155,341 are Administrative and Documentation errors where duplicate payments were issued, the amount paid was incorrect, the wrong vendor was paid, the incorrect payment methodologies were used, or there was lack of documentation to validate the payment.
- 5 overpayments (8%) totaling \$217,734 are Verification errors caused by paying ineligible beneficiaries, for ineligible goods or services, or VHA failed to verify beneficiary information before paying.

Total Non-VA Care Fee Payments made this quarter: \$502,430,965  
Total High-Dollar Overpayments identified in this quarter: \$3,373,075  
Percentage of Overpayments: 0.67%

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
\$255,606.99	Entity	Louisville	KY	Duplicate Payment	Administrative and Documentation error	See Note 1 Below	Collection in Progress	See Note 2 and 3 Below
\$206,004.35	Entity	Phoenix/Maricopa	AZ	Incorrect Amount	Administrative and Documentation error		Collection in Progress	
\$184,503.00	Entity	Phoenix/Maricopa	AZ	Incorrect Amount	Administrative and Documentation error		Collected in Full	
\$132,600.42	Entity	Anchorage	AK	Wrong Vendor Paid	Administrative and Documentation error		Collection in Progress	
\$122,399.97	Entity	Hinsdale	IL	Duplicate Payment	Administrative and Documentation error		Collected in Full	

\$121,194.17	Entity	San Francisco	CA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collection in Progress
\$121,163.40	Entity	Louisville	KY	Data Entry Errors	Administrative and Documentation error		Collection in Progress
\$120,577.17	Entity	San Francisco	CA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collection in Progress
\$111,429.95	Entity	Montgomery	AL	Incorrect Amount	Administrative and Documentation error		Collected in Full
\$100,056.87	Entity	Columbia	MO	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collection in Progress
\$99,294.37	Entity	Edinburg	TX	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collected in Full
\$96,130.75	Entity	Pittsburg	PA	Duplicate Payment	Administrative and Documentation error		Collected in Full
\$94,813.25	Entity	Phoenix/Maricopa	AZ	Incorrect Amount	Administrative and Documentation error		Collected in Full
\$72,200.00	Entity	Lake Charles	LA	Incorrect Amount	Administrative and Documentation error		Collected in Full
\$71,867.52	Entity	Temple/Bell	TX	Failure to Verify Beneficiary Information	Verification error		Collected in Full
\$71,091.92	Entity	Bangor	ME	Ineligible Recipient	Verification error		Collected in Full
\$65,570.00	Entity	Atlanta	GA	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full
\$61,891.68	Entity	Milwaukee	WI	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collection in Progress
\$61,620.00	Entity	Franklin	TN	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collected in Full
\$57,678.07	Entity	New Orleans	LA	Duplicate Payment	Administrative and Documentation error		Collection in Progress
\$57,413.85	Entity	Phoenix/Maricopa	AZ	Incorrect Amount	Administrative and Documentation error		Collected in Full
\$49,754.64	Entity	Columbia	MO	Incorrect Amount	Administrative and Documentation error		Collection in Progress

\$47,903.63	Entity	Seattle	WA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error	Collection in Progress
\$45,551.85	Entity	Richmond	VA	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$44,844.47	Entity	Battle Creek	MI	Incorrect Amount	Administrative and Documentation error	Collected in Full
\$42,466.90	Entity	San Juan	PR	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$41,771.48	Entity	Louisville	KY	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$41,306.58	Entity	San Francisco	CA	Incorrect Amount	Administrative and Documentation error	Collected in Full
\$41,117.58	Entity	Evansville	IN	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$38,934.77	Entity	Fayetteville	NC	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$38,568.88	Entity	Evansville	IN	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$37,800.00	Entity	Longview	WA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error	Collection in Progress
\$37,357.02	Entity	Jacksonville	FL	Failure to Verify Beneficiary Information	Verification error	Collected in Full
\$36,466.99	Entity	Anaconda	MT	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$36,416.22	Entity	San Francisco	CA	Incorrect Amount	Administrative and Documentation error	Collection in Progress
\$36,298.01	Entity	Phoenix/Maricopa	AZ	Incorrect Amount	Administrative and Documentation error	Collection in Progress
\$32,767.46	Entity	Philadelphia	PA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error	Collected in Full
\$31,917.58	Entity	Seattle	WA	Failure to Verify Beneficiary Information	Verification error	Collection in Progress
\$29,819.50	Entity	Atlanta	GA	Duplicate Payment	Administrative and Documentation error	Collection in Progress
\$29,776.85	Entity	New Orleans	LA	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$27,405.33	Entity	Louisville	KY	Incorrect Amount	Administrative and Documentation error	Collection in Progress
\$27,126.00	Entity	Atlanta	GA	Duplicate Payment	Administrative and Documentation error	Collection in Progress

\$27,059.69	Entity	New Orleans	LA	Duplicate Payment	Administrative and Documentation error		Collected in Full
\$26,678.22	Entity	Cheyenne	WY	Data Entry Errors	Administrative and Documentation error		Collected in Full
\$26,213.58	Individual	Birmingham/ Jefferson	AL	Data Entry Errors	Administrative and Documentation error		Collected in Full
\$25,911.99	Entity	Medford	OR	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full
\$25,885.42	Entity	Lebanon	NH	Duplicate Payment	Administrative and Documentation error		Collected in Full
\$24,548.00	Individual	Eureka	CA	Incorrect Amount	Administrative and Documentation error		Collected in Full
\$22,848.42	Individual	San Francisco	CA	Incorrect Amount	Administrative and Documentation error		Collected in Full
\$17,980.00	Individual	Tacoma	WA	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full
\$15,414.48	Entity	Corvallis	OR	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collection in Progress
\$15,318.92	Entity	Amarillo	TX	Duplicate Payment	Administrative and Documentation error		Collected in Full
\$10,191.90	Individual	Honolulu	HI	Wrong Vendor Paid	Administrative and Documentation error		Collected in Full
\$8,955.48	Individual	Tamuning	Guam	Duplicate Payment	Administrative and Documentation error		Collection in Progress
\$7,482.08	Individual	Louisville	KY	Duplicate Payment	Administrative and Documentation error		Collection in Progress
\$7,236.00	Individual	Seattle	WA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collection in Progress
\$7,202.79	Individual	Springfield/Robertson	TN	Duplicate Payment	Administrative and Documentation error		Collection in Progress
\$6,443.66	Individual	Springfield/Robertson	TN	Duplicate Payment	Administrative and Documentation error		Collection in Progress
\$6,285.08	Individual	Cincinnati	OH	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collected in Full
\$5,500.00	Individual	Gretna	LA	Ineligible Good or Service	Verification error		Collected in Full
\$5,439.72	Individual	Springfield	MA	Lack of Documentation	Administrative and Documentation error		Collection in Progress

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. 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.
3. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

## 12. Other Services

VHA identified 36 high-dollar Other Services overpayments made during the third quarter of FY 2013. These overpayments consisted of both single and cumulative payments. The overpayments were caused by Administrative and Documentation errors, and Verification errors.

- 33 overpayments (92%) totaling \$3,488,523 are Administrative and Documentation errors where duplicate payments were issued, the incorrect amount or the wrong vendor was paid, the incorrect payment methodologies were used, data entries errors were made, or the goods or services were paid for but had not been received.
- 3 overpayments (8%) totaling \$69,852 are Verification errors caused by issuing payments to ineligible beneficiaries.

Total Other Services Payments made this quarter: \$1,059,596,320

Total High-Dollar Overpayments identified in this quarter: \$3,558,375

Percentage of Overpayments: 0.34%

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
\$801,657.00	Entity	Millington	TN	Data Entry Errors	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below
\$360,642.92	Entity	Pine Bluff	AR	Incorrect Amount	Administrative and Documentation error		Collection in Progress	
\$342,252.80	Entity	Washington	DC	Duplicate Payment	Administrative and Documentation error		Collected in Full	
\$336,541.67	Entity	Rochester	NY	Data Entry Errors	Administrative and Documentation error		Collected in Full	
\$266,829.52	Entity	Fayetteville	AR	Incorrect Application of the Payment Methodologies	Administrative and Documentation error		Collected in Full	
\$147,750.00	Entity	Rochester	NY	Data Entry Errors	Administrative and Documentation error		Collected in Full	
\$125,551.11	Entity	Philadelphia	PA	Incorrect Amount	Administrative and Documentation error		Collected in Full	
\$109,612.11	Entity	Philadelphia	PA	Incorrect Amount	Administrative and Documentation error		Collected in Full	
\$102,826.27	Entity	Tallahassee	FL	Incorrect Amount	Administrative and Documentation error		Collection in Progress	
\$66,565.24	Entity	Rochester	NY	Data Entry Errors	Administrative and Documentation error		Collected in Full	
\$66,366.00	Entity	Farmington	CT	Duplicate Payment	Administrative and Documentation error		Collection In Progress	
\$62,500.00	Entity	New Orleans	LA	Duplicate Payment	Administrative and Documentation error		Collected in Full	
\$61,008.62	Entity	Brea	CA	Incorrect Amount	Administrative and Documentation error		Collected in Full	
\$58,900.29	Entity	Rochester	NY	Data Entry Errors	Administrative and Documentation error	Collected in Full		

\$54,670.33	Entity	Minneapolis	MN	Incorrect Amount	Administrative and Documentation error	Collection in Progress
\$52,877.15	Entity	Salt Lake City	UT	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$46,002.80	Entity	Richardson	TX	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$44,643.27	Entity	Canyon Lake	TX	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$43,945.00	Entity	Foster City	CA	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$39,685.55	Entity	Rochester	NY	Data Entry Errors	Administrative and Documentation error	Collected in Full
\$34,088.65	Individual	Minneapolis	MN	Wrong Vendor Paid	Administrative and Documentation error	Collected in Full
\$33,642.00	Entity	Las Vegas	NV	Duplicate Payment	Administrative and Documentation error	Collection In Progress
\$33,183.00	Entity	Farmington	CT	Duplicate Payment	Administrative and Documentation error	Collection In Progress
\$31,589.50	Individual	Clifton Springs	NY	Ineligible Recipient	Verification error	Collection in Progress
\$28,390.20	Entity	Canyon Lake	TX	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$28,084.65	Entity	Salt Lake City	UT	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$27,000.00	Entity	Fargo	ND	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$25,930.44	Entity	Newington	VA	Ineligible Recipient	Verification error	Collected in Full
\$25,857.22	Entity	Denver	CO	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$25,700.10	Entity	Greenville	SC	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$25,430.00	Entity	Denver	CO	Wrong Vendor Paid	Administrative and Documentation error	Collected in Full
\$12,332.00	Individual	Rochester	NY	Ineligible Recipient	Verification error	Collection in Progress
\$12,075.00	Individual	Topeka	KS	Duplicate Payment	Administrative and Documentation error	Collected in Full
\$11,284.97	Individual	Jackson	MS	Goods or Services Not Yet Received	Administrative and Documentation error	Collection in Progress
\$6,654.13	Individual	Boston	MA	Incorrect Application of the Payment Methodologies	Administrative and Documentation error	Collection in Progress
\$6,305.57	Individual	Grovetown	GA	Incorrect Amount	Administrative and Documentation error	Collection in Progress

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans. Examples include:
  - a. Verifying accounting string prior to releasing payments.
  - b. Monitoring payment amounts.
  - c. Requesting clarification of contract terms.
  - d. Ensuring Contracting Officer's Representative reviews all invoices prior to approval for payment.

### 13. Personnel Services Costs

VHA identified one high-dollar Personnel Services Costs overpayment made during the third quarter of FY 2013. This overpayment consisted of a singular payment caused by an Administrative and Documentation error.

- 1 overpayment (100%) totaling \$80,000 is an Administrative and Documentation error caused by issuing a duplicate payment.

Total Personnel Services Costs Payments made this quarter: \$6,441,413,299

Total High-Dollar Overpayments identified in this quarter: \$80,000

Percentage of Overpayments: 0.001%

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
\$80,000.00	Entity	Tucson	AZ	Duplicate Payment	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans. An example would be improving lines of communication between Judgment Fund, Regional Counselor, and Equal Employee Opportunity Coordinator at the facility.

### 14. Pharmacy Medical Facilities

VHA identified three high-dollar Pharmacy Medical Facilities overpayments made during the third quarter of FY 2013. These overpayments consisted of both singular and cumulative payments. The overpayments were caused by Administrative and Documentation errors.

- 3 overpayments (100%) totaling \$114,731 are Administrative and Documentation errors where duplicate payments were issued or the wrong vendor was paid.

Total Pharmacy – Medical Facilities Payments made this quarter: \$469,194,157

Total High-Dollar Overpayments identified in this quarter: \$114,731

Percentage of Overpayments: 0.02%

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
\$49,008.69	Entity	South Barrington	IL	Wrong Vendor Paid	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below
\$40,578.00	Entity	Flower Mound	TX	Duplicate Payment	Administrative and Documentation error		Collected in Full	
\$25,144.00	Entity	Emeryville	CA	Duplicate Payment	Administrative and Documentation error		Collected in Full	

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

### 15. Medical and Prosthetic Research

VHA identified one high-dollar Prosthetics overpayment made during the third quarter of FY 2013. This overpayment consisted of a cumulative payment caused by an Administrative and Documentation error.

- 1 overpayment (100%) totaling \$8,204 is an Administrative and Documentation error caused by issuing a duplicate payment.

Total Prosthetics Payments made this quarter: \$545,241,920

Total High-Dollar Overpayments identified in this quarter: \$8,204

Percentage of Overpayments: 0.002%

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
\$8,204.40	Individual	Minneapolis	MN	Wrong Vendor Paid	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

### 16. Supplies and Materials

VHA identified two high-dollar Supplies and Materials overpayments made during the third quarter of FY 2013. These overpayments consisted of singular payments and were caused by Administrative and Documentation errors.

- 2 overpayments (100%) totaling \$122,785 are Administrative and Documentation errors where a duplicate payment was issued, or the amount paid was incorrect.

Total Supplies and Materials Payments made this quarter: \$533,906,332  
 Total High-Dollar Overpayments identified in this quarter: \$122,785  
 Percentage of Overpayments: 0.02%

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
\$96,514.00	Entity	Dublin	OH	Duplicate Payment	Administrative and Documentation error	See Note 1 Below	Collected in Full	See Note 2 Below
\$26,271.42	Entity	Atlanta	GA	Incorrect Amount	Administrative and Documentation error		Collected in Full	

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

### 17. Transportation

VHA identified two high-dollar Transportation overpayments made during the third quarter of FY 2013. These overpayments consisted of singular payments and were caused by Administrative and Documentation errors.

- 2 overpayments (100%) totaling \$16,467 are Administrative and Documentation errors where the incorrect amount was paid.

Total Transportation Payments made this quarter: \$7,810,355  
 Total High-Dollar Overpayments identified in this quarter: \$16,467  
 Percentage of Overpayments: 0.21%

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
\$10,896.29	Individual	El Paso	TX	Incorrect Amount	Administrative and Documentation error	See Note 1 Below	Collection In Progress	See Note 2 Below
\$5,570.87	Individual	Longview	WA	Incorrect Amount	Administrative and Documentation error		Collection In Progress	

**Note:**

1. Bills of collection have been established for all overpayments and will be collected back through VA's debt collection procedures to include internal offset or the Treasury offset program.
2. VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

### Veterans Benefits Administration (VBA)

#### 18. Compensation Program

VBA identified 9,663 compensation overpayments in the third quarter of FY 2013 and reviewed a stratified and statistically valid random sample of 385 such overpayments. The review revealed that 74 (19%) were compensation high-dollar overpayments, and 311 (81%) were compensation payments that did not meet the high-dollar overpayment criteria. Based on these results, VBA projected that 1,836 overpayments originally identified were high-dollar compensation

overpayments, and an estimated 7,827 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% interval.

The Compensation Service identified 74 high-dollar compensation overpayments; 65 are due to Verification errors, eight are due to Administrative and Documentation errors, and one is due to Authentication and Medical Necessity errors.

- 65 overpayments (87.8%) totaling \$965,392 are Verification errors caused by the delayed notification of the death of a Veteran or beneficiary, the delayed notification of a Veteran returning to active duty, notification by third parties of dependency changes, adjustments for incarceration or fugitive felon status, or by apportionment.
- 8 overpayments (10.8%) totaling \$90,232 are due to Administration and Documentation errors due to month of death payment to the surviving spouse, an adjustment of military retired or separation pay, or by assigning a higher disability percentage when the evidence warrants a lower disability percentage.
- 1 overpayment (1.4%) totaling \$21,354 is due to Authentication and Medical Necessity errors caused by changes in countable income or a change in unreimbursed medical expenses used to reduce that income for VA purposes.

Total Compensation Payments made this quarter: \$15,315,242,195.48

Projected High-Dollar Overpayments for this quarter: \$38,437,830.10

Percentage of High-Dollar Overpayments to Compensation payments: 0.25%

Amount of Overpayment	Entity or Individual	City	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$7,026.00	Individual	McComb	MS	Month of Death	Administration and Documentation	See Note 1 Below	Collected in Full	See Note 2-14 Below
\$80,449.00	Individual	Knoxville	TN	Death of Beneficiary	Verification Errors		Collection in Progress	
\$41,788.50	Individual	East Baldwin	ME	Dependency Issue	Verification Errors		Collection in Progress	
\$38,155.07	Individual	Braham	MN	Returned to Active Duty	Verification Errors		Collection in Progress	
\$30,669.67	Individual	Chicago	IL	Returned to Active Duty	Verification Errors		Collection in Progress	
\$28,477.00	Individual	North Little Rock	AZ	Dependency Issue	Verification Errors		Collection in Progress	
\$27,540.67	Individual	Ft. Huachuca	AZ	Returned to Active Duty	Verification Errors		Collection in Progress	
\$27,047.00	Individual	Bayamon	PR	Death of Beneficiary	Verification Errors		Collection in Progress	
\$27,035.67	Individual	Anchorage	AK	Returned to Active Duty	Verification Errors		Collection in Progress	
\$25,975.00	Individual	Salem	VA	Dependency Issue	Verification Errors		Collected in Full	
\$23,371.00	Individual	Davis burg	MI	Incarcerated Beneficiary	Verification Errors		Collection in Progress	
\$23,232.00	Individual	Detroit	MI	Death of Beneficiary	Verification Errors		Collection in Progress	

\$23,215.00	Individual	San Francisco	CA	Death of Beneficiary	Verification Errors	Collected in Full
\$23,122.33	Individual	Fifty Lakes	MN	Incarcerated Beneficiary	Verification Errors	Collection in Progress
\$22,505.00	Individual	Winter Park	FL	Death of Beneficiary	Verification Errors	Collected in Full
\$21,624.00	Individual	Linden	NC	Dependency Issue	Verification Errors	Collection in Progress
\$21,549.00	Individual	Lexington	KY	Death of Beneficiary	Verification Errors	Collection in Progress
\$21,354.00	Individual	Smithfield	RI	Military Retired Pay	Administration and Documentation	Collection in Progress
\$21,354.00	Individual	Athens	GA	Income Change	Authentication and Medical Necessity	Collection in Progress
\$18,045.00	Individual	Sierra Vista	AZ	Death of Beneficiary	Verification Errors	Collection in Progress
\$17,992.00	Individual	Burlingame	KS	Death of Beneficiary	Verification Errors	Collection in Progress
\$17,743.00	Individual	San Antonio	TX	Dependency Issue	Verification Errors	Collection in Progress
\$17,634.00	Individual	Friendswood	TX	Dependency Issue	Verification Errors	Collection in Progress
\$17,624.00	Individual	Lamas	PR	Death of Beneficiary	Verification Errors	Collection in Progress
\$17,010.00	Individual	San Diego	CA	Military Retired Pay	Administration and Documentation	Collected in Full
\$16,463.00	Individual	Sicklerville	NJ	Death of Beneficiary	Verification Errors	Collection in Progress
\$16,432.00	Individual	Woburn	MA	Death of Beneficiary	Verification Errors	Collected in Full
\$16,260.00	Individual	Memphis	TN	Death of Beneficiary	Verification Errors	Collection in Progress
\$14,366.00	Individual	Martinsville	VA	Death of Beneficiary	Verification Errors	Collected in Full
\$14,080.00	Individual	Lee	MA	Death of Beneficiary	Verification Errors	Collection in Progress
\$13,168.00	Individual	Peru	IN	Other	Administration and Documentation	Collection in Progress
\$12,676.40	Individual	Shoreline	WA	Returned to Active Duty	Verification Errors	Collection in Progress
\$12,555.60	Individual	Oregon	WI	Incarcerated Beneficiary	Verification Errors	Collection in Progress
\$12,409.00	Individual	Marysville	WA	Returned to Active Duty	Verification Errors	Collection in Progress
\$11,892.00	Individual	Sarasota	FL	Death of Beneficiary	Verification Errors	Collected in Full
\$11,786.00	Individual	Fontana	CA	Dependency Issue	Verification Errors	Collection in Progress

\$11,772.27	Individual	Center Conway	NH	Returned to Active Duty	Verification Errors	Collection in Progress
\$11,284.43	Individual	Fredericksburg	VA	Returned to Active Duty	Verification Errors	Collection in Progress
\$10,875.00	Individual	Jacksonville	OR	Death of Beneficiary	Verification Errors	Collection in Progress
\$10,714.00	Individual	Beverly	MA	Death of Beneficiary	Verification Errors	Collection in Progress
\$10,663.57	Individual	Molino	FL	Incarcerated Beneficiary	Verification Errors	Collection in Progress
\$9,625.00	Individual	Tulsa	OK	Dependency Issue	Verification Errors	Collection in Progress
\$8,926.47	Individual	Otis Orchards	WA	Returned to Active Duty	Verification Errors	Collection in Progress
\$8,841.00	Individual	GT. Barrington	MA	Returned to Active Duty	Verification Errors	Collected in Full
\$8,577.80	Individual	Cambridge	OH	Incarcerated Beneficiary	Verification Errors	Collection in Progress
\$8,499.30	Individual	Oro Valley	AZ	Returned to Active Duty	Verification Errors	Collection in Progress
\$8,485.00	Individual	Schulenburg	TX	Death of Beneficiary	Verification Errors	Collection in Progress
\$8,465.00	Individual	Monroeville	PA	Death of Beneficiary	Verification Errors	Collection in Progress
\$8,448.00	Individual	Arlington Heights	IL	Death of Beneficiary	Verification Errors	Collection in Progress
\$8,216.00	Individual	San Francisco	CA	Month of Death	Administration and Documentation	Collection in Progress
\$8,216.00	Individual	West Borough	MA	Month of Death	Administration and Documentation	Collection in Progress
\$8,164.57	Individual	Panama City	FL	Returned to Active Duty	Verification Errors	Collected in Full
\$8,078.00	Individual	Lexington	KY	Death of Beneficiary	Verification Errors	Collection in Progress
\$8,059.00	Individual	Kipper	KY	Month of Death	Administration and Documentation	Collected in Full
\$7,228.00	Individual	Lake Cormorant	MS	Death of Beneficiary	Verification Errors	Collection in Progress
\$7,183.00	Individual	Norman	OK	Month of Death	Administration and Documentation	Collected in Full
\$6,618.00	Individual	Manitowoc	WI	Death of Beneficiary	Verification Errors	Collection in Progress
\$6,504.00	Individual	Mobile	AL	Death of Beneficiary	Verification Errors	Collection in Progress
\$6,431.00	Individual	Austin	TX	Returned to Active Duty	Verification Errors	Collection in Progress
\$6,146.00	Individual	Dickens	TX	Death of Beneficiary	Verification Errors	Collection in Progress

\$6,146.00	Individual	Cross	SC	Death of Beneficiary	Verification Errors		Collection in Progress
\$6,146.00	Individual	Hermitage	TN	Death of Beneficiary	Verification Errors		Collection in Progress
\$6,075.00	Individual	Marianna	FL	Death of Beneficiary	Verification Errors		Collection in Progress
\$6,064.00	Individual	Lowellville	TN	Death of Beneficiary	Verification Errors		Collection in Progress
\$6,055.00	Individual	Hoffman Estates	IL	Death of Beneficiary	Verification Errors		Collection in Progress
\$5,946.00	Individual	Martinez	GA	Death of Beneficiary	Verification Errors		Collected in Full
\$5,909.08	Individual	Little Rock	AR	Returned to Active Duty	Verification Errors		Collection in Progress
\$5,796.00	Individual	Waynesboro	GA	Death of Beneficiary	Verification Errors		Collection in Progress
\$5,784.00	Individual	Liberty	NC	Death of Beneficiary	Verification Errors		Collection in Progress
\$5,762.00	Individual	Brandon	MS	Death of Beneficiary	Verification Errors		Collection in Progress
\$5,685.10	Individual	Richmond	VA	Apportionment	Verification Errors		Collection in Progress
\$5,322.00	Individual	Clarksburg	WV	Death of Beneficiary	Verification Errors		Collected in Full
\$5,044.20	Individual	Naples	FL	Returned to Active Duty	Verification Errors		Collection in Progress
\$1,597.29	Individual	San Jose	CA	Dependency Issue	Verification Errors		Collection in Progress

**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. Administrative and Documentation overpayments are sometimes caused when a beneficiary dies too late in a month to stop 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 release of a benefit payment. The number of overpayments following death has been reduced as a result of VA's VETSNET 'real time' processing technology.
3. VA is not always notified timely of changes in dependency status. VA can immediately adjust awards if the beneficiary provides the change in dependency status. However, when VA receives such information from a third party, VA must provide 60 days of due process before adjusting the beneficiary's award.
4. Administration and Documentation errors due to month of death payment to the surviving spouse. An overpayment occurs when the month of death payment is paid more than once.
5. Administration and Documentation errors caused an adjustment of military retired or separation pay, when VA receives a delayed notification of a Veteran returning to active duty, or delayed notification of incarceration or fugitive felon status. VA must first provide the beneficiary a 60-day due process notice before reducing any amount.
6. Continue to provide feedback to field employees' Pension Management Center conference calls. VBA is establishing performance measures to address processing maintenance workload. Also, share the findings from this review with the field, so they can implement local reviews and address local high-dollar overpayment issues.
7. 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 day of receiving these notices.
8. VA must provide due process when presented with evidence of the beneficiary's commission of possible fraud. Payments are terminated for the period where benefits were fraudulently procured.
9. VBA workgroup – March 2012. The workgroup was created to formulate and implement a strategy to reduce the amount of high-dollar overpayments.
10. Develop specific guidance on pension benefit adjustments.
11. 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.

12. Continue to provide feedback to field employees' Pension Management Center conference calls. VBA is establishing performance measures to address timeliness of processing maintenance workload.
13. Share the findings from this review with the field, so they can implement local reviews and address local high-dollar overpayment issues.
14. Include matching program training in the mandatory topics for the FY 2013 National Pension Training Curriculum.

## 19. Pension and Fiduciary Services

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 6,449 pension overpayments identified in the third quarter of FY 2013.

A random sample of 385 pension overpayments was reviewed. The review revealed that 134 (35%) were pension high-dollar overpayments, and 251 (65%) were pension payments that did not meet the high-dollar overpayment criteria. Based on these results, we projected that 2,257 overpayments originally identified were high-dollar pension overpayments, and an estimated 4,192 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.

Pension and Fiduciary Service identified 134 high-dollar pension overpayments; 86 were due to Authentication and Medical Necessity errors, 44 were due to Verification errors, and 4 payments were due to Administrative and Documentation errors.

- 86 overpayments (64%) totaling \$1,791,044.09 were Authentication and Medical Necessity errors and caused by a change in countable income or a change in unreimbursed medical expenses.
- 44 overpayments (26%) totaling \$489,111.03 were Verification errors caused by delayed notification of the beneficiary's death, dependency changes, or retroactive adjustments for incarceration or fugitive felon status.
- 4 overpayments (3%) totaling \$74,890.00 were Administrative and Documentation errors for entitlements to the additional Aid and Attendance allowance.

Total Pension Payments made this quarter: \$1,305,382,535.10

Projected High-Dollar Overpayments for this quarter: \$30,017,421.07

Percentage of High-Dollar Overpayments to Pension: 2.30%

Amount of Overpayment	Entity or Individual	City	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$103,526.00	Individual	Jackson	TN	Income Change	Authentication and Medical Necessity Error	See Note 1 Below	Collection in Progress	See Note 2-11 Below
\$81,405.00	Individual	Phenix City	AL	Income Change	Authentication and Medical Necessity Error		Collection in Progress	
\$80,068.00	Individual	Chardon	OH	Income Change	Authentication and Medical Necessity Error		Collection in Progress	
\$69,289.58	Individual	Black Mountain	NC	Income Change	Authentication and Medical Necessity Error		Collection in Progress	
\$66,689.00	Individual	Farmington	MO	Income Change	Authentication and Medical Necessity Error		Collection in Progress	
\$61,582.00	Individual	Laguna Woods	CA	Income Change	Authentication and Medical Necessity Error		Collection in Progress	
\$59,631.00	Individual	Decatur	IL	Income Change	Authentication and Medical Necessity Error		Collection in Progress	
\$48,030.00	Individual	Chicago	IL	Income Change	Authentication and Medical Necessity Error		Collection in Progress	

\$46,658.60	Individual	Tucson	AZ	Other	Administrative and Documentation Error		Collection in Progress
\$44,972.00	Individual	Fayetteville	NC	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$41,868.00	Individual	York	PA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$41,045.60	Individual	Hampton	VA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$37,404.00	Individual	New Berlin	WI	Dependency Issue	Verification Error		Collection in Progress
\$36,727.00	Individual	Gaffney	SC	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$36,036.00	Individual	Banning	CA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$34,843.00	Individual	San Jose	CA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$34,393.00	Individual	Pt. Pleasant	WV	Death of Beneficiary	Verification Error		Collection in Progress
\$34,200.00	Individual	Perkins	OK	Dependency Issue	Verification Error		Collection in Progress
\$31,042.00	Individual	Battle Creek	MI	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$30,388.00	Individual	Chatham	IL	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$30,190.00	Individual	Lexington	KY	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$30,117.00	Individual	Bear	DE	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$30,102.00	Individual	Wilkes Barre	PA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$29,199.00	Individual	Gainesville	FL	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$28,845.00	Individual	Milwaukee	WI	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$28,422.00	Individual	Burlington	WA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$27,875.00	Individual	Denver	CO	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$27,496.00	Individual	Lansdale	PA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$26,990.00	Individual	Clanton	AL	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$26,014.00	Individual	Mobile	AL	Death of Beneficiary	Verification Error		Collection in Progress
\$25,681.00	Individual	Coila	MS	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$23,948.00	Individual	Quincy	IL	Income Change	Authentication and Medical Necessity Error		Collection in Progress

\$22,842.00	Individual	Boynton Beach	FL	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$22,806.00	Individual	Drasco	AR	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$21,329.00	Individual	Allentown	PA	Death of Beneficiary	Verification Error	Collection in Progress
\$21,194.00	Individual	Hutto	TX	Dependency Issue	Verification Error	Collection in Progress
\$21,094.00	Individual	Balch Springs	TX	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$20,581.00	Individual	Barneget	NJ	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$19,728.00	Individual	Cumming	GA	Death of Beneficiary	Verification Error	Collection in Progress
\$18,664.10	Individual	Eugene	OR	Incarcerated	Verification Error	Collection in Progress
\$18,342.00	Individual	Hudson Falls	NY	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$18,185.00	Individual	Corona De Tucson	AZ	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$16,350.00	Individual	Lenoir	NC	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$16,146.00	Individual	Oakland	MS	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$15,914.00	Individual	Margate	FL	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$15,633.00	Individual	Erie	PA	Death of Beneficiary	Verification Error	Collection in Progress
\$15,182.26	Individual	Broseley	MO	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$14,746.53	Individual	Butler	PA	Incarcerated	Verification Error	Collection in Progress
\$14,364.00	Individual	Dearborn Heights	MI	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$14,336.00	Individual	San Dimas	CA	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$13,501.00	Individual	New Johnsonville	TN	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$13,464.00	Individual	Georgiana	AL	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$12,906.00	Individual	Stuart	FL	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$12,634.00	Individual	Rockmart	GA	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$12,447.00	Individual	Hampton	VA	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$12,384.00	Individual	San Juan	PR	Death of Beneficiary	Verification Error	Collection in Progress

\$12,364.00	Individual	Kingston	TN	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$12,322.00	Individual	Cortland	OH	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$12,228.00	Individual	Cincinnati	OH	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$12,077.47	Individual	Salem	OR	Dependency Issue	Verification Error		Collection in Progress
\$11,806.00	Individual	Naples	FL	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$11,558.00	Individual	Chaffee	NY	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$11,016.00	Individual	Asheville	NC	Income Change	Authentication and Medical Necessity Error		Collected in Full
\$11,004.00	Individual	Fayetteville	NC	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$10,770.00	Individual	Plainview	TX	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$10,767.40	Individual	Altoona	PA	Other	Administrative and Documentation Error		Collection in Progress
\$10,710.00	Individual	St Augustine	FL	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$10,312.00	Individual	Bakersfield	CA	Death of Beneficiary	Verification Error		Collection in Progress
\$10,270.00	Individual	Mount Joy	PA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$10,050.00	Individual	Rhine	GA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$9,922.00	Individual	Shreveport	LA	Death of Beneficiary	Verification Error		Collected in Full
\$9,895.00	Individual	Shreveport	LA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$9,715.00	Individual	Crescent City	FL	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$9,714.00	Individual	Talco	TX	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$9,671.00	Individual	Lexington	KY	Dependency Issue	Verification Error		Collection in Progress
\$9,612.00	Individual	Lake	MI	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$9,442.00	Individual	Bay City	MI	Income Change	Authentication and Medical Necessity Error		Collected in Full
\$9,296.00	Individual	Delmont	PA	Other	Administrative and Documentation Error		Collection in Progress
\$9,114.00	Individual	Hessmer	LA	Death of Beneficiary	Verification Error		Collection in Progress
\$8,964.00	Individual	Conway	SC	Income Change	Authentication and Medical Necessity Error		Collection in Progress

\$8,752.00	Individual	Uniontown	PA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$8,724.00	Individual	Granite Bay	CA	Death of Beneficiary	Verification Error		Collection in Progress
\$8,660.00	Individual	St Petersburg	FL	Death of Beneficiary	Verification Error		Collection in Progress
\$8,280.00	Individual	Quebradillas	PR	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$8,185.00	Individual	Bay City	MI	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$8,168.00	Individual	Indianapolis	IN	Other	Administrative and Documentation Error		Collection in Progress
\$7,805.00	Individual	Willits	CA	Death of Beneficiary	Verification Error		Collection in Progress
\$7,772.00	Individual	Hollidaysburg	PA	Death of Beneficiary	Verification Error		Collection in Progress
\$7,734.00	Individual	Harrisburg	PA	Death of Beneficiary	Verification Error		Collected in Full
\$7,734.00	Individual	Buffalo	NY	Death of Beneficiary	Verification Error		Collected in Full
\$7,685.00	Individual	Bolivar	TN	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$7,658.00	Individual	Hendersonville	NC	Death of Beneficiary	Verification Error		Collected in Full
\$7,490.00	Individual	Orocovis	PR	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$7,335.00	Individual	Hoover	AL	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$7,286.65	Individual	Marion	KS	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$7,275.00	Individual	Faith	SD	Death of Beneficiary	Verification Error		Collection in Progress
\$7,265.00	Individual	Darlington	SC	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$6,928.00	Individual	Greenfield	IN	Death of Beneficiary	Verification Error		Collected in Full
\$6,928.00	Individual	Santa Maria	CA	Death of Beneficiary	Verification Error		Collected in Full
\$6,830.00	Individual	Marion	IL	Dependency Issue	Verification Error		Collection in Progress
\$6,814.00	Individual	Newton	NC	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$6,715.00	Individual	Black River	MI	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$6,657.93	Individual	Waycross	GA	Death of Beneficiary	Verification Error		Collection in Progress
\$6,642.00	Individual	Marshalltown	IA	Dependency Issue	Verification Error		Collection in Progress

\$6,640.00	Individual	Suffolk	VA	Death of Beneficiary	Verification Error	Collected in Full
\$6,640.00	Individual	Pittsfield	MA	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$6,228.00	Individual	Jefferson	ME	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$6,228.00	Individual	Brookville	PA	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$6,194.00	Individual	Acton	CA	Death of Beneficiary	Verification Error	Collection in Progress
\$6,162.00	Individual	Dunwoody	GA	Death of Beneficiary	Verification Error	Collection in Progress
\$6,057.00	Individual	San Diego	CA	Death of Beneficiary	Verification Error	Collected in Full
\$5,873.00	Individual	Kansas City	MO	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$5,728.00	Individual	Naguabo	PR	Death of Beneficiary	Verification Error	Collected in Full
\$5,715.00	Individual	West Covina	CA	Death of Beneficiary	Verification Error	Collected in Full
\$5,571.00	Individual	De Pere	WI	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$5,565.00	Individual	Ellijay	GA	Death of Beneficiary	Verification Error	Collection in Progress
\$5,565.00	Individual	Plymouth Meeting	PA	Death of Beneficiary	Verification Error	Collection in Progress
\$5,565.00	Individual	Cedar Springs	MI	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$5,546.00	Individual	Chicago	IL	Death of Beneficiary	Verification Error	Collected in Full
\$5,546.00	Individual	Kansas City	MO	Death of Beneficiary	Verification Error	Collected in Full
\$5,546.00	Individual	Carmel	NY	Death of Beneficiary	Verification Error	Collection in Progress
\$5,262.00	Individual	Stoystown	PA	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$5,260.00	Individual	Willis	VA	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$5,196.00	Individual	Charlotte	NC	Death of Beneficiary	Verification Error	Collection in Progress
\$5,196.00	Individual	Glen Burnie	MD	Death of Beneficiary	Verification Error	Collection in Progress
\$5,196.00	Individual	Mount Vernon	GA	Death of Beneficiary	Verification Error	Collection in Progress
\$5,173.00	Individual	Clover	SC	Income Change	Authentication and Medical Necessity Error	Collection in Progress
\$5,125.00	Individual	Pittsburgh	PA	Death of Beneficiary	Verification Error	Collection in Progress

\$5,069.00	Individual	Fountain	NC	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$5,017.00	Individual	Chesnee	SC	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$4,391.00	Individual	Shreveport	LA	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$3,948.00	Individual	Saint Louis	MO	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$3,932.00	Individual	Madison Heights	MI	Income Change	Authentication and Medical Necessity Error		Collection in Progress
\$2,538.00	Individual	Burlington	KY	Income Change	Authentication and Medical Necessity Error		Collected 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. Verification errors caused by adjustments for delayed notification of incarceration or fugitive felon status is a function of agreements made with state and local law enforcement agencies. VA must provide due process when notified by law enforcement agencies of the beneficiary's incarceration or fugitive felon status.
3. Overpayments are sometimes caused when a beneficiary dies too late in a month to stop release of the payment for the month of death. While VA has a death match program with SSA, the match is received once monthly from SSA, and usually after release of a benefit payment. The number of overpayments following death has been reduced as a result of VA's VETSNET 'real time' processing technology.
4. VA is not always notified timely of changes in dependency status. VA can immediately adjust awards if the beneficiary provides the change in dependency status. However, when VA receives such information from a third party, VA must provide 60 days of due process before adjusting the beneficiary's award.
5. VA must provide due process when presented with evidence of the beneficiary's commission of possible fraud. Payments are terminated for the period where benefits were fraudulently procured.
6. VBA workgroup – March 2012. The workgroup was created to formulate and implement a strategy to reduce the amount of high-dollar overpayments.
7. Develop specific guidance on pension benefit adjustments.
8. 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.
9. Continue to provide feedback to field employees' Pension Management Center conference calls. VBA is establishing performance measures to address timeliness of processing maintenance workload.
10. Share the findings from this review with the field, so they can implement local reviews and address local high-dollar overpayment issues.
11. Include matching program training in the mandatory topics for the FY 2013 National Pension Training Curriculum.

## 20. Education 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 19,405 Education overpayments identified in the third quarter of FY 2013 with a total value of \$70,582,616.98.

A random sample of 251 overpayments was reviewed. The review revealed that 18 were Education high dollar overpayments, and 233 were Education payments that did not meet the high dollar overpayment criteria. Based on these results, we projected that 1,300 of 19,405 overpayments originally identified were high dollar Education overpayments, and an estimated 18,105 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.

Education Service identified 18 high-dollar Education overpayments for a total of \$59,272.32 (6.2%) out of a total \$949,714.29 in the sample. Extrapolating from the sample review results, an estimated projected total of \$4,405,109.52 in high dollar overpayments were made in the third quarter.

- 2 overpayments (7%) totaling \$4,127.80 were due to Administrative and Documentation errors caused by VA issuing duplicate payments and/or data input errors.
- 16 overpayments (93%) totaling \$55,144.20 were due to Verification errors caused by incorrect reporting of tuition and fees by school(s).

Total Education Payments made this quarter was: \$2,481,136,845.25  
 Projected High-Dollar Overpayments for this quarter is: \$4,405,109.52  
 Percentage of High-Dollar Overpayments to Education payments is: .18%

Amount of Overpayment	Entity or Individual	City	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$9,021.25	E	COLUMBIA	SC	Incorrect Reporting of Tuition and Fees by School	Verification Error	See Note 1 Below	Collection in Progress	See Note 2-4 Below
\$8,044.50	E	PHOENIX	AZ	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$5,017.95	I	NORTH BERGEN	NJ	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$4,462.50	E	BONSALL	CA	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$3,725.00	E	OFALLON	MO	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collected in Full	
\$2,801.86	E	LORAIN	OH	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$2,789.06	I	SMYRNA	DE	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$2,456.00	E	BAKERSFIELD	CA	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$2,452.80	E	STONE MOUNTAIN	GA	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$2,322.80	E	LINCOLN	NE	VA Data Input Error	Administrative and Documentation		Collected in Full	
\$2,250.00	E	HERMOSA BEACH	FL	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collection in Progress	
\$2,142.45	E	ALBUQUERQUE	NM	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collected in Full	

\$2,128.00	E	VALRICO	FL	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collected in Full
\$2,093.00	E	GLEN BURNIE	MD	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collected in Full
\$1,996.65	E	CHULA VISTA	CA	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collected in Full
\$1,963.50	E	MIAMI	FL	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collected in Full
\$1,805.00	E	NORMAN	OK	VA Data Input Error	Administrative and Documentation		Collected in Full
\$1,800.00	E	LEXINGTON	KY	Incorrect Reporting of Tuition and Fees by School	Verification Error		Collected in Full

**Note:**

1. The VA Debt Management Center (DMC) is responsible for Collection of overpayments.
2. Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.
3. 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. Each Regional Processing Office and the 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 the transition of Long-Term Solution to sustainment and possible future statutory changes in the Post-9/11 GI Bill.
4. 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.

## 21. Insurance Program

Insurance Service identified eight high-dollar (administrative/documentation) overpayments totaling \$77,374.25. Total Insurance disbursements made during the third quarter were \$358,233,729.

- 8 overpayments (100%) totaling \$77,374.25 were Administrative and Documentation errors caused by payment of incorrect beneficiary shares and duplicate payments

Total Insurance Service Payments made this quarter: \$358,233,729.

Total High-Dollar Overpayments identified in this quarter: \$77,374.25

Percentage of High-Dollar Overpayments to Insurance Service payments is: .02%.

Amount of Overpayment	Entity or Individual	City	State	Cause of Overpayment	OMB Error Type	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$5,785.41	Individual	Mount Holly	NJ	Incorrect beneficiary shares paid	Administrative and Documentation	See Note 1 Below	Collected in Full	See Note 2 and 3 Below

\$14,522.22	Individual	Churchville	MD	Incorrect beneficiary shares paid	Administrative and Documentation	Collected in Full
\$5,208.52	Individual	Boone	IA	Incorrect beneficiary shares paid	Administrative and Documentation	Collected in Full
\$7,041.09	Individual	Austin	AR	Incorrect beneficiary shares paid	Administrative and Documentation	Collected in Full
\$9,830.72	Individual	Valley Center	CA	Duplicate payment	Administrative and Documentation	Collection In Progress
\$13,426.64	Individual	Williamson	GA	Duplicate payment	Administrative and Documentation	Collected in Full
\$8,175.34	Individual	Pottstown	PA	Beneficiary designation not signed by the insured. Insurance proceeds were paid to an individual not entitled to the insurance award.	Administrative and Documentation	Collection In Progress
\$13,384.31	Individual	Mount Holy	NJ	Duplicate payment.	Administrative and Documentation	Collected in Full

**Note:**

1. Overpayments are routinely recovered from future benefits awarded. If not recovered, an accounts receivable is established and further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.
2. Other actions to prevent reoccurrence include improving documentation.
3. Some VA overpayments are inherent based on the requirements of 38 CFR § 3.103, Procedural Due Process and Appellate Rights, that does 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 by two additional months. One exception to this requirement is when VA is notified of a beneficiary's death.

## 22. Vocational Rehabilitation & Employment (VR&E) Program

There were 102 records for VR&E Service overpayments identified in the third quarter of FY 2013 and 102 overpayment records were reviewed.

The review revealed that 12 (11.76 percent) were VR&E high dollar overpayments, and 90 (88.24 percent) were VR&E payments that did not meet the high dollar overpayment criteria.

VR&E Service identified 12 high-dollar compensation overpayments: 5 were due to a school error, 1 was due to an error by the Veteran, 1 was due to an error made by the Support Services Division, and 5 were due to other reasons. All payments are explained below:

- 11 payments (91.67 percent) totaling \$90,974 were Administrative and Documentation errors as a result of incorrect payment amounts, schools' failure to certify attendance, and duplicate payments.
- 1 overpayment (8.33 percent) totaling \$16,980 was the result of Verification errors as a result of the Veteran not correctly reporting their active duty status.

Total VR&E Payments made this quarter was: \$229,716,380.57  
 Total High-Dollar Overpayments identified in this quarter: \$107,953.31  
 Percentage of High-Dollar Overpayments to VR&E payments is: 0.05%

Amount of Overpayment	Entity or Individual	City	State	Cause of Overpayment	OMB Error Type	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$5,250.00	Individual	Zephyr Cove	NV	School Error	Administrative and Documentation Error	See Note 1 Below	Collection in Progress	See Note 2-9 Below
\$5,638.57	Individual	Clayton	NC	Other	Administrative and Documentation Error		Collection Terminated	
\$5,683.44	Individual	West Islip	NY	School Error	Administrative and Documentation Error		Collection in Progress	
\$6,079.66	Individual	Houston	TX	Other	Administrative and Documentation Error		Collection in Progress	
\$6,830.97	Individual	Woodbridge	VA	Other:	Administrative and Documentation Error		Collection in Progress	
\$8,673.41	Individual	Missoula	MT	School Error	Administrative and Documentation Error		Collected in Full	
\$8,891.20	Individual	Del City	OK	Other:	Administrative and Documentation Error		Collection in Progress	
\$9,805.70	Individual	El Paso	TX	Other:	Administrative and Documentation Error		Collected in Full	
\$10,000.00	Individual	Elko New Market	MN	Other-SSD Error:	Administration and Documentation Error		Collection in Progress	
\$11,322.68	Individual	Morrisville	PA	School Error:	Administration and Documentation Error		Collection in Progress	
\$12,798.00	Individual	Escondido	CA	School Error:	Administrative and Documentation Error		Collection in Progress	
\$16,979.68	Individual	North Little Rock	AR	Recipient Error:	Verification Error		Collection in Progress	

**Note:**

1. The DMC is responsible for Collection of overpayments.
2. Refresher training was provided to the school.
3. Overpayment was created as a result of a two stage Benefit Delivery Network award.
4. VA Certifying Official was reminded of the importance of timely notification of withdrawals.
5. Counseling was provided.
6. Vocational Rehabilitation Counselors (VRC) took the appropriate actions to stop the award due to non-attendance.
7. Contacted certifying official at school.
8. VRC took appropriate action to retroactively process award at the Basic Allowance for Housing rate.
9. Counseling provided to Veteran. Case has been referred to OIG for review due to potential fraud.

**23. VA Central Office (VACO) Staff Offices**

VACO Staff Offices identified four high-dollar overpayments made during the third quarter of 2013. These overpayments consisted of single overpayments. All four overpayments were caused by Administrative and Documentation errors.

- 4 overpayments (100 percent) totaling \$419,505.53 were Administrative and Documentation errors caused by duplicate payments and by paying the wrong vendor.

Total High-Dollar Overpayments identified in this quarter: \$419,505.53

Amount of Overpayment	Entity or Individual	City	State	Cause of Overpayment	OMB Error Type	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$36,807.50	Entity	Asheville	NC	Duplicate Payment	Administrative and Documentation Error	See Note 1 Below	Collection in Progress	See Note 2 and 3 Below
\$250,474.93	Entity	La Pine	OR	Wrong Vendor Paid	Administrative and Documentation Error		Collection in Progress	
\$52,867.17	Entity	St. Louis	MO	Wrong Vendor Paid	Administrative and Documentation Error		Collected in Full	
\$79,355.93	Entity	Fairfax	VA	Duplicate Payment	Administrative and Documentation Error		Collected in Full	

**Note:**

1. The VA Financial Services Center has established Bills of Collection on behalf of VACO Staff Offices for all identified overpayments.
2. VACO Staff Offices will match and reconcile vendor information to original obligations prior to approval of payment.
3. VACO Staff Offices will verify program payments against Do Not Pay database prior to issuance of payment.