

**Department of
Veterans Affairs**

Memorandum

July 19, 2014

Date:

From: Acting Secretary (00)

Subj: Fiscal Year 2014 Second Quarter Report on High-Dollar Overpayments
(VAIQ # 7432595)

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 its programs for the issuance of high-dollar overpayment transactions, which meet OMB's definition of improper payments. Attached is the Department of Veterans Affairs (VA) consolidated report on identified high-dollar overpayments for the second quarter of fiscal 2014.

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, authentication and medical necessity errors, and verification errors); any actions VA has taken or plans to take to recover overpayments; and any actions to help prevent improper payments from occurring in the future.

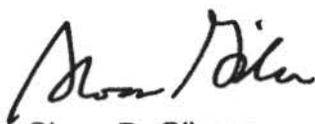
4. A total of 268 high-dollar overpayments were identified. The following is a summary of the programs with \$500,000 or more high-dollar overpayments in the second quarter of fiscal 2014:

- **VHA - Communications, Utilities, and Other Rent:** Eleven high-dollar overpayments were identified (\$1.2 million out of \$362 million in total payments); all were due to administrative and documentation errors.
- **Non-VA CHAMPVA:** Twenty high-dollar overpayments were identified (\$947,000 out of \$266 million in total payments); 2 were due to administrative and documentation errors and 18 were due to verification errors.
- **Non-VA Care Fee:** Forty-one high-dollar overpayments were identified (\$2.9 million out of \$976 million in total payments); 38 were due to administrative and documentation errors and 3 were due to verification errors.

Fiscal Year 2014 Second Quarter Report on High-Dollar Overpayments (VAIQ # 7432595)

- **VHA – Other Services:** Twenty-nine high-dollar overpayments were identified (\$1.4 million out of \$1.1 billion in total payments); 27 were due to administrative and documentation errors and 2 were due to verification errors.
- **VBA – Compensation (including Dependency and Indemnity Compensation):** From a population of 11,290 overpayments, a random sample of 385 payments was reviewed to determine if any were high-dollar overpayments. The sample disclosed 63 high-dollar overpayments totaling \$1.0 million, which projects to \$29.5 million out of \$15.9 billion in total payments. Only the sampling results are included in this report. Of the 63 improper payments found, 14 were due to administrative and documentation errors, 1 was due to an authentication and medical necessity errors, and 48 were due to verification errors.
- **VACO Staff Offices:** Six high-dollar overpayments were identified (\$1.3 million out of \$1.1 billion in total payments); all were due to administrative and documentation errors.
- **Other:** In the other 17 programs, 98 high-dollar overpayments were identified (\$2.5 million out of \$13.5 billion in total payments); 57 were due to administrative and documentation errors, 1 was due to an authentication and medical necessity, and 40 were due to verification errors.

5. If you have any questions, please have a member of your staff contact Ms. Laurie Park, Acting Deputy Assistant Secretary for Finance, at (202) 461- 6180.



Sloan D. Gibson

Attachment

Executive Order 13520 – Reducing Improper Payments Fiscal Year (FY) 2014 Second 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 second quarter of fiscal year (FY) 2014. 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 status and root cause 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 errors which are caused by the payee's failure to verify recipient information (i.e., earnings, income, assets, or work status) even though third-party databases or other resources do exist, the payee's inability to verify recipient information (i.e., earnings, income, assets, or work status) because there are legal or other restrictions that deny access to verify against third-party databases or other resources that do exist, or beneficiaries fail to report correct information to the payee.

Veterans Health Administration – VHA

1. Beneficiary Travel

VHA identified six high-dollar overpayments made by Beneficiary Travel during the second quarter of FY 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors, and Verification errors.

- 3 overpayments (50%) totaling \$452,316 are Administrative and Documentations errors where a duplicate payment was issued.
- 3 overpayments (50%) totaling \$36,317 are Verification errors where an ineligible recipient was paid or VHA failed to verify beneficiary information prior to payment.

Total Beneficiary Travel Payments made this quarter: \$187,734,702

Total High-Dollar Overpayments identified this quarter: \$488,633

Percentage of High-Dollar Overpayments: 0.26%

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
\$231,325.00	Entity	Fall River	MA	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$145,003.15	Entity	Albany	NY	Duplicate Payment	Administrative and Documentation		Collection in Progress	
\$75,987.79	Entity	Birmingham	AL	Duplicate Payment	Administrative and Documentation		Collection in Progress	
\$23,898.58	Individual	Oklahoma City	OK	Failure to Verify Beneficiary Information	Verification		Collection in Progress	
\$6,628.10	Individual	Gainesville/Alachua	FL	Ineligible Recipient	Verification		Collection in Progress	
\$5,790.42	Individual	New Braunfels	TX	Failure to Verify Beneficiary Information	Verification		Collection in Progress	

Notes

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 (TOP).
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. Ensuring Beneficiary Travel Clerk checks registration more carefully.
 - b. Completing refresher training.
 - c. Educating staff on validation process.

2. Caregiver Stipend

VHA identified four high-dollar overpayments made by Caregiver Stipend during the second quarter of FY 2014. These overpayments consisted of singular overpayments caused by Administrative and Documentation error and Verification errors.

- 1 overpayment (25%) totaling \$5,820 is an Administrative and Documentations errors where the incorrect payment methodology was applied.
- 3 overpayments (75%) totaling \$21,793 are Verification errors where VHA failed to verify beneficiary information prior to payment.

Total Caregiver Stipend Payments made this quarter: \$69,658,031

Total High-Dollar Overpayments identified this quarter: \$27,613

Percentage of High-Dollar Overpayments: 0.04%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$8,237.49	Individual	Orlando	FL	Failure to Verify Beneficiary Information	Verification	See Notes Below Table	Collection in Progress	See Notes Below Table
\$7,958.88	Individual	Defiance	OH	Failure to Verify Beneficiary Information	Verification		Collection in Progress	
\$5,819.93	Individual	Colorado Springs	CO	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Progress	
\$5,596.53	Individual	Gladstone	MI	Failure to Verify Beneficiary Information	Verification		Collection in Progress	

Notes:

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 TOP.
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.

3. Communications, Utilities, and Other Rent

VHA identified 11 high-dollar overpayments made by Communications, Utilities, and Other Rent during the second quarter of FY 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors.

- 11 overpayments (100%) totaling \$1,230,158 are Administrative and Documentation errors where the incorrect amount was paid, wrong vendors were paid, duplicate payments were made, or data entry errors were made.

Total Communications, Utilities, and Other Rent Payments made this quarter: \$362,329,048

Total High-Dollar Overpayments identified this quarter: \$1,230,158

Percentage of High-Dollar Overpayments: 0.34%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$257,908.32	Entity	St. Louis	MO	Wrong Vendor Paid	Administrative and Documentation	See Notes Table Below	Collection in Progress	See Notes Table Below
\$254,397.08	Entity	White Plains	NY	Wrong Vendor Paid	Administrative and Documentation		Collection in Full	

\$195,275.59	Entity	Chicago	IL	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$117,755.46	Entity	Philadelphia	PA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$100,000.00	Individual	Huntington Beach	CA	Data Entry Errors	Administrative and Documentation		Collection in Full
\$95,277.60	Entity	Tulsa	OK	Wrong Vendor Paid	Administrative and Documentation		Collection in Progress
\$61,471.69	Entity	San Antonio	TX	Wrong Vendor Paid	Administrative and Documentation		Collection in Progress
\$44,904.54	Entity	Atlanta	GA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$44,507.73	Entity	Grosse Ile	MI	Incorrect Amount	Administrative and Documentation		Collection in Progress
\$35,264.42	Entity	San Antonio	TX	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$23,395.65	Entity	Tulsa	OK	Duplicate Payment	Administrative and Documentation		Collection in Progress

Notes:

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 TOP.
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 amounts paid prior to disbursement.
 - b. Ensuring payments are made according to contract.

4. DoD/VA Medical Facility Demonstration Fund

VHA identified one high-dollar overpayment made by DoD/VA Medical Facility Demonstration Fund during the second quarter of FY 2014. This overpayment consisted of singular overpayment caused by Administrative and Documentation error.

- 1 overpayments (100%) totaling \$34,553 are Administrative and Documentation errors where the incorrect amount was paid.

Total DoD/VA Medical Facility Fund Payments made this quarter: \$94,479,510

Total High-Dollar Overpayments identified this quarter: \$34,553

Percentage of High-Dollar Overpayments: 0.04%

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
\$34,553.41	Entity	Waukegan/Lake	IL	Incorrect Amount	Administrative and Documentation	See Notes Table Below	Collection in Progress	See Notes Table Below

Notes:

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 TOP.
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. Example includes:
 - a. Conducting reconciliation monthly.

5. General Post Fund

VHA identified one high-dollar overpayment made by General Post Fund during the second quarter of FY 2014. This overpayment consisted of a singular overpayment caused by issuing a Duplicate Payment.

- 1 overpayment (100%) totaling \$277,390 is an Administrative and Documentation error caused by issuing a duplicate payment.

Total General Post Fund Payment made this quarter: \$4,493,113

Total High-Dollar Overpayments identified in this quarter: \$277,390

Percentage of Overpayments: 6.17%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-Occurrence
\$277,389.60	Entity	Philadelphia	PA	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collected in full	See Notes Below Table

Notes:

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 TOP.
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.

6. Grants – Homeless Per Diem

VHA identified four high-dollar overpayments made by Homeless Per Diem Grants during the second quarter of FY 2014. These overpayments consisted of both singular and cumulative overpayments caused by issuing Duplicate Payments.

- 4 overpayments (100%) totaling \$109,637 are Administrative and Documentation errors caused by issuing duplicate payments.

Total State Home Per Diem Grants Payments made this quarter: \$50,306,218

Total High-Dollar Overpayments identified this quarter: \$109,637

Percentage of High-Dollar Overpayments: 0.22%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$37,159.72	Entity	Dallas	TX	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$32,836.55	Entity	Council Bluffs	IA	Duplicate Payment	Administrative and Documentation		Collection in Progress	
\$26,540.80	Entity	Hohenwald	TN	Duplicate Payment	Administrative and Documentation		Collection in Full	
\$13,099.53	Entity	Rapid City	SD	Duplicate Payment	Administrative and Documentation		Collection in Progress	

Notes:

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 TOP.
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.
Example includes:
 - a. Informing appropriate staff offices of overpayment.

7. Grants - State Home Per Diem

VHA identified one high-dollar overpayment made by State Home Per Diem Grants during the second quarter of FY 2014. This overpayment consisted of cumulative overpayment caused by Administrative and Documentation error.

- 1 overpayment (100%) totaling \$161,820 is an Administrative and Documentation error caused by paying the wrong vendor.

Total State Home Per Diem Grants Payments made this quarter: \$292,698,833

Total High-Dollar Overpayments identified this quarter: \$161,820

Percentage of High-Dollar Overpayments: 0.06%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$161,820.11	Entity	Omaha	NE	Wrong Vendor Paid	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table

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 TOP.
- 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 three high-dollar overpayments made by Land and Structures during the second quarter of FY 2014. These overpayments consisted of singular and cumulative overpayments caused by Administrative and Documentation errors.

- 3 overpayments (100%) totaling \$158,831 are Administrative and Documentation errors where wrong vendors were paid and by issuing a duplicate payment.

Total Land and Structures Payments made this quarter: \$403,592,799

Total High-Dollar Overpayments identified this quarter: \$158,831

Percentage of High-Dollar Overpayments: 0.04%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$93,046.00	Entity	Bangor	ME	Wrong Vendor Paid	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$40,438.79	Entity	Indianapolis	IN	Wrong Vendor Paid	Administrative and Documentation		Collection in Progress	
\$25,346.00	Entity	San Juan	PR	Duplicate Payment	Administrative and Documentation		Collection in Progress	

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 TOP.
- VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

9. Medical and Prosthetic Research

VHA identified one high-dollar overpayment made by Medical and Prosthetic Research during the second quarter of FY 2014. This overpayment consisted of a singular overpayment caused by an Administrative and Documentation error.

- 1 overpayment (100%) totaling \$104,524 is an Administrative and Documentation error caused by paying the wrong vendor.

Total Medical and Prosthetic Research Payments made this quarter: \$155,342,883

Total High-Dollar Overpayments identified this quarter: \$104,524

Percentage of High-Dollar Overpayments: 0.07%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$104,524.01	Entity	West Chester	PA	Wrong Vendor Paid	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table

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 TOP.
- VHA is working with individual medical centers to prevent re-occurrence of improper payments by tracking implementation and completion of facility corrective action plans.

10. Non-VA Civilian Health and Medical Program of the VA (CHAMPVA)

VHA identified 20 high-dollar overpayments made by CHAMPVA during the second quarter of FY 2014. The overpayments consisted of singular and cumulative overpayments caused by Administrative and Documentation errors, and Verification errors.

- 2 overpayments (10%) totaling \$130,427 are Administrative and Documentation errors caused by paying a wrong vendor and where data entry errors were made.
- 18 overpayments (90%) totaling \$816,842 are Verification errors caused by failing to verify beneficiary information.

Total CHAMPVA Payments made this quarter: \$265,713,791

Total High-Dollar Overpayments identified this quarter: \$947,269

Percentage of High-Dollar Overpayments: 0.36%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$80,402.66	Entity	Valdosta	GA	Failure to Verify Beneficiary Information	Verification	See Notes Below Table	Collection in Progress	See Notes Below Table
\$71,909.90	Entity	Los Angeles	CA	Wrong Vendor Paid	Administrative and Documentation		Collection in Progress	
\$68,811.30	Entity	Owensboro	KY	Failure to Verify Beneficiary Information	Verification		Collection in Progress	
\$61,383.00	Entity	St. Louis	MO	Failure to Verify Beneficiary Information	Verification		Collection in Progress	

\$60,971.20	Entity	Bridgeport	WV	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$60,512.26	Entity	Dallas	TX	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$58,532.40	Entity	Charlotte	NC	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$58,517.02	Entity	Phoenix	AZ	Data Entry Errors	Administrative and Documentation		Collection in Progress
\$56,631.56	Entity	Pittsburgh	PA	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$53,918.97	Entity	Pittsburgh	PA	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$47,439.72	Entity	Lawrenceville	GA	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$41,206.61	Entity	Orlando	FL	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$40,812.33	Entity	Chicago	IL	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$40,603.76	Entity	Minneapolis	MN	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$38,888.36	Entity	Minneapolis	MN	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$30,016.03	Entity	Chicago	IL	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$26,670.70	Entity	Schaumburg	IL	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$26,333.78	Entity	Chicago	IL	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$18,250.03	Individual	Exeter	CA	Failure to Verify Beneficiary Information	Verification		Collection in Progress
\$5,456.97	Individual	Covington	WA	Failure to Verify Beneficiary Information	Verification	Collection in Progress	

Notes:

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 TOP.
2. VHA is working with Chief Business Office to prevent re-occurrence of improper payments by tracking implementation and completion of corrective action plans.

11. Non-VA Medical Care

VHA identified 41 high-dollar overpayments made by Non-VA Medical Care during the second quarter of FY 2014. These overpayments consisted of both singular and cumulative payments caused by Administrative and Documentation errors, and Verification errors.

- 38 overpayments (93%) totaling \$2,713,883 are Administrative and Documentation errors where duplicate payments were issued, the amount paid was incorrect, the wrong vendor was paid, or the incorrect payment methodologies were used, failed to verify beneficiary information, or data entry errors were made.
- 3 overpayments (7%) totaling \$151,422 are Verification error caused by issuing payment to an ineligible good or service, or ineligible recipient.

Total Non-VA Medical Care Payments made this quarter: \$976,304,028

Total High-Dollar Overpayments identified this quarter: \$2,865,305

Percentage of High-Dollar Overpayments: 0.29%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$824,230.20	Entity	Palmer	AK	Incorrect Amount	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$343,994.85	Entity	Chicago/Randolph	IL	Duplicate Payment	Administrative and Documentation		Collection in Progress	
\$175,426.34	Entity	Pittsburgh/Allegheny	PA	Incorrect Amount	Administrative and Documentation		Collection in Full	
\$128,571.83	Entity	Memphis	TN	Incorrect Amount	Administrative and Documentation		Collection in Full	
\$105,074.34	Entity	Sunrise	FL	Failure to Verify Beneficiary Information	Verification		Collection in Progress	
\$102,074.47	Entity	New Orleans	LA	Duplicate Payment	Administrative and Documentation		Collection in Full	
\$79,980.00	Entity	Ocala	FL	Data Entry Errors	Administrative and Documentation		Collection in Full	
\$70,250.70	Entity	Battle Creek	MI	Incorrect Amount	Administrative and Documentation		Collection in Progress	
\$65,498.90	Entity	Orlando	FL	Data Entry Errors	Administrative and Documentation		Collection in Full	
\$60,651.50	Entity	Memphis	TN	Incorrect Amount	Administrative and Documentation		Collection in Full	
\$57,711.66	Entity	Los Angeles	CA	Incorrect Amount	Administrative and Documentation		Collection in Progress	
\$57,667.19	Entity	Orlando	FL	Incorrect Amount	Administrative and Documentation		Collection in Full	
\$47,840.50	Entity	Cooperstown	NY	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Progress	
\$43,573.08	Entity	Lebanon/ Linn	OR	Duplicate Payment	Administrative and Documentation		Collection in Progress	

\$42,333.89	Entity	Reno	NV	Incorrect Amount	Administrative and Documentation		Collection in Progress
\$40,410.74	Entity	Mobile	AL	Duplicate Payment	Administrative and Documentation		Collection in Full
\$39,078.09	Entity	Laplace	LA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$37,038.80	Entity	New Haven	CT	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$35,686.93	Entity	Chula Vista	CA	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Progress
\$34,868.40	Entity	Winona	MN	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$34,348.72	Entity	Milwaukee	WI	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$34,242.68	Entity	Beverly	MA	Incorrect Amount	Administrative and Documentation		Collection in Progress
\$32,239.63	Entity	Mason City	IA	Wrong Vendor Paid	Administrative and Documentation		Collection in Full
\$31,926.91	Entity	Seattle	WA	Wrong Vendor Paid	Administrative and Documentation		Collection in Progress
\$29,141.72	Entity	Orlando	FL	Wrong Vendor Paid	Administrative and Documentation		Collection in Full
\$29,141.45	Entity	Houston	TX	Incorrect Amount	Administrative and Documentation		Collection in Full
\$26,394.89	Entity	Marshfield	WI	Ineligible Recipient	Verification		Collection in Progress
\$25,415.94	Entity	Chicago	IL	Incorrect Amount	Administrative and Documentation		Collection in Progress
\$25,341.00	Entity	Uniondale	NY	Incorrect Amount	Administrative and Documentation		Collection in Full
\$25,216.36	Entity	Atlanta	GA	Incorrect Amount	Administrative and Documentation		Collection in Full
\$23,161.25	Entity	Clifton Springs	NY	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Progress
\$21,912.00	Entity	Ravenna	OH	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$21,860.05	Entity	New York	NY	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Progress
\$20,340.00	Entity	Tacoma	WA	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Full
\$19,952.67	Entity	Seattle	WA	Ineligible Goods or Service	Verification		Collection in Progress
\$19,772.74	Entity	Atlanta	GA	Data Entry Errors	Administrative and Documentation		Collection in Progress

\$15,635.44	Entity	Portland/ Multnomah	OR	Data Entry Errors	Administrative and Documentation		Collection in Full
\$13,850.00	Entity	Atlanta	GA	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Progress
\$9,805.00	Individual	Portland/ Multnomah	OR	Data Entry Errors	Administrative and Documentation		Collection in Full
\$8,356.88	Individual	Indianapolis	IN	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$5,287.42	Individual	Honolulu	HI	Incorrect Application of the Payment Methodologies	Administrative and Documentation		Collection in Full

Notes:

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 TOP.
2. VHA will provide education and training to clerks on payment methodologies to ensure proper claim processing and utilize Snap Web to 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.

Examples include:

- a. Providing additional training and guidance by supervisor to billing clerks.
- b. Provide additional training on all aspect of eligibility when payments relates to other health insurance.
- c. Provide additional training and reiteration of internal controls to prevent overpayments.
- d. Reviewing payments for accuracy prior to processing.
- e. Verifying contract rates prior to disbursing payment.
- f. Educating vendors on proper billing procedures.
- g. Running SnapWeb reports each morning prior to processing claims.

12. Other Services

VHA identified 29 high-dollar overpayments made by Other Services during the second quarter of FY 2014. These overpayments consisted of both singular and cumulative payments caused by Administrative and Documentation errors, and Verification errors.

- 27 overpayments (93%) totaling \$1,368,987 are Administrative and Documentation errors where duplicate payments were issued, the incorrect amount was paid or goods and services were not yet received.
- 2 overpayments (7%) totaling \$44,950 are Verification errors caused by issuing payment to ineligible recipients.

Total Other Services Payments made this quarter: \$1,139,859,100

Total High-Dollar Overpayments identified this quarter: \$1,413,937

Percentage of High-Dollar Overpayments: 0.12%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$227,801.86	Entity	Phoenix	AZ	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$173,892.63	Entity	Louisville	KY	Duplicate Payment	Administrative and Documentation		Collection in Full	
\$140,086.58	Entity	Louisville	KY	Incorrect Amount	Administrative and Documentation		Collection in Progress	

\$94,072.88	Entity	Shalotte	NC	Duplicate Payment	Administrative and Documentation		Collection in Full
\$71,545.00	Entity	San Diego	CA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$63,302.04	Entity	Alpharetta	GA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$59,462.30	Entity	Round Rock	TX	Incorrect Amount	Administrative and Documentation		Collection in Progress
\$52,607.49	Entity	Columbia	MD	Incorrect Amount	Administrative and Documentation		Collection in Progress
\$51,835.45	Entity	Boca Raton	FL	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$51,057.78	Entity	Franklin Park	IL	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$38,325.60	Individual	Indianapolis	IN	Ineligible Recipient	Verification		Collection in Progress
\$35,006.20	Entity	Sunnyvale	CA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$34,473.24	Entity	Perry Point	MD	Incorrect Amount	Administrative and Documentation		Collection in Full
\$31,400.00	Entity	Dallas	TX	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$30,000.00	Entity	San Francisco	CA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$27,231.77	Entity	Grand Rapids	MI	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$26,948.42	Entity	Hillsborough	NC	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$25,983.90	Entity	Lake Forest	CA	Incorrect Amount	Administrative and Documentation		Collection in Full
\$24,320.00	Entity	Washington	DC	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$23,508.55	Entity	Martinez	CA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$23,435.40	Entity	Columbia	MD	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$20,871.47	Entity	Alpharetta	GA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$17,600.00	Entity	Moline	IL	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$16,793.18	Entity	Pittsburg	CA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$14,995.84	Entity	Irving	TX	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$14,956.05	Entity	Norfolk	VA	Duplicate Payment	Administrative and Documentation		Collection in Progress
\$9,966.00	Individual	Martinsburg	WV	Goods or Services Not Yet Received	Administrative and Documentation		Collection in Progress

\$6,624.21	Individual	West Palm Beach	FL	Ineligible Recipient	Verification		Collection in Progress
\$5,833.00	Individual	Cleveland	OH	Duplicate Payment	Administrative and Documentation		Collection in Progress

Notes:

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 TOP.
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 invoice before Contracting Officer Representative certifies for payment.
 - b. Training invoice certifier.
 - c. Training staff on transaction codes.
 - d. Training provider on proper invoice protocol.

13. Payroll

VHA identified three high-dollar overpayments made by Payroll during the second quarter of FY 2014. These overpayments consisted of singular overpayments caused by Administrative and Documentation errors.

- 3 overpayments (100%) totaling \$42,122 are Administrative and Documentation errors caused for goods and services not yet received, the incorrect amount was paid, or data entry errors were made.

Total Payroll Payments made this quarter: \$7,736,857,309

Total High-Dollar Overpayments identified this quarter: \$42,122

Percentage of High-Dollar Overpayments: 0.001%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$29,307.13	Individual	Palmyra	PA	Goods or Services Not Yet Received	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$7,489.21	Individual	Topeka	KS	Incorrect Amount	Administrative and Documentation		Collection in Progress	
\$5,325.68	Individual	Chesterfield	MI	Data Entry Errors	Administrative and Documentation		Collection in Progress	

Notes:

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 TOP.
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. Training new staff in Personnel and Accounting Integrated Data (PAID) protocol.

14. Prosthetics

VHA identified one high-dollar overpayment made by Prosthetics during the second quarter of FY 2014. This overpayment consisted of a singular overpayment caused by an Administrative and Documentation error.

- 1 overpayment (100%) totaling \$160,967 is an Administrative and Documentation error caused by issuing a duplicate payment.

Total Prosthetics Payments made this quarter: \$560,769,990
 Total High-Dollar Overpayments identified this quarter: \$160,967
 Percentage of High Dollar Overpayments: 0.03%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$160,966.54	Entity	Oklahoma City	OK	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table

Notes:

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 TOP.
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. Purchased Long-Term Services and Supports

VHA identified seven high-dollar overpayments made by Purchased Long-Term Services and Supports during the second quarter of FY 2014. These overpayments consisted of singular and cumulative overpayments caused by Administrative and Documentation errors, and Verification errors.

- 5 overpayments (71%) totaling \$119,383 are Administrative and Documentation errors caused by issuing duplicate payments or paying the incorrect amount.
- 2 overpayments (29%) totaling \$31,379 is a Verification error caused by issuing payment for ineligible goods or services.

Total Purchased Long-Term Services and Supports Payments made this quarter: \$341,688,678
 Total High-Dollar Overpayments identified this quarter: \$150,762
 Percentage of High-Dollar Overpayments: 0.04%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$33,031.18	Entity	Fort Myers	FL	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collection in Full	See Notes Below Table
\$27,931.00	Entity	Aliso Viejo	CA	Duplicate Payment	Administrative and Documentation		Collection in Full	
\$26,828.16	Entity	Hanover	NH	Duplicate Payment	Administrative and Documentation		Collection in Full	
\$25,908.00	Entity	Springfield	VT	Incorrect Amount	Administrative and Documentation		Collection in Progress	
\$25,730.00	Entity	Murfreesboro	TN	Ineligible Goods or Service	Verification		Collection in Progress	
\$5,684.59	Individual	Bessemer/Jefferson	AL	Incorrect Amount	Administrative and Documentation		Collection in Progress	
\$5,649.00	Individual	Murfreesboro	TN	Ineligible Goods or Service	Verification		Collection in Progress	

Notes:

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 TOP.
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. Training staff to identify duplicate/erroneous bills from vendors and to utilize tools provided in the Fee Basis Claims System to identify inconsistencies in billing.

- b. Identifying duplicate billing to ensure accurate payments are made.
- c. Providing additional training on selecting correct vendor.

16. Supplies and Materials

VHA identified three high-dollar overpayments made by Supplies and Materials during the second quarter of FY 2014. These overpayments consisted of both singular and cumulative payments and were caused by Administrative and Documentation errors.

- 3 overpayments (100%) totaling \$148,428 are Administrative and Documentation errors by issuing a duplicate payment.

Total Supplies and Materials Payments made this quarter: \$542,884,590

Total High-Dollar Overpayments identified this quarter: \$148,428

Percentage of High-Dollar Overpayments: 0.03%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$77,299.94	Entity	Carlisle	PA	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$57,236.68	Entity	Portsmouth	NH	Duplicate Payment	Administrative and Documentation		Collection in Progress	
\$13,891.07	Entity	Federalsburg	MD	Duplicate Payment	Administrative and Documentation		Collection in Progress	

Notes:

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 TOP.
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 of Persons and Things

VHA identified four high-dollar overpayments made by Transportation of Persons and Things during the second quarter of FY 2014. These overpayments consisted of singular payments and were caused by an Administrative and Documentation errors.

- 4 overpayments (100%) totaling \$37,844 are Administrative and Documentation errors where goods or services were not received or incorrect amounts were paid.

Total Transportation of Persons and Things Payments made this quarter: \$38,426,059

Total High-Dollar Overpayments identified this quarter: \$37,844

Percentage of High-Dollar Overpayments: 0.10%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$15,008.19	Individual	Hagerstown	MD	Goods or Services Not Yet Received	Administrative and Documentation	See Notes Below Table	Collection in Progress	See Notes Below Table
\$9,971.79	Individual	Soldotna	AK	Incorrect Amount	Administrative and Documentation		Collection in Progress	

\$6,533.06	Individual	Birmingham	AL	Incorrect Amount	Administrative and Documentation		Collection in Progress
\$6,330.94	Individual	Omaha	NE	Incorrect Amount	Administrative and Documentation		Collection in Progress

Notes:

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 TOP.
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 11,290 compensation overpayments in the second quarter of FY 2014 and reviewed a stratified and statistically valid random sample of 385 such overpayments. The review revealed that 63 (16%) were compensation high-dollar overpayments, and 322 (84%) were compensation payments that did not meet the high-dollar overpayment criteria. Based on these results, VBA projected that 1,806 overpayments originally identified were high-dollar compensation overpayments, and an estimated 9,484 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 63 high-dollar compensation overpayments; 14 are due to Administrative and Documentation Errors, 1 are due to Authentication and Medical Necessity Errors, and 48 are due to Verification Errors.

- 14 overpayments (22%) totaling \$510,942 are due to Administrative and Documentation Errors caused by processing errors, an adjustment of military retirement or separation, insufficient evidence of record, and/ or month of death payment to the surviving spouse.
- 1 overpayments (2%) totaling \$32,939 are 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.
- 48 overpayments (76%) totaling \$472,638 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.

Total Compensation Obligated Payments made this quarter: \$15,900,371,761

Projected High-Dollar Overpayments for this quarter: \$29,513,251

Percentage of High-Dollar Overpayments to Compensation payments: 0.19%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$225,063.69	Individual	Augusta	GA	Other	Administrative and Documentation	See Notes Below Table	In Collection Status	See Notes Below Table
\$143,921.01	Individual	Lakeland	FL	Other	Administrative and Documentation		In Collection Status	

\$58,619.00	Individual	Louisville	KY	Other	Administrative and Documentation		In Collection Status
\$32,939.18	Individual	Reddington	CA	Income Change	Authentication and Medical Necessity		In Collection Status
\$30,855.30	Individual	Bronxville	NY	Death of Beneficiary	Verification		In Collection Status
\$28,607.17	Individual	Seattle	WA	Incarcerated Beneficiary	Verification		Paid In Full
\$21,864.69	Individual	Congers	NY	Death of Beneficiary	Verification		In Collection Status
\$17,594.00	Individual	Dayton	OH	Death of Beneficiary	Verification		In Collection Status
\$16,454.78	Individual	Houston	TX	Returned to Active Duty	Verification		In Collection Status
\$16,005.00	Individual	Dora	AL	Dependency Issue	Verification		In Collection Status
\$13,990.63	Individual	Tempe	AZ	Returned to Active Duty	Verification		In Collection Status
\$13,689.50	Individual	Philadelphia	PA	Death of Beneficiary	Verification		In Collection Status
\$13,172.06	Individual	Cedar Rapids	IA	Incarcerated Beneficiary	Verification		In Collection Status
\$12,384.20	Individual	Michigan Center	MI	Death of Beneficiary	Verification		In Collection Status
\$12,161.30	Individual	Brookfield	IL	Returned to Active Duty	Verification		Paid In Full
\$11,960.96	Individual	Newport News	VA	Returned to Active Duty	Verification		In Collection Status
\$11,390.72	Individual	Las Vegas	NM	Death of Beneficiary	Verification		In Collection Status
\$11,388.44	Individual	Palisades Park	NJ	Death of Beneficiary	Verification		In Collection Status
\$10,333.10	Individual	Spencer	WV	Death of Beneficiary	Verification		In Collection Status
\$9,774.69	Individual	South Boston	VA	Death of Beneficiary	Verification		In Collection Status
\$9,532.40	Individual	San Bernardino	CA	Incarcerated Beneficiary	Verification		In Collection Status
\$9,158.90	Individual	Federal Way	WA	Military Retired Pay	Administrative and Documentation		In Collection Status
\$9,052.80	Individual	St. Petersburg	FL	Death of Beneficiary	Verification	In Collection Status	
\$8,967.60	Individual	Syracuse	NY	Other	Administrative and Documentation	In Collection Status	
\$8,904.30	Individual	Beltsville	MD	Death of Beneficiary	Verification	In Collection Status	
\$8,559.69	Individual	Wetumpka	AL	Death of Beneficiary	Verification	In Collection Status	

\$8,444.93	Individual	Destin	FL	Returned to Active Duty	Verification		In Collection Status
\$8,283.00	Individual	Uniontown	PA	Death of Beneficiary	Verification		In Collection Status
\$7,968.84	Individual	Fort Bragg	NC	Returned to Active Duty	Verification		In Collection Status
\$7,892.00	Individual	Bronxville	NY	Military Retired Pay	Administrative and Documentation		In Collection Status
\$7,867.85	Individual	New Haven	ME	Incarcerated Beneficiary	Verification		In Collection Status
\$7,431.30	Individual	Floral Park	NY	Death of Beneficiary	Verification		Paid In Full
\$7,376.92	Individual	Annapolis	MD	Death of Beneficiary	Verification		Paid In Full
\$7,344.69	Individual	Alton	IL	Death of Beneficiary	Verification		In Collection Status
\$7,298.00	Individual	Battleground	IN	Month of Death	Administrative and Documentation		In Collection Status
\$7,290.76	Individual	San Antonio	TX	Month of Death	Administrative and Documentation		Paid In Full
\$7,290.76	Individual	Casselberry	FL	Month of Death	Administrative and Documentation		Paid In Full
\$7,290.76	Individual	Henderson	NV	Month of Death	Administrative and Documentation		Paid In Full
\$7,290.76	Individual	Augusta	GA	Month of Death	Administrative and Documentation		Paid In Full
\$7,290.76	Individual	Austin	TX	Month of Death	Administrative and Documentation		Paid In Full
\$7,159.60	Individual	National City	CA	Returned to Active Duty	Verification		In Collection Status
\$7,131.40	Individual	Castro Valley	CA	Month of Death	Administrative and Documentation		Paid In Full
\$7,113.12	Individual	Salt Lake City	UT	Death of Beneficiary	Verification		In Collection Status
\$6,920.28	Individual	Lyme	CT	Death of Beneficiary	Verification		In Collection Status
\$6,869.14	Individual	Fort Washington	MD	Death of Beneficiary	Verification		Paid In Full
\$6,717.28	Individual	Harker Heights	TX	Death of Beneficiary	Verification		In Collection Status
\$6,436.45	Individual	Roseburg	OR	Other	Administrative and Documentation		In Collection Status
\$6,426.98	Individual	Canton	GA	Death of Beneficiary	Verification		In Collection Status
\$6,398.56	Individual	Gilbert	AZ	Death of Beneficiary	Verification		In Collection Status
\$6,373.17	Individual	Honolulu	HI	Returned to Active Duty	Verification		In Collection Status

\$6,238.20	Individual	Charlotte	NC	Death of Beneficiary	Verification		In Collection Status
\$6,186.78	Individual	Atoka	TN	Returned to Active Duty	Verification		Paid In Full
\$6,076.00	Individual	Ogden	UT	Death of Beneficiary	Verification		In Collection Status
\$6,035.20	Individual	Wayne	OK	Death of Beneficiary	Verification		In Collection Status
\$6,035.20	Individual	Cortez	CO	Death of Beneficiary	Verification		Paid In Full
\$6,035.20	Individual	Hallsboro	NC	Death of Beneficiary	Verification		In Collection Status
\$5,946.00	Individual	Brick	NJ	Death of Beneficiary	Verification		Paid In Full
\$5,740.00	Individual	Durango	CO	Fugitive Felon	Verification		In Collection Status
\$5,716.48	Individual	Albuquerque	NM	Death of Beneficiary	Verification		In Collection Status
\$5,716.48	Individual	Moorpark	CA	Death of Beneficiary	Verification		In Collection Status
\$5,716.48	Individual	Rancho Mirage	CA	Death of Beneficiary	Verification		In Collection Status
\$5,674.24	Individual	Kinston	AL	Death of Beneficiary	Verification		Paid In Full
\$5,150.23	Individual	Fairhaven	MA	Returned to Active Duty	Verification		In Collection Status

Notes:

- 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.
- VBA manages timeliness of completing action on issues involving potential overpayments by using special controls such as the workload End Product 690.
- Field personnel monitor exception reports and take corrective action when system-generated messages indicate there are potential overpayments. Claims processors are directed to initiate action within 30 days of receiving these notices.
- VBA requires field personnel take immediate action to resolve claims involving due process once their associated controls mature. This reduces the amount of potential overpayments created through delayed processing.
- Some VA overpayments are inherent based on the requirements of 38 CFR § 3.103, Procedural Due Process and Appellate Rights, that do not allow VA to take adverse action regarding the payment of benefits without providing the beneficiary 60-days advance notice, although the beneficiary may request that VA take the adverse action immediately. This "due process" period extends an overpayment period by two additional months. One exception to extending due process occurs when VA is notified of a beneficiary's death.

19. Pension and Fiduciary Service

VBA uses analytical procedures to improve the statistical validity of the high-dollar overpayment review. This procedure requires a review of a stratified random sample of the total number of overpayments. There were 7,050 projected pension overpayments identified in the second quarter of FY 2014.

A random sample of 385 pension overpayments was reviewed. The review revealed that 26 (7%) were pension high-dollar overpayments, and 359 (93%) were pension payments that did not meet the high-dollar overpayment criteria. Based on these results, we projected that 481 overpayments originally identified were high-dollar pension overpayments, and an estimated 6,396 were payments that did not meet the high-dollar overpayment criteria. These results are based on estimates at a 95 percent confidence level with a ± 5 percent interval.

Pension and Fiduciary Service identified 26 high-dollar overpayments; one overpayment is due to Authentication and Medical Necessity Error and 25 overpayments are due to Verification Errors.

- 1 overpayment (4%) totaling \$9,028 is an Authentication and Medical Necessity Error caused by apportionment where the Veteran did not fulfill their responsibility to support their dependent.
- 25 overpayments (96%) totaling \$298,233 are Verification Errors caused by delayed notification of the beneficiary's death, and retroactive adjustments for incarceration or fugitive felon status.

Total Pension Obligations made this quarter: \$1,372,640,887
 Projected High-Dollar Overpayments for this quarter: \$6,666,879
 Percentage of High-Dollar Overpayments to Pension: 0.49%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$43,442.30	Individual	El Mirage	AZ	Death of Beneficiary	Verification	See Notes Below Table	In Collection Status	See Notes Below Table
\$25,795.00	Individual	Durham	NC	Incarcerated Beneficiary	Verification		In Collection Status	
\$25,055.13	Individual	EL Paso	TX	Incarcerated Beneficiary	Verification		In Collection Status	
\$23,274.00	Individual	North East	PA	Death of Beneficiary	Verification		In Collection Status	
\$18,072.00	Individual	Chattanooga	TN	Death of Beneficiary	Verification		In Collection Status	
\$17,630.50	Individual	Fountain Green	UT	Incarcerated Beneficiary	Verification		In Collection Status	
\$16,340.00	Individual	Friendship	NY	Death of Beneficiary	Verification		Paid In Full	
\$12,260.00	Individual	Sumter	NC	Death of Beneficiary	Verification		Paid In Full	
\$9,081.00	Individual	Camden	NJ	Death of Beneficiary	Verification		In Collection Status	
\$9,043.00	Individual	Pittsburgh	PA	Death of Beneficiary	Verification		In Collection Status	
\$9,028.00	Individual	Perry	ME	Apportionment	Authentication and Medical Necessity		In Collection Status	
\$8,828.00	Individual	Jefferson Hills	PA	Death of Beneficiary	Verification		In Collection Status	
\$8,635.67	Individual	Charlottesville	V A	Incarcerated Beneficiary	Verification		In Collection Status	
\$8,352.00	Individual	San Diego	CA	Death of Beneficiary	Verification		In Collection Status	
\$7,842.00	Individual	Dumfries	VA	Death of Beneficiary	Verification		In Collection Status	
\$7,006.00	Individual	Houston	TX	Death of Beneficiary	Verification	In Collection Status		

\$6,712.00	Individual	Winter Park	FL	Death of Beneficiary	Verification		In Collection Status
\$6,695.00	Individual	Hillsboro	OR	Death of Beneficiary	Verification		Paid In Full
\$6,224.00	Individual	Humboldt	IA	Death of Beneficiary	Verification		Paid In Full
\$5,616.00	Individual	Bradford	PA	Death of Beneficiary	Verification		In Collection Status
\$5,616.00	Individual	Cockeysville	MD	Death of Beneficiary	Verification		Paid In Full
\$5,616.00	Individual	Brooksville	FL	Death of Beneficiary	Verification		In Collection Status
\$5,582.00	Individual	Pensacola	FL	Death of Beneficiary	Verification		Paid In Full
\$5,248.00	Individual	Greensburg	PA	Death of Beneficiary	Verification		In Collection Status
\$5,222.00	Individual	Canonsburg	PA	Death of Beneficiary	Verification		In Collection Status
\$5,044.98	Individual	Winter Park	FL	Death of Beneficiary	Verification		In Collection Status

Notes:

1. Overpayments are routinely recovered from future benefits awarded. If not received, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program as appropriate.
2. Develop specific guidance on pension benefit adjustments.
3. 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.
4. Continue to provide feedback to field employees, through PMC conference calls. VBA is establishing performance measures to address timeliness of processing maintenance workload.
5. Share the findings from this review with the field, so they can implement local reviews and address local high-dollar overpayment issues.
6. Include matching program training in the mandatory topics for the FY 2014 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 22,628 Education overpayments identified in the 2nd quarter of FY 2014 with a total value of \$88,782,246.

A random sample of 251 overpayments was reviewed. The review revealed that 8.8 percent (22) were Education high dollar overpayments, and 91.2 percent were Education payments that did not meet the high dollar overpayment criteria. Based on these results, we projected that 1,991 of 22,628 overpayments originally identified were high dollar Education overpayments and an estimated 20,637 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 confidence interval.

Education Service identified 22 high-dollar Education overpayments, of which all 22 were Administrative and Documentation errors. Extrapolating from the sample review results, an estimated total of \$7,541,344 in high dollar overpayments were made in the second quarter.

- 22 overpayments (100%) totaling \$89,410 were due to Administrative and Documentation Errors caused by VA issuing duplicate payments and/or data input errors or incorrect reporting of tuition and fees by schools.

Total Education Obligated Payments made this quarter was: \$1,253,518,783
 Projected High-Dollar Overpayments for this quarter is: \$7,541,344
 Percentage of High-Dollar Overpayments to Education payments is: 0.60%

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
\$15,536.41	Entity	Las Vegas	NV	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation	See Notes Below Table	In Collection Status	See Notes Below Table
\$15,050.00	Entity	Concord	MA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		Paid In Full	
\$9,269.32	Individual	Santee	CA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$4,656.00	Entity	Hopkins	MO	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		Paid In Full	
\$4,093.20	Individual	Adams	WI	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$3,744.00	Entity	Louisville	KY	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		Paid In Full	
\$3,469.00	Entity	Lake Elsinore	CA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$3,146.25	Entity	Tulsa	OK	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$3,128.27	Entity	Waipahu	HI	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$2,529.18	Entity	Lacey	WA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$2,490.00	Individual	East Windsor	NJ	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$2,214.00	Entity	Newark	DE	VA Data Input Error	Administrative and Documentation		In Collection Status	
\$2,127.00	Entity	Barnegat	NJ	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status	
\$2,121.50	Entity	Los Angeles	CA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation	In Collection Status		

\$2,088.48	Individual	Snellville	GA	VA Data Input Error	Administrative and Documentation		Paid In Full
\$2,081.20	Individual	Woodinville	WA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status
\$2,048.00	Entity	Kansas City	MO	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status
\$2,000.00	Entity	APO AP	AP	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		Paid In Full
\$1,980.00	Individual	New Hope	PA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status
\$1,935.00	Entity	Lafarge	WI	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		Paid In Full
\$1,869.70	Entity	Waltham	MA	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status
\$1,833.80	Entity	Fishkill	NY	Incorrect Reporting of Tuition/Fees by School	Administrative and Documentation		In Collection Status

Notes:

- Overpayments are routinely recovered from future benefits awarded. If not received, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program as appropriate.
- 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 LTS to sustainment and possible future statutory changes in the Post-9/11 GI Bill.
- 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. Vocational Rehabilitation & Employment (VR&E) Program

VBA identified seven high-dollar overpayments made by VR&E Service during the second quarter of FY 2014. These overpayments were caused by Verification errors.

- 7 overpayments (100%) totaling \$41,341 are Verification errors as a result of the Veteran withdrawing from classes or reducing enrollment from less than full time and the Vocational Rehabilitation Counselor and VA Certifying Official did not receive timely notification from the school or Veteran.

Total VR&E Obligated Payments made this quarter was: \$274,955,505

High-Dollar Overpayments for this quarter is: \$41,341

Percentage of High-Dollar Overpayments to VR&E payments is: 0.02%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$7,480.75	Individual	Danbury	CT	Veteran stopped attending school and failed to notify VA	Verification	See Note Below Table	Collection in Progress	See Notes Below Table
\$6,782.92	Individual	Lawton	OK	Veteran was originally certified at full time but participation level did not meet the 20 hour requirement	Verification		Collection in Progress	
\$6,316.80	Individual	Honolulu	HI	Veteran stopped attending school and failed to notify VA	Verification		Collection in Progress	
\$5,632.00	Individual	Fort Meade	MD	Veteran stopped attending school and failed to notify VA	Verification		Collection in Progress	
\$5,071.50	Individual	Vancouver	WA	Veteran stopped attending school and failed to notify VA	Verification		Collection in progress	
\$5,056.10	Individual	Cibolo	TX	Veteran stopped attending school and failed to notify VA	Verification		Collection in progress	
\$5,000.63	Individual	Killeen	TX	Veteran stopped attending school and failed to notify VA	Verification		Collection in Progress	

Notes:

1. The VA DMC is responsible for Collection of overpayments.
2. Veteran has been informed to provide the VA Certifying Official with timely enrollment changes.
3. Veteran counseled again on notifying Vocational Rehabilitation Counselor (VRC) and VA Certifying Official when changes are made to schedule.
4. Veteran notified and reminded of reporting requirements for training changes.
5. VRC is now requesting monthly verification of progress and attendance on all students attending this type of training.

National Cemetery Administration (NCA)

22. Burial Services

NCA identified four high-dollar overpayments made during the second quarter of FY 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors.

- 4 overpayment (100%) totaling \$175,629 due to Administrative and Documentation errors caused by issuing duplicate payments. The vendor submitted invoice twice and it was subsequently certified and paid twice.

Total Payments made this quarter: \$82,707,948
 Total High-Dollar Overpayments identified this quarter: \$175,629
 Percentage of Overpayments: 0.21%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	OMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Actions/Plans to Prevent Re-occurrence
\$51,735.00	Entity	Columbus	MS	Duplicate Payment	Administrative and Documentation	See Notes Below Table	Collection in Full	See Notes Below Table
\$47,880.00	Entity	Wapello	IA	Duplicate Payment	Administrative and Documentation		Collection in Full	
\$40,294.00	Entity	Richmond	VA	Duplicate Payment	Administrative and Documentation		Collection in Full	
\$35,720.20	Entity	Corona	CA	Duplicate Payment	Administrative and Documentation		Collection in Full	

Notes:

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 (TOP).
2. NCA is working with its vendors to eliminate duplicate invoice submission and implement corrective action plans with the program office to prevent re-occurrence of improper payments.

23. VACO Staff Offices

VACO Staff Offices identified six high-dollar overpayments made during the second quarter of 2014. These overpayments consisted of single overpayments. All overpayments were caused by Administrative and Documentation errors.

- 6 overpayments (100%) totaling \$1,330,754 were Administrative and Documentation errors caused by duplicate payments and payment made to the wrong vendor.

Total VACO Staff Offices Payments made this quarter was: \$1,148,519,742
 Total High-Dollar Overpayments for this quarter is: \$1,330,754
 Percentage of High-Dollar Overpayments: 0.12%

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	CMB Error Type	Action/Plan to Recover Overpayment	Status of Overpayment	Overall Action/Plans to Prevent Re-occurrence
\$1,042,943.85	Entity	Alexandria	VA	Duplicate	Administrative and Documentation	See Notes Below Table	Collection in Full	See Notes Below Table
\$165,267.00	Entity	Memphis	TN	Duplicate	Administrative and Documentation		Collection in Progress	
\$41,905.42	Entity	Phoenix	AZ	Duplicate	Administrative and Documentation		Collection in Progress	
\$38,447.39	Entity	Pittsburgh	PA	Wrong Vendor	Administrative and Documentation		Collected in full	
\$37,045.82	Entity	ST Louis	MO	Duplicate	Administrative and Documentation		Collection in Progress	
\$5,144.10	Individual	ST Thomas	VI	Duplicate	Administrative and Documentation		Collection in Progress	

Notes:

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 (TOP).
2. VACO Staff Offices will match and reconcile vendor information to original obligations prior to approval of payment. VACO Staff Offices will work with field offices to perform reconciliations.
3. Future plans to provide additional training to Certifiers and a second level review on invoices over a certain threshold to determine whether the invoice has already been paid.
4. PCS Travel section will brief travelers on the importance of the need to verify with their agency what was paid on their CBA cards to reduce the chances of duplicating payments
5. Future payments will be verified in FMS prior to invoice certification.
6. Automation of most payments by IPPS will reduce wrong vendor payments in the future.