

Department of  
Veterans Affairs

# Memorandum

Date: OCT - 8 2014

From: Secretary (00)

Subj: Fiscal Year 2014 Third Quarter Report on High-Dollar Overpayments (VAIQ #7432909)

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 third quarter of fiscal year 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 306 high-dollar overpayments were identified. The following is a summary of the programs with \$500,000 or more high-dollar overpayments in the third quarter of fiscal year 2014:

- **Beneficiary Travel:** Twenty-two high-dollar overpayments were identified (0.24 percent or \$511 thousand out of \$209 million total payments); 3 erroneous payments were due to administrative and documentation errors and 19 were due to verification errors. VHA is working with individual medical centers to prevent re-occurrence of improper payments by verifying patient eligibility information before approval, by educating Veterans on what is considered Gross Household Income, and by providing additional training to staff members.
- **VHA - Communications, Utilities, and Other Rent:** Twelve high-dollar overpayments were identified (0.32 percent or \$1.1 million out of \$357 million total payments); all erroneous payments were due to administrative and documentation errors. VHA is working with individual medical centers to prevent re-occurrence of

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improper payments by verifying amounts paid prior to disbursement, and ensuring payments are made according to contract.

- **Grants – State Home Per Diem:** Three high-dollar overpayments were identified (0.29 percent or \$771 thousands out of the \$265 million total payments); all erroneous payments were due to administrative and documentation errors. VHA is working with individual medical centers to prevent re-occurrence of improper payments by providing ongoing training to staff to ensure that payments are processed properly.
- **Non-VA Medical Care:** Sixty-five high-dollar overpayments were identified (0.52 percent or \$5.3 million out of \$1.0 billion total payments); 60 erroneous payments were due to administrative and documentation errors and 5 were due to verification errors. VHA is working with individual medical centers to prevent re-occurrence of improper payments by providing ongoing training to staff, reviewing payments for accuracy prior to processing, and implementing quality control procedures.
- **VHA – Other Services:** Twenty-two high-dollar overpayments were identified (0.12 percent or \$1.4 million out of \$1.2 billion total payments); 21 erroneous payments were due to administrative and documentation errors and 1 was due to verification error. VHA is working with individual medical centers to prevent re-occurrence of improper payments by providing ongoing training to staff to ensure that payments are processed properly.
- **VBA – Compensation:** From a population of 10,287 overpayments, a random sample of 385 payments was reviewed to determine if any were high-dollar overpayments. Only the sampling results are included in this report. The sample disclosed 63 high-dollar overpayments totaling \$885 thousand (0.18 percent or \$28.9 million out of \$16.1 billion total payments); 9 were due to administrative and documentation errors, 5 were due to authentication and medical necessity errors, and 49 were due to verification errors. VBA is working to prevent future re-occurrence by initiating corrective measures after receiving system-generated notifications indicating there are potential overpayments, and by improving the timeliness of completing actions by monitoring maintenance workloads.
- **Pension:** From a population of 8,643 overpayments, a random sample of 385 payments was reviewed to determine if any were high-dollar overpayments. Only the sampling results are included in this report. The sample disclosed 30 high-dollar overpayments totaling \$677 thousand (1.14 percent or \$15 million out of \$1.3 billion total payments); 2 were due to administrative and documentation errors and 28 were due to verification errors. VBA is working to prevent future re-occurrence by developing specific guidance on benefit adjustments, by measuring the timeliness of processing maintenance workload, and by implementing local reviews and addressing issues.

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- **VACO Staff Offices:** Eight high-dollar overpayments were identified (0.14 percent or \$1.8 million out of \$1.3 billion total payments); all erroneous payments were due to administrative and documentation errors. VACO Staff Offices are working to prevent future re-occurrences by implementing pre-payment invoice reviews, second level reviews for invoices over a certain threshold, and by providing ongoing training to staff to ensure that payments are processed properly.
- **Other:** In the other 15 programs, 81 high-dollar overpayments were identified (0.01 percent or \$1.5 million out of \$12.4 billion total payments); 72 erroneous payments were due to administrative and documentation errors and 9 were due to verification errors. All other programs offices are working to prevent future re-occurrence by establishing internal controls, imparting findings to the field for local review and guidance, and by providing ongoing training to staff to ensure that payments are processed properly.

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



Robert A. McDonald

Attachment

## **Executive Order 13520 – Reducing Improper Payments Fiscal Year (FY) 2014 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) 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 22 high-dollar overpayments made by Beneficiary Travel during the third quarter of 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors and Verification errors.

- 3 Overpayments (14%) totaling \$109,918.08 are Administrative and Documentation errors where a duplicate payment was issued.
- 19 Overpayments (86%) totaling \$401,100.11 are Verification errors where an ineligible recipient was paid or an incorrect amount was made due to failure to verify beneficiary information.

Total Beneficiary Travel Payments made this quarter: \$ 209,385,878.66

Total High-Dollar Overpayments identified this quarter: \$511,018.19

Percentage of High-Dollar Overpayments: 0.24%

| Amount      | 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 |
|-------------|----------------------|---------------|-------|---|----------------------------------|-------------------------------------|------------------------|--|
| \$84,843.84 | Individual           | Cleveland     | OH    | Ineligible Recipient                      | Verification                     | See Notes Below Table               | Collection in Progress | See Notes Below Table                          |
| \$57,304.45 | Individual           | Gas City      | IN    | Failure to Verify Beneficiary Information | Verification                     |                                     | Collection in Progress |  |
| \$49,443.08 | Entity               | Campbellsport | WI    | Duplicate Payment                         | Administrative and Documentation |                                     | Collection in Progress |  |
| \$46,073.00 | Entity               | Twin Falls    | ID    | Duplicate Payment                         | Administrative and Documentation |                                     | Collection in Progress |  |
| \$35,570.13 | Individual           | Youngstown    | OH    | Ineligible Recipient                      | Verification                     |                                     | Collection in Progress |  |
| \$30,116.21 | Individual           | Lakewood      | OH    | Ineligible Recipient                      | Verification                     |                                     | Collection in Progress |  |
| \$28,559.45 | Individual           | Warren        | OH    | Ineligible Recipient                      | Verification                     |                                     | Collection in Progress |  |
| \$26,782.10 | Individual           | Akron         | OH    | Ineligible Recipient                      | Verification                     |                                     | Collected in Full      |  |
| \$16,773.86 | Individual           | Sandusky      | OH    | Ineligible Recipient                      | Verification                     |                                     | Collection in Progress |  |
| \$16,469.14 | Individual           | Elyria        | OH    | Ineligible Recipient                      | Verification                     |                                     | Collection in Progress |  |
| \$16,445.54 | Individual           | Euclid        | OH    | Ineligible Recipient                      | Verification                     |                                     | Collection in Progress |  |
| \$14,609.34 | Individual           | Brattleboro   | VT    | Ineligible Recipient                      | Verification                     |                                     | Collection in Progress |  |
| \$14,402.00 | Entity               | Orlando       | FL    | Duplicate Payment                         | Administrative and Documentation |                                     | Collection in Progress |  |

|             |            |                |    |   |              |  |                        |  |
|-------------|------------|----------------|----|---|--------------|--|------------------------|--|
| \$12,575.70 | Individual | Cornersburg    | OH | Ineligible Recipient                      | Verification |  | Collection in Progress |  |
| \$12,328.82 | Individual | Greenwich      | OH | Ineligible Recipient                      | Verification |  | Collection in Progress |  |
| \$8,793.90  | Individual | Columbia       | SC | Ineligible Recipient                      | Verification |  | Collection in Progress |  |
| \$8,025.17  | Individual | Cincinnati     | OH | Ineligible Recipient                      | Verification |  | Collection in Progress |  |
| \$7,872.47  | Individual | Highland Hills | OH | Ineligible Recipient                      | Verification |  | Collection in Progress |  |
| \$6,712.82  | Individual | Massillon      | OH | Ineligible Recipient                      | Verification |  | Collection in Progress |  |
| \$6,274.02  | Individual | Murrells Inlet | SC | Ineligible Recipient                      | Verification |  | Collection in Progress |  |
| \$5,635.70  | Individual | Chillicothe    | OH | Failure to Verify Beneficiary Information | Verification |  | Collection in Progress |  |
| \$5,407.45  | Individual | Maysville      | KY | Ineligible Recipient                      | 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. Verify patient information before approval.
  - b. Verify Eligibility.
  - c. Educate Veterans on what is considered Gross Household Income.
  - d. Ongoing training for eligibility requirements.

## 2. Canteen Service

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

- 1 Overpayment (100%) totaling \$7,190.81 is an Administrative and Documentation error where incorrect amount was paid.

Total Canteen Service Payments made this quarter: \$ 95,520,958.87

Total High-Dollar Overpayments identified this quarter: \$7,190.81

Percentage of High-Dollar Overpayments: 0.01%

| Amount     | 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 |
|------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|------------------------|--|
| \$7,190.81 | Individual           | Loganville  | GA    | Incorrect Amount     | Administrative and Documentation | Bill of Collection                  | 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 the Treasury Offset Program (TOP).
2. Provide ongoing training to staff to ensure payments are processed properly.

**3. Caregiver Stipend**

VHA identified two high-dollar overpayments made by Caregiver Stipend during the third quarter of 2014. These overpayments consisted of singular overpayments caused by Administrative and Documentation error, and Verification error.

- 1 Overpayment (50%) totaling \$9,209.00 is an Administrative and Documentation error where an incorrect amount was paid.
- 1 Overpayment (50%) totaling \$6,823.06 is a Verification error caused by issuing payment to an ineligible recipient.

Total Caregiver Stipend Payments made this quarter: \$ 77,451,813.65

Total High-Dollar Overpayments identified this quarter: \$16,032.06

Percentage of High-Dollar 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|------------------------|--|
| \$9,209.00            | Individual           | Bad Axe     | MI    | Incorrect Amount     | Administrative and Documentation | Bill of Collection                  | Collection in Progress | See Notes Below Table                          |
| \$6,823.06            | Individual           | McKinney    | TX    | Ineligible Recipient | Verification                     | Bill of Collection                  | 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 the Treasury Offset Program (TOP).
2. Provide ongoing training to staff to ensure payments are processed properly.

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

VHA identified 12 high-dollar overpayments made by Communications, Utilities, and other Rent during the third quarter of 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors.

- 12 Overpayments (100%) totaling \$1,143,245.30 are Administrative and Documentation errors where wrong vendors were paid, a duplicate payment was issued, data entry errors were made, or an incorrect amount was paid.

Total Communications, Utilities, and other Rent Payments made this quarter: \$ 357,534,514.59

Total High-Dollar Overpayments identified this quarter: \$1,143,245.30

Percentage of High-Dollar Overpayments: 0.32%

| 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------|-------------------------------------|-----------------------|--|
|-----------------------|----------------------|-------------|-------|----------------------|----------------|-------------------------------------|-----------------------|--|

|              |        |                   |    |                   |                                  |                       |                   |                       |
|--------------|--------|-------------------|----|-------------------|----------------------------------|-----------------------|-------------------|-----------------------|
| \$254,397.08 | Entity | White Plains      | NY | Wrong Vendor Paid | Administrative and Documentation | See Notes Below Table | Collected in Full | See Notes Below Table |
| \$217,651.00 | Entity | Washington        | DC | Duplicate Payment | Administrative and Documentation |                       | Collected in Full |                       |
| \$147,818.55 | Entity | Warrensville Hts. | OH | Data Entry Errors | Administrative and Documentation |                       | Collected in Full |                       |
| \$106,634.82 | Entity | Ithaca            | NY | Incorrect Amount  | Administrative and Documentation |                       | Collected in Full |                       |
| \$103,877.89 | Entity | Fond Du Lac       | WI | Incorrect Amount  | Administrative and Documentation |                       | Collected in Full |                       |
| \$73,156.42  | Entity | San Juan          | PR | Duplicate Payment | Administrative and Documentation |                       | Collected in Full |                       |
| \$67,050.00  | Entity | Kansas City       | MO | Duplicate Payment | Administrative and Documentation |                       | Collected in Full |                       |
| \$47,384.86  | Entity | San Diego         | CA | Wrong Vendor Paid | Administrative and Documentation |                       | Collected in Full |                       |
| \$40,396.79  | Entity | Denver            | CO | Data Entry Errors | Administrative and Documentation |                       | Collected in Full |                       |
| \$39,527.44  | Entity | Center Valley     | PA | Incorrect Amount  | Administrative and Documentation |                       | Collected in Full |                       |
| \$22,894.71  | Entity | Atlanta           | GA | Duplicate Payment | Administrative and Documentation |                       | Collected in Full |                       |
| \$22,455.74  | Entity | Mahwah            | NJ | Incorrect Amount  | Administrative and Documentation |                       | Collected 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. 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. Review leases semi-annually along with automatic payments.
  - b. Review and verify recurring payment data when entered and when payments are scheduled to be made.
  - c. Staff training.
  - d. Review payment history and the Financial Management System to ensure payment is proper and not a duplicate.
  - e. Monitor invoices before certifying payments.

## 5. Equipment

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

- 1 Overpayment (100%) totaling \$30,898.97 is an Administrative and Documentation error where a wrong vendor was paid.

Total Equipment Payments made this quarter: \$ 349,161,304.91

Total High-Dollar Overpayments identified this quarter: \$30,898.97

Percentage of High-Dollar Overpayments: 0.01%



| 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$30,898.97           | Entity               | Waltham     | MA    | Wrong Vendor Paid    | 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 the Treasury Offset Program (TOP).
2. Provide ongoing training to staff to ensure payments are processed properly.

## 6. Foreign Medical Program

VHA identified one high-dollar overpayment made by Foreign Medical Program during the third quarter of 2014. This overpayment consisted of a singular overpayment caused by an Administrative and Documentation error.

- 1 Overpayment (100%) totaling \$15,085.10 is an Administrative and Documentation error where incorrect amount was paid.

Total Foreign Medical Program Payments made this quarter: \$ 7,011,543.95

Total High-Dollar Overpayments identified this quarter: \$15,085.10

Percentage of High-Dollar Overpayments: 0.22%

| 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$15,085.10           | Individual           | Hialeah     | FL    | Incorrect Amount     | 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 the Treasury Offset Program (TOP).
2. Provide ongoing training to staff to ensure payments are processed properly.

## 7. Grants - State Home Per Diem

VHA identified three high-dollar overpayments made by Grants - State Home Per Diem during the third quarter of 2014. These overpayments consisted of singular overpayments caused by Administrative and Documentation errors.

- 3 Overpayments (100%) totaling \$771,237.84 are Administrative and Documentation errors where a wrong vendor was paid, incorrect application of the payment methodologies was used, or an incorrect amount was paid.

Total Grants - State Home Per Diem Payments made this quarter: \$ 265,766,587.54

Total High-Dollar Overpayments identified this quarter: \$771,237.84

Percentage of High-Dollar Overpayments: 0.29%

| 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 |
|-----------------------|----------------------|-------------|-------|--|----------------------------------|-------------------------------------|-----------------------|--|
| \$690,790.14          | Entity               | New York    | NY    | Wrong Vendor Paid                                  | Administrative and Documentation | See Notes Table Below               | Collected in Full     | See Notes Table Below                          |
| \$52,291.20           | Entity               | New York    | NY    | Incorrect Application of the Payment Methodologies | Administrative and Documentation |                                     | Collected in Full     |  |
| \$28,156.50           | Entity               | Lisbon      | ND    | Incorrect Amount                                   | Administrative and Documentation |                                     | Collected 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. Provide ongoing training to staff to ensure payments are processed properly.

## 8. Grants - Homeless Per Diem

VHA identified three high-dollar overpayments made by Grants - Homeless Per Diem during the third quarter of 2014. These overpayments consisted of singular overpayments caused by Administrative and Documentation errors.

- 3 Overpayments (100%) totaling \$155,253.50 are Administrative and Documentation errors where a duplicate payment was issued.

Total Grants - Homeless Per Diem Payments made this quarter: \$ 50,624,064.57

Total High-Dollar Overpayments identified this quarter: \$155,253.50

Percentage of High-Dollar Overpayments: 0.31%

| 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$82,916.00           | Entity               | Las Vegas   | NV    | Duplicate Payment    | Administrative and Documentation | See Notes Below Table               | Collected in Full     | See Notes Below Table                          |
| \$45,796.70           | Entity               | Little Rock | AR    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$26,540.80           | Entity               | Hohenwald   | TN    | Duplicate Payment    | Administrative and Documentation |                                     | Collected 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. 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. Provide training to certifying officials. Training guidance will cover tracking spreadsheet for monitoring along with appropriate tools Services can use to review previously processed invoices.

## 9. Medical and Prosthetic Research

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

- 1 Overpayment (100%) totaling \$52,225.00 is an Administrative and Documentation error where duplicate payment.

Total Medical and Prosthetic Research Payments made this quarter: \$ 153,506,151.31

Total High-Dollar Overpayments identified this quarter: \$52,225.00

Percentage of High-Dollar 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$52,225.00           | Entity               | Plymouth    | MN    | Duplicate Payment    | Administrative and Documentation | Bill of Collection                  | Collected in Full     | 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 the Treasury Offset Program (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. Examples include:
  - Review invoices to ensure no duplicates are made.

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

VHA identified seven high-dollar overpayments made by Non-VA Civilian Health and Medical Program of the VA (CHAMPVA) during the third quarter of 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors.

- 7 Overpayments (100%) totaling \$366,978.95 are Administrative and Documentation errors where data entry errors were made or incorrect amount was paid.

Total CHAMPVA Payments made this quarter: \$ 266,286,603.55

Total High-Dollar Overpayments identified this quarter: \$366,978.95

Percentage of High-Dollar Overpayments: 0.14%

| 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$188,963.44          | Entity               | Chicago     | IL    | Data Entry Errors    | Administrative and Documentation | See Notes Below Table               | Collected in Full     | See Notes Below Table                          |
| \$47,727.83           | Entity               | Atlanta     | GA    | Data Entry Errors    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$31,836.20           | Entity               | Belfast     | ME    | Data Entry Errors    | Administrative and Documentation |                                     | Collected in Full     |  |

|             |        |               |    |                   |                                  |  |                   |  |
|-------------|--------|---------------|----|-------------------|----------------------------------|--|-------------------|--|
| \$31,764.92 | Entity | LA Follett    | TN | Data Entry Errors | Administrative and Documentation |  | Collected in Full |  |
| \$27,235.78 | Entity | New Brunswick | NJ | Data Entry Errors | Administrative and Documentation |  | Collected in Full |  |
| \$26,228.76 | Entity | Seattle       | WA | Data Entry Errors | Administrative and Documentation |  | Collected in Full |  |
| \$13,222.02 | Entity | Dallas        | TX | Incorrect Amount  | Administrative and Documentation |  | Collected 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. 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. Conducting 100 percent prepayment review for CHAMPVA claims.
  - b. Completing two percent review for procedural accuracy over the CHAMPVA pre-payment claims processing.
  - c. Conducting CHAMPVA Proper Payment Audit.
  - d. Providing group and individual sustainment training.
  - e. Conducting eligibility data matches with Center for Medicare and Medicaid, Defense Enrollment Eligibility Reporting System, and Social Security Administration

## 11. Non-VA Medical Care

VHA identified 65 high-dollar overpayments made by Non-VA Medical Care during the third quarter of 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors, and Verification errors.

- 60 Overpayments (92%) totaling \$5,176,485.51 are Administrative and Documentation errors where incorrect amount was paid, incorrect payment methodologies were used, data entry errors were made, duplicate payment was issued, wrong vendor was paid, or proper payments were accounted for inaccurately.
- 5 Overpayments (8%) totaling \$168,253.03 are Verification errors where a payment was issued to an ineligible recipient or failure to verify beneficiary information.

Total Non-VA Medical Care Payments made this quarter: \$ 1,035,891,027.24

Total High-Dollar Overpayments identified this quarter: \$5,344,738.54

Percentage of High-Dollar Overpayments: 0.52%

| 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 |
|-----------------------|----------------------|-------------|-------|--|----------------------------------|-------------------------------------|-----------------------|--|
| \$1,525,920.24        | Entity               | Columbia    | MO    | Incorrect Amount                                   | Administrative and Documentation | See Notes Below Table               | Collected in Full     | See Notes Below Table                          |
| \$818,750.76          | Entity               | Palmer      | AK    | Incorrect Application of the Payment Methodologies | Administrative and Documentation |                                     | Collected in Full     |  |

|              |        |                       |    |  |                                  |  |                   |  |
|--------------|--------|-----------------------|----|--|----------------------------------|--|-------------------|--|
| \$718,827.31 | Entity | Marysville            | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$202,883.04 | Entity | Dallas                | TX | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$71,429.92  | Entity | Hersey                | PA | Data Entry Errors                                  | Administrative and Documentation |  | Collected in Full |  |
| \$70,104.35  | Entity | Bethlehem             | PA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$66,096.04  | Entity | Waukesha              | WI | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$64,319.25  | Entity | Los Angeles           | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$59,620.35  | Entity | Los Angeles           | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$54,911.68  | Entity | West Plains           | MO | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$51,849.57  | Entity | Topeka                | KS | Wrong Vendor Paid                                  | Administrative and Documentation |  | Collected in Full |  |
| \$51,105.42  | Entity | Cape Girardeau        | MO | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$51,090.29  | Entity | Largo                 | FL | Wrong Vendor Paid                                  | Administrative and Documentation |  | Collected in Full |  |
| \$50,153.48  | Entity | Travis Air Force Base | CA | Proper Payments Accounted for Inaccurately         | Administrative and Documentation |  | Collected in Full |  |
| \$48,603.00  | Entity | Louisville            | KY | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$47,985.97  | Entity | Louisville            | LA | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$46,358.03  | Entity | Los Angeles           | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$45,569.45  | Entity | Farmington Hills      | MI | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |

|             |            |              |    |  |                                  |  |                   |  |
|-------------|------------|--------------|----|--|----------------------------------|--|-------------------|--|
| \$45,515.63 | Individual | Los Angeles  | CA | Proper Payments Accounted for Inaccurately         | Administrative and Documentation |  | Collected in Full |  |
| \$45,332.75 | Entity     | Lebanon      | NH | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$44,956.04 | Individual | Seattle      | WA | Ineligible Recipient                               | Verification                     |  | Collected in Full |  |
| \$44,158.28 | Entity     | St. Paul     | MN | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$42,904.71 | Entity     | Omaha        | NE | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$40,715.27 | Entity     | Loma Linda   | CA | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$39,549.00 | Entity     | Colton       | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$39,128.87 | Entity     | Muncie       | IN | Proper Payments Accounted for Inaccurately         | Administrative and Documentation |  | Collected in Full |  |
| \$38,485.95 | Entity     | Indianapolis | IN | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$37,299.39 | Entity     | Denver       | CO | Ineligible Recipient                               | Verification                     |  | Collected in Full |  |
| \$32,962.89 | Entity     | Birmingham   | AL | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$32,814.55 | Entity     | Sacramento   | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$32,433.27 | Entity     | Henderson    | NV | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$31,995.31 | Entity     | Los Angeles  | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$31,890.46 | Entity     | Boston       | MA | Wrong Vendor Paid                                  | Administrative and Documentation |  | Collected in Full |  |
| \$31,844.51 | Entity     | Charlotte    | NC | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |

|             |        |               |    |  |                                  |  |                   |  |
|-------------|--------|---------------|----|--|----------------------------------|--|-------------------|--|
| \$30,653.17 | Entity | Portsmouth    | OH | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$30,560.65 | Entity | Cincinnati    | OH | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$30,539.68 | Entity | Groesbeck     | TX | Failure to Verify Beneficiary Information          | Verification                     |  | Collected in Full |  |
| \$30,275.74 | Entity | Los Angeles   | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$30,060.05 | Entity | Palmer        | AK | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$29,828.38 | Entity | St. Louis     | MO | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$29,682.91 | Entity | Lubbock       | TX | Ineligible Recipient                               | Verification                     |  | Collected in Full |  |
| \$28,142.54 | Entity | Roanoke       | VA | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$27,091.53 | Entity | Lincoln City  | OR | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$26,816.15 | Entity | Morgantown    | WV | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$26,659.37 | Entity | Oklahoma City | OK | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$26,295.92 | Entity | Waterloo      | IA | Proper Payments Accounted for Inaccurately         | Administrative and Documentation |  | Collected in Full |  |
| \$26,104.95 | Entity | Houston       | TX | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$25,989.11 | Entity | Jacksonville  | FL | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$25,775.01 | Entity | Chicago       | IL | Failure to Verify Beneficiary Information          | Verification                     |  | Collected in Full |  |
| \$25,453.00 | Entity | Atlanta       | GA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$22,437.32 | Entity | Ft. Worth     | TX | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |

|             |            |                 |    |  |                                  |  |                   |  |
|-------------|------------|-----------------|----|--|----------------------------------|--|-------------------|--|
| \$22,273.26 | Entity     | Germantown      | TN | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$21,920.00 | Entity     | Cherry Hill     | NJ | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$20,650.00 | Entity     | Jacksonville    | FL | Incorrect Amount                                   | Administrative and Documentation |  | Collected in Full |  |
| \$20,379.59 | Entity     | Sonora          | CA | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$19,923.29 | Entity     | New Orleans     | LA | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$19,508.05 | Individual | Portland        | OR | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$17,494.77 | Individual | Portland        | OR | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$16,904.20 | Entity     | Utica           | NY | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$13,362.69 | Entity     | Monroe County   | FL | Incorrect Application of the Payment Methodologies | Administrative and Documentation |  | Collected in Full |  |
| \$12,632.42 | Entity     | Sulphur Springs | TX | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$11,026.22 | Individual | Dallas          | TX | Proper Payments Accounted for Inaccurately         | Administrative and Documentation |  | Collected in Full |  |
| \$9,202.54  | Individual | Chicago         | IL | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$6,717.33  | Individual | Salt Lake City  | UT | Duplicate Payment                                  | Administrative and Documentation |  | Collected in Full |  |
| \$2,813.67  | Individual | Philadelphia    | PA | Duplicate Payment                                  | Administrative and Documentation |  | Collected 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. 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. Fee Supervisor providing ongoing education to staff.
  - b. Advised Staff to be more careful and attentive in processing claims for payment.
  - c. Service to develop procedures for duplicate/erroneous payment prevention.



## 12. Other Services

VHA identified 22 high-dollar overpayments made by Other Services during the third quarter of 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors, and Verification errors.

- 21 Overpayments (95%) totaling \$1,410,819.44 are Administrative and Documentation errors where the amount was incorrect, a duplicate payment was issued, or wrong vendor was paid.
- 1 Overpayment (5%) totaling \$7,148.03 is a Verification error where a payment was issued to an ineligible recipient.

Total Other Services Payments made this quarter: \$ 1,182,010,786.24

Total High-Dollar Overpayments identified this quarter: \$1,417,967.47

Percentage of High-Dollar Overpayments: 0.12%

| 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 |
|-----------------------|----------------------|---------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$414,662.86          | Entity               | Washington    | DC    | Incorrect Amount     | Administrative and Documentation | See Notes Below Table               | Collected in Full     | See Notes Below Table                          |
| \$185,476.62          | Entity               | Chantilly     | VA    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$177,677.40          | Entity               | Lebanon       | TN    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$134,353.64          | Entity               | Piscataway    | NJ    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$61,297.41           | Entity               | Tampa         | FL    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$55,010.90           | Entity               | Burlington    | NC    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$39,038.14           | Entity               | Dublin        | OH    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$36,500.00           | Entity               | Tempe         | AZ    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$35,150.00           | Entity               | Minneapolis   | MN    | Wrong Vendor Paid    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$31,635.21           | Entity               | Cleveland     | OH    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$29,326.64           | Entity               | Knoxville     | TN    | Incorrect Amount     | Administrative and Documentation |                                     | Collected in Full     |  |
| \$28,822.04           | Entity               | Fort Belvoir  | VA    | Wrong Vendor Paid    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$27,447.16           | Entity               | San Francisco | CA    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$27,306.00           | Entity               | Muldraugh     | KY    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |
| \$26,599.96           | Entity               | Cleveland     | OH    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full     |  |

|             |            |               |    |                      |                                  |  |                   |  |
|-------------|------------|---------------|----|----------------------|----------------------------------|--|-------------------|--|
| \$23,418.08 | Entity     | Charleston    | WV | Duplicate Payment    | Administrative and Documentation |  | Collected in Full |  |
| \$17,600.00 | Entity     | Moline        | IL | Duplicate Payment    | Administrative and Documentation |  | Collected in Full |  |
| \$17,452.45 | Entity     | Burlington    | NC | Duplicate Payment    | Administrative and Documentation |  | Collected in Full |  |
| \$15,888.00 | Entity     | Farmingdale   | NY | Duplicate Payment    | Administrative and Documentation |  | Collected in Full |  |
| \$13,407.17 | Entity     | Palo Alto     | CA | Duplicate Payment    | Administrative and Documentation |  | Collected in Full |  |
| \$12,749.76 | Entity     | Alpharetta    | GA | Duplicate Payment    | Administrative and Documentation |  | Collected in Full |  |
| \$7,148.03  | Individual | Niagara Falls | NY | Ineligible Recipient | Verification                     |  | Collected 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. Provide ongoing training to staff to ensure payments are processed properly.

### 13. Payroll

VHA identified one high-dollar overpayment made by Payroll during the third quarter of 2014. This overpayment consisted of a cumulative overpayment caused by a Verification error.

- 1 Overpayment (100%) totaling \$5,451.43 is a Verification error caused by issuing payment for an ineligible good or service.

Total Payroll Payments made this quarter: \$ 6,758,067,768.37

Total High-Dollar Overpayments identified this quarter: \$5,451.43

Percentage of High-Dollar Overpayments: 0.0001%

| 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 |
|-----------------------|----------------------|-------------------|-------|----------------------------|----------------|-------------------------------------|-----------------------|--|
| \$5,451.43            | Individual           | West Palm Springs | FL    | Ineligible Good or Service | Verification   | Bill of Collection                  | 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 the Treasury Offset Program (TOP).
2. Provide ongoing training to staff to ensure payments are processed properly.

### 14. Pharmacy - Medical Facilities

VHA identified two high-dollar overpayments made by Pharmacy - Medical Facilities during the third quarter of 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors.

- 2 Overpayments (100%) totaling \$172,572.29 are Administrative and Documentation errors where a duplicate payment was issued.

Total Pharmacy - Medical Facilities Payments made this quarter: \$ 621,536,455.88

Total High-Dollar Overpayments identified this quarter: \$172,572.29

Percentage of High-Dollar 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 |
|-----------------------|----------------------|---------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$159,924.97          | Entity               | San Francisco | CA    | Duplicate Payment    | Administrative and Documentation | See Notes Below Table               | Collected in Full     | See Notes Below Table                          |
| \$12,647.32           | Entity               | Dallas        | TX    | Duplicate Payment    | Administrative and Documentation |                                     | Collected 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. Establish management reviews prior to approval of payments.
3. Establish primary and secondary levels of review prior to issuing payments.

## 15. Purchased Long Term Services and Supports

VHA identified four high-dollar overpayments made by Purchased Long Term Services and Supports during the third quarter of 2014. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors.

- 4 Overpayments (100%) totaling \$206,812.70 are Administrative and Documentation errors where duplicate payments were issued or incorrect application of the payment methodologies was used.

Total Purchased Long Term Services and Supports Payments made this quarter: \$ 368,770,896.19

Total High-Dollar Overpayments identified this quarter: \$206,812.70

Percentage of High-Dollar Overpayments: 0.06%

| 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 |
|-----------------------|----------------------|-------------|-------|--|----------------------------------|-------------------------------------|-----------------------|--|
| \$161,616.08          | Entity               | Tucson      | AZ    | Duplicate Payment                                  | Administrative and Documentation | See Notes Below Table               | Collected in Full     | See Notes Below Table                          |
| \$25,742.11           | Entity               | Fitchburg   | MA    | Incorrect Application of the Payment Methodologies | Administrative and Documentation |                                     | Collected in Full     |  |
| \$13,014.51           | Individual           | Grants Pass | OR    | Duplicate Payment                                  | Administrative and Documentation |                                     | Collected in Full     |  |

|            |            |                      |    |                   |                                  |  |                   |  |
|------------|------------|----------------------|----|-------------------|----------------------------------|--|-------------------|--|
| \$6,440.00 | Individual | White River Junction | VT | Duplicate Payment | Administrative and Documentation |  | Collected 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. Establish management reviews prior to approval of payments.
3. Establish primary and secondary levels of review prior to issuing payments.
4. Provide ongoing training to staff to ensure payments are processed properly.

## 16. Supplies and Materials

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

- 3 Overpayments (100%) totaling \$85,763.86 are Administrative and Documentation errors where duplicate payments were issued or an incorrect amount was paid.

Total Supplies and Materials Payments made this quarter: \$ 581,623,058.10

Total High-Dollar Overpayments identified this quarter: \$85,763.86

Percentage of High-Dollar Overpayments: 0.01%

| 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------------------------|-------------------------------------|-----------------------|--|
| \$47,493.24           | Entity               | Carlisle    | PA    | Duplicate Payment    | Administrative and Documentation | See Notes Below Table               | Collected in Full     | See Notes Below Table                          |
| \$20,000.00           | Entity               | Aberdeen    | SD    | Incorrect Amount     | Administrative and Documentation |                                     | Collected in Full     |  |
| \$18,270.62           | Entity               | Dallas      | TX    | Duplicate Payment    | Administrative and Documentation |                                     | Collected 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. Establish management reviews prior to approval of payments.
3. Provide ongoing training to staff to ensure payments are processed properly.

## 17. Transportation of Persons and Things

VHA identified two high-dollar overpayments made by Transportation of Persons and Things during the third quarter of 2014. These overpayments consisted of cumulative overpayments caused by Administrative and Documentation errors, and Verification errors.

- 1 Overpayment (50%) totaling \$20,604.59 are Administrative and Documentation error where a duplicate payment was issued.
- 1 Overpayment (50%) totaling \$5,656.30 are Verification error where there was lack of documentation to support the payment.

Total Transportation of Persons and Things Payments made this quarter: \$ 52,443,115.80

Total High-Dollar Overpayments identified this quarter: \$26,260.89

Percentage of High-Dollar 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 |
|-----------------------|----------------------|-------------|-------|-----------------------|----------------------------------|-------------------------------------|------------------------|--|
| \$20,604.59           | Entity               | Atlanta     | GA    | Duplicate Payment     | Administrative and Documentation | See Notes Below Table               | Collected in Full      | See Notes Below Table                          |
| \$5,656.30            | Individual           | Medford     | MA    | Lack of Documentation | 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. Establish management reviews prior to approval of payments.

## Veterans Benefits Administration – VBA

### 18. Compensation Program

VBA identified 10,287 compensation overpayments in the third 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 1,646 overpayments originally identified were high-dollar compensation overpayments, and an estimated 8,641 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  $\pm 5\%$  interval.

The Compensation Service identified 63 high-dollar compensation overpayments: nine are due to Administrative and Documentation errors, and five are due to Authentication and Medical Necessity errors and 49 are due to Verification errors,

- 9 overpayments (14%) totaling \$122,406.88 were Administration and Documentation errors due to processing errors, adjustment of military retired or separation pay, and/or month of death payment to the surviving spouse.
- 5 additional overpayments (8%) totaling \$72,284.36 were 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.
- 49 overpayments (78%) totaling \$690,678.46 were Verification Errors caused 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, and/or by the hospitalization of a Veteran at VA expense.

Total Compensation Obligations made this quarter: \$16,129,559,330.36

Projected High-Dollar Overpayments for this quarter: \$28,944,485.41

Percentage of High-Dollar Overpayments to Compensation payments: 0.18%

| 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 |
|-----------------------|----------------------|-------------------|-------|-------------------------------------|--------------------------------------|-------------------------------------|------------------------|--|
| \$85,687.46           | Individual           | Cedar Hills       | UT    | Veterans Hospitalized at VA Expense | Verification                         | See Notes Below Table               | Collection in Progress | See Notes Below Table                          |
| \$59,829.65           | Individual           | Crossville        | TN    | Veterans Hospitalized at VA Expense | Verification                         |                                     | Collection in Progress |  |
| \$50,136.27           | Individual           | San Antonio       | TX    | Returned to Active Duty             | Verification                         |                                     | Collection in Progress |  |
| \$40,478.00           | Individual           | Port Washington   | NY    | Processing Error                    | Administrative and Documentation     |                                     | Collection in Progress |  |
| \$39,066.68           | Individual           | Jacksonville      | FL    | Income Change                       | Authentication and Medical Necessity |                                     | Collection in Progress |  |
| \$30,212.76           | Individual           | Salem             | OR    | Incarcerated Beneficiary            | Verification                         |                                     | Collection in Progress |  |
| \$27,954.38           | Individual           | Atlanta           | GA    | Death of Beneficiary                | Verification                         |                                     | Collection in Progress |  |
| \$26,646.60           | Individual           | St. Petersburg    | FL    | Death of Beneficiary                | Verification                         |                                     | Collection in Progress |  |
| \$23,391.04           | Individual           | San Diego         | CA    | Incarcerated Beneficiary            | Verification                         |                                     | Collection in Progress |  |
| \$23,209.50           | Individual           | Birmingham        | AL    | Dependency Issue                    | Verification                         |                                     | Collection in Progress |  |
| \$22,635.20           | Individual           | Fort Walton Beach | FL    | Returned to Active Duty             | Verification                         |                                     | Collection in Progress |  |
| \$21,221.75           | Individual           | Taylors           | SC    | Death of Beneficiary                | Verification                         |                                     | Collected in Full      |  |
| \$20,545.95           | Individual           | Grand Rapids      | MI    | Returned to Active Duty             | Verification                         |                                     | Collection in Progress |  |
| \$16,983.84           | Individual           | Enterprise        | AL    | Processing Error                    | Administrative and Documentation     |                                     | Collection in Progress |  |
| \$16,799.76           | Individual           | Albany            | NY    | Income Change                       | Authentication and Medical Necessity |                                     | Collection in Progress |  |
| \$16,073.67           | Individual           | Clarksville       | TN    | Processing Error                    | Administrative and Documentation     |                                     | Collected in Full      |  |
| \$14,917.77           | Individual           | Powell            | TN    | Incarcerated Beneficiary            | Verification                         |                                     | Collection in Progress |  |
| \$13,218.33           | Individual           | Syracuse          | UT    | Returned to Active Duty             | Verification                         |                                     | Collection in Progress |  |
| \$13,040.40           | Individual           | Stafford          | VA    | Returned to Active Duty             | Verification                         |                                     | Collection in Progress |  |

|             |            |               |    |                          |                                      |  |                        |  |
|-------------|------------|---------------|----|--------------------------|--------------------------------------|--|------------------------|--|
| \$12,574.56 | Individual | Saint Joseph  | MN | Dependency Issue         | Verification                         |  | Collected in Full      |  |
| \$12,259.38 | Individual | Akron         | OH | Dependency Issue         | Verification                         |  | Collection in Progress |  |
| \$11,652.00 | Individual | Alexandria    | KY | Incarcerated Beneficiary | Verification                         |  | Collected in Full      |  |
| \$11,325.54 | Individual | Camp Douglas  | WI | Military Retired Pay     | Administrative and Documentation     |  | Collection in Progress |  |
| \$10,837.57 | Individual | Caro          | MI | Incarcerated Beneficiary | Verification                         |  | Collection in Progress |  |
| \$10,474.10 | Individual | Concord       | CA | Returned to Active Duty  | Verification                         |  | Collection in Progress |  |
| \$9,631.44  | Individual | Ontario       | CA | Death of Beneficiary     | Verification                         |  | Collection in Progress |  |
| \$9,153.30  | Individual | Apache        | OK | Death of Beneficiary     | Verification                         |  | Collection in Progress |  |
| \$8,926.40  | Individual | Bryan         | TX | Death of Beneficiary     | Verification                         |  | Collection in Progress |  |
| \$8,879.22  | Individual | Oklahoma City | OK | Death of Beneficiary     | Verification                         |  | Collection in Progress |  |
| \$8,584.79  | Individual | San Antonio   | TX | Processing Error         | Administrative and Documentation     |  | Collection in Progress |  |
| \$8,574.72  | Individual | New Orleans   | LA | Death of Beneficiary     | Verification                         |  | Collection in Progress |  |
| \$8,365.00  | Individual | South Korea   |    | Death of Beneficiary     | Verification                         |  | Collection in Progress |  |
| \$8,356.24  | Individual | High Springs  | FL | Income Change            | Authentication and Medical Necessity |  | Collection in Progress |  |
| \$8,024.20  | Individual | Chesapeake    | VA | Dependency Issue         | Verification                         |  | Collected in Full      |  |
| \$7,879.92  | Individual | Connell       | WA | Incarcerated Beneficiary | Verification                         |  | Collection in Progress |  |
| \$7,852.15  | Individual | Fort Knox     | KY | Returned to Active Duty  | Verification                         |  | Collection in Progress |  |
| \$7,407.48  | Individual | Dewitt        | MI | Processing Error         | Administrative and Documentation     |  | Collected in Full      |  |
| \$7,399.38  | Individual | Ticonderoga   | NY | Death of Beneficiary     | Verification                         |  | Collected in Full      |  |
| \$7,290.76  | Individual | Clearwater    | SC | Month of Death           | Administrative and Documentation     |  | Collection in Progress |  |
| \$7,221.77  | Individual | Mobile        | AL | Incarcerated Beneficiary | Verification                         |  | Collection in Progress |  |
| \$7,131.40  | Individual | Lawrence      | KS | Month of Death           | Administrative and Documentation     |  | Collection in Progress |  |
| \$7,131.40  | Individual | Max Meadows   | VA | Month of Death           | Administrative and Documentation     |  | Collected in Full      |  |

|            |            |                 |    |                         |                                      |  |                        |
|------------|------------|-----------------|----|-------------------------|--------------------------------------|--|------------------------|
| \$6,920.28 | Individual | Missouri City   | TX | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$6,428.11 | Individual | St. Cloud       | MN | Returned to Active Duty | Verification                         |  | Collection in Progress |
| \$6,398.56 | Individual | El Paso         | TX | Death of Beneficiary    | Verification                         |  | Collected in Full      |
| \$6,238.20 | Individual | Peru            | IN | Death of Beneficiary    | Verification                         |  | Collected in Full      |
| \$6,238.20 | Individual | Alexandria      | LA | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$6,202.20 | Individual | Warwick         | RI | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$6,166.15 | Individual | Los Angeles     | CA | Death of Beneficiary    | Verification                         |  | Collected in Full      |
| \$6,147.92 | Individual | Lithia          | FL | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$6,035.20 | Individual | Brenham         | TX | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$6,035.20 | Individual | Marlton         | NJ | Death of Beneficiary    | Verification                         |  | Collected in Full      |
| \$5,988.60 | Individual | Aiken           | SC | Returned to Active Duty | Verification                         |  | Collection in Progress |
| \$5,980.40 | Individual | Mooresville     | IN | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$5,980.40 | Individual | Edison          | NJ | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$5,975.00 | Individual | Italy           |    | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$5,716.48 | Individual | Gilman City     | MO | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$5,105.98 | Individual | Rochester Hills | MI | Death of Beneficiary    | Verification                         |  | Collection in Progress |
| \$4,177.23 | Individual | La Follett      | TN | Returned to Active Duty | Verification                         |  | Collection in Progress |
| \$4,098.00 | Individual | Long Beach      | CA | Income Change           | Authentication and Medical Necessity |  | Collection in Progress |
| \$3,963.68 | Individual | La Follett      | TN | Income Change           | Authentication and Medical Necessity |  | Collection in Progress |
| \$3,341.81 | Individual | Windsor         | CT | Returned to Active Duty | Verification                         |  | Collection in Progress |
| \$3,250.37 | Individual | Jacksonville    | NC | Returned to Active Duty | Verification                         |  | Collection in Progress |

**Notes:**

1. Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.
2. VBA manages timeliness of completing action on issues involving potential overpayments by using special controls such as the workload End Product 690.



3. 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.
4. 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.
5. 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 Program

VBA uses analytical procedures to improve the statistical validity of the high-dollar overpayment review. These procedures require a review of a stratified random sample of the total number of overpayments. There were 8,643 pension overpayments identified in the third quarter of FY 2014.

A random sample of 385 pension overpayments was reviewed. The review revealed that 30 (8%) were pension high-dollar overpayments, and 355 (92%) were pension payments that did not meet the high-dollar overpayment criteria. Based on these results, we projected that 691 overpayments originally identified were high-dollar pension overpayments, and an estimated 7,952 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 Program identified 30 high-dollar pension overpayments: two overpayments are due to Administration and Documentation errors and 28 overpayments are due to Verification errors.

- 2 overpayments (7%) totaling \$46,693.12 are due to an Administrative and Documentation errors caused by the claimant's renouncement of benefits and accrued payment being made to the incorrect payee.
- 28 overpayments (93%) totaling \$630,600.64 are Verification errors caused by delayed notification of the beneficiary's death, retroactive adjustments for incarceration or fugitive felon status, and dependency changes.

Total Pension Payments made this quarter: \$1,331,117,108.88

Projected High-Dollar Overpayments for this quarter: \$15,240,856.08

Percentage of High-Dollar Overpayments to Pension: 1.14%

| 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 |
|-----------------------|----------------------|-------------|-------|--------------------------|----------------------------------|-------------------------------------|------------------------|--|
| \$167,964.60          | Individual           | Fairmount   | GA    | Incarceration            | Verification                     | See Notes Below Table               | Collection in Progress | See Notes Below Table                          |
| \$84,795.00           | Individual           | Chester     | TX    | Dependency               | Verification                     |                                     | Collection in Progress |  |
| \$43,979.77           | Individual           | Bronx       | NY    | Incarceration            | Verification                     |                                     | Collection in Progress |  |
| \$35,104.00           | Individual           | Griffin     | GA    | Dependency               | Verification                     |                                     | Collection in Progress |  |
| \$33,103.12           | Individual           | Cincinnati  | OH    | Renouncement of Benefits | Administrative and Documentation |                                     | Collection in Progress |  |

|             |            |               |    |  |                                  |  |                        |
|-------------|------------|---------------|----|--|----------------------------------|--|------------------------|
| \$33,035.00 | Individual | Apollo Beach  | FL | Death of Beneficiary                             | Verification                     |  | Collection in Progress |
| \$30,487.47 | Individual | Erie          | PA | Incarceration                                    | Verification                     |  | Collection in Progress |
| \$29,335.90 | Individual | Vernon        | TX | Incarceration                                    | Verification                     |  | Collection in Progress |
| \$28,855.00 | Individual | Porcupine     | SD | Death of Beneficiary                             | Verification                     |  | Collected in Full      |
| \$19,493.00 | Individual | Grand Meadow  | MN | Dependency                                       | Verification                     |  | Collection in Progress |
| \$16,763.00 | Individual | Jamesville    | NY | Death of Beneficiary                             | Verification                     |  | Collected in Full      |
| \$14,554.00 | Individual | South Hadley  | MA | Death of Beneficiary                             | Verification                     |  | Collected in Full      |
| \$13,590.00 | Individual | Los Angeles   | CA | Payment of Accrued Benefit to Incorrect Claimant | Administrative and Documentation |  | Collection in Progress |
| \$11,198.00 | Individual | Coral Springs | FL | Death of Beneficiary                             | Verification                     |  | Collection in Progress |
| \$10,476.00 | Individual | Detroit       | MI | Death of Beneficiary                             | Verification                     |  | Collection in Progress |
| \$10,313.67 | Individual | Santa Maria   | CA | Incarceration                                    | Verification                     |  | Collection in Progress |
| \$9,468.00  | Individual | Fernley       | NV | Dependency                                       | Verification                     |  | Collection in Progress |
| \$8,972.00  | Individual | Houston       | TX | Death of Beneficiary                             | Verification                     |  | Collected in Full      |
| \$8,790.00  | Individual | Pelham Manor  | NY | Death of Beneficiary                             | Verification                     |  | Collection in Progress |
| \$8,384.00  | Individual | Fresno        | CA | Death of Beneficiary                             | Verification                     |  | Collection in Progress |
| \$7,032.00  | Individual | Portland      | OR | Death of Beneficiary                             | Verification                     |  | Collection in Progress |
| \$6,843.00  | Individual | Dedham        | MA | Death of Beneficiary                             | Verification                     |  | Collection in Progress |
| \$6,472.00  | Individual | Milton        | FL | Dependency                                       | Verification                     |  | Collection in Progress |
| \$6,255.00  | Individual | PT Angeles    | WA | Death of Beneficiary                             | Verification                     |  | Collected in Full      |
| \$5,633.00  | Individual | Jacksonville  | FL | Death of Beneficiary                             | Verification                     |  | Collected in Full      |
| \$5,393.23  | Individual | Conway        | SC | Incarceration                                    | Verification                     |  | Collection in Progress |

|            |            |             |    |                      |              |  |                        |  |
|------------|------------|-------------|----|----------------------|--------------|--|------------------------|--|
| \$5,340.00 | Individual | Pilot Point | TX | Dependency           | Verification |  | Collection in Progress |  |
| \$5,270.00 | Individual | Chicago     | IL | Death of Beneficiary | Verification |  | Collection in Progress |  |
| \$5,270.00 | Individual | Austin      | TX | Death of Beneficiary | Verification |  | Collection in Progress |  |
| \$5,124.00 | Individual | Orem        | UT | Death of Beneficiary | Verification |  | Collection in Progress |  |

**Notes:**

1. Develop specific guidance on pension benefit adjustments.
2. 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.
3. Continue to provide feedback to field employees, through PMC conference calls. VBA is establishing performance measures to address timeliness of processing maintenance workload.
4. Share the findings from this review with the field, so they can implement local reviews and address local high-dollar overpayment issues.
5. Include matching program training in the mandatory topics for the FY 2014 National Pension Training Curriculum.
6. On July 7, 2014, VBA instituted automatic suspension of a benefit payment upon receipt of the SSA death match notification.
7. 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.

## 20. Education

VBA uses analytical procedures to improve the statistical validity of the high dollar overpayment review. This procedure requires a review of a stratified random sample of the total number of overpayments. There were 18,688 Education overpayments identified in the 3<sup>rd</sup> quarter of FY 2014 with a total value of \$70,524,362.04.

A random sample 251 overpayments was reviewed. The review revealed that 34 (13.6%) were Education high-dollar overpayments, and 86.4 percent where Education did not meet the high dollar overpayment criteria. Based on these results, we projected that 2,531 of 18,688 overpayments originally identified were high dollar Education overpayments, and an estimated 16,157 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 34 high-dollar Education overpayments, of which all 34 were Administration and Documentation errors.

- 34 overpayments (100%) totaling \$178,803.97 were due to Administrative and Documentation errors caused by data input errors and incorrect reporting of tuition and fees by schools.

Total Education Payments made this quarter was: \$2,398,744,847.52  
Projected High-Dollar Overpayments for this quarter is: \$12,604,712.06  
Percentage of High-Dollar Overpayments to Education payments is 0.53%

| 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 |
|-----------------------|----------------------|-------------|-------|----------------------|----------------|-------------------------------------|-----------------------|--|
|-----------------------|----------------------|-------------|-------|----------------------|----------------|-------------------------------------|-----------------------|--|

|             |            |              |    |   |                                  |                       |                        |                       |
|-------------|------------|--------------|----|---|----------------------------------|-----------------------|------------------------|-----------------------|
| \$23,644.00 | Individual | Santa Ans    | CA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation | See Notes Below Table | Collected in Full      | See Notes Below Table |
| \$19,198.31 | Entity     | Hampton Bays | NY | VA Data Input Error                           | Administrative and Documentation |                       | Collection in Progress |                       |
| \$14,596.00 | Entity     | Medford      | NY | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |                       | Collected in Full      |                       |
| \$12,704.00 | Entity     | Venice       | FL | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |                       | Collected in Full      |                       |
| \$11,907.48 | Individual | Chandler     | AZ | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |                       | Collection in Progress |                       |
| \$5,940.00  | Entity     | Glendale     | CA | VA Data Input Error                           | Administrative and Documentation |                       | Collected in Full      |                       |
| \$5,366.45  | Entity     | Robins AFB   | GA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |                       | Collected in Full      |                       |
| \$5,314.80  | Entity     | Las Vegas    | NV | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |                       | Collected in Full      |                       |
| \$5,296.50  | Individual | Stoneridge   | VA | VA Data Input Error                           | Administrative and Documentation |                       | Collected in Full      |                       |
| \$4,500.00  | Entity     | Cleveland    | MS | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |                       | Collected in Full      |                       |
| \$4,489.96  | Individual | Dover        | DE | VA Data Input Error                           | Administrative and Documentation |                       | Collection in Progress |                       |
| \$4,416.90  | Individual | Round Hill   | VA | VA Data Input Error                           | Administrative and Documentation |                       | Collection in Progress |                       |
| \$4,331.50  | Entity     | Oviedo       | FL | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |                       | Collected in Full      |                       |
| \$4,228.00  | Entity     | Waukee       | IA | VA Data Input Error                           | Administrative and Documentation |                       | Collection in Progress |                       |
| \$4,158.00  | Entity     | Plant City   | FL | VA Data Input Error                           | Administrative and Documentation |                       | Collected in Full      |                       |

|            |            |                |    |   |                                  |  |                        |  |
|------------|------------|----------------|----|---|----------------------------------|--|------------------------|--|
| \$4,103.08 | Entity     | Saint Pauls    | NC | VA Data Input Error                           | Administrative and Documentation |  | Collection in Progress |  |
| \$4,100.00 | Entity     | South Hadley   | MA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collected in Full      |  |
| \$3,980.34 | Individual | Arlington      | VA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$3,325.00 | Entity     | Virginia Beach | VA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collected in Full      |  |
| \$3,000.00 | Entity     | Parker         | CO | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collected in Full      |  |
| \$2,959.15 | Entity     | Chicago        | IL | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$2,766.85 | Entity     | Fremont        | CA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$2,602.50 | Entity     | Cedar City     | UT | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$2,496.00 | Entity     | Safford        | AZ | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collected in Full      |  |
| \$2,192.50 | Entity     | Adams          | NY | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collected in Full      |  |
| \$2,120.62 | Individual | Waldorf        | MD | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |

|            |            |                |    |   |                                  |  |                        |  |
|------------|------------|----------------|----|---|----------------------------------|--|------------------------|--|
| \$2,084.97 | Entity     | Woodcliff Lake | NJ | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$1,999.39 | Entity     | Columbus       | OH | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$1,964.00 | Entity     | Philomath      | OR | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$1,872.00 | Entity     | Jefferson      | GA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$1,824.19 | Individual | Phoenix        | AZ | VA Data Input Error                           | Administrative and Documentation |  | Collected in Full      |  |
| \$1,803.00 | Entity     | Virginia Beach | VA | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$1,796.98 | Entity     | Plymouth       | MN | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collection in Progress |  |
| \$1,721.50 | Entity     | Brandon        | FL | Incorrect Reporting of Tuition/Fees by School | Administrative and Documentation |  | Collected in Full      |  |

**Notes:**

1. Most of VA Data Input Error (administrative and documentation) errors identified were a result of human error. To decrease the potential for human error, VA continues to take a two-step approach of focusing on remedial individualized training to prevent future errors and field improvements with the Long Term Solution (LTS) to decrease human intervention. In addition, each Regional Processing Office established a required training curriculum for all employees. Supervisory officials also monitor individual employee performance and provide additional individualized training as necessary.
2. VBA published a nationwide School Certifying Official (SCO) Handbook, which establishes common requirements and detailed instructions for SCO to prepare and submit enrollment and attendance information to VBA. In addition, recent statutory changes authorized State Approving Agencies to conduct school Compliance Surveys, which will increase VBA's presence on campuses to ensure SCO remain compliant.
3. 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.

## 21. Insurance Program

VBA identified eight high-dollar overpayments made by Insurance Program during the third quarter of FY 2014. These overpayments consisted of both singular and cumulative payments caused by Administrative and Documentation errors.

- 8 overpayments (100%) totaling \$111,570.76 are Administrative Documentation errors caused when the death claim award shares were distributed incorrectly, incorrect beneficiary, and when the Board of Veterans Appeals upheld a contested death claim.

Total Insurance Program Payments made this quarter: \$337,333,425.00

Total High-Dollar Overpayments identified this quarter: \$111,570.76

Percentage of High-Dollar Overpayments to Insurance Program payments is: 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 |
|-----------------------|----------------------|-------------|-------|-----------------------------------|----------------------------------|-------------------------------------|------------------------|--|
| \$5,155.37            | Individual           | Reno        | NV    | Incorrect Beneficiary Shares Paid | Administrative and Documentation | See Notes Below Table               | Collected in Full      | See Notes Below Table                          |
| \$5,000.00            | Individual           | Ronald      | OK    | Incorrect Beneficiary Shares Paid | Administrative and Documentation |                                     | Collected in Full      |  |
| \$16,071.75           | Individual           | Bend        | OR    | Death of Employee/ Beneficiary    | Administrative and Documentation |                                     | Collection in Progress |  |
| \$10,000.00           | Individual           | Baltimore   | MD    | Incorrect Beneficiary Shares Paid | Administrative and Documentation |                                     | Collection in Progress |  |
| \$10,000.00           | Individual           | Baltimore   | MD    | Incorrect Beneficiary Shares Paid | Administrative and Documentation |                                     | Collection in Progress |  |
| \$9,875.54            | Individual           | Fontana     | CA    | Contested Claim Appeal upheld     | Administrative and Documentation |                                     | Collection Terminated  |  |
| \$44,947.96           | Individual           | Byrn Mawr   | PA    | Incorrect Beneficiary Shares Paid | Administrative and Documentation |                                     | Collected in Full      |  |
| \$10,520.14           | Individual           | Charlock    | IL    | Incorrect Beneficiary Shares Paid | Administrative and Documentation |                                     | Collected in Full      |  |

**Notes:**

1. Account receivables have been established and further action will be taken by VA DMC.
2. Other actions to prevent reoccurrence include improving documentation and providing training.
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 period 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):

VBA identified 11 high-dollar overpayments made by VR&E Service during the third quarter of FY 2014. These overpayments were caused by Administrations and Documentation errors, and Verification errors.

- 5 overpayments (45%) totaling \$31,768.82 are Administration and Documentation errors as a result of VA Data Input error made by the Vocational Rehabilitation Counselor when the award was processed.
- 6 overpayments (55%) totaling \$61,542.87 are Verification errors as a result of the Veteran withdrawing from classes and the Vocational Rehabilitation Counselor did not receive timely notification from the school or Veteran, VA Certifying Official certifying the Veteran under Chapter 31 and Chapter 33 for the same term, employer's delay in submitting wage information for a Veteran participating in an On-The-Job (OJT) program, and purchased of Veteran's unauthorized equipment.

Total VR&E Obligated Payments made this quarter was: \$267,559,870.45

High-Dollar Overpayments for this quarter is: \$93,311.69

Percentage of High-Dollar Overpayments to VR&E payments is: 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 |
|-----------------------|----------------------|---------------|-------|---|----------------------------------|-------------------------------------|------------------------|--|
| \$28,682.93           | Individual           | Missoula      | MT    | Vendor supplied Veteran with unauthorized equipment             | Verification                     | See Notes Below Table               | Collection in Progress | See Notes Below Table                          |
| \$9,894.22            | Individual           | Logan         | UT    | Veteran received both journeyman wages & subsistence allowance. | Verification                     |                                     | Collected in Full      |  |
| \$7,927.50            | Individual           | Winston-Salem | NC    | VA Data Input Error   | Administrative and Documentation |                                     | Collection in Progress |  |
| \$6,862.00            | Individual           | Oreland       | PA    | VA Data Input Error   | Administrative and Documentation |                                     | Collection in Progress |  |
| \$6,659.33            | Individual           | Fort Collins  | CO    | VA Data Input Error.  | Administrative and Documentation |                                     | Collected in Full      |  |
| \$6,644.40            | Individual           | Kingston      | RI    | Veteran withdrew from training but failed to inform the VRC.    | Verification                     |                                     | Collection in progress |  |
| \$5,769.32            | Individual           | Marshall      | MN    | Veteran withdrew from training but failed to inform the VRC.    | Verification                     |                                     | Collection in Progress |  |
| \$5,337.30            | Individual           | North Canton  | OH    | VA Data Input Error   | Verification                     |                                     | Collection in Progress |  |
| \$5,304.59            | Individual           | Saint Peters  | MO    | VA Data Input Error   | Administrative and Documentation |                                     | Collection in Progress |  |



|            |            |             |    |  |                                  |  |                        |  |
|------------|------------|-------------|----|--|----------------------------------|--|------------------------|--|
| \$5,214.70 | Individual | East Orange | NJ | Veteran withdrew from training but failed to inform the VRC. | Verification                     |  | Collection in Progress |  |
| \$5,015.40 | Individual | Gainesville | FL | VA Data Input Error  | Administrative and Documentation |  | Collection Terminated  |  |

**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 of course withdrawals in a timely manner to avoid future overpayments.
4. Provide ongoing training to staff to ensure payments are processed properly. Actions being taken to work with Finance to establish RC 03 when warranted.
5. Establish primary and secondary levels of review prior to issuing payments.
6. Repayment Notification letter sent to Veteran, awaiting due payment process period.
7. Repayment Plan for Veteran to reimburse VBA.

## 23. VACO Staff Offices

VACO identified eight high-dollar overpayments. These overpayments consisted of both singular and cumulative overpayments caused by Administrative and Documentation errors.

- 8 Overpayments (100%) totaling \$1,824,072.32 are Administrative and Documentation errors where vendor billing error and/or duplicate payments were made.

Total VACO payments made this quarter: \$1,276,470,285.00

Total High-Dollar Overpayments identified this quarter: \$1,824,072.32

Percentage of High-Dollar Overpayments: 0.14%

| 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 |
|-----------------------|----------------------|---------------|-------|----------------------|----------------------------------|-------------------------------------|------------------------|--|
| \$1,448,326.00        | Entity               | Central Islip | NY    | Duplicate Payment    | Administrative and Documentation | See Notes Below Table               | Collected in Full      | See Notes Below Table                          |
| \$93,850.89           | Entity               | St. Louis     | MO    | Duplicate Payment    | Administrative and Documentation |                                     | Collection in Progress |  |
| \$62,264.00           | Entity               | Mclean        | VA    | Duplicate Payment    | Administrative and Documentation |                                     | Collected in Full      |  |
| \$57,164.75           | Entity               | Chicago       | IL    | Duplicate Payment    | Administrative and Documentation |                                     | Collection in Progress |  |
| \$48,097.96           | Entity               | San Antonio   | TX    | Duplicate Payment    | Administrative and Documentation |                                     | Collection in Progress |  |
| \$43,000.00           | Entity               | Ontario       | CA    | Duplicate Payment    | Administrative and Documentation |                                     | Collection in Progress |  |

|             |        |            |    |                      |                                  |  |                   |  |
|-------------|--------|------------|----|----------------------|----------------------------------|--|-------------------|--|
| \$38,746.22 | Entity | Amityville | NY | Duplicate Payment    | Administrative and Documentation |  | Collected in Full |  |
| \$32,622.50 | Entity | Fairfax    | VA | Vendor Billing Error | Administrative and Documentation |  | Collected 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. 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. Future payments will be verified in FMS prior to invoice certification.
5. Pending verification of valid application to future invoices on accounts.
6. Provide ongoing training to staff to ensure payments are processed properly. Proper verification and document matching.