

From: Lowder, Joe <JLowder@dew.sc.gov>

To: kevin@kevinbryant.com kevin@kevinbryant.com

CC: Danny Varat (DannyVarat@scsenate.gov) DannyVarat@scsenate.gov
Veldran, Katherine KatherineVeldran@gov.sc.gov

Date: 4/19/2012 7:06:22 PM

Subject: FW: Information

Attachments: Disqualgraph2.docx

Sir,

Apologize that I did not get this information to you yesterday afternoon.

1. The amount of payments made to disqualified claimants continues to trend dramatically down. The amount paid to disqualified claimants from July 2011 to March 2012 is approximately \$30M. The amount paid during the same timeframe of the July 2010 – March 2011 report was approximately \$38M - - a reduction of \$8M. We fully expect that amount to continue to trend sharply downward in the coming months. I have attached an updated chart that reflects disqualified payments including January – March 2012.
2. The amount of money that we paid in overpayments from the last report (July 2011 – March 2012) is approximately \$35M. Approximately \$17M was established as non-fraud payments and approximately \$18M was established as fraud payments. The Benefit Audit Reporting and Tracking System (BARTS) continues to identify claimants committing fraud by cross-matching our claimant records with the National and State new hire directories on a weekly basis. An attorney from the DEW General Counsel was appointed as a Special Attorney General and we have hired an investigator to actively investigate these fraud cases. Non-fraud payments consist of several categories such as appeals reversals, available and able to work conflicts, and incorrect Federal Tier determinations. To improve our ability to directly recoup both fraud and non-fraud overpayments, the Department is in the process of completing the Treasury Offset Program (TOP) project. TOP will garnish claimants' federal tax returns for non-fraud and fraud overpayments. Additionally, we can look back 5 years on the returns and recoup money for claimants with non-fraud overpayment amounts and 8 years on the returns and recoup money for claimants with fraud overpayment amounts. Other states that have already instituted TOP report direct payments back in the \$10M to \$20M range. The completion date is scheduled for this fall to coincide with claimants filing their 2013 tax returns. We will send letters out to those specific claimants in the fall informing them of this program. Again, other states report that when those letters go out informing claimants that their tax returns will be garnished, many claimants come forward and make direct payments before their tax returns are in fact garnished. While \$35M is the amount from the last report, the amount for calendar year 2012 (JAN – MAR) is approximately \$15M with \$7M established as non-fraud and \$8M established as fraud.

We can sit down with you at your convenience to answer any questions you might have regarding disqualification or fraud.

Sincerely,

Joe Lowder
Chief of Staff
S.C. Department of Employment and Workforce
(803) 737 – 3024 office
(803) 509 – 2032 Blackberry

From: Kevin Bryant [mailto:kevin@kevinbryant.com]

Sent: Tuesday, April 17, 2012 10:09 PM

To: Lowder, Joe

Subject: Re: Information

Thank you so much for your response.

I really only need 2 figures:

1-how much have we paid to fired workers since the last report?

2-and how much have we paid in fraudulent claims since the last report? it looks like 2012 will be \$28 million

Kevin Bryant
Sent from my iPhone

On Apr 17, 2012, at 2:14 PM, "Lowder, Joe" <JLowder@dew.sc.gov> wrote:

Senator Bryant,

I am attaching several slides that provide information concerning the \$50M payments to disqualified claimants, the \$86M Overpayment estimate and our prevention and detection actions. We expect to have the disqualified payments for 1st Quarter 2012 shortly and I will update the third slide presentation and re-send it to you. We can meet with you at your convenience and go over any part of this information.

Sincerely,

Joe Lowder
Chief of Staff
S.C. Department of Employment and Workforce
(803) 737 – 3024 office
(803) 509 – 2032 Blackberry

<\$50M Disqualifications June 10 to July 11.pdf>

<UpdatedLCIFigures.pptx>

<Disqual Payments by Quarter.pdf>