

## Appendix G: Debt Collection Deficiencies and Corrective Actions

Agency	Deficiency	Corrective Actions to be Taken or Recently Completed
Agriculture (USDA)	A few small agencies within USDA, representing 0.02 percent of delinquent debt, have not been compliant with the requirement to write off delinquent debt greater than 2 years old if there are no estimated material collections.	USDA established a departmental waiver program and continues to coordinate write-off plans across the Department identifying agency-specific action items. Delinquent debt greater than 2 years old without waivers increased from \$257 thousand to \$594 thousand from fiscal year 2008 to fiscal year 2009.
Health and Human Services (HHS)	The Centers for Medicare and Medicaid Services have not been reporting all eligible discharged/ closed-out debt to the Internal Revenue Service (IRS).	HHS is currently making the systems changes necessary to the Healthcare Integrated General Ledger Accounting System (HIGLAS) in order to report in accordance with IRS regulations. Because system changes will not be complete until 2012, HHS receives support in the interim from Treasury's Financial Management Service.
Homeland Security (DHS)	DHS previously identified a need to develop comprehensive debt collection procedures.	Per the auditor's report, DHS achieved compliance with the Debt Collection Improvement Act this year, citing no deficiencies. DHS had developed a working group tasked with reviewing debt management policy and conducting periodic debt collection workshops. Department policy was finalized and issued in 2009.
State (DOS)	Procedures for recording the write-off of debts in the accounting system were found to be deficient in 2008.	The 2008 deficiency was resolved in 2009 and no new deficiencies were identified. Detailed instructions for recording the write-off of debts were implemented in 2009 and the write-offs have been processed. In 2010 the Department of State will be refining related policies and procedures if needed.
Labor (DOL)	Historically, the Mine Safety and Health Administration (MSHA) had not referred aged delinquent debt to Treasury for collection and DOL agencies had not complied with the requirement to write off delinquent debt greater than 2 years old if there were no estimated material collections.	MSHA has added human assets to that area and expect an increase in its referral rate during fiscal year 2010. OCFO will continue working with agencies to ensure that all delinquent debts will refer to Treasury for collections in 2010.
Defense (DOD)	<p>In 2006, DOD identified a deficiency in that the Taxpayer Identification Number (TIN) was not provided on all certified vouchers submitted to a disbursing office for payment.</p> <p>A new deficiency was identified; DOD has not referred all eligible debts less than \$100,000 to Treasury.</p>	<p>In 2009 DOD strengthened their policies related to vendors providing a TIN.</p> <p>To address the newly-identified deficiency, DOD is pursuing a reconciliation process to improve the referral of eligible debts to Treasury when 180 days delinquent.</p>

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