

## **DEBT COLLECTION**

# **Improved Controls are Needed to Identify and Collect Student Loan Repayment Debt**

OIG-16-1

Accessible Version

Office of Inspector General

U.S. Government Accountability Office

**Report Highlights**

March 1, 2016

DEBT COLLECTION

Improved Controls are Needed to Identify and Collect Student Loan Repayment Debt

**Objective**

This report addresses the extent to which GAO identifies and collects student loan repayment (SLR) debts from former employees who did not fulfill their 3-year service agreements.

**What OIG Found**

GAO did not ensure that it collects SLR benefits paid on behalf of employees with unfulfilled service agreements. Specifically, GAO did not have an effective process to identify separating SLR benefit recipients with unfulfilled service agreements. While GAO relied on exit clearance policies and procedures, they were ineffective in identifying SLR benefit recipients with unfulfilled SLR program service agreements and in resolving outstanding SLR debt prior to separation. When SLR debts were identified, GAO did not have written procedures for initiating and carrying out the establishment and collection of SLR debts owed the agency. Because of weaknesses in each of these areas, years of unpaid SLR debts estimated at \$874,000 were not identified or collected at the time of our review. For others that were collected, some were collected for incorrect amounts.

**What OIG Recommends**

OIG recommends that GAO take the following four actions to improve controls over SLR debt collections: (1) establish a method to maintain relevant, reliable, and timely information relating to (a) whether separating SLR benefit recipients completed all current service agreements and (b) determining the total amount of SLR debts subject to repayment by benefit recipients; (2) update and reissue the existing exit clearance policy to clearly document responsibility for notification to the SLR program designated clearance coordinator of separating employees; (3) clearly establish and document roles and responsibilities for initiating bills to collect SLR debts and monitoring their collection; and (4) establish, document, and implement SLR debt collection procedures to address how to (a) initiate and carry out the SLR debt collection process and (b) accurately establish SLR debts and effectively monitor the debt collection status. GAO agreed with our recommendations and has taken or initiated efforts to address them.





Accessible Version

March 1, 2016

**Memorandum For:** Gene L. Dodaro  
Comptroller General of the United States

**From:** Adam R. Trzeciak  
Inspector General

**Subject: Transmittal of Office of Inspector General (OIG) Audit Report**

Attached for your information is our report, *Debt Collection: Improved Controls are Needed to Identify and Collect Student Loan Repayment Debt* (OIG-16-1). The audit objective was to evaluate the extent to which GAO identifies and collects student loan repayment (SLR) debts from former employees who did not fulfill their 3-year service agreements.

The report contains four recommendations aimed at improving controls over SLR debt collections. GAO agreed with our recommendations, and has taken or initiated efforts to address them. We believe the actions outlined in GAO's response to our report are a good first step toward improving controls over SLR debt collections, but do not agree with GAO that they are complete or that they fully address our recommendations. Management comments are included in Appendix III of our report. Actions taken in response to our recommendations are expected to be reported to our office within 60 days.

We are sending copies of this report to the other members of GAO's Executive Committee, GAO's Audit Advisory Committee, and key managers who administer GAO's SLR program and provide support services. This report is also available on the GAO website at [www.gao.gov/about/workforce/ig.html](http://www.gao.gov/about/workforce/ig.html).

If you have questions about this report, please contact me at (202) 512-5748 or [trzeciaka@gao.gov](mailto:trzeciaka@gao.gov).

Attachment

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12	Overall, GAO found that two standards of internal control (control activities and monitoring)	
13	were not in place. GAO found control activities should be designed to ensure that (1)	
14	transactions are processed accurately; (2) the data is valid and complete; and (3)	
15	appropriate documentation is available. In addition, GAO found that periodic reviews,	
16	reconciliation and/or comparison of data should be included as part of the regular monitoring	
17	and oversight of the indebtedness part of the SLR program. Specifically, GAO	
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34 **Abbreviations**

35 CAO/CFO Chief Administrative Officer/Chief Financial Officer

36 CHCO Chief Human Capital Officer

37 HCO Human Capital Office

38 NFC National Finance Center

39 SLR Student Loan Repayment

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43 **Introduction**

44 From fiscal years 2009 through 2014, GAO provided benefits through its student loan  
45 repayment (SLR) program totaling more than \$10.8 million. Student loan repayment  
46 benefits<sup>1</sup> are paid directly to the lending institution or authorized loan servicing organization  
47 in exchange for a 3-year service agreement from the employee. If employees leave the  
48 agency before their service agreements are fulfilled, they must pay the benefits back to  
49 GAO in full. Given the cost of SLR program benefits, effective controls are essential to  
50 ensure that GAO collects debts in accordance with program policy and requirements.

51 **Objective, Scope, and Methodology**

52 This report addresses the extent to which GAO identifies and collects student loan  
53 repayment benefits from former employees who did not fulfill their 3-year service  
54 agreements. To achieve our objective, we identified and reviewed applicable laws,  
55 regulations, and GAO policies, procedures, and guidance related to identifying SLR debts  
56 and initiating and carrying out the SLR debt collection process. We interviewed Human  
57 Capital Office (HCO) managers and staff who administer GAO's SLR program and others  
58 who provide support services (e.g., Chief Human Capital Officer, the SLR Program  
59 Manager, and financial management staff) to obtain a better understanding of their roles and  
60 responsibilities regarding SLR debt management. To assess GAO's controls over SLR debt,  
61 we selected a simple random sample of 50 (of 161) SLR benefit recipients who received  
62 benefits from fiscal years 2009 through 2014 and who separated from GAO prior to fulfilling  
63 their 3-year service agreements.<sup>2</sup> We also reviewed documentation supporting the initiation  
64 and collection of SLR debts owed. Additional information on our scope and methodology is  
65 presented in appendix I.

66 We conducted this performance audit from January 2015 to March 2016 in accordance with  
67 generally accepted government auditing standards. Those standards require that we plan  
68 and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable  
69 basis for our findings and conclusions based on our audit objectives. We believe that the  
70 evidence obtained provides a reasonable basis for our findings and conclusions based on  
71 our audit objective.

72 **Background**

73 Federal Student Loan Repayment Program

74 Federal law authorizes agencies to establish a program under which they may repay certain  
75 types of federally-made, insured, or guaranteed student loans as an incentive to recruit or  
76 retain highly qualified personnel.<sup>3</sup> Under the student loan repayment program, agencies  
77 have the authority to repay student loans up to a maximum of \$10,000 per employee in any  
78 calendar year; or a total of \$60,000 in the case of any employee.

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<sup>1</sup>5 C.F.R. § 537.102 The dollar value of the student loan repayment benefit is the gross amount credited to the employee at the time of a loan payment to the holder of the student loan, before deducting any employee tax withholdings from that gross amount.

<sup>2</sup>A SLR benefit recipient is an individual who received a benefit within a fiscal year. An individual GAO employee who separated may have received SLR benefits in multiple fiscal years under separate service agreements.

<sup>3</sup>5 U.S.C. § 5379.

79 In return for a loan repayment benefit, an employee must sign an agreement to remain in  
80 the service of the agency for at least 3 years. If the employee separates voluntarily, or is  
81 separated involuntarily for misconduct, unacceptable performance, or a negative suitability  
82 determination before fulfilling the service agreement, the employee must reimburse the  
83 agency the amount of any benefits received pursuant to the service agreement. If an  
84 employee fails to reimburse the agency for the amount owed, a sum equal to the amount  
85 outstanding is recoverable from the employee using a variety of means, including offsets  
86 and collection actions, as necessary.<sup>4</sup> An authorized agency official may waive all or part of  
87 an employee's debt if the official determines that recovery would be against "equity and  
88 good conscience or against the public interest."<sup>5</sup>

### 89 GAO's Student Loan Repayment Program and Debt Collection Policy and Procedures

90 GAO Order 2537.1, *GAO Student Loan Repayment Program*, establishes GAO's SLR  
91 program policy and procedures and requires that before any loan repayments are made, an  
92 employee must sign a written agreement to complete a minimum service period of 3 years  
93 with GAO. For example, if an employee received a repayment in fiscal year 2015, the  
94 service agreement would be completed at the end of fiscal year 2018. For each consecutive  
95 year that an employee applies to the program and is approved to receive a repayment  
96 benefit, the agreement will extend the total length of the service period by one additional  
97 year. As a result, an employee could have overlapping service periods in effect. Unless  
98 involuntarily separated (e.g., reduction-in-force) for reasons other than performance,  
99 misconduct, or a negative suitability determination, the employee will be indebted to the  
100 federal government if the entire service period agreed to is not completed.

101 GAO Order 2300.3, *Exit Clearance Procedures For Personnel Separating From GAO*,  
102 establishes procedures for personnel who are separating from employment with GAO.  
103 According to the exit clearance order, separating employees are required to complete the  
104 exit clearance process to ensure that all GAO property, official records, and GAO-assigned  
105 equipment in their possession are returned or accounted for. In addition, employees are  
106 required to complete the clearance process to ensure that indebtedness to either the  
107 government or the employee is identified and resolved.

108 Separating employees are required to obtain clearance from various "designated units"  
109 reporting to the Chief Administrative Officer/Chief Financial Officer (CAO/CFO), including  
110 HCO. This is accomplished through GAO Form 645, *Separation Checklist*. The checklist  
111 also prompts separating employees to repay or arrange to repay all debts owed to GAO,  
112 including SLR debt. The checklist must be completed before HCO processes final  
113 paychecks and lump sum annual leave payments, if any. GAO's exit clearance policy and  
114 procedures are intended to provide management with information necessary to identify and  
115 resolve any indebtedness prior to an employee's separation. See appendix II for a copy of  
116 the checklist in effect at the time of our audit.

117 HCO human capital consultants, i.e., HCO staff assigned to the separating employee's  
118 respective team or unit, are required to promptly notify clearance coordinators within  
119 designated units that an employee is separating: providing, among other things, the name of

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<sup>4</sup>31 U.S.C. § 3711(g)(9)(A) – (H).

<sup>5</sup>5 U.S.C. § 5379(c)(3)(B) and 5 C.F.R. § 537.109(e). Federal regulations codify the criteria that agencies must apply in making determinations to compromise a debt. 31 C.F.R. § 902.2.

120 the employee; effective date of separation; and reason for separating (i.e., resignation,  
121 transfer to another agency, or retirement). As the designated clearance coordinator for  
122 student loan repayment debts, HCO is required to notify a separating employee of any  
123 indebtedness prior to separation from GAO. If HCO is unable to resolve a student loan  
124 repayment debt with the employee, HCO staff will work with the NFC to initiate and carry out  
125 administrative offset procedures or other actions, as needed, to resolve the debt.

126 GAO Order 0254.1, *Debt Collection*, establishes policies and procedures for GAO to use in  
127 collecting debts owed to GAO. According to the order, authority to conduct debt collection  
128 activities is delegated to the Chief Human Capital Officer (CHCO) or the CAO, or their  
129 designee. Activities include, among other things, initiating and carrying out the debt  
130 collection process on behalf of GAO; using administrative offset procedures, including salary  
131 offset<sup>6</sup> to collect debts; and taking any other action necessary to promptly and effectively  
132 collect debts owed to the United States.

133 Through a service-level agreement with GAO, NFC performs certain payroll processing and  
134 debt management services. For example, the service-level agreement states that NFC  
135 receives and processes manual transactions initiated by GAO, monitors and collects  
136 receivables related to current and former employee indebtedness, creates notices to current  
137 and former employees for debts owed to the federal government, and collects delinquent  
138 receivables.<sup>7</sup> In addition, NFC maintains an automated database management system that  
139 provides a method of billing and collection of outstanding debts from employees having  
140 outstanding debts with GAO.

#### 141 **GAO Lacked Effective Controls over Student Loan Repayment Debt Collection**

142 GAO did not ensure that it collects SLR benefits paid on behalf of employees with unfulfilled  
143 service agreements. Specifically, GAO did not have an effective process to identify  
144 separating SLR benefit recipients with unfulfilled service agreements. While GAO relied on  
145 exit clearance policies and procedures, they were ineffective in identifying SLR benefit  
146 recipients with unfulfilled SLR program service agreements and in resolving outstanding  
147 SLR debt prior to separation. When SLR debts were identified, GAO did not have written  
148 procedures for initiating and carrying out the establishment and collection of SLR debts  
149 owed the agency. Because of weaknesses in each of these areas, unpaid SLR debts  
150 estimated at \$874,000 were not identified or collected at the time of our review. For others  
151 that were collected, some were collected for incorrect amounts.

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<sup>6</sup>The administrative offset remedy allows the Government to offset certain Federal payments to satisfy delinquent nontax debt owed to the United States. The administrative offset remedy is not limited to current federal employees. When the administrative offset remedy is insufficient to satisfy a delinquent debt, the Government has another debt collection remedy available. Salary offset deductions are made at one or more officially established pay intervals from the current pay account of an employee without his or her consent. Current employees of the federal government with delinquent nontax debts may be subject to salary offset, which is a subset of the administrative offset remedy.

<sup>7</sup>United States Department of Agriculture National Finance Center *Fiscal Year 2015 Service Level Agreement Payroll/Personnel System*.

152 Essential Information to Identify SLR Benefit Recipient Debt Was Not Maintained and  
153 Clearance Procedures Were Generally Ineffective

154 Relevant Information on Separating SLR Benefit Recipients Was Not Maintained

155 The first step in collecting SLR debts is determining whether separating SLR benefit  
156 recipients completed their service agreements. GAO had generally reliable information on  
157 each separated SLR benefit recipient, such as the benefit recipient's name, amount of loan  
158 repayment benefits received under the service agreement, separation effective date, and  
159 reason for separation (e.g., resignation or transfer to another federal agency). However,  
160 GAO did not have other relevant information on each separating SLR benefit recipient,  
161 including whether the benefit recipient completed the service agreement and the total  
162 amount of SLR benefits that were subject to reimbursement.

163 We requested information on SLR benefit recipients from fiscal years 2009 through 2014  
164 who did not fulfill their service agreements prior to their separation from GAO. In responding  
165 to our request, the SLR program manager, who is responsible for identifying separating  
166 benefit recipients who are obligated to repay the SLR benefits, told us that HCO did not  
167 maintain comprehensive documentation (electronic or otherwise) because there was no  
168 requirement to do so. Rather the office relies on separation notifications and checklists to  
169 identify benefit recipients whose separation triggers a SLR debt. HCO management relies  
170 on the SLR program manager to ensure compliance with the terms of the service  
171 agreements, and stated that it was the responsibility of the program manager to maintain  
172 information on changes in employees' eligibility for continued benefits (such as separation  
173 from GAO).

174 Standards for internal control provide that information should be recorded and  
175 communicated to management and others within the agency who need it and in a form and  
176 within a time frame that enables them to carry out their internal control and other  
177 responsibilities. For an agency to manage its operations, it must have relevant, reliable, and  
178 timely communications relating to internal events, including both operational and financial  
179 data.<sup>8</sup>

180 We collected relevant information on each separated SLR benefit recipient in our sample  
181 who did not fulfill their student loan repayment service agreement(s). This allowed us to  
182 determine whether the separation triggered a SLR debt, and if so, the SLR amount that  
183 GAO needed to recover from the separated employee. We determined that all 50 SLR  
184 benefit recipients in our sample separated from GAO within one to three years after  
185 receiving SLR benefits.

186 Federal agencies, including GAO, are required to aggressively collect all debts arising out of  
187 activities of, or referred or transferred for collection services to, that agency.<sup>9</sup> Whether to  
188 collect on a debt owed to the U.S. government is not a matter of discretion but is based on  
189 federal appropriations law principles.<sup>10</sup> Our review of a simple random sample of 50 SLR

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<sup>8</sup>GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

<sup>9</sup>31 C.F.R. § 901.1(a).

<sup>10</sup>*United States Department of Treasury Bureau of the Fiscal Service, Treatise on Federal Nontax Debt Collection Law* at Part I:3 (July 2014).

190 benefit recipients found SLR debts that went unidentified and uncollected. Specifically, of  
191 the 50 SLR benefit recipients in our sample, GAO did not identify and take action to collect  
192 unpaid SLR debts owed to the agency by 29 of the benefit recipients.

193 The following case illustrates an unidentified and uncollected SLR debt owed to the agency.

194 A benefit recipient received SLR benefits from GAO totaling \$14,559 (\$5,934 in 2009,  
195 \$5,525 in 2010, and \$3,100 in 2011) in exchange for a service commitment, ending in  
196 September 2014. The benefit recipient left GAO to take a job at another federal agency  
197 in December 2011. HCO was unaware of the benefit recipient's SLR debt. As a result of  
198 our inquiry, HCO took steps to establish the bill for collection.

199 The total debt amount owed by the 29 benefit recipients ranged from \$2,650 to \$15,975.  
200 Once we alerted GAO to this oversight, it took immediate steps to establish bills for these  
201 benefit recipients. We found that about 10 to more than 62 months elapsed between a  
202 benefit recipient's separation date and the date GAO initiated debt collection efforts in  
203 response to our audit.

204 Based on our sample results, OIG estimates that GAO did not take action to collect  
205 outstanding SLR debts for 58 percent of the 161 benefit recipients who did not fulfill their  
206 student loan repayment service agreements prior to their separation from GAO.<sup>11</sup> We  
207 estimate the total dollars uncollected to be \$874,000.<sup>12</sup>

208 Without maintaining essential information on separating benefit recipients, GAO cannot  
209 reasonably assure that it consistently identifies and resolves SLR debts owed the agency.

#### 210 Clearance Procedures Were Ineffective in Identifying and Resolving Student Loan 211 Repayment Debts Prior to Employee Separation

212 Internal control serves as a defense in preventing and detecting, among other things,  
213 noncompliance with provisions of laws and regulations. *Standards for Internal Control in the*  
214 *Federal Government* require that internal control be designed to provide reasonable  
215 assurance of compliance with laws and regulations.<sup>13</sup> The internal control standards also  
216 note that management is responsible for developing detailed policies, procedures, and  
217 practices to fit agency operations and to ensure they are built into, and an integral part of,  
218 operations.

#### 219 Separation Notifications Were Not Received or Maintained

220 GAO Order 2300.3, *Exit Clearance Procedures For Personnel Separating From GAO*,  
221 prescribes responsibilities and procedures for the clearance of all outstanding property and  
222 financial indebtedness to GAO prior to an employee's separation or retirement from GAO.  
223 The order requires human capital consultants assigned to the separating employee's  
224 respective team or unit to promptly notify designated clearance coordinators that the

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<sup>11</sup>The associated 95 percent confidence interval for the 58 percent is between 46.53 and 69.47. Because we selected a simple random sample of separated SLR benefit recipients for review who failed to fulfill their student loan repayment service agreement(s), the results from our analysis can be generalized to all 161 separated SLR benefit recipients.

<sup>12</sup>The associated 95 percent confidence interval for the cost estimate is between \$700,910, and \$1,046,470.

<sup>13</sup>GAO/AIMD-00-21.3.1.

225 employee is separating. In turn, designated clearance coordinators are required to  
226 determine whether the employee has any indebtedness and take appropriate steps to  
227 collect owed debts.

228 We requested all notifications to the HCO's-designated clearance coordinator for the student  
229 loan repayment program (i.e., the program manager) for the 50 SLR benefit recipients in our  
230 sample. The program manager noted that she either did not receive or generally did not  
231 maintain such documentation. While GAO's exit clearance order requires human capital  
232 consultants to notify designated clearance coordinators that an employee is separating,  
233 HCO's Director, Human Capital Consulting Center<sup>14</sup> stated that this responsibility was  
234 reassigned in early 2012 from the consultants to the Director of HCO's Strategy, Policy, and  
235 Internal Operations Center.<sup>15</sup> However, the exit clearance order in effect at the time of our  
236 audit was not updated, reissued, or superseded to document any reassignment of the  
237 responsibility. Consequently, it is unclear where responsibility lies for the notification of  
238 separations.

239 The following case illustrates the outcome of the SLR debt collection process when the  
240 HCO-designated clearance coordinator did not receive a formal notification that an SLR  
241 benefit recipient was separating from GAO.

242 A benefit recipient was approved for SLR benefits from GAO totaling \$17,459 (\$8,934 in  
243 2009 and \$8,525 in 2010). In return for loan repayment benefits, the benefit recipient  
244 signed two service agreements, one in 2009 and the other in 2010. The benefit recipient  
245 resigned from GAO in 2011, prior to fulfilling the service period required under either  
246 agreement. Although HCO initially took action to bill the separating benefit recipient, the  
247 HCO staff person responsible for the action told us that the benefit recipient had  
248 expressed an intention to stay with GAO. As a result, when no separation notification  
249 was received, the responsible HCO staff person assumed the benefit recipient remained  
250 with GAO and erroneously cancelled the established SLR debt four weeks after the  
251 benefit recipient resigned.

252 **Separation Checklists Were Completed by Most Indebted SLR Benefit Recipients,**  
253 **but Debts Went Unidentified**

254 In addition to separation notifications, the exit clearance order requires separating  
255 employees to obtain clearance from various designated CAO units, including HCO, using  
256 GAO Form 645, the *Separation Checklist*. GAO used the "Required Items" section of the  
257 checklist to document that separating employees have returned GAO property assigned to  
258 them. Separating employees must obtain signatures of responsible officials (e.g., Facilities  
259 and Property Management, Office of Security, and Records Management) on the checklist  
260 verifying that all GAO-issued property was turned over to GAO before employment  
261 separation. The "Actions That Should Be Completed" section of the checklist addresses  
262 indebtedness, among other things. This section does not require signatures of responsible  
263 officials, but instructs employees, before exiting, to repay or arrange to repay all  
264 indebtedness owed to GAO, if any, for such things as SLR debts. (See appendix II for a

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<sup>14</sup>The Human Capital Consulting Center handles most team/office-specific personnel actions processing, classification issues, and recruiting issues.

<sup>15</sup>The Strategy, Policy, and Internal Operations Center directly supports the executive leadership of HCO and is responsible for the internal administrative functions of HCO.

265 copy of the form). According to the exit clearance order, HCO is required to retain the  
266 completed checklist.

267 We found completed separation forms were not always effective in ensuring that indebted  
268 SLR benefit recipients were identified and their debts resolved prior to separation.  
269 Specifically, we found that separation checklists were completed by 17 of 24 individual  
270 employees but their SLR debts went unidentified. As a result, this control did not assure  
271 SLR debts were identified and resolved.

272 Without effective exit procedures, GAO has neither a complete picture of the SLR benefit  
273 recipients leaving the agency, nor an accurate idea of the SLR amounts owed.

274 Clearly Defined Responsibilities and Comprehensive Procedures for Initiating and Carrying  
275 Out the SLR Debt Collection Process Have Not Been Developed

276 SLR Debt Collection Roles and Responsibilities are Not Clearly Defined

277 GAO's debt collection policy<sup>16</sup> assigns high-level roles and responsibilities for debt collection,  
278 but has left important details unclear. GAO's debt collection policy delegates authority to the  
279 CHCO or the CAO, as applicable, or their designee, including activities to initiate and carry  
280 out the debt collection process on behalf of GAO, using administrative offset procedures and  
281 any other action necessary to promptly and effectively collect debts owed. In addition,  
282 GAO's exit clearance procedures give individuals within both CAO and HCO units  
283 responsibility for ensuring that salary offset is taken if a CAO unit is unable to resolve an  
284 indebtedness issue directly with an employee prior to separation from GAO.

285 With these debt collection responsibilities shared between CAO and HCO units, it is unclear  
286 which GAO unit(s) is responsible and accountable for initiating bills for SLR debts and  
287 monitoring their collection. According to GAO officials responsible for GAO's accounting and  
288 financial management functions, HCO is responsible for managing the agency's SLR debts,  
289 from their establishment to collection. However, HCO officials responsible for administering  
290 GAO's SLR program stated that financial management staff are responsible for monitoring  
291 established SLR debts and tracking collections until the debts are resolved. Without clearly  
292 defined and assigned roles and responsibility for SLR debt collection and monitoring  
293 activities, GAO is hindered in its efforts to ensure that SLR debts are collected.

294 Procedures for Initiating and Carrying Out the SLR Debt Collection Process Have Not Yet  
295 Been Developed

296 Internal control activities include documented policies, procedures, and other mechanisms  
297 that help ensure that management directives, such as a requirement to identify and collect  
298 SLR debts from separating SLR benefit recipients who fail to complete their service  
299 agreements, are carried out. As discussed, GAO's debt collection policy authorizes the  
300 CHCO or the CAO to conduct certain debt collection activities on behalf of the agency.  
301 However, GAO has not yet developed procedures or guidance to govern how the agency is  
302 to initiate and carry out its collection process for SLR debts beyond the general guidance  
303 provided in the debt collection policy. In addition, no procedural guidance exists as to how

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<sup>16</sup>GAO Order 0254.1, *Debt Collection* (October 2, 2014). This order superseded GAO Order 0254.1, *Debt Collection*, dated September 22, 2006, to reflect agency restructuring, and corrected minor typographical errors throughout the order.



304 established SLR debts should be monitored throughout the collection process to ensure  
305 proper and timely repayment. Without such guidance or procedures, GAO lacks assurances  
306 that the agency collects all SLR debts owed to it.

307 Our review of the remaining 21 of 50 SLR benefit recipients sampled found that GAO  
308 identified and took actions to collect on SLR debts owed to the agency, totaling about  
309 \$193,000. However, we found that the total amount of SLR debt owed by some of the SLR  
310 benefit recipients was not collected for correct amounts.

### 311 Some SLR Debts Were Established but Not Collected for Correct Amounts

312 During our audit, GAO officials underwent efforts to substantiate that SLR debts for the  
313 remaining 21 benefit recipients in our sample were collected. Generally GAO was unable to  
314 produce sufficient evidence from GAO's financial management system to support that it was  
315 reimbursed or recovered all debts owed to the agency.

316 Because GAO could not produce sufficient evidence about the SLR debt collection status for  
317 each of the 21 benefit recipients in our sample, we requested the collection status  
318 information from NFC. NFC provided debtor-account receivable records, collection and  
319 adjustment records, and bill records. Based on our review of these records and through  
320 discussions with NFC officials, we determined the collection status of the 21 benefit  
321 recipients in our sample. Specifically, we found

322 • SLR debts owed by 13 benefit recipients were collected for the total amount owed. For  
323 example, a SLR benefit recipient received student loan repayment benefits totaling  
324 \$9,034 (\$5,934 in 2009 and \$3,100 in 2011), but resigned from GAO in March 2012.  
325 Information we obtained from NFC showed the SLR benefit recipient repaid the full  
326 amount (\$9,034) of the loan repayment benefits provided, as of January 2015.

327 • SLR debt owed by 1 benefit recipient was established for more than the amount owed.  
328 Specifically, a SLR benefit recipient was approved for student loan repayment benefits  
329 totaling \$16,984 (\$5,525 in 2008, \$5,934 in 2009, and \$5,525 in 2010). The benefit  
330 recipient resigned from GAO in July 2011 prior to completing the 3-year service  
331 agreements. In August 2011, the benefit recipient's SLR debt was incorrectly  
332 established. Information we obtained from NFC showed the benefit recipient's bill  
333 amount was overstated. In October 2015, NFC reversed the debt established in 2011,  
334 resulting in a refund of more than \$3,800 to the separated SLR benefit recipient.

335 • SLR debts owed by 4 benefit recipients were established for less than the amount owed.  
336 For example, a SLR benefit recipient was approved for student loan repayment benefits  
337 totaling \$10,418 (\$4,893 in 2009 and \$5,525 in 2010). The benefit recipient resigned  
338 from GAO in June 2012 prior to completing the 3-year service agreements. Information  
339 we obtained from NFC in December 2015 showed the debt was incorrectly established  
340 and the benefit recipient's bill was understated by \$3,193. In January 2016, a bill was  
341 established for the understatement.  
342

- 343 • SLR debt owed by 1 benefit recipient was being collected through the Treasury Offset  
344 Program.<sup>17</sup> In June 2015, a GAO financial management staff person told us that the debt  
345 was collected in full. However, in August 2015, an NFC official responsible for debt  
346 management services confirmed that payments were being collected through the  
347 Treasury Offset Program.
- 348 • SLR debts owed by 2 benefit recipients were being paid in installments. The SLR benefit  
349 recipient transferred to another federal agency in May 2012. The SLR manager was  
350 unaware of the installment payments before our inquiry.

351 *Standards for Internal Control in the Federal Government* require transactions to be  
352 promptly recorded to maintain their relevance and value to management in controlling  
353 operations and making decisions. This applies to the entire process or life cycle of a  
354 transaction or event from its initiation and authorization through its final classification in  
355 summary records. In addition, management should design control activities so that all  
356 transactions are completely and accurately recorded.

357 Without clearly defined responsibilities and comprehensive procedures for initiating and  
358 carrying out the SLR debt collection process, GAO is hindered in its efforts to ensure that  
359 SLR debts are collected.

### 360 **GAO Actions Taken**

361 During our review, GAO completed an internal control review of SLR debt collections.  
362 Overall, GAO found that two standards of internal control (control activities and monitoring)  
363 were not in place. GAO found control activities should be designed to ensure that (1)  
364 transactions are processed accurately; (2) the data is valid and complete; and (3)  
365 appropriate documentation is available. In addition, GAO found that periodic reviews,  
366 reconciliation and/or comparison of data should be included as part of the regular monitoring  
367 and oversight of the indebtedness part of the SLR program. Specifically, GAO  
368 recommended that HCO should

- 369 • complete a thorough review of each employee's SLR program record to confirm  
370 payments and effect billings for any balances;
- 371 • develop a tool or report to monitor the status of SLR program indebtedness;
- 372 • develop, finalize, and implement SLR program debt establishment and collection  
373 standard operating procedures, which would include monitoring and oversight; and
- 374 • develop, in collaboration with the financial management office, a monthly or quarterly  
375 reconciliation of SLR program debt owed and paid, and report to the CAO/CFO and  
376 the Controller on a quarterly basis.

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<sup>17</sup>Fiscal Service, a bureau of the U.S. Department of the Treasury, serves as the government's central debt collection agency, maintaining the government's delinquent debts. One of the ways used by Fiscal Service to collect delinquent debt is the Treasury Offset Program or TOP. Under TOP, Fiscal Service matches a database of delinquent debtors against payments issued by Treasury. With a match, recipients of federal payments who also owe delinquent debts have their payment withheld or reduced to satisfy the debt.

377 If effectively implemented, OIG believes the recommended control activities will help ensure  
378 that GAO has effective controls over SLR debt collection. However, we believe additional  
379 actions are needed to improve controls over SLR debt collections.

## 380 **Conclusion**

381 Through its SLR program, GAO provides millions of dollars in student loan repayment  
382 benefits to its employees in exchange for a 3-year service agreement. Given the high cost of  
383 the SLR program, effective controls are essential to ensure that GAO collects SLR program  
384 debt owed by benefit recipients with unfulfilled service agreements. GAO needs relevant,  
385 reliable, and timely information on whether separating SLR benefit recipients have  
386 completed their service agreements to ensure that the agency consistently identifies and  
387 promptly takes action to collect on SLR debts owed to the agency. GAO lacks effective exit  
388 clearance procedures to help ensure that the agency has a complete picture of the benefit  
389 recipients leaving the agency who have not fulfilled their SLR agreement. Although GAO  
390 has general procedures for initiating and carrying out the debt collection process, it has not  
391 yet clearly defined roles and responsibilities or developed or implemented comprehensive  
392 procedures to help ensure SLR debts are established for and reimbursed for correct  
393 amounts.

## 394 **Recommendations for Executive Action**

395 To improve controls over SLR debt collections, we recommend that the Comptroller General  
396 direct the Chief Human Capital Officer, in collaboration with the Controller, to take the  
397 following four actions:

- 398 1. Establish a method to maintain relevant, reliable, and timely information relating to (a)  
399 whether separating SLR benefit recipients completed all current service agreements and  
400 (b) determining the total amount of SLR debts subject to repayment by benefit recipients.
- 401 2. Update and reissue the existing exit clearance policy to clearly document responsibility  
402 for notification to the SLR program designated clearance coordinator of separating  
403 employees.
- 404 3. Clearly establish and document roles and responsibilities for initiating bills to collect SLR  
405 debts and monitoring their collection.
- 406 4. Establish, document, and implement SLR debt collection procedures to address how to  
407 (a) initiate and carry out the SLR debt collection process and (b) accurately establish  
408 SLR debts and effectively monitor the debt collection status.

## 409 **Agency Comments and Our Evaluation**

410 The Inspector General provided GAO with a draft of this report for review and comment. In  
411 its written comments, reprinted in appendix III, GAO agreed with our recommendations and  
412 has taken or initiated efforts to address them.

413 We believe the actions outlined in GAO's response to our report are a good first step toward  
414 improving controls over SLR debt collections, but do not agree with GAO that they are  
415 complete or that they fully address our recommendations.  
416

417 According to GAO, the centralized program file is intended to serve as an internal control to  
418 maintain relevant, reliable, and timely information on current service agreements and  
419 monitor SLR debt. As we state in our report, GAO did not maintain essential information to  
420 identify SLR debt. As a result, GAO was unable to provide us with complete and reliable  
421 status information for the program or for those individuals sampled during our audit. GAO's  
422 establishment of the file may help GAO identify and track SLR debtors, and to maintain  
423 relevant information on separating SLR benefit recipients by facilitating supervision of SLR  
424 debt collection activities. However, our review of the file at various intervals, including prior  
425 to and following our exit meeting with GAO, found that the file has not yet matured to the  
426 level to be considered "fully implemented." For example, key data fields in the file were  
427 incomplete, misleading, or contained errors, all of which will require additional effort and  
428 would need to be addressed before the file would be considered fully implemented or the  
429 data contained reliable.

430  
431 Other key actions GAO noted in its response were the updates and enhancements GAO  
432 has made to the SLR program Standard Operating Procedures (SOP). Our review of the  
433 SOP found that similar to the centralized program file, the SOP does not fully reflect  
434 comprehensive debt collection activities intended to promote consistency and quality  
435 assurance in how the agency initiates and carries out its collection process for SLR debts.  
436 For example, the procedures do not describe detailed steps regarding how established SLR  
437 debts should be initiated and monitored throughout the collection process to ensure proper  
438 and timely repayment. Additionally, the SOP does not describe steps for quality control,  
439 policies applicable to this procedure, or what will happen if procedures are not followed. As  
440 a result, GAO staff may not have a clear understanding of who, what, when, where, and why  
441 specific actions and tasks are performed regarding SLR debt. Given the lack of clarity  
442 among GAO staff regarding their roles and responsibilities in support of SLR debt collection  
443 that we noted during our audit, we believe further clarifications are needed by GAO.  
444

445 **Appendix I: Objective, Scope, and Methodology**

446 This report addresses the extent to which GAO identifies and collects student loan  
447 repayment debts from former employees who do not fulfill their 3-year service agreements.  
448 To accomplish our objective, we identified and reviewed applicable laws, regulations, and  
449 GAO policies, procedures, and guidance related to (1) identifying student loan repayment  
450 (SLR) debts and (2) initiating and carrying out the student loan repayment debt collection  
451 process. We interviewed Human Capital Office (HCO) managers and staff who administer  
452 GAO's SLR program and others who provided support services (e.g., Chief Human Capital  
453 Officer, SLR Program Manager, and financial management staff) to obtain a better  
454 understanding of their roles and responsibilities regarding SLR debt management.

455 We obtained and analyzed separation data provided by GAO's Chief Administrative Office  
456 for all SLR benefit recipients<sup>18</sup> who received student loan repayment benefits from fiscal  
457 years 2009 through 2014, and separated from GAO.<sup>19</sup> This separation data file included

- 458 • the names of separated SLR benefit recipients,
- 459 • separation effective dates,
- 460 • reasons for separation,
- 461 • years loan repayment benefit payments were received, and
- 462 • annual and total SLR benefit amounts received.

463 Based on our analysis of the separation data, we identified 213 SLR benefit recipients who  
464 received SLR benefits from fiscal years 2009 through 2014, and separated from GAO. From  
465 the 213 recipients, we identified 161 SLR benefit recipients, whose separation from GAO  
466 occurred within one to three years after receiving SLR benefits, potentially triggering a SLR  
467 debt owed to GAO. All 161 SLR benefit recipients were included in our sampling population.  
468 We then selected a simple random sample of 50 (of the 161) separated SLR benefit  
469 recipients to assess GAO's controls over SLR debt. We calculated the sample size of 50  
470 separated SLR benefit recipients assuming a hypergeometric probability distribution<sup>20</sup> for a  
471 proportion estimate, a tolerable error rate of 5 percent, and a 95 percent confidence level. In  
472 some cases, the same SLR benefit recipient received benefits in multiple fiscal years. These  
473 individuals were considered (by the program and for sampling purposes) to be separate  
474 recipients each year that they received benefits. So, in our sample of 50 recipients from a 5-  
475 year period, there were 43 discrete individuals who received SLR benefits.

476 Because HCO did not maintain comprehensive information for each of the 50 separated  
477 SLR benefit recipients, we collected relevant information on each separated benefit recipient

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<sup>18</sup>A SLR benefit recipient is an individual who received a benefit within a fiscal year. An individual GAO employee who separated may have received SLR benefits in multiple fiscal years under separate service agreements.

<sup>19</sup>The separation data file excluded employees who separated from GAO because of death or retirement.

<sup>20</sup>In probability theory and statistics, the hypergeometric distribution is a discrete probability distribution that describes the probability of successes in draws, without replacement, from a finite population, wherein each draw is either a success or a failure. The hypergeometric distribution is used to calculate probabilities when sampling without replacement and is commonly used with simple random samples drawn from small populations. The hypergeometric distribution is methodologically appropriate for use with the statistical sample of student loan payments and student loan separations, both in estimating the required sample size and calculating the sampling error associated with the estimates after the data have been collected.

478 to determine whether the separation triggered a SLR debt, and if so, the total SLR amount  
479 that GAO needed to recover from the employee. For each separated benefit recipient in our  
480 sample, we obtained and analyzed the following hardcopy documents:

- 481 • signed SLR service agreements to determine the required 3-year service agreement  
482 period, corresponding service completion dates, and the extent to which the employee  
483 completed the service agreements;
- 484 • personnel separation actions to determine whether the employee separated voluntarily,  
485 or separated involuntarily for misconduct, unacceptable performance, or a negative  
486 suitability determination; and
- 487 • NFC Special Payroll Processing System Reports for fiscal years 2009 through 2014 to  
488 determine the total amount of SLR benefits paid on behalf of the employees.

489 We determined that all 50 separated benefit recipients did not fulfill their SLR service  
490 agreements and were required to reimburse GAO for all SLR benefits received. We  
491 determined the payment status of each debt.<sup>21</sup>

492 We used GAO's *Standards for Internal Control in the Federal Government*, GAO's student  
493 loan repayment policy and procedures, exit clearance procedures, and debt collection policy  
494 and procedures, and federal laws and regulations governing the SLR program and debt  
495 collection to assess GAO's controls over SLR debt collections. In addition, we obtained and  
496 analyzed NFC Special Payroll Processing System and Administrative Billings and  
497 Collections Inquiry System information for all SLR debts that GAO identified and took action  
498 to collect. GAO uses the Special Payroll Processing System to process and request manual  
499 payments and adjustments, such as SLR. The Administrative Billings and Collections  
500 System provides an automatic method for billing and collecting debts from federal  
501 employees having outstanding debts with the government. The system records all  
502 collections through an automated system until the debt is satisfied.

503 To assess the completeness of the attrition data, we interviewed the CAO staff responsible  
504 for maintaining and updating the GAO separation file and obtained documentation about the  
505 steps taken by CAO to ensure the quality of the attrition data. We performed electronic  
506 testing of select attrition data elements to check for: missing data—either missing records or  
507 missing values in key data elements; duplicate records; invalid or duplicate unique  
508 identifiers; dates outside of valid time periods; values in key data elements outside a  
509 designated range; and total dollar value of benefits credited to employees at the time of a  
510 loan payment to the holders of the student loans, before deducting any employee tax  
511 withholdings. To assess the accuracy of reasons for separation, separation dates, and total  
512 amounts of the employees' SLR obligations as a result of separations, we traced the related  
513 information for the 50 SLR benefit recipients in our sample to related source documents.  
514 The results of the accuracy testing found no transactions with accuracy errors, therefore, we  
515 are able to conclude at the 95 percent confidence level that no more than 5 percent of the  
516 SLR benefit recipients in the sample frame contain accuracy errors. We determined that  
517 data was sufficiently reliable for the purposes of this report.

518 We conducted this performance audit from January 2015 to March 2016 in accordance with  
519 generally accepted government auditing standards. Those standards require that we plan

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<sup>21</sup>Four of our sample of 50 benefit recipients also received SLR benefits in fiscal year 2008. The total amount of SLR benefits paid on their behalf includes their fiscal year 2008 SLR benefits.

520 and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable  
521 basis for our findings and conclusions based on our audit objective. We believe that the  
522 evidence obtained provides a reasonable basis for our findings and conclusions based on  
523 our audit objective.

524

United States Government Accountability Office



# Separation Checklist

1. Name	2. Team/Unit
3. Include reason for separation: (i.e., retirement, resignation, or transfer to another federal agency)	
4. Date	

**Exiting Employees and Contract Staff** should complete the applicable following tasks prior to separating from GAO. To complete exiting requirements, headquarters employees and contract staff should work with the Records and Privacy unit and report to the Office of Security and the office of Facilities/Property Management. Field office employees and contract staff should report to their exit liaison (usually the Administrative Officer). You can also refer to the related order, [Exit Clearance Procedures for Personnel Separating 2300.3](#). See page 2 for additional information. List missing items in the comment box.

REQUIRED ITEMS (Signature required)	Team Designee or Administrative Officer
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**2 WEEKS PRIOR TO EXITING**

**1. RECORDS MANAGEMENT** A member of Records and Privacy unit should contact you to set up a time to discuss your records management responsibilities. [Records@gao.gov](mailto:Records@gao.gov) (Please see note under "DM/ERMS Files, Electronic Records, and Physical Records" on page 2 of this form).

**2. EXIT QUESTIONNAIRE** All exiting GAO employees are requested to complete an [Exit Questionnaire](#). If you have any questions please send an E-mail to [Exitclearance@gao.gov](mailto:Exitclearance@gao.gov).

**DAY OF EXITING**

**3. SECURITY** If in headquarters, you should report to Office of Security, room 1137, between the hours of 8 a.m. and 4:30 p.m. If you are in a Field Office, please report to your exit liaison (usually the Administrative Officer). Please bring any of the following that you have to turn in: [Office of Security](#)

GAO Badge and other credentials   
  Government Issued badges   
  Parking passes  
 [Security clearance statement](#)   
  Proximity cards

**4. PROPERTY** If in headquarters, you should return the following GAO property to Facilities and Property Management, **room 1818, between 8:00 am and 4:00 p.m.** If in a field office, please turn in these items to your exit liaison (usually the Administrative Officer)

<b>Action Items for Facilities and Property Management or Field Office Administrative Officer (FPM). A receipt will be provided to the employee for all accountable items received. (Signature required)</b>	<b>FPM Designee or Administrative Officer</b>
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- return counseling, career development, and training materials borrowed from HCO's Counseling Services;
- return all library reference books and publications borrowed from GAO's Library, or from the relevant team or unit library;
- turn in GovTrip Receipt Checklist for your document(s) and all applicable receipts;
- complete GAO Form [581W](#) to withdraw from GAO's transit benefits program;
- other items

- Return purchase card (if one has been issued)   
  Return travel card (if one has been issued)  
 Return any GAO issued accountable property such as a calling card   
  Office key  
 Return BlackBerry, # \_\_\_\_\_   
  Return Cell phone, # \_\_\_\_\_  
 Return Laptop, # \_\_\_\_\_; case and accessories   
  SecurID token  
 Return special loaner computer, # \_\_\_\_\_, equipment or software

Computer towers, security cable and keys should remain at the workstation location with remainder of computer equipment



Employees and contract staff should address the applicable following actions prior to exiting GAO. Once you have completed all items, you must hand in this checklist to Facilities and Property Management in Room 1818. Field office employees and contract staff should completed this actions and must return the form to their exit liaison (usually the Administrative Officer).

**ACTIONS THAT SHOULD BE COMPLETED (EMPLOYEES AND CONTRACTORS, if applicable)**

**1. INDEBTEDNESS.** Before exiting, repay or arrange to repay all indebtedness owed to GAO, if any, for travel advances, health benefits, advance leave, recruitment bonuses, student loan repayment benefits, relocation expenses, training costs incurred prior to completion of agreements, overpaid GovTrip documents, and unearned transit benefits. All actions must be completed satisfactorily and documented via the Separation Checklist (Form 645) before GAO releases the employees' final paycheck and lump sum annual leave payment, if any. Contract staff must also document relevant sections of the Form 645 have been completed or payment of invoices may be delayed.

**2. FINANCIAL DISCLOSURE.** If, as a GAO employee, you have previously filed a Senate Public Financial Disclosure Report, federal law requires that you also file a Termination Report at the time of separation or within 30 days thereafter. If completed on the date of separation, you may deliver the Report to the financial disclosure box in the General Counsel's suite, Room 7165. If completed after the date of separation, please deliver it to the Secretary of the Senate at the address on the Report. In either case, you must provide a copy of your Termination Report to our team or unit and your Termination Report cannot be dated before the date of your separation.

**3. DM/ERMS FILES, ELECTRONIC RECORDS, and PHYSICAL RECORDS.** Turn in all GAO official records, including classified documents; give full access rights to all electronically stored documents, including completed work and work in process; and give any passwords for documents, datasets, databases, and peripheral devices to your manager. If you have a shred bin, email [RECORDS@GAO.GOV](mailto:RECORDS@GAO.GOV) to have the shred bin retrieved.

**4. REFERENCE MATERIALS.** If GAO purchased library or team items for you which are stored in your office (per the library's online catalog), either return the item(s) to your team's librarian or pass it (them) to another staff member. When the departing staffer passes these materials on to other staffer(s), notify your team librarian and provide the name of the new holder, their office number, and telephone number.

**RECOMMENDED ACTIONS (EMPLOYEES AND CONTRACTORS, if applicable)**

**1. FORWARDING INFORMATION.** Update contact information is recorded in My Locator. To access select Start > Web Applications > My Locator.

**2. BENEFITS.** Visit the benefits section under Human Capital Topics on the Human Capital Website by going to the [Managing Your Benefits](#) website.

**3. MAILBOX.** Remove the contents from your mailbox and inform your Shared Services Center so the mailbox can be removed. Send a "change of mailing address" or removal notice to each mailing list from which you currently receive mail. (HQ only)

**4. VOICE and EMAIL ACCOUNTS** Change voice and E-mail messages to reflect that you are separating from GAO. The voice mailbox will remain active for three (3) working days.

This form documents that GAO has received the equipment listed above

I have received my separation package from HCO

I have completed all required actions.

Signature: \_\_\_\_\_ Date of Separation: \_\_\_\_\_

Comments:

527  
528  
529

Note: GAO Separation Checklist in effect at the time of our audit.



## Memorandum

**Date:** February 26, 2016  
**To:** Inspector General – Adam Trzeciak  
**From:** Chief Human Capital Officer – William White *William White*  
**Subject:** Draft Report on GAO's Student Loan Repayment Program (OIG-16-1)

Thank you for the opportunity to review and comment on your draft report on GAO's Student Loan Repayment (SLR) program. The SLR program is an important and effective retention tool in ensuring the agency has the expertise and talent required to fulfill its mission. From 2009 to 2014, GAO determined that attrition rates for SLR program recipients are consistently lower than for non-recipients. In fact, the five year cumulative attrition rates (excluding retirements/deaths) were over 4 percent lower for these student loan repayment program recipients than for non-recipients.

In those instances when a GAO SLR program recipient leaves the agency prior to fulfilling the terms of his/her service agreement, we are committed to collecting the full amount of debt owed to the agency in an accurate and timely manner. We recognize that some inconsistencies in our exit clearance process resulted in a less than full accounting for debt owed to GAO.

As a result, our Human Capital and Financial Management Offices worked together to identify the entire universe of former staff who separated from GAO and owed a debt to the agency because they had not completely satisfied the terms of their three-year service agreements. We have already initiated billing collection actions to recover \$639,934 from all 89 individuals for fiscal years 2009 through 2014.

Moreover, from fiscal year 2015 to present, we are current with identifying SLR program recipients who did not fulfill the three-year service agreement prior to separation and subsequently establishing bills and/or collecting payments in a timely manner in accordance with GAO's debt collection procedures.

We generally agree with the issues identified by OIG and took immediate corrective action to clarify roles and responsibilities for program administration. In addition, we

strengthened our Standard Operating Procedures (SOPs) to ensure effective oversight of GAO's SLR program and have completed corrective actions to appropriately address each of OIG's recommendations including:

- Establishing and maintaining a centralized SLR program file in the agency's Document Management system. This file includes all separated SLR program recipients who did not complete their three-year service agreements prior to separation. Comprehensive information on bill request amounts, bill request dates, and National Finance Center bill amounts/dates/bill numbers are recorded for these individuals and is accessible by both GAO's Human Capital Office and Financial Management and Business Operations, which meet on a monthly basis to track and monitor SLR program debt. The centralized file serves as an internal control to maintain relevant, reliable, and timely information on current service agreements and monitor SLR program debts subject to repayment by separated benefit recipients.
- Updating the SLR program SOP to clearly define roles and responsibilities associated with monitoring exit notices and initiating indebtedness processes. Multiple checkpoints have been built into the process to ensure exit notices are sent and reviewed timely relative to any potential indebtedness obligations. These checkpoints provide for sound internal control over the SLR program and will be further reinforced when the Separation Checklist (GAO Form 645) is updated to require separating employees to obtain indebtedness clearance/approval from the Human Capital Office prior to separating from GAO.
- Updating the SLR program SOP to clearly define roles and responsibilities for all program stakeholders at each stage in the SLR program process. This includes specific instructions and guidance for initiating bills to document, monitor, and collect outstanding SLR program debts.
- Enhancing documentation and SLR program debt collection procedures through the updated SLR program SOP. Specifically, we have identified and documented detailed roles and responsibilities for the SLR program Program Manager and Indebtedness Coordinator to accurately establish and monitor SLR program debt, as well as to serve as quality assurance cross checks for effective and efficient program oversight.

We are confident that the corrective actions taken fully address the recommendations identified by OIG and provide strong internal controls for this critical GAO program that helps the agency retain high-performing employees.

cc: Karl Maschino, Chief Administrative Officer/Chief Financial Officer  
William Anderson, Controller and Deputy Chief Financial Officer  
Paul Johnson, Deputy Chief Administrative Officer  
Renee Caputo, Deputy Human Capital Officer  
Adebiyi Adesina, FMBO  
Evelyn Logue, OIG

535  
536

537 **Appendix IV: Major Contributors to This Report**

538 Key contributors to this report were Sandra Burrell. Legal assistance was provided by  
539 Cynthia Hogue. Technical assistance was provided by Carl Barden, Melanie Papasian  
540 Fallow, Minette Richardson, and Cynthia Taylor.

541

542 **Appendix V: Report Distribution**

543 U.S. Government Accountability Office

544 Gene Dodaro – Comptroller General

545 Patricia Dalton – Chief Operating Officer

546 Karl Maschino – Chief Administrative Officer/Chief Financial Officer

547 Susan Poling – General Counsel

548 William White – Chief Human Capital Officer

549 Daniel Shen – Director, Performance and Compensation Management

550 William Anderson – Controller/ Deputy Chief Financial Officer

551 Peter Rudman – Director, Financial Management

552 Adrienne Walker – Director, Program Analysis and Operations

553 Adebisi Adesina – Special Assistant to the Controller

554 Katherine Siggerud – Managing Director, Congressional Relations

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To report fraud and other serious problems, abuses, and deficiencies relating to GAO programs and operations, do one of the following. (You may do so anonymously.)

- Call toll-free (866) 680-7963 to speak with a hotline specialist, available 24 hours a day, 7 days a week.
- Online at: <https://OIG.alertline.com>.

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