

ONE HUNDRED FIFTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143
(202) 225-5074

February 28, 1997

The Honorable Shirley Jackson
Chairman
Nuclear Regulatory Commission
Washington, DC 20555

Dear Chairman Jackson:

As you may know, the Committee on Government Reform and Oversight was instrumental in passing the Debt Collection Improvement Act of 1996 (DCIA), which was included as Section 31001 of P.L. 104-134, signed into law on April 26, 1996. The authorities in the DCIA are currently being implemented by your agency. The purpose of this letter is to examine compliance with the DCIA and the status of the financial management goals of that law.

This law can help your agency improve its management and collect debts needed to fund both deficit reduction, and other important programs. The purpose of this letter is to determine the status of implementation, and ensure that the tools authorized by the DCIA are working as intended. Passage of the DCIA was a cooperative effort involving numerous Federal agency personnel, including the Chief Financial Officer Council, the President's Council on Integrity and Efficiency, the Federal Credit Policy Working Group, the Office of Management and Budget, and, of course, the Congress. It is important to complete the valuable work done thus far.

To that end, it would be helpful to have both general information regarding the delinquent receivables due to your agency, and more specific information regarding implementation of the DCIA. The concerns of the committee fall into two categories of concerns: priority concerns which must be met as quickly as possible, and second-tier concerns, which need attention, but will not have the same impact as the first-tier concerns. These secondary concerns are listed in Attachment A. The following issues are first-tier concerns:

1. Section 31001(m) requires that the head of an agency refer to the Secretary of the Treasury debts delinquent for more than 180 days, unless the debt falls under certain exemptions delineated in the law. Please describe your agency's implementation of this requirement, the extent of your compliance, and timetable for achieving the statutory requirement. Has your agency mailed a notice of intent to refer delinquent accounts to the Treasury Department for purposes of administrative offset to delinquent debtors? Have notices under the Privacy Act been mailed?
2. Section 31001(d)(2) requires that Federal agencies refer delinquent debts older than 180 days to the Department of the Treasury to conduct a matching program of administrative offset. Please indicate the percentage of the delinquent debts (please refer to the Federal Financial Management Status Report and 5-Year Plan for 1996 for the delinquent debt total) which have been referred by your agency to the Department of the Treasury for administrative offset, and your agency plans and timetable for achieving the statutory requirements.
3. Section 31001(p) authorizes agencies to sell debt which is delinquent for more than 90 days. The goal of this authority is to allow agencies to effectively privatize the servicing of credit accounts, while still obtaining a return for the taxpayer.

The same subsection also requires agencies to sell debts prior to write-off or termination of collection action. Please describe what actions you have taken to implement a program of debt sales pursuant to this subsection, and a timetable for its achievement.

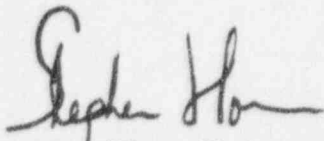
4. Section 31001(m) requires that agencies refer debts to an agency-operated, Treasury-designated debt collection center, a private collection contractor, or to the Department of Justice, unless an exemption is available. Please describe what plans you have developed to ensure that your debts are cross-serviced under this subsection.
5. Section 31001(i) requires that each person doing business with an agency provide a taxpayer identification number (those doing business with an agency include benefit recipients, borrowers, contractors, and other categories). This is essential for performing a program of administrative offset. Please describe your agency's implementation of this requirement, and timetable for achieving the statutory requirements.
6. Section 31001(t) authorized the creation of the Debt Collection Improvement Account for gainsharing with agencies. Please describe whether your agency plans to participate in this gainsharing account. If you plan to participate, please tell us the status of your effort. If you have no plans to participate, please indicate why not.
7. Lastly, has your agency incorporated information about debt collection results into agency performance measurements under the Government Performance and Results

Act? If so, what have you chosen as your performance indicators?

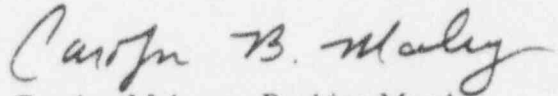
We in Congress want to make the DCIA work to help collect debts owed to the United States. If there is anything that Congress can do to enhance the ability of the Federal Government to improve its management of delinquent receivables, let us know. The committee intends to stay involved with implementation, and follow up with oversight, briefings and hearings, as appropriate. To that end, your input is helpful. The Subcommittee on Government Management, Information, and Technology intends to have a hearing in late April near the one year anniversary of the signing of the DCIA. Your response to this letter will be made a part of that hearing record.

Please reply by March 30, 1997. If you have any questions regarding this letter, please call either of us or Mark Brasher on the staff of the Government Reform and Oversight Committee at 225-5147.

Very truly yours,



Stephen Horn, Chairman
Subcommittee on Government Management,
Information, and Technology



Carolyn Maloney, Ranking Member
Subcommittee on Government Management,
Information, and Technology

cc: Director Franklin Raines, Office of Management and Budget
Deputy Director John Koskinen, Office of Management and Budget
Members of the Chief Financial Officer's Council
Members of the President's Council on Integrity and Efficiency
Members of the Federal Credit Policy Working Group

Attachment A

Additional Issues in Implementation of the Debt Collection Improvement Account

1. Section 31001(h) of the DCIA requires Federal agencies to participate in a computer match at least annually of their delinquent debt records with the employment records of Federal employees. Please describe your preparedness to participate in this match.
2. Section 31001(j) debars delinquent debtors from receiving further Federal financial assistance, but gives authority to agencies to waive this authority. Please list the programs which your agency has exempted, or intends to exempt, from the debarment authority in this section.
3. Section 31001(k) requires agencies to report delinquent debtors to credit reporting agencies. In addition, the scope of reporting was expanded to require reporting of delinquent debt owed by corporations, partnerships, and other "persons" who are not included in the term "individual." Please describe your agency's implementation of this requirement, and timetable for achieving the requirement.
4. Section 31001(m)(2) requires agencies to either complete Form 1099-C (relating to the cancellation of indebtedness) for a debtor, or provide the information needed to prepare such a form to the Secretary of the Treasury. Please indicate whether you plan to prepare these forms yourself, or send the data to the Treasury. Has your agency sent out Forms 1099-C for the 1996 taxable year? If not, why not? Do you have plans to send out Forms 1099-C for the 1997 taxable year?
5. Section 31001(s) requires each Federal agency to amend Federal Civil Monetary Penalties for inflation within 180 days of the enactment of the DCIA. Please describe your agency's compliance with this requirement, or your plans, including a timetable, to update the Civil Monetary Penalties over which your agency has responsibility to adjust under the Act.