

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.

