



DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
HYATTSVILLE, MD 20792

MAY 27 2005

Ms. P. Lynn Scarlett
Department of Interior
CFO
1849 C Street, NW
MS 5412
Washington, DC 20240

Dear Ms. Scarlett:

I am writing to ask your assistance in promoting the critical mission of submitting valid payment information with your organization's certified payment requests, specifically regarding Taxpayer Identification Numbers (TINs), payee names and payment types.

The Financial Management Service (FMS), as the disbursing arm of the Department of the Treasury (Treasury), is responsible for determining that Federal payment vouchers certified to Treasury are in a correct form. This issue will be a subject of review by the Government Accountability Office (GAO) and will also be discussed at a Senate Homeland Security and Governmental Affairs Permanent Subcommittee on Investigations hearing scheduled for June 16, 2005.

Submitting incomplete or invalid payment information on certified payment requests results in a significant loss of funds to the U.S. Government. The Debt Collection Improvement Act (DCIA) of 1996 requires Federal disbursing officials to offset an eligible payment to a payee to satisfy a delinquent non-tax debt owed by the payee to the Government, a process known as offset. The Internal Revenue Code authorizes the IRS to levy federal payments to collect delinquent tax debt.

The offset and levy processes occur when the name and Taxpayer Identification Number (TIN) of a payee match the name and TIN of a delinquent debtor. Without a proper TIN or a valid name, neither offset nor levy can occur.

Taxpayer Identification Numbers (TINs)

As directed by 31 U.S.C. 3325(d) and Treasury instructions for payment certification, FMS requires that Federal payment vouchers for check and ACH payments submitted to Treasury include a valid TIN.

FMS conducts a monthly review of all payment requests certified to us for payment from the Federal Program Agencies (FPAs) to determine compliance rates for the submission of TINs. In some cases, we find FPAs are doing a good job obtaining TINs and inserting them, as required, in the payment requests. In other cases FPAs need to do a better job at obtaining and providing the TINs. Submitting valid TINs on certified payment requests will significantly help to increase the recovery of funds owed to the United States.

Enclosed is a report that shows the compliance rates for agency location codes (ALCs) within your Department for the month of March 2005. This will give you a sense of your organization's success in dealing with the TIN compliance issue. For agencies or bureaus that are complying with this requirement, please reinforce the importance of submitting valid TINs. For those agencies for which the attached report indicates a less than optimum compliance rate, please emphasize the importance and legal requirement for TIN submission.

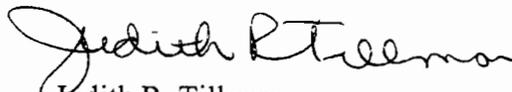
Valid name and payment type

It is also important for your agency to submit valid name and payment type code information. Both the offset and the levy program require a match between the name and the TIN for an offset or a levy to occur. This vital information, along with the payment type field, is necessary for the offset and levy program.

The Financial Management Service needs the support of the CFO community to appreciate the importance of this issue and to work with us to ensure that payment vouchers are in compliance with federal requirements and maximize offset/levy opportunities. We have been informed that if these problems are not adequately addressed by the federal paying agencies, Congress will seek a legislative solution.

If you or members of your staff have questions about this issue or your agency's responsibilities in this regard, please contact Nancy Fitzgerald of my staff at (202) 874-9287.

Sincerely,



Judith R. Tillman
Assistant Commissioner
Chief Disbursing Officer
Regional Operations

Enclosure

cc: RFC Directors
Martin Mills
Debra Lamb

PREPARED BY REGIONAL OPERATIONS
% OF T. I. N. COMPLIANCE

TYPE 'B' CERTIFICATION
DATA AS OF: 3/31/05

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A. L. C.	TOTAL MNTHLY PAYMENT VOLUME	NUMBER OF PAYMENTS WITH INVALID TINS	NUMBER OF PAYMENTS WITH VALID TINS	% OF T.I.N. COMPL.
14010001	2315	8	2307	99.65%
14010002	1	0	1	100.00%
14010005	677	12	665	98.23%
14010006	31	0	31	100.00%
14010007	1627	1	1626	99.94%
14019999	947	82	865	91.34%
14020002	22	0	22	100.00%
14060001	15	0	15	100.00%
14060800	277	5	272	98.19%
14060905	5076	14	5062	99.72%
14060906	0	0	0	N/A
14060907	0	0	0	N/A
14080001	10636	9	10627	99.92%
14090030	0	0	0	N/A
14100098	1	0	1	100.00%
14100099	9364	8	9356	99.91%
14110008	10487	474	10013	95.48%
14160006	12380	20	12360	99.84%
14160007	68	2	66	97.06%
14190001	1041	0	1041	100.00%
14200699	16855	9808	7047	41.81%
14210651	1620	0	1620	100.00%
14210656	265	3	262	98.87%
14250001	488	14	474	97.13%