

In addition, in 2017 Department grants processed through the Department of Health and Human Services Payment Management System (PMS) are included in a Do Not Pay review. The Health and Human Services Division of Payment Management incorporated a review of the Do Not Pay portal into their payment process to identify individuals or entities with delinquent Federal non-tax debt, a recipient that is listed as deceased on the DMF, and recipients excluded from doing business with the government. In 2017, the Department was notified of five recipients that appeared ineligible due to results of the Do Not Pay process.

Premium Class Travel Reviews

The Department's mission is conducted throughout the world and requires extensive travel, sometimes of a significant duration. Because of the high volume of travel, the Department has made concerted efforts to monitor if official travel has adhered to Government-wide and Department regulations for premium class travel.

For 2017, there were no instances identified where a business class travel payment was inappropriate and needed to be recovered, or where the travelers flying business class were found to be ineligible. However, there have been instances where proper and complete supporting documentation was not readily available. Those errors represent an error rate of 4 percent (\$47,536) in FY 2017, 4 percent (\$32,242) in FY 2016, 15 percent (\$157,144) in FY 2015, 17 percent (\$54,885) in FY 2014, and 8 percent (\$56,442) in FY 2013. OMB requires agencies to report improper payment errors based on three categories of errors: documentation and administrative errors, authentication and medical necessity errors, and verification errors. All Department errors found each year were attributable to documentation and administrative errors. The Department carefully considered these results in combination with results from other travel reviews, and will undertake efforts in 2018 to correct the deficiencies noted during the FY 2017 review.

DEBT MANAGEMENT

Outstanding debt from non-Federal sources (net of allowance) increased from \$34.6 million at September 30, 2016 to \$38.6 million at September 30, 2017. Civil Monetary Penalties decreased by \$2.0 million while IBWC, Direct Loans, Administrative fees, and Passport non-sufficient funds increased by \$6.0 million at September 30, 2017, resulting in an increase overall to the non-Federal source figures.

Non-Federal receivables consist of debts owed to the International Boundary and Water Commission, Civil Monetary Fund, and amounts owed for repatriation loans, medical costs, travel advances, and other miscellaneous receivables.

The Department uses installment agreements, salary offset, and restrictions on passports as tools to collect its receivables. It also receives collections through its cross-servicing agreement with the Department of the Treasury (Treasury). In 1998, the Department entered into a cross-servicing agreement with Treasury for collections of delinquent receivables. In accordance with the agreement and the Debt Collection Improvement Act of 1996 (Public Law No. 104-134), the Department referred \$3.3 million to Treasury for cross-servicing in 2017. Of the current and past debts referred to Treasury, \$1.5 million was collected in 2017.

Receivables Referred to the Department of the Treasury for Cross-Servicing

	2017	2016	2015
Number of Accounts	1,114	1,002	1,212
Amounts Referred (<i>dollars in millions</i>)	\$3.3	\$3.6	\$2.0
Amounts Collected (<i>dollars in millions</i>)	\$1.5	\$2.1	\$1.1

ELECTRONIC PAYMENTS

The payments made through Electronic Funds Transfer (EFT) were 98.8 percent of the total payments made for domestic and overseas payments. Domestic operations accomplished 99 percent of its payments with EFT this year. Overseas operations have a slightly lower EFT percentage (98.6 percent) than domestic operations due to the complexities of banking operations in some foreign countries. For 2017, approximately 3.7 million payments were disbursed for the Department of State.