

Debt Management Initiative

In late 2018, the Office of the Chief Financial Officer (OCFO) reviewed debt management procedures across DOL's enforcement agencies. The enforcement agencies – specifically the Occupational Safety and Health Administration, the Mine and Safety Health Administration, the Wage and Hour Division, and the Employee Benefits Security Administration – can levy fines against violators and failure to pay those fines results in debt that needs to be managed. The review revealed that there were differing processes across enforcement agencies, limited performance metrics at the operational level, and inconsistent levels and intervals of engagement with debtors. OCFO also discovered that there were highly manual processes leading to human error, other inefficiencies, and inconsistent rates of compliance with Treasury mandates. On average, DOL's collection rates were at 58 percent, while the average federal debt collection rate is 67 percent. Moreover, OCFO's workforce analysis revealed that employees in the investigator/inspector series spent 18.9 percent of their time on collections activities. This equates to an opportunity cost of approximately 20.2 FTEs worth of additional investigators.

To address these inefficiencies, the Deputy Secretary requested that OCFO create a proposal to establish a dedicated debt management division – consistent with the Enterprise-wide Shared Services initiative and the President's Management Agenda. This division would allow agencies to focus more time, effort, and resources on their respective core missions, rather than administrative tasks. In October 2019, the Deputy Secretary issued a memorandum tasking OCFO with centralizing debt management activities across the department.

OCFO's mission will be to:

- Improve enforcement debt management processes;
- Standardize data collection and analysis;
- Digitize and automate workflows;
- Partner with enforcement agencies and offer high-value-add financial management services and guidance; and
- Strengthen the enforcement of labor laws through improved debt collection.

In July 2020, bi-weekly Debt Management Steering Committee meetings began with OCFO, the Office of the Chief Information Officer (OCIO), and the enforcement agencies. OCFO, in conjunction with OCIO and the enforcement agencies, has started the process of refining as-is and future state process through working groups. Additionally, OCIO has on boarded a contractor and is starting to build a comprehensive, automated debt management system that shares information between existing DOL case management systems and Department of the Treasury systems. Over the course of the next six months, the project will go through the development stage for the system and begin the implementation of on-boarding OSHA.