



Presentation to the
2017

Ways and Means Committee

Responses to questions
from committee members

May 1, 2017

What is the status of the DOJ interface issue? (The 3,200 taxpayers who erroneously had their tax refunds taken). Has the problem been fixed?

Sometimes people will resolve their debt with one of our partner agencies at the same time as we're processing their income tax refund. This issue isn't specific to our new system; it also occurred with our legacy system. When Other Agency Accounts (OAA) intercepts a refund, sometimes that money is sent to the client agency before we're aware that the debt has been paid. Most of our client agencies, like the Department of Justice's Division of Child Support (DCS), inform us of accounts that have been paid via a monthly "delete file."

Specific to the situation with DCS earlier this year: We received the first delete file to put into the new system on February 22. We didn't realize they had been holding their delete files since the fall because they couldn't get them to us through the new process. There were a total of 3,200 debtors in that delete file. We had intercepted tax refunds for 438 of those debtors.

By March 3, we had processed the delete file and removed the 3,200 paid accounts from the system. Then we sent DCS a spreadsheet showing the 438 debtors whose refunds had been intercepted so they could communicate the issue to their field office partners immediately and start on issuing any necessary overpayment refunds. DCS notified us that they've refunded all of these overpayments.