

Fw: Overpaid accounts

From: CN=Marjorie Kruse/OU=Ohio/O=TAX

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CC: 1. CN=Bradley Marshall/OU=Ohio/O=TAX@TAX
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2. CN=Todd Tisko/OU=Ohio/O=TAX@TAX <Todd_Tisko@tax.state.oh.us>
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<Matthew_H_Chafin@tax.state.oh.us>

Subject: Fw: Overpaid accounts

Sent: 2012-07-13 15:59:36.450000 UTC

Attachments: ITAS Credit Balances.xlsx

Good morning, everyone,

As you all know, ITAS contains a significant number of accounts that have credit balances. The accounts with credits > \$5,000 are summarized below and the detail is contained in the attachment. The Department's most significant risk exposure as it pertains to these credit balances is that the accounts are ripe for use in covering theft. Although that is the primary concern at the moment, other issues exist, such as taxpayer's right to the credit, interest accrual on credits that are eventually refunded, misposted payments that cause another taxpayer's account to incorrectly show a balance due, etc. These are serious issues that require our attention and action.

First, supervisory review and documented approval must be incorporated as a step in every transaction that utilizes a credit balance. If the procedures in your area currently do not include the supervisory approval step, please revise the procedures and implement this immediately. All staff who are able to make transfers MUST obtain supervisory approval. If this cannot be documented electronically in the system, then it must be documented either through a paper form that is retained or through an e-mail that is retained. To the extent possible, the procedures should be standardized across the various departments within Taxation.

Second, the primary causes underlying the credit balances should be identified and described in a memo to Matt and myself. This pertains not just to sales tax accounts, but to the other tax types as well.

Third, the credit balances on the second worksheet in the attached Excel file (the worksheet named LARGEST ACCTS) need to be researched and resolved, as appropriate. Please summarize the disposition of these accounts in a memo to Matt and myself.

Fourth, a plan for the review and resolution of the remaining credit balances needs to be devised, including a methodology for assigning risk and prioritizing based on that risk.

I appreciate your cooperation in giving your full attention to completion of this assignment. Please do not hesitate to involve key staff from other areas, to work cross-jurisdictionally and to make this a priority for your own staff. Thank you.

[Embedded BMP, 129x47x8]

Marjorie Kruse, CPA
Deputy Tax Commissioner

Exhibit 3

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Ohio Department of Taxation
Audit & Compliance
(Downtown Office) 614.466.8525
(Northland Office) 614.995.1872
Marjorie_Kruse@tax.state.oh.us

----- Forwarded by Marjorie Kruse/Ohio/TAX on 07/13/2012 10:55 AM -----

Bradley Marshall/Ohio/TAX

07/12/2012 04:59 PM

To

Matthew H Chafin/Ohio/TAX@TAX

cc

Bryan Hairston/Ohio/TAX@TAX, Keith Wilson/Ohio/TAX@TAX, Marjorie Kruse/Ohio/TAX@TAX

Subject

Re: Overpaid accounts[Link ID #: Marjorie KruseCN=LDMAIL2/O=TAX]

CD COUNT SUM

TYPE ID AM

ACCT ACCT BALANCE

100 2,204 -106,154,004.20 Corporation Franchise
200 160 -1,800,527.29 Employer Withholding
300 9 -66,981.83 School District Employer Withholding
400 1,588 -16,638,641.35 County Vendor Sales Tax accounts
410 687 -15,325,815.14 Consumers Use Tax accounts
420 931 -35,948,742.18 Cumulative Vendor Sales Tax accounts
430 79 -5,749,156.34 Delivery Vendor Sales Tax accounts
440 288 -10,680,583.72 Direct Pay accounts
450 1 -8,068.20 Limited Vendor accounts
460 166 -4,413,860.14 Transient Vendor accounts
470 1 -12,117.00 Voluntary Pay accounts
480 251 -6,038,084.32 Service Vendor accounts
490 1,139 -31,705,713.97 Sellers Use Tax accounts
495 4 -80,314.93 Streamlined Sales Tax accounts
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7,508	-234,622,610.61
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Thank you,

Brad Marshall
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