

# CASE STUDY

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### Immigration and Naturalization Service (INS) Case Study

**Challenge:**

In FY 2000 INS consolidated the accounts payable workload of five finance units into a national payment center supporting an agency that had doubled in size during the previous 8 years (going from an 18,000 to 36,000 staff size and from a \$2 billion to \$5 billion budget). Simultaneously, the INS was deploying a new financial system.

The consolidation, being a new concept, was having difficulties that resulted in— many payments not being made; critical services, such as phone service and janitorial service in field locations, being terminated; in San Diego, a lessor had repossessed a trailer storing computers at a border patrol site; the amount of prompt payment interest being paid was huge and growing; and the number of accounting transaction errors had reached 33,000 and was climbing. As a result, agency managers did not have access to accurate financial reports to monitor the status of the agency's funds.

The INS realized that the center had not been staffed properly to assume the extra workload created by the consolidation.

**Solution:**

INS needed to stabilize the situation. Highly experienced in accounting operations and technology, Federal Management Systems, Inc (FMS) was engaged by INS to quickly hire 105 accountants and system analysts over a 2-week period. The FMS team quickly assimilated itself into the center by working side by side with the Federal workforce to pay the outstanding invoices with the appropriate amount of prompt payment interest, as required by law.

At the same time, the staff began to analyze the transaction errors in order to allow them to both process in the financial system and to also determine the cause of the errors. This two prong approach not only facilitated the cleanup of errors, but also minimized the number of errors going forward. Feedback was provided to the center staff explaining what steps should be taken to minimize future errors. The FMS team also analyzed the invoice payment process to ascertain why invoices were paid late and recommended changes to the business process to provide better control over invoices to ensure the timely payment of them.

**Results:**

FMS assured the success of the INS National Payment Financial Center and helped it become one that was respected by its customers. The blended workforce of roughly 50% Federal employees and 50% contractor became a seamless team. Payments were made on time; prompt payment interest was reduced 90%; and INS received an unqualified audit opinion on its Fiscal Year 2001 financial statements with the support of FMS.

Eight years later, in FY 2009, Federal Management Systems, Inc. continues a presence in this financial center.