



RELEASE - PARTS 3-0800 Overpayment Process AND 3-0900 Debt
Liquidation, FEDERAL (EEOICPA) PROCEDURE MANUAL

EEOICPA TRANSMITTAL NO. 10-01 October, 2009

EXPLANATION OF MATERIAL TRANSMITTED:

This material is issued as procedural guidance to be included in the Federal (EEOICPA) Procedure Manual. This material is to be placed in the new Unified PM binder and is intended to stand as policy guidance for both Parts of the EEOICPA.

- This material describes functions that are solely the responsibility of the National Office (NO) for identifying and resolving overpayments, including steps necessary for recovery of debt.

Rachel P. Leiton
Director, Division of
Energy Employees Occupational Illness Compensation

FILING INSTRUCTIONS:

File this transmittal behind Part 2 in the front of the new Unified Federal (EEOICPA) Procedure Manual.

Distribution: List No. 3: All DEEOIC Employees
List No. 6: Regional Directors, District
Directors, Assistant District Directors,
National Office Staff, and Resource Center
Staff.

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1. Purpose and Scope. This chapter describes how the Office of Workers' Compensation Programs (OWCP), through the Division of Energy Employees Occupational Illness Compensation (DEEOIC), identifies, evaluates, provides notification of, waives, issues final decisions regarding, and recovers overpayments under both Parts B and E of the EEOICPA.

2. Legislative Authority and Directives. The instructions in this part of the procedure manual derive from the following regulations and authority:

a. The Energy Employees Occupational Illness Compensation Program Act (EEOICPA) at 42 U.S.C. 7385j-2 authorizes the Secretary of Labor to recover overpayments because of an error of fact or law, except when an incorrect payment has been made to an individual who is without fault and the adjustment or recovery would defeat the purpose of the Act or would be against equity and good conscience. With respect to recovery, the EEOICPA authorizes OWCP (as designee of the Secretary of Labor) to recover the overpayment pursuant to regulations prescribed by the Secretary.

b. Public Law 89-508, Federal Claims Collection Act of 1966 (80 Stat. 308), amended by Public Law 900-904 (2000), assigns the Secretary responsibility for the collection of debts arising from the activities of the Department of Labor. It also provides the authority to compromise, terminate, or suspend collection action on debts not in excess of \$100,000 (exclusive of interest, penalties, and administrative costs and after partial payments have been deducted). In such cases, there must be no indication of fraud, and it must appear that:

(1) The debtor is unable to pay the full amount in a reasonable time, as verified through credit reports or other financial information;

(2) The Government is unable to collect the debt in full within a reasonable time by enforced collection proceedings;

(3) The cost of collecting the debt does not justify the enforced collection of the full amount; or

2. Legislative Authority and Directives. (Continued)

(4) There is significant doubt concerning the Government's ability to prove its case in court.

The Department of Labor Manual Series (DLMS) 6, Chapter 1100, Debt Management, provides that Department of Labor Agency Heads are delegated the authority to compromise, suspend or terminate collection action on debts stemming from program activities not in excess of \$100,000, and that Agency Heads may re-delegate this authority to officials in their agencies with approval of the Chief Financial Officer. DLMS6-1111b (1),c (2).

c. Public Law 97-365, Debt Collection Act of 1982, amended several statutes, including the Federal Claims Collection Act of 1966. The Debt Collection Act authorizes Federal agencies to collect certain charges on outstanding debts, to use salary offset or administrative offset to collect claims and to use the services of private collection agencies. (Note: The Federal Claims Collection Act of 1966 as amended by the Debt Collection Act of 1982 has been codified as 31 USC 900-904.)

d. Public Law 104-134, Debt Collection Improvement Act of 1996 also amended several statutes, including the Debt Collection Act of 1982. The Debt Collection Improvement Act provides that any non-tax debt or claim owed to the United States that has been delinquent for a period of 180 days be turned over to the Secretary of the Treasury, who will determine whether to collect or terminate collection actions on the debt or claim.

e. 31 CFR Parts 900-904 (Federal Claims Collection Standards) describes standards for the collection and compromise of debts, termination of agency collection, and referral of civil claims to the Department of Justice. In particular, 31 CFR 902.1(b) and 903.1(b) provide that the Department of Justice has the exclusive authority to compromise, suspend or terminate claims in excess of \$100,000, exclusive of interest, penalties and administrative costs. Consequently, even if OWCP believes that compromise, suspension or termination of recovery of such a debt is appropriate, the matter must be referred to

2. Legislative Authority and Directives. (Continued)

the Department of Justice, through the Department of the Treasury, for determination.

f. 31 CFR Part 285 includes the provisions for transferring delinquent debt to the Department of the Treasury.

g. In a case involving criminal fraud on the part of the debtor or any other party having an interest in the claim, instructions regarding compromise, suspension or termination of recovery do not apply. As provided by 31 CFR 900.3(a), only the Department of Justice has authority to compromise, suspend or terminate collection action on such claims.

h. In cases referred to the Office of the Inspector General or the U.S. Attorney for reasons other than collection of the debt, the OIG should be advised before collection action is initiated in order to evaluate whether collection action would jeopardize an ongoing investigation or a legal action in progress.

3. Definition of Overpayment. An overpayment is any amount of compensation paid under 42 U.S.C. §§ 7384s, 7384t, 7384u, 7385s-2 or 7385s-3 to a recipient that, at the time of payment, is paid where no amount is payable or where payment exceeds the correct amount of compensation determined by DEEOIC.

4. Notification of Payment. DEEOIC provides claimants with narrative descriptions of benefits paid or payable. Claimants who receive compensation payments are required to sign an acceptance of payment form. Payments made by check clearly indicate the reason for payment. Payments made by Electronic Funds Transfer (EFT) appear on the claimant's financial institution statement listing the amount and date of payment. Such advice is considered due notice of payment absent affirmative evidence to the contrary. The claimant is responsible for notifying DEEOIC of any discrepancy between the amount paid and the amount stated as paid on a check or bank statement.

5. Identifying Overpayments. Aside from the requirement that the claimant inform DEEOIC of any overpayment that he or she discovers, the primary responsibility to identify overpayments rests with claims staff. The Final Adjudication Branch (FAB) must issue a final decision with respect to eligibility *before* the overpayment is officially identified.

a. Initial Screening. Claims staff initially screen for overpayments, which occur for various reasons, such as:

(1) A claimant was paid compensation in error. This might result from a final decision overturning an award of compensation. A final decision should not overturn a previous award of compensation based on a change in policy, if payment was made based on a policy that is now obsolete.

(2) The required tort offset or coordination with state workers' compensation benefits was either improperly applied or never applied.

(3) A lump sum award requires adjustment because additional eligible survivors emerge after payment, resulting in overpayments to the original eligible payees.

(4) Medical reimbursements to claimants in excess of actual medical bills result in overpayments.

b. Referral to National Office (NO). Once an overpayment is identified, the matter is referred to the District Office Chief of Operations (COP) or FAB Manager for transfer to the NO.

The Claims Examiner (CE) identifying the overpayment prepares a memorandum identifying and evaluating the overpayment for review by and signature of the COP/Manager. In the memorandum, the CE describes the circumstances of the overpayment.

If the COP/Manager agrees that an overpayment exists, the file is transferred to the Chief of Policies, Regulations, and Procedures Unit (PRPU), where it is assigned to a Policy Analyst (PA).

6. Compensation Paid After Claimant's Death. No overpayment is declared when compensation is paid by EFT for direct deposit to the decedent's bank account.

a. Standard Form 1184. When the NO discovers that compensation has been paid after the death of the claimant, and the payment is not returned, the Fiscal Officer immediately notifies the Department of the Treasury of the erroneous payment by completing the electronic Standard Form 1184 (Unavailable Check Cancellation), available at [http://contacts.gsa.gov/webforms.nsf/0/A7422A589D29E2E1852570BC004ADC27/\\$file/sf1184_e.pdf](http://contacts.gsa.gov/webforms.nsf/0/A7422A589D29E2E1852570BC004ADC27/$file/sf1184_e.pdf), indicating the claimant's name and date of death in the appropriate boxes on the form.

b. Time Limitations. The Department of the Treasury has a twelve-month time limit from the date of the EFT to initiate recovery of the improper payment. Therefore, the PA acts promptly upon learning that a payment was issued after the date of the claimant's death. Once the Department of the Treasury has been advised of the erroneous payment, the PA monitors the case for receipt of the payments.

c. Recoupment. The Department of the Treasury recoups the money from the bank which received the EFT and restores the funds to DEEOIC. If for any reason the Department of the Treasury cannot recoup the erroneous payment, DEEOIC has no redress against the bank and the PA simply drafts a memorandum to the case file concerning the matter.

7. Review and Initial Notification. The PA reviews the overpayment memorandum and all available evidence to verify the existence of an overpayment, then calculates the exact amount of the overpayment. The PA creates and maintains an accounts receivable log in a spreadsheet to be stored on the shared drive to record overpayments and their disposition over time. The PA tracks overpayments separately by district office.

Once the overpayment is established, the PA determines whether the claimant bears any fault in the creation of the overpayment.

a. Determination of Fault. The PA's determination of fault depends on the circumstances surrounding the

7. Review and Initial Notification. (Continued)

b. overpayment. The claimant must show good faith and exercise a high degree of care in reporting events which may affect entitlement to or the amount of benefits. Degree of care may vary with the complexity of circumstances and a claimant's capacity to realize an overpayment has occurred. While this is not an exhaustive list, the following can be construed as fault in creating an overpayment:

- (1) Claimant made an incorrect statement as to a material fact he or she knew or should have known to be incorrect.
- (2) Claimant failed to provide information he or she knew or should have known to be material in nature.
- (3) Claimant accepted payment that he or she knew or should have known to be incorrect.

c. Initial Notification. After making a determination of fault, the PA generates a letter bearing the Unit Chief's (UC) signature informing the claimant that an overpayment exists. Initial notification is required before DEEOIC can take any final action to recover an overpayment or adjust benefits.

Exhibit 1 is a sample initial overpayment notification letter used when the claimant is without fault. Exhibit 2 is a sample initial overpayment notification letter used when the claimant is with fault. [However, in situations warranting administrative write-off (see paragraph 7c below), no overpayment notification is sent to the claimant.] The notification letter serves to:

- (1) Notify the claimant that an overpayment exists and the exact amount of the overpayment.
- (2) Provide the result of the preliminary finding of fault.
- (3) Advise the claimant of his or her rights. The claimant has 30 days following the date of the

7. Review and Initial Notification. (Continued)

overpayment notification letter to invoke the rights to:

- (a) Inspect and copy DEEOIC records relating to the overpayment.
- (b) Present written evidence challenging existence or amount of the overpayment.
- (c) Request a telephone conference.
- (d) Challenge any finding of fault.
- (e) Request waiver of recovery of the overpayment.

The filing date of the claimant's challenge to the overpayment is determined by the postmark date, the date the request is received in the office, or the Resource Center, whichever is the earliest determinable date.

c. Administrative Write-Off. If the amount of the overpayment is equal to or less than \$2,500, the PA recommends administrative write-off, regardless of the claimant's fault, since the cost of recovery action will exceed the expected recovery amount. The PA prepares a brief memorandum to the UC describing the reasons for recommending termination of collection actions.

Once the UC approves an administrative write-off, the PA creates an accounts receivable record of the overpayment in the accounts receivable spreadsheet. The overpayment is then cancelled without giving any notice of the overpayment to the overpaid party, and no final decision is issued. Exhibit 3 is a sample memorandum to file for this process.

8. Telephone Conferences. When requested by the claimant, the PA holds a telephone conference within 30 days of the date of the overpayment notification letter. The PA also holds telephone conferences in cases where the financial data in the

8. Telephone Conferences. (Continued)

file is not clear or adequate to make a decision about waiver or repayment.

a. Pre-conference Call. The PA holds a pre-conference call to give the claimant a clear picture of the purpose and process of the conference and the obligations of all parties, and to schedule a time for the call. The PA:

(1) Explains the issues that will be addressed during the conference call (i.e., income, expenses, assets, transfer of assets, and liabilities). If a preliminary finding of "with fault" was issued, the PA explains how the decision was made and its implications, and invites the claimant to provide any information that could affect the preliminary determination;

(2) Describes the criteria used to make key decisions in the case (i.e., with fault finding, criteria for waiver, interest charges);

(3) Describes the evidence the claimant needs to collect in preparation for the conference call;

(4) Gives the claimant a chance to ask questions;

(5) Determines the best time for the conference; and

(6) Prepares the pre-conference checklist (Exhibit 4), which verifies that the conference agenda items were discussed.

b. During the Conference Call. The PA:

(1) Identifies him- or herself;

(2) References the pre-conference call;

(3) States the purpose of the call;

8. Telephone Conferences. (Continued)

- (4) Advises the claimant that he or she will be taking notes and for that reason there will be periodic pauses while he or she is writing;
- (5) Describes the specific focus of the call;
- (6) Obtains the claimant's acknowledgement that he or she understands what the conference issues are and what the conference is about;
- (7) Listens carefully to what is being said;
- (8) Probes responses that are too general or not credible, or which conflict with other statements given or the evidence of file;
- (9) Takes notes complete enough to capture the necessary information; and
- (10) Confirms the accuracy of the statements recorded by reading them back to the participant(s) for confirmation.

c. After the Conference. The PA:

- (1) Prepares a neutral Memorandum of Conference, without findings, describing what transpired during the conference. (See Exhibit 5 for a sample Memorandum of Conference.) The language of the memorandum must be clear and non-technical. A sound Memorandum of Conference should:
 - (a) Identify and describe the issues that were discussed during the conference;
 - (b) Identify the PA who conducted the conference and who participated in the conference;
 - (c) Describe the position of DEEOIC and the claimant coming into the conference;

8. Telephone Conferences. (Continued)

(d) Describe the explanation provided in the conference that is relevant to the issue;

(e) Describe what was said in the conference that is relevant to the issue;

(f) Describe the method used to confirm the accuracy of the information collected in the conference that is recorded in the Memorandum of Conference; and

(g) Describe any agreements reached in the conference.

(2) Sends the Memorandum of Conference to the conference participant(s) for review and comments. Exhibit 6 is a sample letter to the claimant. Fifteen days from the date of the conversation, should be allowed for comments. After receipt of any comments, the PA makes findings on the issues for resolution and documents these findings in the final letter decision.

9. Burden of Proof. DEEOIC has the right to require that the overpaid claimant submit whatever financial information the PA deems necessary to determine whether to waive recovery of an overpayment. Form OWCP-20 financial questionnaire (Exhibit 7) is designed to obtain financial information. Extensive documentation of assets and expenses in support of the statements made on the OWCP-20 are required. The burden rests solely on the overpaid claimant to establish the grounds for a waiver.

10. Waiver. DEEOIC may waive recovery of all or part of an overpayment. (See paragraph 10(b)(2)(b)(Example 2) for further explanation of a partial waiver.) A determination to waive recovery of an overpayment is based on the PA's review of any documentation or argument submitted by the claimant within 30 days after the initial notification letter is issued, evidence obtained during the telephone conference, or evidence received within a timely period after the claimant's receipt of the Memorandum of Conference.

10. Waiver. (Continued)

The burden of proof rests with the claimant to prove the conditions necessary to grant a waiver. DEEOIC requires the claimant to submit information specified on Form OWCP-20 and supporting documentation. If this information is not submitted within 30 days of the request, waiver will be denied until such time as the requestor documentation is furnished. Where it is determined that the overpaid claimant is not at fault in the creation of the overpayment, repayment will still be sought unless adjustment or recovery either would defeat the purpose of the Act or would be against equity and good conscience.

a. Recovery Would Defeat the Purpose of the EEOICPA.

Where it is found that recovery will defeat the purpose of the EEOICPA, no recovery will be sought. To defeat the purpose of the EEOICPA, it must be found that the claimant requires substantially all current income to meet current ordinary and necessary living expenses and that the claimant's assets do not exceed a specified amount as determined by DEEOIC from data furnished by the Bureau of Labor Statistics (BLS).

When a claimant exceeds the limit for either disposable current income or assets, a basis exists for establishing a reasonable repayment schedule over a reasonable, specified period of time. It is the claimant's burden to show otherwise by submitting evidence that recovery of the overpayment would cause hardship of a nature sufficient to justify waiver.

(1) The PA determines the claimant's income based upon documents submitted. An individual's total income includes any funds which may reasonably be considered available for his or her use, regardless of the source. A spouse's income will not be considered available to the claimant unless the spouse was living in the household both at the time the overpayment was incurred and at the time waiver is considered. Income to be considered includes, but is not limited to:

(a) Government benefits.

(b) Wages and self-employment income.

10. Waiver. (Continued)

(c) Regular payments (rent or pension).

(d) Investment income and alimony or child support payments.

(2) The PA reviews claimed ordinary living expenses. It is the claimant's burden to show that such expenses are reasonable and necessary. An individual is deemed to need substantially all of his or her current income to meet current ordinary and necessary living expenses if monthly income does not exceed monthly expenses by more than \$50. The following can be considered as ordinary and necessary living expenses:

(a) Food, clothing, household and personal hygiene supplies, rent, mortgage payments, property taxes, utilities (e.g., electricity, gas, fuel, telephone, water), insurance (e.g., vehicle—one or two allowable, life, accident, and health), expenses for one or two vehicles (e.g., loan payments with the date each will be paid off, gas, oil, maintenance), transportation expenses not included under vehicle expenses, and creditor payments (e.g., credit card debt or other debt made in monthly installments).

(b) Medical, hospitalization and similar expenses not reimbursed by insurance or other sources.

(c) Church and charitable contributions made on a regular basis. This does not include large one-time gifts made after receipt of the preliminary notice of the overpayment.

(d) Miscellaneous expenses (e.g., haircuts, newspapers) not to exceed \$50 per month.

A finding that a type of expense is ordinary and necessary does not mean that the *amount* is ordinary and necessary. The burden is on the claimant to show that the expenses are reasonable and needed for a legitimate purpose.

10. Waiver. (Continued)

If the PA determines that the amount of certain expenses is not ordinary and necessary, particularly regarding significant expenses for food, clothing, and vehicles, the PA must state in writing the reasons for the finding. The finding must be supported by rationale, which may include reference to recognized research data (such as current statistics from BLS) that show that the claimant's expenses exceed the average or range of expenses for the general population relevant to the claimant's circumstances.

The PA evaluates only the minimum periodic payment as determined by the creditor. The minimum amount is verified by copies of the claimant's monthly billing(s) for consumer debt.

(3) An individual's assets should not exceed the resource base of \$5,500 for an individual or \$9,200 for an individual with a spouse or one dependent, plus \$1,100 for each additional dependent, based on information from BLS. A spouse's assets will not be considered available to the claimant unless the spouse was living in the household both at the time the overpayment was incurred and at the time waiver is considered.

(a) Liquid assets may include (but are not limited to) cash, the value of stocks, bonds, savings accounts, mutual funds, and certificates of deposit.

(b) Non-liquid assets may include (but are not limited to) the fair market value of an owner's equity in property such as a camper, boat, second home and furnishing/supplies, vehicle(s) (i.e., any vehicles above the two allowed per immediate family), and jewelry.

Assets do not include the value of household furniture (primary residence), clothing, one or two vehicles, a home which the person maintains as the principal family domicile, or income-

10. Waiver. (Continued)

producing property, if the income from such property has been included in income.

b. Recovery Would Violate Equity and Good Conscience. If the claimant is not entitled to waiver under the "defeat the purpose of the EEOICPA" clause, the PA considers the "against equity and good conscience" clause. Even if the claimant does not raise the "equity and good conscience" reason in the claim for waiver, the PA addresses this issue in the waiver memorandum.

The PA reviews all pertinent financial information to determine if recovery of the overpayment will violate the concept of "equity and good conscience." This clause is divided into two parts, financial hardship and relinquishing a valuable right. To demonstrate such a violation it must be established that either:

(1) Recovery will cause the claimant to experience severe financial hardship. The PA evaluates financial records and compares income with expenses similar to the review conducted under paragraph 10(a) to determine if repayment will cause severe financial hardship.

Recovery will be found to be "against equity and good conscience" when an individual who was not entitled to benefits would experience severe financial hardship in attempting to repay the debt. The criteria to be applied in making this determination are the same as those stated above in paragraph 10(a).

(2) The claimant has relinquished a valuable right or changed position for the worse. The PA must review pertinent financial and other evidence to determine either of the following:

(a) Based chiefly or solely on notification of payment, the claimant relinquished a verifiably valuable right and such right cannot be regained (e.g., left a job that cannot be regained, sold a business, retired, or other major life-changing

10. Waiver. (Continued)

financial decisions). When a claimant gives up a valuable right, his or her current ability to repay is not taken into consideration, as the forfeiture of the right is in itself the grounds for waiver.

Example: After being advised of entitlement to compensation, the claimant resigned his job and withdrew his contributions to his retirement fund, under the assumption that he was entitled to a lump sum award of \$150,000. Three years later it was discovered that his award was erroneous. The claimant had lost his retention rights, was unable to get his old job back, and could not secure other employment. Recovery of any of the overpayment would be "against equity and good conscience" in this situation because the individual gave up a valuable right.

(b) A decision was made resulting in a loss that verifiably worsened the claimant's condition, and such decision would not have been made but for the receipt of benefits. The claimant must show that if required to repay the overpayment, he or she would be in a worse position after repayment than would have been the case if the benefits had never been received in the first place.

Converting the overpayment into a different form, such as food, consumer goods, real estate, etc., from which the claimant derived some benefit, is not considered a loss. Converting the overpayment into a different form for the benefit of another person, such as a child or relative, may be considered as a loss if the claimant retains no ownership interest in the proceeds and has no ability to reclaim the proceeds.

Example 1: A claimant received a lump sum award. Later the entire award is declared to be an overpayment. The claimant contends that he has changed his position for the worse, as he used

10. Waiver. (Continued)

the entire award to make a down payment on a larger home. The claimant has not met his burden in showing that he changed his position for the worse, since he has not established that he suffered any loss. He has simply converted the money into a different form. Conversion of a liquid asset into real or tangible property does not constitute a loss.

Example 2: A claimant is notified that he is entitled to \$30,000. Upon receipt of the money, the claimant signs a lease to rent a larger apartment and pays a \$2,000 security deposit. He places the remainder of the award in a savings account. Before the claimant moves in, he is notified that the entire award is an overpayment. As a result, the claimant fails to make the first month's rent, forfeits the security deposit, and does not move to the new apartment.

Since the claimant would not have entered into the lease to rent the apartment but for his receipt of benefits, it would be inequitable to recoup the entire \$30,000 overpayment. The claimant clearly suffered a \$2,000 loss and repayment would put him in a worse position than if he had not received the initial award.

Given that the claimant suffered a \$2,000 loss, and not a \$30,000 loss, a partial waiver is a legitimate action in this case. The claimant does not have the money to rent a larger apartment and had no intention of doing so until he received his award. Thus, the claimant relied on DEEOIC's action and it would be inequitable to recover that part of the overpayment to the extent of his reliance. It would not be inequitable to recover that part of the overpayment that the claimant deposited in the bank. However, if the claimant were faced with additional expenditures arising out of the lease, those expenses would also be deducted from the

10. Waiver. (Continued)

overpayment.

Example 3: Suppose a claimant receives a \$150,000 award and loaned a relative \$25,000 to buy a house *before* he received notice of an overpayment. Since the claimant has not suffered a loss, equity and good conscience do not require waiving of this \$25,000.

However, it would be inequitable to tell the claimant to recall the loan at once (further, the terms may not allow such action), and it would not be inequitable to count the \$25,000 as currently available assets. Thus, the interest the claimant receives on the loan as well as any sum he may receive on the principal should be considered income when determining the claimant's ability to repay the overpayment.

11. Overpayment Decisions. After weighing all the evidence and considering all the circumstances surrounding the overpayment, the PA drafts an overpayment decision. The decision outlines his or her findings and whether recovery is to be pursued. The UC reviews, signs, and issues the overpayment decision to the claimant. Authority to issue overpayment decisions rests solely with the PPRU. As noted above, overpayment decisions are not issued where an overpayment is administratively terminated.

a. First Demand Letter. Where the overpayment decision holds that a collectible overpayment (debt) exists, the overpayment decision serves as the first demand letter. In the overpayment decision, the PA outlines the facts surrounding the overpayment, provides a rationale as to why the overpayment is recoverable, and informs the claimant of the exact amount owed and the collection strategy to be used (i.e., monthly payment, collection from future entitlement).

The decision advises the claimant that referral to the Department of the Treasury or the Department of Justice is possible and includes the due process requirements outlined by the Department of the Treasury. The decision advises

11. Overpayment Decisions. (Continued)

the claimant that he or she has 30 days from the date of issuance of the overpayment decision to resolve the recoverable debt. Exhibits 8, 9, and 10 are samples of final letter decisions.

b. Issuing Waiver. If the PA determines that a waiver is warranted, the overpayment decision definitively waives the full amount of the overpayment in question. No further action is required on the part of the overpaid claimant or the PA, other than updating the spreadsheet. (See Exhibit 8, option 1.)

(1) Where it is determined that the claimant is at fault in the creation of the overpayment, no waiver may be granted and recovery will proceed as outlined in this chapter.

SAMPLE INITIAL OVERPAYMENT NOTIFICATION LETTER (WITHOUT FAULT)

Dear **[Claimant Name]**:

The Division of Energy Employees Occupational Illness Compensation (DEEOIC) has made a preliminary finding that you have been overpaid benefits in the amount of **[\$]**. The overpayment occurred because:

[Describe reason]

DEEOIC has also made a preliminary finding that you are without fault in creating the overpayment. If you disagree with the fact or the amount of the overpayment, you have a right to submit new evidence.

When a claimant is without fault in creating an overpayment, the law states that OWCP may not recover the overpayment if the recovery would defeat the purpose of the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), or the recovery would be against equity and good conscience.

To defeat the purpose of the EEOICPA, it must be found that the claimant requires substantially all current income to meet current ordinary and necessary living expenses and the claimant assets do not exceed a specified amount as determined by DEEOIC from data furnished by the Bureau of Labor Statistics.

It would be against equity and good conscience to recover an overpayment when:

1. A claimant would suffer severe financial hardship in trying to repay the debt; or
2. A claimant, acting on incorrect information from DEEOIC, gives up a verifiably valuable right or changes his or her position for the worse, such as leaving a job which he or she cannot regain; or
3. A claimant, acting on incorrect information from DEEOIC, spends or commits funds in ways which he or she otherwise would not have done, and suffers a financial loss as a result.

ACTIONS YOU MAY TAKE

If you believe that you should receive a waiver instead of repaying the overpayment, you may take any one of the following actions within 30 days of the date of this letter:

1. Request a telephone conference with the National Office of DEEOIC; or
2. Request that the National Office issue a final decision based on the written evidence of record.

The DEEOIC staff will address the following issues during the telephone conference or in writing:

- a. Whether or not an overpayment actually occurred and the amount;
- b. Whether or not DEEOIC should collect the overpayment.

INFORMATION NEEDED TO WAIVE RECOVERY OF THE OVERPAYMENT

If you are seeking a waiver of recovery (whether you choose a phone conference or not) you should send the following to OWCP:

1. A detailed explanation of your reasons for seeking waiver;
2. A completed Form OWCP-20 (copy enclosed); and
3. Supporting documents, to include copies of income tax returns, bank account statements, bills and canceled checks, pay slips, and other records to support income and expenses shown on Form OWCP-20.

This information will help us decide whether or not to waive recovery of the overpayment. If waiver is not granted, the information will be used to decide how to collect the overpayment. We will not try to collect the overpayment until we reach a final decision on your request for waiver.

Also please note that under 20 CFR 30.518, we will deny waiver if you fail to furnish the information requested on the enclosed

Form OWCP-20 (or other information we need to address a request for waiver) within 30 days. We will not consider any further request for waiver until the requested information is furnished.

CONTACTING DEEOIC

If you wish to have a telephone conference, please so state on the attached form and send it to the National Office within 30 days. You must also submit a detailed explanation of your reasons for seeking waiver, a completed OWCP-20, and supporting documents along with your request. We will then contact you to arrange a convenient time for the conference, allowing enough time for you to prepare. If we do not receive a reply from you within 30 days of the date of this letter, we will issue a final decision based on the information currently on file.

If you wish to have a decision made based on the written evidence only, please so state on the attached form and send it to the National Office within 30 days. (We may still contact you to arrange a telephone conference if the written evidence is not sufficient to make a decision.)

A request for either a conference or a decision on the written evidence, along with any supporting evidence or arguments, should be sent to the following address:

UNITED STATES DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
OFFICE OF WORKERS' COMPENSATION PROGRAMS
DIVISION OF ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION
200 CONSTITUTION AVENUE, N.W., ROOM C-3324
WASHINGTON, D.C. 20210

If you agree with the findings of this decision, and you wish to make payment at this time, please send a check to the address shown below. Make the check payable to the U.S. Department of Labor, OWCP, and include your EEOICPA file number on the check.

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

If we do not receive a reply from you within 30 days of the date of this letter, a final decision will be issued on the basis of the information currently of file.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

Enclosure: Form OWCP-20

SUPERSEDED

Part 3 - Fiscal

Overpayment Process

EEOICPA CLAIM NO:

EMPLOYEE:

___ I request a **telephone conference** with the National Office on the issues of fault and possible waiver of recovery of this overpayment. My supporting financial documents are enclosed.

___ I request that the National Office make a **decision based on the written evidence** on the issues of fault and possible waiver of recovery of this overpayment. My supporting financial documents are enclosed.

Signed: _____ Date: _____

SUPERSEDED

SAMPLE INITIAL OVERPAYMENT NOTIFICATION LETTER (WITH FAULT)

Dear **[Claimant Name]**:

The Division of Energy Employees Occupational Illness Compensation (DEEOIC) has made a preliminary finding that you have been overpaid benefits in the amount of **[\$]**. The overpayment occurred because:

[Describe reason]

DEEOIC has also made a preliminary finding that you were at fault in this matter for the following reason(s):

[Describe reason]

This letter is not a final decision. You have the right to submit evidence or arguments which you believe will affect these preliminary findings if:

1. You disagree that the overpayment occurred;
2. You disagree with the amount of the overpayment;
3. You believe that the overpayment occurred through no fault of your own; or
4. You believe that the overpayment occurred through no fault of your own and that DEEOIC should waive recovery of the overpayment.

ACTIONS YOU MAY TAKE

You may take any one of the following actions within 30 days of the date of this letter:

1. Request a telephone conference with the National Office; or
2. Request that the National Office issue a final decision based on the written evidence of record.

The following issues should be addressed during the telephone conference or in writing:

- a. Whether or not an overpayment actually occurred and the amount;
- b. Whether or not DEEOIC should collect the overpayment.

INFORMATION NEEDED TO WAIVE RECOVERY OF THE OVERPAYMENT

When the claimant is without fault in creating an overpayment, the law states that DEEOIC may not recover the overpayment if the recovery would defeat the purpose of the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), or the recovery would be against equity and good conscience.

To defeat the purpose of the EEOICPA, it must be found that the recipient requires substantially all current income to meet current ordinary and necessary living expenses and the recipient assets do not exceed a specified amount as determined by OWCP from data furnished by the Bureau of Labor Statistics.

It would be against equity and good conscience to recover an overpayment when:

1. A claimant would suffer severe financial hardship in trying to repay the debt;
2. A claimant, acting on incorrect information from DEEOIC, gives up a valuable right, such as leaving a job which he or she cannot regain; or
3. A claimant, acting on incorrect information from DEEOIC, spends or commits funds in ways which he or she otherwise would not have done, and suffers a financial loss as a result.

DEEOIC may overturn the preliminary finding of fault based on new evidence or arguments you submit. This action may make it possible for DEEOIC to waive recovery of the repayment. Therefore, you should complete the enclosed Form OWCP-20 and submit it to this office.

You should attach supporting documents to Form OWCP-20, including copies of income tax returns, bank account statements, bills and canceled checks, pay slips, and any other records which support the income and expenses listed.

If the preliminary finding is overturned, this information will help us determine whether or not to waive recovery of the overpayment. If the preliminary finding is upheld or waiver is not granted, the information will be used to decide how to collect the overpayment.

Please note that if we make a final decision that you were at fault in creating an overpayment, we cannot waive recovery of the overpayment. However, we will not try to collect the overpayment until we reach a final decision on your request for waiver.

Also please note that under 20 CFR 30.518, we will deny waiver if you fail to furnish the information requested on the enclosed Form OWCP-20 (or other information we need to address a request for waiver) within
EEOICPA Tr. No. 10-01 Exhibit 2
October 2009

30 days. We will not consider any further request for waiver until the requested information is furnished.

CONTACTING DEEOIC

If you wish to have a telephone conference, please so state on the attached form and send it to this office within 30 days. We will then contact you to arrange a convenient time for the conference, allowing enough time for you to prepare. If we do not receive a reply from you within 30 days of the date of this letter, we will issue a final decision based on the information currently on file.

If you wish to have a decision made based on the written evidence only, please so state on the attached form and send it to this office within 30 days. (We may still contact you to arrange a telephone conference if the written evidence is not complete enough to make a decision.)

A request for either a conference or a decision on the written evidence, along with any supporting evidence or arguments, should be sent to the following address:

UNITED STATES DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
OFFICE OF WORKERS' COMPENSATION PROGRAMS
DIVISION OF ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION
200 CONSTITUTION AVENUE, N.W., ROOM C-3324
WASHINGTON, D.C. 20210

If you do not disagree with findings of this decision, and you wish to make payment at this time, please send a check to the address shown below. Make the check payable to the U.S. Department of Labor, OWCP, and include your EEOICPA file number on the check.

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

If we do not receive a reply from you within 30 days of the date of this letter, we will issue a final decision based on the information now of file.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

Enclosure: Form OWCP-20

EEOICPA CLAIM NO:

EMPLOYEE:

___ I request a **telephone conference** with the National Office on the issues of fault and possible waiver of recovery of this overpayment. My supporting financial documents are enclosed.

___ I request that the National Office make a **decision based on the written evidence** on the issues of fault and possible waiver of recovery of this overpayment. My supporting financial documents are enclosed.

Signed: _____ Date: _____

SAMPLE MEMORANDUM TO FILE FOR ADMINISTRATIVE WRITE-OFF OF DEBT
LESS THAN \$2500

MEMORANDUM TO THE UNIT CHIEF OF POLICIES, REGULATIONS, &
PROCEDURES

IN THE CLAIM OF
DEEOIC FILE # 123456789

Date:

SUBJECT: ADMINISTRATIVE WRITE-OFF OF DEBT LESS THAN \$2,500

The Federal Claims Collection Standards (FCCS), 4 CFR Section 103.4, state that a claim may be compromised if the cost of collection would not justify enforcing the collection of the full claim. Section 104.3I states, that collection action may be terminated when it is likely that the cost of further collection action will exceed the amount likely to be recovered. In a decision issued on September 29, 1986, the Comptroller General elaborated on 4 CFR by concluding that these standards extend to the collection of debts from federal employees, and that agencies may establish "minimum debt amounts" and realistic "points of diminishing returns" in their debt collection activities. The term "minimum debt amounts" refers to the designation of categorical thresholds beneath which collection action need not be initiated because the amount of the debts in that class are so small in relation to the costs of attempting collection efforts. "Diminishing returns" refers to an agency's designation of thresholds beneath which the agency will discontinue collection efforts already initiated when it appears that the costs of additional collection actions would exceed the amounts likely to be recovered. The Comptroller General instructed further that agencies may, on a case-by-case basis, take the anticipated costs of required administrative hearings into consideration when determining whether to compromise or terminate collection action.

The National Office has considered the case and has noted that the following applied: **[Describe how debt occurred]**

RECOMMENDATION: Based upon the above, I find that the following action is appropriate: **[Explain why it's feasible to terminate debt collection activities]**

Policy Analyst, DEEOIC

SAMPLE PRE-CONFERENCE CALL CHECKLIST

Name of person to be called: _____

Telephone Number: _____

(Area code, number)

Person to be called is: _____ Claimant _____ Attorney/Representative

<u>Agenda items:</u>	<u>Did this?</u>	<u>Comments</u>
----------------------	------------------	-----------------

1. Explain purpose of call	_____	_____
----------------------------	-------	-------

2. Explain nature and purpose of conference	_____	_____
---	-------	-------

3. Give typical conference questions	_____	_____
--------------------------------------	-------	-------

4. Indicate conference is limited to issues	_____	_____
---	-------	-------

5. Confirm person's understanding of conference	_____	_____
---	-------	-------

6. Describe info. person will need at the conference	_____	_____
--	-------	-------

7. Confirm the person's ability to obtain info.	_____	_____
---	-------	-------

8. Explain "with fault" finding	_____	_____
---------------------------------	-------	-------

9. Explain criteria for "waiver"	_____	_____
----------------------------------	-------	-------

10. Explain "interest" charges	_____	_____
--------------------------------	-------	-------

11. Ask if person has questions	_____	_____
---------------------------------	-------	-------

12. Schedule conference:		
Date _____	Time _____	
Private, quiet, on-the-job room needed?	_____ Yes	_____ No
Prior arrangements to be made by:	_____ PA	_____ Other

13. Other items (specify)		

14. Pre-conference call made by _____		Date _____
---------------------------------------	--	------------

SAMPLE MEMORANDUM OF CONFERENCE

NAME OF CLAIMANT:

FILE NUMBER:

DATE OF CONFERENCE:

PARTICIPANTS: Name of PA and Claimant or Representative

ISSUE (S): The questions for determinations are: 1) Whether the claimant is "without fault" in the creation of the overpayment in the amount of \$50,000; 2) Whether repayment of the overpayment is to be made or waived; 3) If repaid, at what rate.

BACKGROUND:

What was claimed by whom?

What award was made?

How it was determined that the previous award was an error?

Discussion of FAB's Final Decisions.

A preliminary overpayment decision was issued on {Insert date} indicating that the overpayment amount was \$50,000. In response to the preliminary decision, the claimant requested a telephone conference.

DISCUSSION: I contacted Mr. Claimant on {Insert date} to discuss the overpayment. A pre-conference call was held at this time. Mr. Claimant was asked if he understood how the overpayment occurred and how it was calculated. He was also asked if he understood that he had been found "with fault" in the matter of the overpayment and a waiver could not be considered. We discussed the three conditions under which repayment may be waived. I explained to be eligible for a waiver of recovery of the overpayment, he had to prove that he was "without fault" in the creation of the overpayment, then through extensive financial documentation prove that recovery of the overpayment would cause a financial hardship. I explained to Mr. Claimant that during the actual conference, he would also have to provide the financial information that was requested in the OWCP-20 Overpayment Questionnaire. Following the conference call, I would prepare a memorandum summarizing the discussion

and a copy would be forwarded to him for comments. He was also told that documentation to support the information provided during the conference must be submitted to the National Office to be considered in conjunction with the information provided during the conference. We scheduled the telephone conference for {Insert date} from {Insert times}.

The conference was held on {Insert date} as scheduled. Mr. Claimant was again advised of the criteria for determining fault and waiver, proceedings of the conference, and the confirmation process. He was questioned as to whether he understood the conference process and if he was ready to proceed. He responded affirmatively.

Mr. Claimant feels that he is "without fault" in the creation of the overpayment, because he thought his father only had three children. He was not aware of the fourth child that just surfaced {Continue explanation of claimant}.

I told Mr. Claimant that if the fault finding was changed to "without fault" then we could consider waiving the overpayment, but he must prove by his financial documentation that he was not able to repay the overpayment. Mr. Claimant stated that he does not have any of the money left from the overpaid amount. He further advised that he has not transferred by loan, gift, or sale any property or cash since he was notified of the overpayment. Mr. Claimant reports his salary with the XYZ Company as his only source of income. He currently earns \$2,143 every 2 weeks. His household consists of himself, his wife, and one minor child. His wife earns \$1,000 every 2 weeks and receives no other income. Mr. Claimant stated that he used to have rental property, but had loans on all of them and they needed repairs. He had to file bankruptcy and give up the rental property. Mr. Claimant reports having two household vehicles. A 2003 Pontiac Grand AM that belongs to his wife and his 2003 Ford F-150 Truck. He reports having no other assets.

The claimant reported the following expenses:

Mortgage \$1,143.00 per month

Food \$500.00 per month

Part 3 - Fiscal

Overpayment Process

Clothing \$350.00 per month

Utilities:

Electric and gas (combined billing) \$240.00 per month
 Telephone \$249.00 per month
 Water \$110.00 every 3 months

Home Maintenance

Check #5877	December 21, 2006 broken pipes	\$238.96
Check #5772	February 18, 2006	\$24.10
Check #5786	March 31, 2006	\$193.50
Check #5819	September 27, 2006 lawn motor battery	\$35.02
		<u>\$491.58</u>

Medical

He and his daughter are covered under his wife's medical and dental plans. They only pay the \$10.00 co-payment when they have to go to the doctor. The co-payment for their dental varies depending on the type of dental work being done.

Expenses for both vehicles:

Car Note for 2003 Grand AM	\$435.00 per month
Car Note for 2003 Ford Truck	\$355.00 per month
Insurance on 2003 Grand AM	\$900.00 per year
Insurance on 2003 Ford Truck	\$1,000.00 per year
Gas for Mr. Claimant to go back & forth to work @ approximately 18 to 20 miles per day	\$20.00 per day
Gas for spouse to go back & forth to work @ approximately 16 miles per day	\$20.00 per day
Vehicle maintenance for the 2003 Ford Truck recently	\$200.00 one-time charge

Credit Cards or Loans

None (filed bankruptcy)

I asked Mr. Claimant if he owned any valuable property, other than his home, family automobiles, and household furnishings. He responded negatively.

I asked him about any funds that he and/or his spouse may have and he responded as follows:

- | | |
|-----------------------------|----------|
| 1. Cash on Hand? | None |
| 2. Checking Account balance | \$100.00 |

Part 3 - Fiscal

Overpayment Process

-
- | | |
|---|------------|
| 3. Savings Account balance | \$1,000.00 |
| 4. Current value of any stocks and bonds | None |
| 5. Value of other personal property and other funds | None |

I informed Mr. Claimant that if the fault finding was not changed to "without fault" the debt must be repaid to the National Office in full. If installment payments are necessary, 2% interest will be accrued annually. If this becomes the case, we will use the financial information and evidence to determine the monthly repayment amount. Informed Mr. Claimant that since he did not submit the OWCP-20 and supporting documents with his telephone conference request, he must submit the supporting documents with his response to the Memorandum of Conference. Supporting financial documents should include copies of income tax returns, bank account statements, bills, canceled checks, pay slips, and other records to support the income and expenses he provided during this conference.

I asked Mr. Claimant what amount, if any, he could afford to pay without suffering from a financial hardship. He indicated that he could only afford to pay \$150.00 per month.

Policy Analyst

SAMPLE CONFERENCE LETTER TO CLAIMANT

Dear [**Claimant Name**]:

A copy of the Memorandum of Conference regarding your compensation case is attached.

The information contained in the Memorandum was obtained during my conversation with you on {**insert date**}.

If after reviewing the summary of our discussion you find that the summary does not report accurately what you said, please write me, specifically addressing the inaccuracies, within fifteen (15) days of receipt of this letter and it will become a permanent part of the claim record.

Sincerely,

Policy Analyst

Part 3 - Fiscal

Overpayment Process

Overpayment Recovery Questionnaire

Reset Print

U.S. Department of Labor Employment Standards Administration Office of Workers' Compensation Programs



Name of Overpaid Person	Claim No.	OMB No.: 1216-0144 Expires: 11-30-06
Name of Claimant		

Persons are not required to respond to this collection of information unless it displays a currently valid OMB number.

Privacy Act Notice

When an overpayment occurs, the U.S. Department of Labor (DOL) is required by law to recover such amount unless recovery of the overpayment may be waived in full or in part. Recovery of an overpayment may be waived if the overpaid individual is without fault in connection with the overpayment and recovery would deprive that person of income necessary to meet ordinary living expenses or would otherwise be unfair. The request for information in this form is authorized by law and is necessary to assist DOL in making the waiver determination. If DOL cannot waive recovery of the overpayment, the financial information in this form will be important to establish the recovery amount and repayment period. Providing the requested information is voluntary, but failure to provide the information may result in a denial of waiver. Information provided on this form will become part of the respondent's case file. The information is protected under the Privacy Act and may be shared in connection with routine pursuit of the overpayment by DOL with private collection agencies under contract with DOL or the Department of Justice or Treasury. Authorizations: Section 8129(b) of the Federal Employees' Compensation Act of 1916, as amended (5 USC 8129(b)), section 413(b) of the Federal Mine Safety and Health Act of 1977, as amended (30 USC 923(b)) and section 7385j-2 of the Energy Employees Occupational Illness Compensation Program Act of 2000, as amended (42 USC 7385j-2).

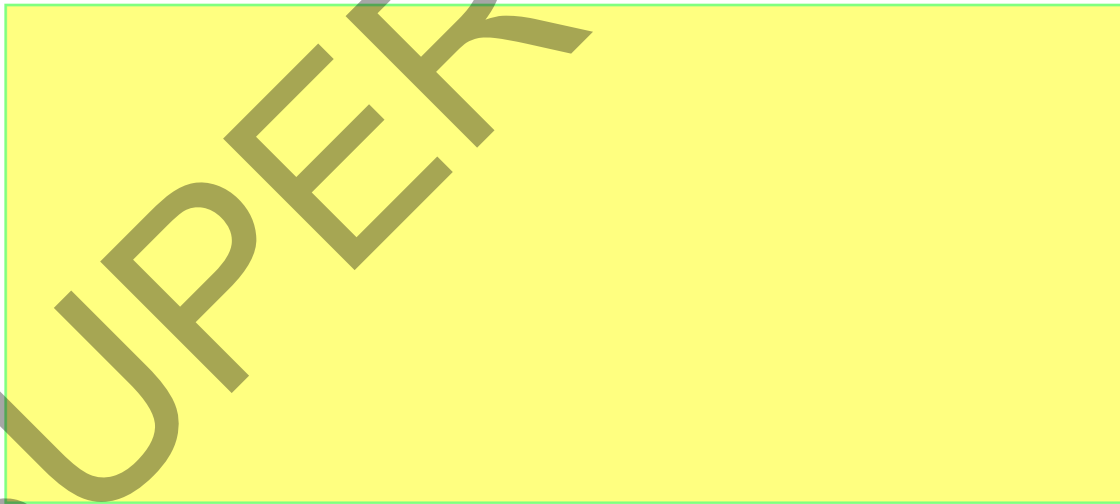
EVERYONE MUST COMPLETE PART I, PART II, AND PART V. COMPLETE THE FOLLOWING PARTS ONLY IF MARKED: PART III PART IV

Part I - Possession of Overpayment (to be completed by all applicants for waiver)

- Do you have any of the incorrectly paid checks or payments in your possession?

Yes No

If "Yes", show the total amount: \$ _____ (These funds should be returned to the U.S. Department of Labor immediately).
 - Since you were notified of the overpayment, have you transferred by loan, gift, sale, etc. any property or cash? Yes No
- If "Yes", explain:



Public Burden Statement

We estimate that it will take an average of 60 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Director, U.S. Department of Labor, Office of Workers' Compensation Programs, Room S-3524, 200 Constitution Avenue, N.W. Washington, D.C. 20210. DO NOT SEND THE COMPLETED FORM TO THIS OFFICE.

Form OWCP-20 Rev. Jan. 2004

Part II - REFUND QUESTIONNAIRE

(To be completed by the person for whom repayment of the overpayment would cause undue hardship)

3. List your monthly income (including any income of your spouse or any dependent relative living in the household with you) from:		Monthly Income
Social Security Benefits		\$ []
Supplemental Security Income Payment		\$ []
State or Local Welfare Payment. Specify: []		\$ []
Other benefits, such as Veterans Administration, Civil Service, Unemployment, Black Lung, FECA, Railroad, Private Pension, etc. Specify: []		\$ []
Earnings (take-home wages and average net earnings from self-employment). Specify: []		\$ []
Other income, such as dividends, interest, rentals, roomers or boarders, etc. Specify: []		\$ []
Total Monthly income		\$ []

4. Do you support, either fully or in part, anyone other than yourself? Yes No
 If "Yes", give the following information about each person you support:

Name	Address	Age	Relationship To You (If None, Enter "None")
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

5. List the usual expenses of your household on a monthly basis		Monthly Payment
Rent or Mortgage, including Property Tax		\$ []
Food		\$ []
Clothing		\$ []
Utilities (electricity, gas, fuel, telephone, water)		\$ []
Other expenses (Such as: Miscellaneous household expenses, medical and dental care (not covered by insurance), automobile expenses or other transportation costs, personal necessities.)		\$ []

Other Debts Being Paid By Monthly Installments

Creditor	Amount Owed	Monthly Payment
[]	[]	\$ []
[]	[]	\$ []
Total Monthly Expenses		\$ []

Part 3 - Fiscal

Overpayment Process

6. Not counting your home, family automobile, or household furnishings, do you or your spouse own any valuable property or real estate? Yes No

If "Yes", specify and give current market value. If mortgage, show amount of mortgage.

[Redacted area for property details]

7. List below any funds you have (including those of your spouse, if you live with your spouse):

- a. Cash on hand \$
- b. Checking account balance \$
- c. Savings account balance \$
- d. Current value of any stocks and bonds \$
- e. Value of other personal property and other funds \$
- TOTAL \$

f. Name of stocks and bonds you have (use separate sheet if space is insufficient).

g. Name and address of financial institution (s)

PART III - WITHOUT FAULT STATEMENT

8. Explain fully why you thought the incorrect payment was due you and why the overpayment was not your fault:

[Redacted area for explanation]

9. Did you report the change in circumstances which affected your monthly payment? Yes No There was no change
If "Yes", when did you report? (Give date):

If "No", why didn't you report?

[Redacted area for reasons]

10. When were the conditions under which you could receive payments first explained to you?

[Redacted area for question 10]

11. Do you NOW fully understand reporting responsibilities? Yes No If "No", explain:

[Redacted area for question 11]

**PART IV - REPRESENTATIVE PAYMENT MADE
(to be completed ONLY by a representative payee)**

12. Give the name and present address of the person for whom you received payment:

[Redacted area for question 12]

13. Were the incorrect payments used for this person? Yes No

Explain:

[Redacted area for question 13 explanation]

PART V

14. Remarks (optional):

[Redacted area for question 14]

I know that anyone who makes or causes to be made a false statement or representation of material fact in an application or for use in determining a right to payment under the Federal Coal Mine, EEOICPA and FECA Acts commits a crime punishable under Federal and/or State law. I affirm that all information I have given in this document is true.

(Signature of Overpaid Person or Representative Payee)

(Date - Month, day, year)

(Telephone Number)

Mailing Address (Number and Street, Apt. No., P.O. Box, Rural Route)

[Redacted area for mailing address]

City and State

[Redacted area for city and state]

ZIP Code

[Redacted area for ZIP code]

County (if any) in which you now live:

[Redacted area for county]

SAMPLE OVERPAYMENT DECISION (WITH FAULT PRELIMINARY INCORRECT)

Dear **[Claimant Name]**:

This letter is in further reference to the overpayment of benefits in the amount of **[\$]** that was found in your case, which occurred because:
[Describe reason]

Your case has been carefully studied and any additional evidence or arguments submitted have been given full consideration. It has been determined that the preliminary finding that you were at fault in the matter of the overpayment was incorrect for the following reason(s):
[Describe reason]

Option 1 In addition, I have determined that the circumstances of your case warrant [full or partial] waiver of recovery of the overpayment for the following reason(s):
[Describe reason]

Since waiver of recovery has been granted, you are absolved of any indebtedness resulting from the overpayment in your case.

OR

You are partially absolved of indebtedness in the amount of \$____, resulting from the overpayment in your case.

OR

Option 2 However, even though you have been found to be without fault, it has been determined that the circumstances of your case do not warrant [full] waiver of the overpayment. The reasons for this decision are:

[Describe reason]

You should forward a check in the amount of **[entire amount]** or you should send a check in the amount of **[\$]** each month until the overpayment is repaid. Make the check payable to the U.S. Department of Labor, OWCP, and include your EEOICPA file number on the check. All payments to OWCP should be sent to:

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

Interest will begin to accrue as of the date of this letter, at the current rate of the U.S. Treasury note. However, interest charges will be waived if the debt is paid in full within 30 days. If you wish to repay the entire amount of the overpayment at this time, and thus

*avoid payment of interest, please submit your full payment **immediately.***

*The first installment payment is due within 30 days from the date of this letter. At the repayment rate set above, the overpayment should be collected in full on or about **[Insert date]**.*

If we do not receive payment or some indication that you intend to make payment within 30 days, your overpayment will be considered a delinquent debt. Should this occur, administrative charges for the cost of sending additional demands for payment may be added to the debt.

DEEOIC will refer delinquent debts to the Department of the Treasury to recover an overpayment from the debtor's salary or for collection by administrative offset from any federal payments that may be due to you. We will assess an additional administrative cost to help defray the expense of this referral. Information about the status and delinquency of your debt will also be subject to credit reporting.

You have the following rights in connection with this decision:

- You may inspect and request copies of our record about this debt;
- You may contact us to enter into a mutually agreeable written repayment agreement; and
- You may request a review of our determinations about the amount of your debt, its past-due status, and its legal enforceability. To exercise this right, you must state your request in writing, state your reason(s) for challenging our determinations, and sign your statement.

If you believe that any information of record concerning your debt is not accurate, timely, relevant, or complete, you must provide information or documentation to support your belief within 30 days from the date of this letter.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

Enclosure:

SAMPLE OVERPAYMENT DECISION (WITH FAULT PRELIMINARY CORRECT)

Dear **[Claimant Name]**:

This letter is in further reference to the overpayment of benefits in the amount of **[\$]** that was found in your case, which occurred because:
[Describe reason]

Your case has been carefully studied and any additional evidence or arguments submitted have been given full consideration. I have determined that the preliminary finding that you were at fault in the matter of the overpayment was correct for the following reason(s):
[Describe reason]

Option 1 You should forward a check in the amount of **[\$]** . The check should be made payable to the U.S. Department of Labor, OWCP, and it should show your case file number as given above. Payment is due within 30 days from the date of this letter. If you are unable to refund the entire overpayment immediately, please contact this office within 30 days so that appropriate arrangements for recovery (such as installment payments) can be made. All payments to OWCP should be sent to:

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

OR

Option 2 You should send a check in the amount of **[\$]** each month until the overpayment is repaid. Make the check payable to the U.S. Department of Labor, OWCP, and include your EEOICPA file number on the check. All payments to OWCP should be sent to:

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

Interest will begin to accrue as of the date of this letter, at the current rate of the U.S. Treasury note. However, interest charges will be waived if the debt is paid in full within 30 days. If you wish to repay the entire amount of the overpayment at this time, and thus avoid payment of interest, please submit your full payment immediately.

Part 3 - Fiscal

Overpayment Process

The first installment payment is due within 30 days from the date of this letter. At the repayment rate set above, the overpayment should be collected in full on or about [Insert date].

If we do not receive payment, or some indication that you intend to make payment, within 30 days, your overpayment will be considered a delinquent debt. Should this occur, administrative charges for the cost of sending additional demands for payment may be added to the debt.

DEEOIC will refer delinquent debts to the Department of the Treasury to recover an overpayment from the debtor's salary or for collection by administrative offset from any federal payments that may be due you. We will assess an additional administrative cost to help defray the expense of this referral. Information about the status and delinquency of your debt will also be subject to credit reporting.

You have the following rights in connection with this decision:

- You may inspect and request copies of our record about this debt;
- You may contact us to enter into a mutually agreeable written repayment agreement; and
- You may request a review of our determinations about the amount of your debt, its past-due status, and its legal enforceability. To exercise this right, you must state your request in writing, state your reason(s) for challenging our determinations, and sign your statement.

If you believe that any information of record concerning your debt is not accurate, timely, relevant, or complete, you must provide information or documentation to support your belief within 30 days from the date of this letter.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

Enclosure:

SAMPLE OVERPAYMENT DECISION (WITHOUT FAULT WAIVER DENIED)

Dear [Claimant Name]:

This letter is in further reference to the overpayment of benefits in the amount of [\$] that was found in your case and which occurred because:

[Describe reason]

After carefully studying your case and fully considering any additional evidence or arguments submitted, we have decided not to waive the overpayment. The reasons for this decision are:

[Describe reason]

Option 1 You should forward a check in the amount of [\$]. The check should be made payable to the U.S. Department of Labor, OWCP, and it should show your case file number as given above. Payment is due within 30 days from the date of this letter. If you are unable to refund the entire overpayment immediately, please contact this office within 30 days so that appropriate arrangements for recovery (such as installment payments) can be made. All payments to OWCP should be sent to:

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

OR

Option 2 You should send a check in the amount of [\$] each month until the overpayment is repaid. Make the check payable to the U.S. Department of Labor, OWCP, and include your EEOICPA file number on the check. All payments to OWCP should be sent to:

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

Interest began to accrue as of the date of the final overpayment decision, at the rate of the U.S. Treasury note in affect on that date. If you wish to repay the entire amount of the overpayment at this time, and thus avoid payment of additional interest, please submit your full payment **immediately**.

Part 3 - Fiscal

Overpayment Process

The first installment payment is due within 30 days from the date of this letter. At the repayment rate set above, the overpayment should be collected in full on or about [Insert date].

If we do not receive payment, or some indication that you intend to make payment, within 30 days, your overpayment will be considered a delinquent debt. Should this occur, administrative charges for the cost of sending additional demands for payment may be added to the debt.

DEEOIC will refer delinquent debts to the Department of the Treasury to recover an overpayment from the debtor's salary or for collection by administrative offset from any federal payments that may be due you. We will assess an additional administrative cost to help defray the expense of this referral. Information about the status and delinquency of your debt will also be subject to credit reporting.

You have the following rights in connection with this decision:

- You may inspect and request copies of our record about this debt;
- You may contact us to enter into a mutually agreeable written repayment agreement; and
- You may request a review of our determinations about the amount of your debt, its past-due status, and its legal enforceability. To exercise this right, you must state your request in writing, state your reason(s) for challenging our determinations, and sign your statement.

If you believe that any information of record concerning your debt is not accurate, timely, relevant, or complete, you must provide information or documentation to support your belief within 30 days from the date of this letter.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

Enclosure

SUPERSEDED

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1. Purpose and Scope. EEOICPA PM 3-800 addresses the identification and establishment of debts to the point of finding a specific debt amount to be due and payable (i.e., collectible). The purpose of this chapter is to provide guidance for managing debts by collection, compromise and termination. Included are procedures for the assessment of charges, collection actions, salary offset, administrative offset, compromise, referral to the Department of the Treasury, and termination (write-off) of collection efforts.
 2. Responsibilities. The collection and settlement of debts are handled by:
 - a. Claims Staff. Claims Examiners identify the potential overpayments and initially compute the debts.
 - b. National Office Fiscal Point of Contact (POC). National Office Fiscal POC employees are authorized to compromise claims and to suspend or terminate collection action, subject to the approval of the Chief of the Policies, Regulations, and Procedures Unit (PRPU), on claims of \$1 to \$100,000 (exclusive of interest, penalties, and administrative costs). The POC also recommends referral of claims of more than \$100,000 to the Director, Division of Energy Employees Occupational Illness Compensation (DEEOIC), for such action.
 - (1) If there is any indication of fraud on the part of the claimant or any other party with an interest in the claim, the POC refers the claim to the Director of DEEOIC, who in turn refers the claim to the Department of Justice (DOJ). The POC has no authority to compromise, suspend or terminate recovery on such claims.

A case involves fraud if an investigation is ongoing which is likely to lead to an indictment, if an indictment is pending, or if there has been a conviction in connection with the debt claim. Cases where the DOJ has declined to seek an indictment, or the criminal case has been dismissed, or an acquittal has occurred are not considered fraud cases.
 - (2) The POC also takes preliminary and final actions with respect to waiver of recovery, establishing and maintaining accounts receivable actions in a

2. Responsibilities. (Continued)

spreadsheet, pursuing collection of the debt, and monitoring accounts receivable to determine if and when referral to the Department of the Treasury or termination of collection action may be appropriate.

c. An overpayment of compensation does not become a "debt" and is not subject to recoupment until established due process procedures have been provided and a final decision on waiver of recovery has been issued. Until that time, the POC may accept payment against the overpayment but may not assess any charges, take any action to collect from compensation owed, or issue requests for offset by any other agency.

3. Recovery. The overpayment decision serves as the first demand letter to a claimant. If there is no response from the claimant, or the claimant has responded but failed to agree to a reasonable collection strategy as outlined by DEEOIC, the PA generates a second demand letter within 30 days of the issuance of the overpayment decision (see Exhibit 1). If the claimant does not respond or resolve the overpayment within 30 days of the issuance of the second demand letter, a third and final demand letter is sent (see Exhibit 2).

a. Means of Recovery. DEEOIC may employ various means of recovery where an overpaid claimant has been made aware of the overpayment (via the overpayment decision described above) but fails to refund the overpayment within 60 days of the issuance of the third and final demand letter.

(1) Where the claimant has failed to refund the overpayment, DEEOIC recovers the overpayment by reducing any further lump sum payments due (current and future).

(2) Should the claimant die prior to repaying the overpayment, DEEOIC shall decrease future payments to any eligible survivors with respect to the underlying occupational illness or covered illness.

(3) If no element of fraud on the claimant's part is present, the PA refers the debt to the Department of the Treasury when a recoverable overpayment exists and the claimant fails to refund the full amount within 60

3. Recovery. (Continued)

days of the final demand letter, and DEEOIC is unable to recover from any future or current compensation.

(a) Due to cross-servicing requirements of the Debt Collection Improvement Act of 1966, debts that are delinquent for more than 180 days should be referred to the Department of the Treasury for further debt collection action on the agency's behalf. Agencies may also refer debts that have been delinquent for less than 180 days to the Department of the Treasury to ensure efficient, cost-effective debt collection.

(b) If there is sufficient reason to conclude that full or partial collection of the debt would be best achieved through litigation, the Department of the Treasury referral should include a recommendation to forward the debt to the Department of Justice for litigation [see DLMS 6 § 1162(a)].

(c) However, no claim should be referred for litigation until DEEOIC's collection efforts and administrative processes are completed and the debt remains delinquent and legally enforceable. All referrals of this type should have the concurrence of the Office of the Solicitor of Labor.

(d) The overpayment is subject to the provisions of the Federal Claims Collection Act of 1966, as amended (31 U.S.C. 3701 et seq.), and may be reported to the Internal Revenue Service as income.

(4) Where there is an indication of fraud, a false claim being made, or misrepresentation on the part of the claimant, the PA refers the debt to the Department of Justice for recovery if no overpayment refund is made in full at the end of the recovery process.

The PA follows the current fraud procedures and promptly refers the claim to the Office of Inspector General for investigation. However, a debt would not be referred to the Department of

3. Recovery. (Continued)

Justice if the debt is less than \$2,500, which is the minimum amount necessary for referring debts to the Department of Justice for litigation.

4. Assessment of Charges. The Debt Collection Act of 1982 authorizes the assessment of interest, administrative costs, and penalties on delinquent debts.

a. Final Decision. Charges are assessed on any debt where a final decision has been issued, beginning on the date the claimant was notified that charges may apply to the debt, or the date of the final decision, whichever is later.

b. Court Order. In cases of court-ordered restitution, the Court Order takes precedence over the Debt Collection Act. Unless stipulated in the Court Order, charges may not be assessed on the part of the debt corresponding to the restitution amount set by the court (see paragraph 16 below).

c. Interest. Interest is assessed at the rate in effect on the date of the final decision (unless the claimant has defaulted on a previous agreement). The current interest rate for OWCP debts is 2.0 percent. Changes in interest rates are announced by ESA Notice and DEEOIC directive.

d. Administrative Costs. When a debt is found to be delinquent and is referred to the Department of the Treasury for collection, a charge is added to the principal and interest as an administrative cost of collection.

5. Waiver of Interest and Other Charges. Interest charges may be waived under three circumstances. Waiver of these charges is mandatory under the provisions outlined in the first two subparagraphs below, and discretionary under the provisions outlined in the third subparagraph.

a. Full Payment Within 30 Days. If the principal is repaid in full within 30 days of the notification (final decision) that charges are applicable, then charges are waived. This may be extended for one additional 30-day period on a case-by-case basis for good cause shown.

5. Waiver of Interest and Other Charges. (Continued)

Acceptable reasons for the 30-day extension include (but are not limited to) situations where the claimant needs the additional time to liquidate assets or arrange financing to pay the debt, or where the claimant does not receive the final decision in a timely manner (e.g., because of absence from home due to vacation).

b. Claimant Without Fault. Where the claimant is without fault in the creation of the debt and a repayment agreement has been established, interest charges are waived if:

(1) The monthly payment is so small that it does not cover the interest, or

(2) There is so little left after interest that the debt will not be paid off within the lifetime of the claimant as determined by actuarial tables.

The POC determines whether charges are waived under this provision by completing the Waiver of Charges Worksheet (Exhibit 3).

If the claimant should later default on the repayment agreement, interest charges will again apply.

c. Cost of Recovery Exceeds Accrued Charges. If the full amount of the principal is paid after charges have accrued, and the additional cost of recovering the charges is greater than the amount of the accrued charges, then the DEEOIC may, at its discretion, waive the charges.

6. Compromise. Compromise differs from waiver of recovery of an overpayment. Waiver is accomplished by formal decision negating the overpayment before it becomes a debt, while compromise is an administrative means of disposing of a debt by accepting a partial settlement. The claimant has no legal right to settlement or compromise. Also, the claimant need not be without fault for compromise to be considered.

a. Compromise to Limit Repayment Period. This method of compromise is addressed more fully in paragraph 7 below.

b. Compromise Due to Legal Issues. A debt may also be compromised if the Office of the Solicitor notifies the POC

6. Compromise. (Continued)

that significant doubt exists as to whether the Government could establish its claim in court, and the claimant has offered partial repayment. This may occur because of a dispute about the law or facts of the case. However, the POC does not make a judgment about legal enforceability without the Office of the Solicitor's specific advice after review of the case. (The limitations noted in subparagraph c below also apply here.)

c. Resolution of Debt. Once a compromise letter explaining the reasons for, and amount to be compromised, is issued by the National Office and the agreed-upon portion of the debt has been refunded to DEEOIC, the debt is fully resolved. The POC annotates the accounts receivable records to reflect resolution by compromise and the amount repaid.

(1) The POC also sends a letter to the claimant confirming that the debt has been discharged. Unless the compromise was for reasons of economic hardship, the POC also advises in this letter that the amount compromised will be reported as income to the IRS and may be subject to taxation under IRS rules.

(2) At the end of each year, the National Office POC files IRS Form 1099G in cases where the debt has been compromised for reasons other than economic hardship, and a copy of the form is forwarded to the claimant's case file.

7. Compromise to Limit Repayment Period. Compromise of the principal amount owed is an established tool for collecting existing overpayments. However, compromise for the application of additional charges is different from compromise of principal. Compromise of additional charges is mandatory where the repayment period must be limited. Compromise to limit the repayment period may be due to hardship, or based on life expectancy. In such cases, a specific mathematical formula is used to determine the amount to be compromised.

Under this policy, the POC considers compromising additional charges in all cases at the time the repayment agreement is established, unless charges are waived pursuant to paragraph 5(c) of this chapter. If charges are waived under that

7. Compromise to Limit Repayment Period. (Continued)

provision, then compromise will not be considered under this policy.

a. Effect of Charges. If charges cannot be waived and a repayment schedule (either initial or re-negotiated) is being established, compromise must be considered in cases where the POC has determined that a certain amount is the most the claimant can afford to repay.

For example, if the POC determines, by review of detailed financial information, that the maximum amount the claimant can afford per installment and the period required for repayment of the debt at this rate is extended by more than 35% due to the application of the charges, then the amount of the principal must be compromised so that the period required for repayment of the debt is not extended by more than 35%.

b. Information Needed. The following information is needed to determine whether compromise of accrued charges and/or principal is required: the amount of the principal, the amount of the monthly payment, and the interest rate.

c. General Calculation Rule. Some cases may be eliminated from consideration for compromise by applying the following rule: divide the current principal balance (plus any accrued charges) by the monthly payment and multiply the result by the annual interest rate.

If the result is less than 5.5%, no compromise is necessary, and the POC so indicates on the Compromise of Principal Worksheet (Exhibit 4). If the result is 5.5 or greater, the POC completes the Compromise of Principal Worksheet in its entirety to determine the amount to be compromised.

d. Compromise Order. If the principal must be compromised under this provision, the principal (before compromise) does not exceed \$100,000, and no indication of fraud is present, the Chief of the PRPU certifies the Compromise of Principal Worksheet and the POC issues a compromise order to the claimant. The compromise order, which includes the information outlined below, does not

7. Compromise to Limit Repayment Period. (Continued)

carry the right to a hearing. Exhibit 5 is a sample compromise order.

If the repayment period is sufficiently reduced by compromising only accrued charges, the PRPU Chief certifies the Compromise of Principal Worksheet and the POC issues a compromise order to the claimant, regardless of the principal amount. The compromise order includes:

- (1) The amount of each component of the debt (with separate amounts specified for principal, accrued administrative costs, accrued penalty, and accrued interest, as applicable);
- (2) The rationale for the determination that the debt cannot be waived;
- (3) The rationale for any determination with respect to fraud (see paragraph 2b above);
- (4) A brief explanation of the rationale for compromise (the Compromise of Principal Worksheet may be incorporated by reference);
- (5) The amount to be accepted in full settlement of each component of the debt (with separate amounts specified for principal, accrued administrative costs, accrued penalty, and accrued interest, as applicable);
- (6) The time and manner of payment; and
- (7) A statement that the debt is not compromised or settled until full payment of the specified amount has been made.

e. Principal Over \$100,000. If any amount of the principal must be compromised under this provision and the principal amount (before compromise) exceeds \$100,000, the case is referred to the Director of DEEOIC for further action after the Chief of the Policies, Regulations and Procedures Unit (PRPU) certifies the Compromise of Principal Worksheet.

7. Compromise to Limit Repayment Period. (Continued)

f. Compromise Not Approved. If neither accrued charges nor principal are compromised under this provision, the POC files the Compromise of Principal Worksheet in the case file.

8. Compromise in Consideration of Partial Payment. Regardless of whether it is required under the provisions of this chapter, compromise may be further considered as a means of disposing of debts where collection would be extremely difficult or expensive. The claimant need not be without fault for compromise to be considered, however, the claimant has no legal right to settlement or compromise to dispose of an overpayment.

a. Proposal. The claimant may propose that DEEOIC be satisfied with partial recovery on the debt, or DEEOIC may propose a compromise to the claimant. For example, compromise might occur if the claimant reported a liquid asset that exceeded the resource base, but was insufficient to cover the debt, and otherwise had only enough income to meet expenses. The compromise would provide for recovery of the amount available and forgiveness of the remainder.

However, in judging whether repayment would cause hardship, the POC assesses the claimant's income and assets according to the criteria provided in EEOICPA PM 3-0800. The claimant should be required to submit a current financial report (OWCP-20), if one has not been provided within the previous six months. Also, the POC informs the claimant that under certain circumstances the compromised portion of the debt will be reported to IRS as income

b. Repayment Within Reasonable Time. Compromise should be considered if the Government cannot collect the full amount because the claimant is unable to pay it within a reasonable time, or the claimant refuses to pay the claim in full and the Government cannot enforce collection by court action within a reasonable time. In determining inability to pay, the OWCP may consider:

- (1) The age and health of the claimant;
- (2) Current and potential income;
- (3) Inheritance prospects;

8. Compromise in Consideration of Partial Payment. (Continued)

(4) The possibility that the claimant has concealed or transferred assets to avoid recoupment; and

(5) The availability of assets or income for enforced collection.

If the POC finds that compromise is warranted, he or she prepares a memorandum to the file which describes the financial circumstances of the claimant, the proposed compromise, and the considerations which led to the compromise recommendation. Exhibit 6 is a sample compromise memorandum.

c. Limitations. The compromise limitations described earlier in this chapter also apply here. If compromise of the debt principal appears warranted but the original principal amount is more than \$100,000, or where there is an indication of fraud (see paragraph 2b above), then the compromise memorandum and the case file should be referred to the Director of DEEOIC for further action.

d. Compromise Order. If compromise appears warranted and the limitations noted above do not apply, the POC issues a compromise order which includes the items listed in paragraph 4a above. The POC incorporates the information noted in the compromise memorandum in the compromise order to explain the basis for the compromise to the claimant. The compromise order does not carry the right to a hearing. Exhibit 5 is a sample compromise order.

e. Contractual Agreement. When a debt is compromised, the United States agrees to be satisfied with partial repayment. Even if the claimant's circumstances change, such that the reasons for the compromise are no longer valid, OWCP has officially forgiven the remainder of the debt and may not press for additional repayment unless the claimant defaults on the repayment agreement. Therefore, compromise should be undertaken only after the claimant's financial circumstances are known.

9. Collection Strategies. Strategies for collection of a debt are generally pursued in the following order, as appropriate:

9. Collection Strategies. (Continued)

a. Recovery of Entire Debt. This may occur by reducing any further compensation payment due currently or in the future for which there is direct statutory authority under 42 U.S.C. 7385j-2. Such recoupment, either in a lump sum or in installments, is addressed in paragraph 9 below.

b. Voluntary Repayment in Lump Sum. Such repayments are addressed in paragraph 10 below.

c. Voluntary Deduction from Retirement Benefits. Such deductions are made in installments from periodic payments.

d. Involuntary Offset of Retirement Benefits. Also, refund of retirement contributions may be pursued.

e. Voluntary Installment Payments. Payments made directly by the debtor are addressed in paragraph 10 below.

f. Compromise. This action is addressed in paragraph 6 above. Where a debt exceeds \$100,000, a recommendation is made to forward the debt to the Department of Justice for litigation or for compromising, suspending or terminating debt collection.

g. Termination or Suspension. These actions, also termed write-offs, are addressed in paragraph 10 below.

10. Recovery from Compensation Entitlement. If further compensation is owed to the claimant, the POC recovers the debt from any lump-sum payment due currently or in the future. Collection action cannot begin until after the POC issues a final overpayment decision. If a sufficiently large lump-sum payment of compensation is due, the debt is recovered in full by a single deduction from compensation owed. The POC sends the claimant a letter explaining the recovery method.

The POC establishes an accounts receivable on the accounts receivable spreadsheet to track the balance due, interest incurred, and/or payments received.

11. Recovery in Cases With No Compensation Entitlement.

a. Lump Sum Preferable. Debts are collected in one lump sum whenever possible. If the claimant cannot pay in this manner, payment may be accepted in regular installments. The POC determines the size and frequency of the installment payments by the size of the debt and the claimant's ability to repay.

b. Claimant's Resources. The POC evaluates the claimant's resources for repayment as soon as a final overpayment decision is made (see EEOICPA PM 3-0800) and sets or negotiates an appropriate repayment plan with the claimant.

If detailed information about the claimant's financial status is not already in the case file, it should be obtained. This information may include: Form OWCP-20 Overpayment Recovery Questionnaire; information provided on Forms EE-1 and EE-2; information provided by the Social Security Administration in response to requests from the DEEOIC; and other documents concerning the claimant's financial status.

c. Detailed Financial Information Not Available. If the claimant refuses to submit detailed financial information, or has not yet had time to reply to a request for such information, the POC may accept voluntary installment payments in an amount determined by the claimant, until detailed financial information becomes available.

However, the POC should not enter into a formal agreement with the claimant, and should not consider waiver of charges (see paragraph 4) or compromise of principal (see paragraphs 5 and 6), unless and until the claimant provides detailed financial information and agrees to installment payments in an amount which reasonably represents the maximum he or she can afford.

d. Schedule of Payments. If the claimant offers to repay on a set schedule or requests a change in a schedule already established, the POC evaluates the proposed repayment plan for reasonableness on the basis of the claimant's resources as documented in the case file. The Department of Labor's regulations concerning debt collection recommend that debt repayment be scheduled to

11. Recovery in Cases With No Compensation Entitlement.
(Continued)

recover the entire amount (including any interest or penalties) in three years, but this may not be practical if the claimant does not have appreciable income (29 C.F.R. 20.33(a)).

(1) If the repayment plan is not reasonable, the POC asks the claimant, in writing, to contact the POC or the Chief, PRPU to discuss an accelerated repayment plan.

(2) If the repayment plan is reasonable, the POC obtains a signed statement from the claimant which specifies the terms of repayment. This statement constitutes a legally enforceable agreement. The POC annotates the accounts receivable spreadsheet and diaries the next payment.

e. Unreasonably Small Payments. If the claimant unilaterally makes installment payments in amounts so small that the debt will never be repaid, or will be repaid in an unreasonably long period (such that the claimant will become a "perpetual debtor"), and the claimant refuses to increase the payments or submit detailed financial information justifying the size of the payments, the POC refers the debt to the Department of the Treasury with a recommendation that the debt be forwarded to the Justice Department for resolution, if appropriate.

f. No Response to Demand Letters. If no response is received to the demand letters, the POC attempts to contact the claimant by telephone. The POC explains who is calling and refers to the decision that stated the amount and terms of collection. The POC asks what arrangements the claimant would like to make to effect repayment.

If the claimant does not suggest a repayment plan, the POC should be prepared, based on review of the case file, to propose a weekly or monthly amount. The POC ensures that the details of the telephone call are documented in the ECMS Telephone Messaging System.

11. Recovery in Cases With No Compensation Entitlement.
(Continued)

When agreement is reached, the POC drafts a follow-up letter referring to the telephone call and the terms discussed, and requesting the first installment payment.

g. Further Action. If the telephone call is unsuccessful, or if the claimant does not begin the agreed-upon payments, the POC evaluates the debt for referral to the Department of the Treasury, with a recommendation that it be forwarded to the Department of Justice, if appropriate, for termination of collection action.

12. Referring Debts to Department of Treasury. The Debt Collection Improvement Act of 1996 provides that any non-tax debt or claim owed to the United States that has been delinquent for a period of 180 days be turned over to the Secretary of the Treasury for appropriate action to collect or terminate collection actions on the debt or claim. To further this goal, the Department of the Treasury (DOT) has created the Debt Management Services (DMS), a division of the Financial Management Services Branch.

DMS provides government-wide debt collection services through the Treasury Offset Program (TOP) and Cross-Servicing Program. TOP involves offsets of payments from a variety of federal programs and includes offset of income tax refunds. The Cross-Servicing Program includes skip trace services, administrative wage garnishment, referral of debts to the Department of Justice (DOJ) for litigation, and referral of debts to private collection agencies.

The DOT oversees all collection activity on all referred debts, and all debts more than 180 days delinquent must be referred for either TOP or Cross-Servicing or both. All debts related to overpayment of benefits under the EEOICPA are referred for both.

a. Notice to Claimant. At least 60 days prior to referral to the DOT, the POC sends a letter advising the claimant that referral for collection action is possible. The notice includes specific advice that the claimant can:

- (1) Inspect and request copies of records about the debt;

12. Referring Debts to Department of Treasury. (Continued)

(2) Enter into a mutually agreeable written repayment agreement; and

(3) Request review of the amount of the debt, its past-due status, and whether the debt is legally enforceable.

Sample letters shown as Exhibits 1 and 2 include language for this purpose, so issuance of either or both at 30-day intervals after the debt becomes final provides adequate due process. The DOT will not accept debts where such notice has not been given.

b. Referral. When a debt is 180 days delinquent, it is eligible for referral to the DMS at DOT. If the POC has made no progress in collection efforts through recoupment of compensation benefits or voluntary repayment actions, the POC refers the debt to the DOT.

The POC ensures that all due process requirements have been met and that the debt is appropriate for referral to the DOT. DOT will not accept debts that are not final, covered by bankruptcy, already in private collection, in litigation, or with the Department of Justice (DOJ).

The POC refers the case to the DOT using the automated Debt Management System on the DOT's website. The POC completes the DMS Agency Profile for each debt referred for servicing. The profile information includes:

(1) Claimant/Debtor's Social Security number;

(2) Agency Points of Contact;

(3) The method(s) by which DEEOIC wants the DMS to service their debts (refer to TOP, refer to credit bureaus);

(4) Payment agreement parameters (e.g., will interest accrue during payment agreements); and

(5) Whether the administrative fee is added to the debt or charged to DEEOIC.

12. Referring Debts to Department of Treasury. (Continued)

c. Return of Debt. The DOT may return a debt to DEEOIC if it has been collected in full, found to be uncollectible, or covered by a bankruptcy filing, or if compromise has been reached. Returned debts are sent to the POC for further action as necessary.

d. Debt and Transaction Tracking. DMS tracks all debts and payments using Fed Debt, a debt and debtor based system which allows:

- (1) DMS to better handle joint and several debts;
- (2) A demand letter to be sent to each debtor;
- (3) Users to update debt and/or debtor information;
- (4) Multiple payment agreements for a debt;
- (5) Removal of a debtor/claimant from the debt without closing the entire debt;
- (6) Records of transactions, including how payments are applied (i.e., administrative fees, penalties, interest and principal);
- (7) Federal agencies to report payments, adjustments and reversals they receive in their offices.

The POC has access to the DMS Fed Debt System and uses it to track the status of the debt until it is resolved.

e. Referral to Department of Justice (DOJ). A component of DOT's Cross Servicing is referral of debts in excess of \$100,000 to the DOJ for litigating, compromising, suspending and terminating collection. The DOJ has the exclusive authority to compromise, suspend or terminate collection activity on debts in excess of \$100,000, unless it decides, in its discretion, to return the debt to the agency for such purposes.

The POC ensures that all DOT referrals for debts in excess of \$100,000, exclusive of interest, include recommendations to forward the debt to DOJ for permission to compromise, suspend or terminate collection action.

12. Referring Debts to Department of Treasury. (Continued)

(1) While the DOJ is considering a case, the POC carries the accounts receivable record as open and annotates it as referred to DOJ.

(2) When collecting a debt under a DOJ agreement, DEEOIC cannot charge interest or send billing notices.

(3) The POC cancels the accounts receivable record on a case referred for collection when notified by the DOJ that it will not take further action.

13. Termination of Collection Action (Write-off). When DOT directs DEEOIC to write off the debt, the POC removes the account from DEEOIC's receivables.

a. Potential for Litigation. National Office managers periodically review the accounts receivable spreadsheets to identify cases in which aggressive collection action has brought no result. Each case is examined to determine whether litigation would lead to collection of the debt.

Cases in which collection is not likely to succeed are terminated. They include situations where the claimant appears to have no assets or income which could be attached by a court; where the claimant's financial circumstances are such that hardship would result from recoupment; or where the Office of the Solicitor or the U.S. Attorney's Office states that DEEOIC has a poor legal case against the debtor.

The POC prepares a memorandum regarding termination of collection action where collection actions have brought no results. In the memorandum, the POC states the nature and amount of the debt, the efforts made to collect it, and the financial circumstances of the claimant, explaining why termination of collection action is warranted.

If the debt exceeds \$100,000, or is between \$2500 and \$100,000 and there is an indication of fraud (see paragraph 2b above), the Chief of the PRPU signs the memorandum. Debts of \$2500 or less which cannot be collected by administrative means, including referral to the DOT, must be written off, since the DOT will not accept them.

13. Termination of Collection Action (Write-off). (Continued)

b. Suspension of Collection Action. Occasionally a claimant may ask that the debt be forgiven due to financial hardship. The POC may suspend collection action because of financial hardship, but reserves the right to resume collection action in the event of future claims or a change in the claimant's circumstances. Exhibit 7 shows a sample letter advising a claimant of this action.

c. Termination of Collection Action. When collection action is terminated, the POC documents and closes the accounts receivable record. Termination of collection action, or the "write-off" of a bad debt, is an administrative action which differs from waiver or compromise. Termination of collection action does not forgive the debt, since DEEOIC may collect it at a later date. Generally, however, once a debt has been written off, collection actions are never resumed.

At the end of each year, DOT files IRS Form 1099G for each case where the debt has been written off for reasons other than economic hardship, and a copy of the form is sent to the POC for inclusion in the case file. Once Form 1099G has been filed, the POC documents the accounts receivable record accordingly, and DEEOIC may not collect the debt at a later date.

14. Recovery from Deceased Claimant's Estate. If the claimant dies before the debt is completely recovered, the POC acts quickly to obtain pertinent information about the estate. Prompt action is essential because creditors who have not properly asserted a claim before the estate is closed are generally precluded from any recovery. Once the estate has been closed and the proceeds distributed, collection action must be terminated.

The information to be requested and the action to be taken are described in EEOICPA PM 3-0800 and are the same for an established debt as for a newly discovered debt.

15. Credit Reporting. Under the Debt Collection Act of 1982, claimants whose accounts become delinquent are subject to reporting to private credit reporting bureaus. The DOT refers delinquent DEEOIC debts to one or more credit bureaus based on information the POC places in the DOT's Debt Management System.

15. Credit Reporting. (Continued)

The credit bureaus maintain credit information on individuals and provide the information upon request to lenders. The POC points out the possibility of credit reporting to individuals who refuse to cooperate in the debt collection process.

If a claimant disputes the information in a credit bureau's file, the DOT will contact the National Office to verify the information. The POC verifies the information and responds to the DOT within seven business days.

If DOT fails to respond to the credit bureaus within a given time limit (generally 30 days), the credit bureau will accept the claimant's version of the facts.

If the information held by the credit bureau was incorrect, the POC notifies the DOT and corrects the information in the office's overpayment tracking system. The POC also updates the Treasury's online debt system, so that the error is not repeated in the next transmission to the credit bureau.

16. Court Ordered Restitution in Fraud Cases. When a claimant has been convicted of filing a false claim which resulted in an overpayment/debt due the government, the court often orders the defendant/claimant to make restitution to the United States as a condition of probation. The amount of restitution may or may not be the full amount of the debt owed to OWCP.

a. "Global Settlement". If the Court Order states that the restitution amount will be in full satisfaction of the debt owed the United States (a "Global Settlement"), the Court Order takes precedence over the OWCP's administrative debt collection process.

In such cases, if the restitution amount is less than the outstanding debt principal balance, the principal balance must be reduced to the restitution amount set by the court. Also, interest may not be applied to such debts unless stipulated in the Court Order.

However, if the probation period ends and the claimant fails to make full restitution, the POC pursues collection of the full original debt amount.

16. Court Ordered Restitution in Fraud Cases. (Continued)

b. Other Than "Global Settlement". If the Court Order does not represent a "Global Settlement," the POC continues to pursue collection of the full amount of the debt, taking credit for any restitution amounts received. Unless the Court Order stipulates assessment of interest, interest may not be applied to the restitution amount and any restitution payments received should be applied directly to the debt principal.

In criminal cases, OWCP is sometimes asked to assist the DOJ in calculating the loss to the government in accordance with federal sentencing guidelines. This may involve calculating how benefits would have been paid if the claimant had fully advised OWCP. The POC processes all such requests.

SAMPLE SECOND DEMAND LETTER

Dear **[Claimant Name]**:

This letter is in further reference to your debt in the amount of **[\$]**, which resulted from the overpayment of benefits in your case. A copy of our overpayment decision and first demand for payment, dated **[insert date]** is enclosed. We have not received payment from you or any indication that you intend to cooperate in this matter.

If we do not receive payment, or some indication that you intend to make payment, within 30 days of the date of this letter, we may add administrative charges for sending any additional demands for payment.

If your debt remains delinquent, we will refer it to the Department of the Treasury for collection. We will assess an additional administrative cost to help defray the expense of this referral. Information about the status and delinquency of your debt is reportable to credit bureaus.

- You may inspect and request copies of your records about this debt;
- You may contact us to enter into a mutually agreeable written repayment agreement; and
- You may request a review of our determinations about the amount of your debt, its past-due status, and its legal enforceability. To exercise this right, you must state your request in writing, state your reason(s) for challenging our determinations, and sign your statement. If you believe that any information of record concerning your debt is not accurate, timely, relevant, or complete, you must provide information or documentation to support your belief.

You are expected to reply within 30 days. Make your check payable to the U.S. Department of Labor, OWCP, and include your EEOICPA file number on the check. Send payment to:

US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943

If you wish to enter into a written repayment agreement, contact me immediately on.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

Enclosure:

SAMPLE THIRD AND FINAL DEMAND LETTER

Dear **[Claimant Name]**:

This letter is in further reference to your debt in the amount of **[\$]**, which resulted from the overpayment of benefits in your case.

Because 30 days have passed and we have not received payment or an indication that you intend to repay this money, your debt is now considered to be delinquent. Interest will therefore be assessed at the rate which applied when you received your first notice of indebtedness, or **[\$]**. We may add penalty charges of 6% per year for any portion of the debt remaining delinquent for more than 90 days and administrative charges.

We may refer the debt to a credit bureau and to the Department of the Treasury for administrative offset if payment is not made within 60 days of the date of this letter. Information which will be given to a credit bureau is limited to your name, address and social security number; the amount, status and history of the debt; and the program under which the debt arose, that is, the Energy Employees Occupational Illness Compensation Program.

Once your debt has been referred to the Department of the Treasury, administrative charges will be added to the current principal amount. These charges, which are computed as a percentage of the debt, reflect our collection cost. They are authorized by the Debt Collection Improvement Act of 1996 (Public Law 104-134). This referral will therefore result in a large increase in the size of your debt.

You may avoid these outcomes by sending a check in the amount stated above. Make your check payable to U.S. Department of Labor, OWCP, and include your EEOICPA file number on the check. Send it to:

*US DEPARTMENT OF LABOR
OWCP/EEOICPA
POST OFFICE BOX 70943
CHARLOTTE, N.C. 28272-0943*

As you have been advised previously, you have certain rights with respect to referral of your debt to the Department of the Treasury or to credit bureaus:

- You may inspect and request copies of your records about this debt;
- You may contact us to enter into a mutually agreeable written repayment agreement; and
- You may request a review of our determinations about the amount of your debt, its past-due status, and its legal enforceability. To exercise this right, you must state your request in writing, state your reason(s) for challenging our determinations, and sign your statement. If you believe that any information of record concerning your debt is not accurate, timely, relevant, or complete, you must provide information or documentation to support your belief.

If you wish to enter into a written repayment agreement, contact me immediately at **[insert telephone number]**.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

WAIVER OF CHARGES WORKSHEET

File Number: 123456789

1. Current principal balance

\$ _____

2. Accrued charges

a.) accrued Administrative charges \$ _____

b.) accrued penalty \$ _____

c.) accrued interest \$ _____

Total (Item 2a + Item 2b + Item 2c) \$ _____

3. Interest rate (express as percent; i.e. 5% not .05)

Monthly interest rate (annual rate/12) _____ %

4. Monthly payment

\$ _____

5. Monthly interest (Item 1 x Item 3) \$ _____

If Item 5 >= Item 4, then charges are waived. Stop here

If Item 5 < Item 4, go on to Item 6

6. Period to repay full amount of debt (months)

a) Period to repay accrued charges _____ mos.

Item 2/Item 4 - (Item 1 x Item 3)

b) Period to repay principal _____ mos.

Total (Item 6a + Item 6b) _____ mos.

7. Debtor's life expectancy (see page 2 of this exhibit;

multiply that figure by 12 to convert years to months).

IF ITEM 7 IS LESS THAN ITEM 6, then all charges must be waived.

IF ITEM 7 IS GREATER THAN OR EQUAL TO ITEM 6, then charges cannot be waived.

Consider whether the accrued charges and/or principal must be compromised by completing the Compromise of Principal Worksheet.

Calculations performed by: _____ Date: _____

Certified by: _____ Date: _____

WAIVER OF CHARGES WORKSHEET (Continued)

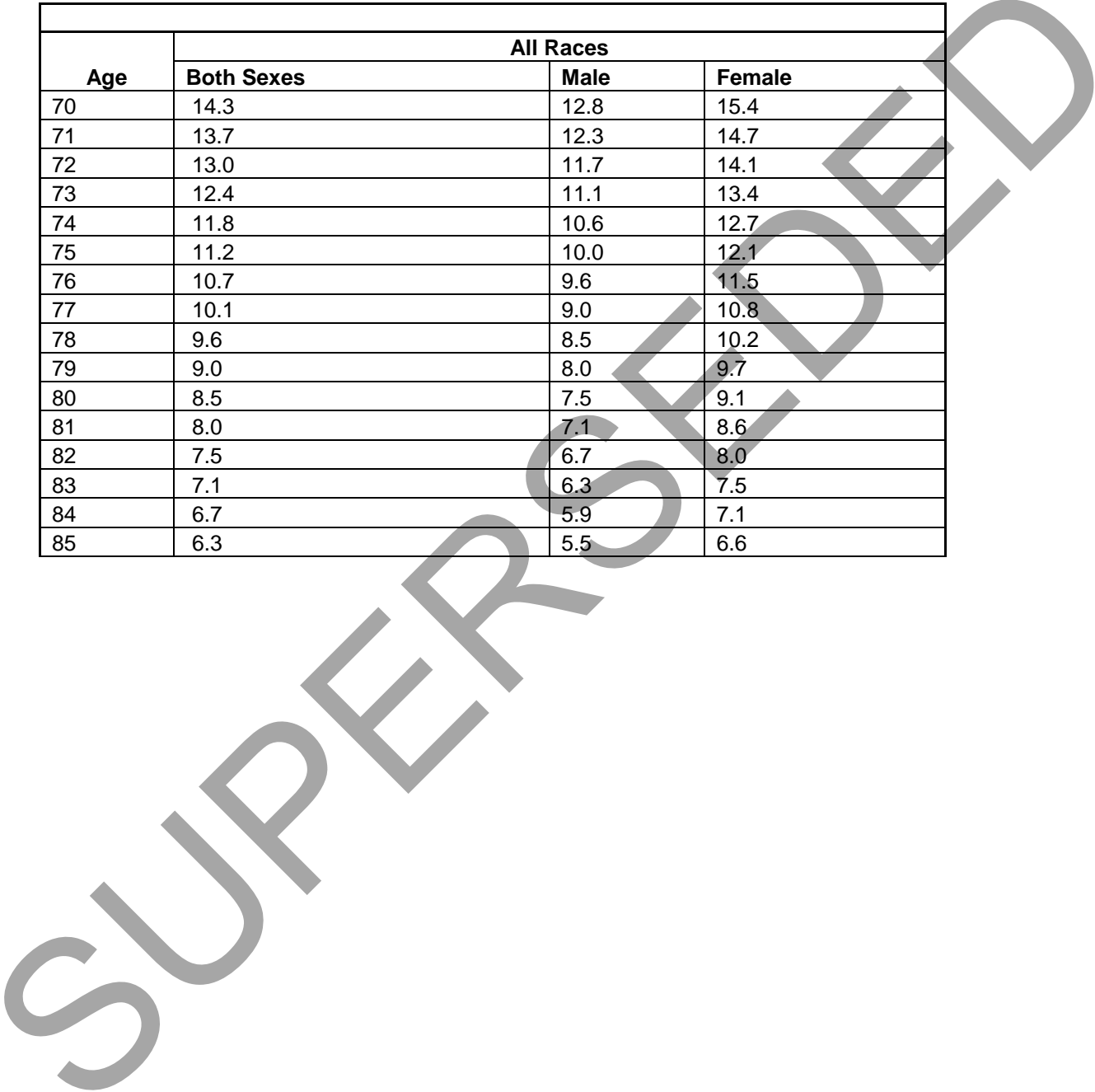
Life Table 6.3 Expectation of Life at Single Years of Age, by Race and Sex. United States, 1999. Found in "National Vital Statistics Reports, March 21, 2001, Volume 50, Number 6, page 2 (Table A and 7-12, Tables 1-3), published by the Department of Health and Human Services, Center for Disease Control and Prevention, National Center for Health Statistics, National Vital System.

Age	All Races		
	Both Sexes	Male	Female
30	48.2	45.7	50.5
31	47.3	44.8	49.8
32	46.3	43.9	48.6
33	45.4	42.9	47.6
34	44.4	42.0	46.7
35	43.5	41.1	45.7
36	42.6	40.2	44.8
37	41.6	39.2	43.8
38	40.7	38.3	42.9
39	39.8	37.4	41.9
40	38.8	36.5	41.0
41	37.9	35.6	40.0
42	37	34.7	39.1
43	36.1	33.8	38.2
44	35.2	32.9	37.2
45	34.3	32.0	36.3
46	33.4	31.1	35.4
47	32.5	30.3	34.4
48	31.6	29.4	33.5
49	30.7	28.5	32.6
50	29.8	27.7	31.7
51	28.1	26.8	30.8
52	28.1	26.0	29.9
53	27.2	25.2	29.0
54	26.4	24.4	28.2
55	25.5	23.6	27.3
56	24.7	22.7	26.4
57	23.9	21.9	25.6
58	23.1	21.2	24.7
59	22.3	20.4	23.9
60	21.5	19.6	23.1
61	20.7	19.9	22.3
62	20.0	18.9	21.5
63	19.2	18.2	20.7
64	18.9	17.5	19.9
65	17.7	16.1	19.1
66	17.4	16.1	18.4
67	16.3	15.4	17.6

68	15.6	14.7	16.9
69	15	13.5	16.1

WAIVER OF CHARGES WORKSHEET (Continued)

Age	All Races		
	Both Sexes	Male	Female
70	14.3	12.8	15.4
71	13.7	12.3	14.7
72	13.0	11.7	14.1
73	12.4	11.1	13.4
74	11.8	10.6	12.7
75	11.2	10.0	12.1
76	10.7	9.6	11.5
77	10.1	9.0	10.8
78	9.6	8.5	10.2
79	9.0	8.0	9.7
80	8.5	7.5	9.1
81	8.0	7.1	8.6
82	7.5	6.7	8.0
83	7.1	6.3	7.5
84	6.7	5.9	7.1
85	6.3	5.5	6.6



COMPROMISE OF PRINCIPAL WORKSHEET

File Number: 123456789

- 1. **Current principal balance** \$ _____
- 2. **Accrued charges**
 - a.) accrued Administrative charges \$ _____
 - b.) accrued penalty \$ _____
 - c.) accrued interest \$ _____
 - Total (Item 2a + Item 2b + Item 2c) \$ _____
- 3. **Interest rate** (express as percent; i.e. 5% not .05)
 - a.) Annual Interest rate _____ %
 - b.) Monthly interest rate (annual rate/12) _____ %
- 4. **Monthly payment** \$ _____

5. **To determine if this is a candidate for compromise apply the following rule:**

Divide the current principal balance (plus any accrued charges) by the monthly payment; and multiply the result by the annual interest rate.

$$\frac{\text{Item 1} + \text{Item 2}}{\text{Item 4}} \times \text{Item 3a} = \text{Item 3a}$$

If the result is less than 5.5, no compromise is necessary. If the result is 5.5 or greater complete the balance of the worksheet to determine the amount, if any, to be compromised.

- 6. **First month interest** (Item 1 x Item 3b/100) \$ _____
- 7. **Period within which debt must be repaid** (months)
(Item 1/Item 4 x 1.35) _____

If Item 6 is >= to Item 4, then all accrued charges are compromised; skip Item 8 through 10, and go to Item 11 to determine the amount of principal to be compromised. Otherwise, continue with Item 8.

8. Period to repay full amount of debt (months)

- a.) Period to repay accrued charges _____ mos.
 (Item 2/Item 4) - (Item 1 x Item 3)
- b.) Period to repay principal _____ mos.
- Total (Item 8a + Item 8b) _____ mos.

If Item 8b is <= to Item 7, no principal need be compromised. Skip to Item 12.

If Item 8b is > Item 7, the amount of the principal must be compromised. Continue to the next item.

9. Maximum amount of accrued charges to be compromised.

(Item 8 - Item 7/Item 8a) x Item 2 _____

If no number is generated here, then there are no accrued charges to be compromised. Proceed to the next item.

10. Apportionment of compromise

- a.) Item 9 or Item 2, whichever is less
- b.) Admin Charges (Item 2a or Item 10a, whichever is less)
- c.) Balance (Item 10a - Item 10b)
- d.) Penalty (Item 2b or Item 10c, whichever is less)
- e.) Balance (Item 10c - Item 10d)
- f.) Interest (Item 2c or Item 10e, whichever is less)

11. Amount of principal after compromise _____

If this amount is more than the original principal, then there is no compromise of principal.

12. New debt balances. (If Item 10 was skipped then consider item 10a thru 10e as zero)

- a.) Accrued admin charges (Item 2a - Item 9b)
- b.) Accrued penalty (Item 2b - Item 10d)
- c.) Accrued interest (item 2c - Item 10f)
- d.) Principal Balance (Item 11; or, if Item 11 was skipped, use Item 1)

Calculations performed by: _____ Date: _____

Certified by: _____ Date: _____

SAMPLE COMPROMISE ORDER

1. An overpayment of compensation was found in the above referenced case in the amount of **{insert amount}**.

It has been determined that the claimant does not have the present or prospective ability to pay the full amount of the claim within a reasonable period of time. It has been further determined that there is no indication of fraud, the filing of a false claim, or misrepresentation on the part of the claimant or on the part of any other party having an interest in the claim.

(Adjust wording of paragraph 2 to fit circumstances.)

2. On **{insert date}** DEEOIC advised the claimant that he was found (with/without) fault in the matter of the overpayment and was notified of the grounds for consideration of waiver and of his rights in the matter. The claimant applied for waiver, and on **{insert date}** a final determination was made that claimant was with fault in the matter and was not entitled to consideration of waiver.

3. Based on the information outlined above, it is hereby determined that full settlement of the claim for recovery of the overpayment shall be accepted in the amount of **{insert amount}**, which does not exceed \$100,000 exclusive of interest and penalties, to be paid in the following manner and time:

{Describe payment terms}

4. The claim for overpayment shall not be considered settled until full payment of **{insert amount}** has been made within the time and in the manner specified above. The failure to make such payment shall result in the reinstatement of the full amount of the overpayment, less any amounts paid prior to default.

Given by me this day of

Unit Chief for Policies,
Regulations and Procedures
DEEOIC

SAMPLE COMPROMISE MEMORANDUM**MEMORANDUM TO FILE:**

The claimant in the attached case is indebted to DEEOIC in the amount of {insert amount}. The indebtedness arose because the Office accepted a claim for {insert} condition which was later rescinded by decision dated {insert date}. The claimant was fully advised of his rights in the matter of the overpayment but did not request a review of the documents or a telephone conference. The decision regarding the overpayment was made final by letter decision dated {insert date}.

The claimant has agreed that a certificate in the amount of {insert amount} be paid in partial settlement of the debt and he proposed that we accept this in full settlement. The claimant submitted financial reports showing that his income is derived solely from a pension under the Civil Service Retirement Act and Social Security benefits. Also, the claimant has submitted documentation of his expenses which, according to the calculations in the file, consume virtually all of his income. There is no indication of fraud in this case.

Since it appears extremely unlikely that the debt can be recouped in a reasonable period of time, either voluntarily or through legal proceedings, given the claimant's age, health, and financial circumstances, I recommend that this proposal for settlement be accepted and that an order be issued compromising the remainder of the debt upon receipt of {insert amount}.

SAMPLE LETTER TERMINATING COLLECTION ACTIONS

Dear CLAIMANT NAME:

This is in further reference to your debt to the United States in the amount of {insert amount}, and your letter to us of {insert date}.

I have reviewed the issues raised in your letter, and the information concerning your financial situation which you have provided. I have determined that collection action on your debt will be terminated indefinitely and that no further action will be taken by this office, unless we are notified that your circumstances have changed.

I have taken this action because it has been found that your financial circumstances are such that recovery would cause hardship. In the event that we receive evidence of substantial income or assets which would support collection, we reserve the right to take further action to recover the money due.

Sincerely,

Unit Chief for Policies,
Regulations and Procedures
DEEOIC