

**RECEIVED SEP 18 2020**

U.S. DEPARTMENT OF LABOR

OWCP/DFEC, PO Box 8311  
LONDON, KY 40742-8311  
Phone: (202) 693-0045

**Want Faster Service?**

Upload a document at [ecompl.dol.gov](https://ecompl.dol.gov)

Date of Injury:

Employee:

Dear

This letter is in reference to your recent request for a pre-recoupment hearing of the preliminary overpayment determination made in your case file.

A review of your case file reveals you sustained a work injury that occurred in the performance of duty. The Office accepted the claim for Accepted condition(s) with ICD-10 code(s): SPRAIN OF JOINTS AND LIGAMENTS OF OTHER PARTS OF NECK, INITIAL ENCOUNTER, S138XXA; SPRAIN OF LIGAMENTS OF LUMBAR SPINE, INITIAL ENCOUNTER, S335XXA; SPRAIN OF LIGAMENTS OF CERVICAL SPINE, INITIAL ENCOUNTER, S134XXA; CALCIFIC TENDINITIS OF RIGHT SHOULDER, M7531; STRAIN OF UNSPECIFIED MUSCLE, FASCIA AND TENDON AT SHOULDER AND UPPER ARM LEVEL, RIGHT ARM, INITIAL ENCOUNTER, S46911A; ADHESIVE CAPSULITIS OF LEFT SHOULDER, M7502; INCOMPLETE ROTATOR CUFF TEAR OR RUPTURE OF LEFT SHOULDER, NOT SPECIFIED AS TRAUMATIC, M75112; INCOMPLETE ROTATOR CUFF TEAR OR RUPTURE OF RIGHT SHOULDER, NOT SPECIFIED AS TRAUMATIC, M75111.

On , the Office issued a preliminary determination that you were found without fault in the creation of an overpayment of compensation in the amount of \$252.12. This overpayment occurred because no deductions for your health benefits and basic life insurance premiums were deducted for the period through

You disagreed with the preliminary overpayment finding, and requested a pre-recoupment hearing before the Branch of Hearings and Review.

I have carefully reviewed this case file and find your case is not in posture for a pre-recoupment hearing. The Federal Claims Collection Standards (FCCS), 31 Code of Federal Regulations (CFR) §902.2(a)(3) states that a claim may be compromised if the "cost of collecting the debt does not justify the enforced collection of the full amount." 31 CFR §903.3(a)(3) states that agencies may terminate collection activity when the "costs of collection are anticipated to exceed the amounts recoverable."

In a decision issued September 29, 1986, the Comptroller General concluded 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.

*If you have a disability and are in need of communication assistance (such as alternate formats or sign language interpretation), accommodation(s) and/or modification(s), please contact OWCP.*

Washington DC, September 11, 2020

The term "minimum debt amounts" refers to the designation of categorical thresholds beneath which collection action need not be initiated because the amount of 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 at which the agency will discontinue collection efforts already initiated when it appears that the cost of additional collection actions would exceed the amounts likely to be recovered. The Comptroller General further instructed that agencies may, in 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 Office set a threshold of \$1,000.00 as the designated amount at which administrative termination of debt collections must end. Therefore, any debt below \$1,000.00 can be considered for termination of collection actions on a case-by-case basis.

The circumstances of your case file warrants a recommendation that collection action toward recovery of the overpayment be terminated. My reasons are:

1. The debt is not covered by 5. U.S.C. § 8129.
2. The claimant's actions in this case do not exhibit willful attempts to mislead the Office.
3. The potential costs to pursue the overpayment will exceed the amount owed, in consideration of the cost of preparing for and conducting a pre-recoupment hearing such as that requested by the claimant.

In consideration of the above, your case file is returned to the Office for deletion of the overpayment from debt tracking and termination of debt collection activities.

Consistent with the above findings, the decision of the Office dated \_\_\_\_\_ is vacated and the case file is returned for further action as described above.

Your case file has been returned to the Jacksonville Office. You may also contact that office by writing to our Central Mail Room at the following address:

US DEPARTMENT OF LABOR  
OWCP/DFEC, PO Box 8311  
LONDON, KY 40742-8311

Sincerely,

Hearings and Review Examiner  
Division of Federal Employees' Compensation

PAUL FELSER, ESQ.  
7395 HODGSON MEMORIAL DRIVE, SUITE 102  
SAVANNAH, GA 31406

Washington DC, September 11, 2020