

File Number:
HR11-D-H

RECEIVED AUG 20 2018

U.S. DEPARTMENT OF LABOR

OFFICE OF WORKERS' COMP PROGRAMS
PO BOX 8300 DISTRICT 50
LONDON, KY 40742-8300
Phone: (202) 693-0045

Date of Injury:
Employee:

Dear

This letter is in reference to your workers' compensation claim, and your request for a pre-recoupment hearing regarding the overpayment of compensation in the amount of \$288.92 which occurred in your case.

After due consideration, it has been determined that the costs to hold a pre-recoupment hearing and collection would be greater than the actual overpayment amount. Therefore, the record in the amount of \$288.92 has been returned to the district office for termination of collection, as explained in the attached remand order.

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

US DEPARTMENT OF LABOR
OFFICE OF WORKERS' COMP PROGRAMS
PO BOX 8300 DISTRICT 6 JAC
LONDON, KY 40742-8300

Sincerely,

ELECTRONICALLY SIGNED

Hearing & Review Examiner

PAUL H FELSER, ESQ.
7393 HODGSON MEMORIAL DRIVE
SUITE 102
SAVANNAH, GA 31406

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, August 17, 2018

U.S. DEPARTMENT OF LABOR
OFFICE OF WORKERS' COMPENSATION PROGRAMS
DECISION OF THE HEARINGS AND REVIEW EXAMINER

In the matter of the claim for compensation under Title 5, U.S. Code 8101 et seq. of
Claimant; Employed by the _____ Case file

Merit consideration of the case file was completed on _____ in Washington, DC. Based on
this review, the preliminary finding of the overpayment made by the district office on _____ is
vacated for the reasons set forth below.

The issue for determination is whether the Office should waive the overpayment because it falls
below the Office threshold of debt collection.

On _____ the claimant, born I _____ employed as a _____ with
the _____ filed a CA-1 Notice of Traumatic Injury, indicating that she sustained an injury to
her back and left leg on _____. Her claim was accepted for sprain back and lumbar region.

On _____ the district office issued a preliminary determination that _____ was with fault in
the creation of an overpayment of compensation in the amount of \$288.92 which occurred because
the claimant's compensation was terminated effective _____, however, she was paid through
_____ disagreed with the preliminary finding and requested a pre-recoupment
hearing on the fact and the amount of the overpayment.

The Federal Claims Collection Standards (FCCS), 31 CFR 902.2(a)(3), state 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 on _____ 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.
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 debt collection efforts the agency initiated,
but will discontinue, when it appears that the costs of additional collection actions would exceed the
amounts likely to be recovered. Further, the Comptroller General instructed 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 circumstances of this case warrant recommendation that collection action toward recovery of the \$288.92 overpayment be terminated. My reasons are:

1. The potential costs to pursue this particular case will exceed the amount owed. The Office has estimated that the \$472.00 is the cost of preparing for and conducting pre-recoupment hearings such as that requested by the claimant. This figure, coupled with costs involved with collection would exceed the amount owed.
2. The claimant's actions in this case do not exhibit willful attempts to mislead the office.

I find, too, that the information supplied by the claimant in support of her request for a hearing is not currently sufficient to make a determination whether waiver of the overpayment may be granted.

In consideration of the above, the case is returned to the District Office. The overpayment should be deleted from the accounts receivable log and collection activities should be terminated.

ISSUED:
WASHINGTON, D.C.

ELECTRONICALLY SIGNED

Hearings and Review Claims Examiner
For the Director, Office of
Workers' Compensation Programs

Washington DC, August 17, 2018