

File Number:
HR58-D-H

RECEIVED JAN 27 2020

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 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 District Office accepted the claim for Accepted condition(s) with ICD-9 code(s): CLOSED FX DORSAL VERTEBRA, WITHOUT SPINAL CORD INJURY, 8052.

On _____, the District Office issued a preliminary determination that you were found without fault in the creation of an overpayment of compensation in the amount of \$556.23. This overpayment occurred because you received disability compensation for the period _____ through _____ while also receiving Federal Employees Retirement System (FERS) for the same period.

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.

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

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, January 23, 2020

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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 District Office for deletion of the overpayment from debt tracking and termination of debt collection activities.

Consistent with the above findings, the decision of the District 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 District Office. You may also 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 Representative
Division of Federal Employees' Compensation

PAUL FELSER
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