

## CREDIT AND DEBT MANAGEMENT OPERATING STANDARDS AND PROCEDURES HANDBOOK

### CHAPTER 9. CLAIMS COLLECTION LITIGATION REPORTS

#### Section 1.0 Introduction

The [Federal Claims Collection Standards, Chapter IX](#) (FCCS), prescribes regulations for the administrative collection, compromise, suspension or termination of agency claims, and for the referral of administratively uncollectible claims to the Government Accountability Office (GAO) or to the Department of Justice (DOJ) for litigation.

Unless an agency has specific statutory authority to litigate its own debts, it must refer debt to DOJ for litigation. All Federal agencies are required to refer claims when the principal amount is \$1,000,000 or less, for litigation or debt enforcement to DOJ's Nationwide Central Intake Facility (NCIF). The NCIF tracks, by agency, the number and dollar value of referred debts, their age at referral, and case rejection rates. The NCIF will acknowledge receipt of debts referred by the agencies, route the debts to the appropriate U.S. Attorney or private counsel for litigation, and keep the referring agency advised of the progress of the litigation effort. Debts with a principal amount of more than \$1,000,000 should be forwarded to the appropriate litigating division at DOJ.

Debts with a principal amount of less than \$2,500 will not be forwarded to DOJ for litigation unless: (a) litigation to collect such smaller claims is important to ensure compliance with the agency's policies or programs; (b) the claim is being referred solely for the purpose of securing a judgment against the debtor, which will be filed as lien against the debtor's property pursuant to 28 U.S.C. § 3201 and returned to the forwarding agency for enforcement; or (c) the debtor has the clear ability to pay the claim and the government effectively can enforce payment with due regard for the exemptions available to the debtor under state and Federal law and the judicial remedies available to the Government. Seek legal advice before forwarding such a claim as DOJ will need to be contacted ahead of time.

#### Section 2.0 Claims Collection Litigation Report (CCLR)

The [Federal Claims Collection Standards, Chapter IX](#) requires that all claims referred to DOJ or the U.S. Attorneys' Office be accompanied by a [Claim Collection Litigation Report \(CCLR\)](#). The CCLR was developed by the Debt Collection Section of the Executive Office for United States Attorneys, DOJ, as the standard report to provide certain information when claims are referred to DOJ for litigation and enforced collection.

Use of the [CCLR](#) by all organization units provides the DOJ with all the information it must have to effectively litigate the claim and enforce collection and improve the quality of claim referrals.

Inability to obtain all information required by the CCLR should not be viewed as a bar to referral of the claim to the DOJ. However, information requested in the CCLR should be provided to the extent feasible.

When referring a debt to DOJ for litigation, an agency must provide the following:

- \$ a copy, not the originals, of the relevant account information. Originals may be requested at a later date so the organizational unit must be prepared to produce them promptly;
- \$ a fully completed copy of the [CCLR](#);
- \$ a checklist or report of prior collection actions taken. If the organizational unit has not taken an appropriate collection action, then the CCLR must explain why;
- \$ the current address of the debtor; and
- \$ credit data for the debtor. The data must have been obtained within the past six months. The form the credit data may take includes:
  - B a credit report;
  - B an investigative report stating the debtor's assets, liabilities, income, and expenses;
  - B an individual's financial statement indicating assets, liabilities, income, and expenses. This statement must be signed by the debtor and certified as correct under penalty of perjury; and
  - B an audited balance sheet for a corporate debtor.

Once a claim has been referred to the U.S. Attorneys' Office or DOJ, the referring organization unit should refrain from having any contact with the debtor, except if the debtor appears in person offering to make immediate, in-full payment of the debt. In this case, collection should be made and the office to which the claim was referred notified immediately. If questions concerning the claim are raised by the debtor or if any other contact is made, the organization unit should direct the debtor to the office where the claim was referred.

No other type of collection action should be taken once the claim is referred; however, organization units should continue to report the debtor to credit reporting bureaus.