



BUREAU OF THE
Fiscal Service
U.S. DEPARTMENT OF THE TREASURY

Litigation Referral

2018 Annual Governmentwide Federal Receivables Management Symposium

May 23 & 24, 2018

Cross-Servicing Collection Tools

- Demand letters and phone calls
- Referral to the Treasury Offset Program
- Reporting to Credit Bureaus
- Resolution of disputes
- Payment agreements, Administrative Wage Garnishment (AWG), and compromise agreements
- Referral to private collection agencies (PCAs)
- Administrative Resolutions
- Referral to the Department of Justice (DOJ)

Benefits of DOJ Referral

- U.S. Attorney can file a lawsuit against the debtor
- Compulsory discovery procedures, under oath
- Financial examinations to locate assets
- Depositions of debtors and third-parties
- Court can enter a judgment ordering debtor to pay
- Judgments last forever
- Judgments appear on credit report
- Consent judgments - Debtor agrees to be held liable for some or all of the debt
- Liens can be obtained
- Collections! – In FY17, referred 622 debts valued at over \$39 million, and DOJ collected nearly \$1.3 million

Debts Reviewed for DOJ Referral

- Debt Management Services (DMS) Automated Criteria
 - Creditor agency permits DMS to refer its debts to DOJ (designated in the agency's program profile)
 - Debt balance >\$2,500
 - More than 8 months before statute of limitations expires
 - No pending or active payment agreement, AWG, dispute, Administrative Resolution
 - Debt returned from 2nd PCA

- DMS/PCA collectors recommend litigation

- Creditor agencies request review of specific debts

Factors Considered for DOJ Referral

- Can debt be collected efficiently through administrative remedies?
- Valid address for debtor?
- Does the debtor have assets/ability to pay?
 - DMS pulls credit reports, uses commercial databases, and reviews information available on the Internet.
- Does DMS have sufficient documentation from the creditor agency for DOJ to establish a case?
- Taxpayer ID for debtor?

Documentation Sent to DOJ

- ❑ Claims Collection Litigation Report (CCLR) - provides information about the debtor, debt, basis of the debt, and collection efforts by the creditor agency, DMS, and PCAs.
- ❑ Credit report
- ❑ Information on assets, such as real estate, income, and personal property
- ❑ Secretary of State information
- ❑ Any correspondence to/from debtor
- ❑ Proof of debt (POD) documentation

How Creditor Agencies Can Help

- Provide complete documentation
- Timely responses to requests for documentation and compromise approval
- Be available to participate in conference calls with DOJ
- Have live witnesses available, when required
- If contacted directly by DOJ for anything other than POD, refer them to Treasury