

under this section is not required to be a formal evidentiary type hearing.

(2) This section does not require an oral hearing with respect to debt collection systems in which determinations of indebtedness or waiver rarely involve issues of veracity and the Agency has determined that the review of the written record is ordinarily enough to correct prior mistakes.

(3) In those cases where an oral hearing is not required by this section, the Agency will make its determination on the request for waiver or reconsideration based upon a review of the written record.

(d) Appropriate use will be made of the cooperative efforts of other agencies in effecting collection by administrative offset. USIA will not refuse to initiate administrative offset to collect debts owed the United States, unless the requesting agency has not complied with the applicable provisions of these standards.

(e) Collection by offset against a judgment obtained against the United States shall be accomplished in accordance with 31 U.S.C. 3728.

(f) Whenever the creditor agency is not the agency which is responsible for making the payment against which offset is sought, the latter agency shall not initiate the requested offset until it has been provided by the creditor agency with an appropriate written certification that the debtor owes the debt (including the amount) and that full compliance with the provisions of this section has taken place.

(g) When collecting multiple debts by administrative offset, USIA will apply the recovered amounts to those debts in accordance with the best interests of the United States, as determined by the facts and circumstances of the particular case, paying particular attention to the applicable statutes of limitations.

**§ 512.11 Administrative offset against amounts payable from Civil Service Retirement and Disability Fund.**

(a) Unless otherwise prohibited by law, USIA may request that monies that are due and payable to a debtor from the Civil Service Retirement and Disability Fund be administratively offset in reasonable amounts in order

to collect in one full payments, or a minimal number of payment, debts owed the United States by the debtor. Such requests shall be made to the appropriate officials within the Office of Personnel Management in accordance with such regulations as may be prescribed by the Director of that Office.

(b) When making a request for administrative offset under paragraph (a) of this section, USIA shall include written statements that:

(1) The debtor owes the United States a debt, including the amount of the debt;

(2) The USIA has complied with the applicable statutes, regulations, and procedures of the Office of Personnel Management; and

(3) The USIA has complied with the requirements of § 512.10 of this part, including any required hearing or review.

(c) Once USIA decides to request offset under paragraph (a) of this section, it will make the request as soon as practical after completion of the applicable procedures in order that the Office of Personnel Management may identify the debtor's account in anticipation of the time when the debtor requests or becomes eligible to receive payments from the Fund. This will satisfy any requirement that offset be initiated prior to expiration of the applicable statute of limitations.

(d) If USIA collects part or all of the debt by other means before deductions are made or completed pursuant to paragraph (a) of this section, USIA shall act promptly to modify or terminate its request for offset under paragraph (a) of this section.

(e) This section does not require or authorize the Office of Personnel Management to review the merits of the USIA determination relative to the amount and validity of the debt, its determination on waiver under an applicable statute, or its determination whether to provide an oral hearing.

**§ 512.12 Collection in installments.**

(a) Whenever feasible, and except as required otherwise by law, debts owed to the United States, together with interest, penalties, and administrative costs as required by this regulation, should be collected in one lump sum. This is true whether the debt is being

collected under administrative offset or by another method, including voluntary payment. However, if the debtor is financially unable to pay the indebtedness in one lump sum, payment may be accepted in regular installments. If USIA agrees to accept payment in installments, it will obtain a legally enforceable written agreement from the debtor that specifies all of the terms of the arrangement and which contains a provision accelerating the debt in the event the debtor defaults. The size and frequency of the payments should bear a reasonable relation to the size of the debt and ability to the debtor to pay. If possible the installment payments should be sufficient in size and frequency to liquidate the Government's claim within 3 years.

(b) If the debtor owes more than one debt and designates how a voluntary installment plan is to be applied among those debts, the Agency will follow that designation. If no such designation is made, the Agency will apply payments to the various debts in accordance with the best interest of the United States as as determined by the facts and circumstances of each case, with particular attention to application statutes of limitation.

**§ 512.13 Exploration of compromise.**

USIA may attempt to effect compromise in accordance with the standards set forth in part 103 of the Federal Claims Collection Standards (4 CFR part 103).

**§ 512.14 Suspending or terminating collection action.**

The suspension or termination of collection action shall be made in accordance with the standards set forth in part 104 of the Federal Claims Collection Standard (4 CFR part 104).

**§ 512.15 Referrals to the Department of Justice or the General Accounting Office.**

Referrals to the Department of Justice or the General Accounting Office shall be made in accordance with the standards set forth in part 105 of the Federal Claims Collection Standards (4 CFR part 105).

**§ 512.16 Collection services.**

(a) USIA has authority to contract for collection services to recover delinquent debts in accordance with 31 U.S.C. 3718(c) and 4 CFR 102.6.

(b) Contracts with collection agencies will provide that:

(1) The authority to resolve disputes, compromise claims, suspend or terminate collection action, and refer the matter to the Justice Department for litigation will be retained by USIA;

(2) Contractors are subject to 5 U.S.C. 552a, the Privacy Act of 1974, as amended, to the extent specified in 5 U.S.C. 552a(m) and to applicable Federal and State laws and regulations pertaining to debt collection practices, such as the Fair Debt Collection Practices Act, 15 U.S.C. 1692;

(3) The contractor is required to strictly account for all amounts collected;

(4) The contractor must agree that uncollectible accounts shall be returned with appropriate documentation to enable USIA to determine whether to pursue collection through litigation or to terminate collection;

(5) The contractor must agree to provide any data in its files relating to paragraphs (a)(1), (2), and (3) of § 105.2 of the Federal Claims Collection Standards (4 CFR part 105) upon returning the account to USIA for subsequent referral to the Department of Justice for litigation.

(c) USIA will not use a collection agency to collect a debt owed by a currently employed or retired Federal employee, if collection by salary or annuity offset is available.

**Subpart C—Salary Offset**

**§ 512.17 Purpose.**

This subpart provides the standards to be followed by USIA in implementing 5 U.S.C. 5514 to recover a debt from the pay of an Agency employee or former employee, and establishes the procedural guidelines to recover debts when the employee's creditor and paying agencies are not the same.

[52 FR 43897, Nov. 17, 1987, as amended at 55 FR 3050, Jan. 30, 1990]