

APPENDIX G. REFERRAL OF DEBT TO THE DEPARTMENT OF JUSTICE (DOJ) FOR LITIGATION

- G.1 If, after deducting the amount of any partial payments or collections, the principal amount of a debt exceeds \$100,000, or such other amount as the Attorney General may direct, exclusive of interest, penalties, and administrative costs, the authority to suspend or terminate rests solely with the Department of Justice (DOJ).
- G.1.1 In consultation with NASA Office of General Counsel, if the Center believes that suspension, compromise, or termination of any debt in excess of \$100,000 may be appropriate, the Center shall refer the debt to the Civil Division or other appropriate litigating division in DOJ, using the Claims Collection Litigation Report (CCLR). The referral should specify the reasons for NASA's recommendation.
- G.1.2 In consultation with NASA Office of General Counsel, if, prior to referral to DOJ, a Center determines that a debt is plainly erroneous or clearly without legal merit, the Center may terminate collection activity regardless of the amount involved without obtaining DOJ concurrence.
- G.2 Debts may be referred to DOJ in accordance with the provisions of 14 CFR 1261.417, OMB Circular No. A-129, and the authorities cited in 14 CFR 1261.402. In consultation with NASA Office of General counsel, cases of fraud may be sent to DOJ at anytime. Debts referred to the Department of Treasury (Treasury) for collection will be referred to DOJ as appropriate by Treasury. DOJ will only accept debt that is at least \$2,500. The Short Form CCLR may be used for referring claims between \$2,500 and \$5,000, including interest, penalties, and administrative costs. Centers have the option of referring delinquent Federal employee accounts to DOJ to obtain a judgment in accordance with Section 124 of Public Law 97-276. This provision allows DOJ to collect 25 percent of the employee's salary after a judgment is obtained, as compared to the 15 percent limit under the salary-offset authority.
- G.2.1 In consultation with NASA Center Counsel's Office, Centers shall:
- A. Promptly refer delinquent accounts to DOJ as soon as there is evidence that the debt is collectible and that full or partial recovery of the debt will be best achieved through litigation;
 - B. Send claims to DOJ when all efforts and administrative processes are completed and the debt remains delinquent and legally enforceable;
 - C. Set up a system to ensure that each CCLR prepared by the Center includes:
 1. Name of debtor, address, Tax Identification Number (TIN), current place of employment, and salary of debtor, all of which has been verified within six months of the referral (e.g., by financial statement or credit report).

2. Evidence that the debtor has ability to pay a judgment (employment data, property, other income), or the potential to repay and a judgment is needed to protect the Government's interest (an exception is the referral of cases solely to obtain clear title to a property that has no possibility for repayment).
 3. A certificate of indebtedness.
 4. A TIN for each debtor, individual, and/or organization including personal guarantors of the debt.
 5. A credit report, for each debtor, that is less than six months old at the time of referral.
- D. In consultation with the DOJ, establish a system to account for cases referred to and returned from DOJ. The TIN will be the common identifier for each debt in referring cases to DOJ. DOJ will use the TIN number for case tracking and reconciliation. Periodic follow-ups should be made with DOJ to ascertain the status of litigation.
- E. Participate in the DOJ private attorney program by identifying and then accelerating case referrals through DOJ's Central Intake Facility to those districts where the U.S. Attorney offices contract with private law firms. Upon receipt of the CCLR, a U.S. Attorney is to file suit within 45 days unless the debtor has come forward with a voluntary payment. Collection efforts should cease once a case has been referred DOJ. The appropriate U.S. Attorney, or DOJ attorney, must be notified of exceptions and permit continued collection activity by an agency. "Continued collection activity" does not include agency attorneys appointed Special Assistant United States Attorneys. The DOJ shall notify the referring Center within 60 days of the closing of a case.
- F. Stop the use of any collection activities and refrain from further contact with the debtor once a claim has been referred to DOJ, unless the DOJ agrees to allow the debtor(s) to remain in Treasury Offset Program or offset while the DOJ pursues other legal remedies.
- G. Centers must promptly notify the DOJ of any payments received on a debtor's account after referral of the claim for litigation.