

**§ 1018.63**

(a) When it becomes clear that the Government cannot collect or enforce collection of any significant sum from the debtor having due regard for the judicial remedies available to the Government, the debtor's future financial prospects, and the exemptions available to the debtor under State and Federal law;

(b) When the debtor cannot be located, there is no security remaining to be liquidated, the applicable statute of limitations has run, and the prospects of collecting by offset, notwithstanding the bar of the statute of limitations, are too remote to justify retention of the claim; or

(c) When it is likely that the cost of the collection action will exceed the amount recoverable.

**§ 1018.63 Termination of collection action.**

Collection action shall be terminated:

(a) Whenever it is determined that the claim is legally without merit; or

(b) When it is determined that the evidence necessary to prove the claim cannot be produced, or necessary witnesses are unavailable, and efforts to induce voluntary payments have been unavailing.

**§ 1018.64 Transfer of a claim.**

The Board may refer a claim to GAO when there is doubt as to whether or not a collection action should be suspended or terminated.

**Subpart E—Referral of a Claim**

**§ 1018.70 Prompt referral.**

(a) A claim which requires enforced collection is referred to GAO or DOJ for litigation. A referral is made as early as possible consistent with aggressive collection action and, in any event, well within the time required to bring a timely suit against the debtor. Ordinarily, referrals are made within 1 year of the Board's final determination of the fact and the amount of the debt.

(b) When the merits of the Board's claim, the amount owed on the claim, or the propriety of acceptance of a proposed compromise, suspension, or termination of collection actions is in doubt, the Board shall refer the matter

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to GAO for resolution and instruction prior to proceeding with collection actions and/or referral to DOJ for litigation.

(c) The Board may refer a claim to GAO or DOJ even though the termination of collection activity might otherwise be given consideration under § 1018.63 if:

(1) A significant enforcement policy is involved in reducing a statutory penalty or forfeiture to judgment; or

(2) Recovery of a judgment is a prerequisite to the imposition of administrative sanctions, such as suspension or revocation of a license or privilege of participating in a Government sponsored program.

(d) Once a claim has been referred to GAO or DOJ under this subpart, the Board shall refrain from any contact with the debtor and shall direct the debtor to GAO or DOJ as appropriate, when questions concerning the claim are raised by the debtor. The Board shall immediately advise GAO or DOJ, as appropriate, of any payments by the debtor.

**§ 1018.71 Referral of a compromise offer.**

The Board may refer a debtor's firm written offer of compromise which is substantial in amount to GAO or to DOJ if the Board is uncertain whether the offer should be accepted.

**§ 1018.72 Referral to the Department of Justice.**

(a) Claims for which the gross original amount is over \$500,000 must be referred to the Commercial Litigation Branch, Civil Division, Department of Justice, Washington, DC 20530. Claims for which the gross original amount is \$500,000 or less must be referred to the Department of Justice's Nationwide Central Intake Facility.

(b) A claim of less than \$600, exclusive of interest, is not referred for litigation unless:

(1) Referral is important to a significant enforcement policy; or

(2) The debtor has the clear ability to pay the claim, and the government can effectively enforce payment.

(c) A claim on which the Board holds a judgment is referred to DOJ for further action if renewal of the judgment