

1240.5 Locating the Debtor

After an initial overpayment letter and a tracer has been released with no response, BFO-DRD may request field assistance in locating the overpaid individual. Among the sources available to you are:

- Employers, relatives or friends of the individual;
- Telephone directories;
- Postmasters;
- Driver's license records;
- Automobile title and license records.

You may have developed other sources of information in your area. You may use whatever sources are reasonable, trustworthy and do not violate any confidentiality statutes to obtain information. However, keep your efforts within reason when there are indications that the debtor is not likely to be found.

1240.10 Development Requested By BFO-DRD

1240.10.1 Investigating a Person's Ability to Repay a Debt

BFO-DRD may request the field to investigate an individual's ability to repay a debt when the debtor ignores refund demands or stops making refunds, or when a compromise settlement or monthly installments are proposed to settle a debt, or when a civil suit is contemplated.

BFO-DRD may request information pertaining to, but not limited to the following in conjunction with a review to determine a debtor's ability to repay a debt:

- His age and health;
- Present and potential income;
- Inheritance prospects;
- The possibility that assets have been concealed or improperly transferred; and
- The availability of assets or income which may be realized if collection proceedings were taken.

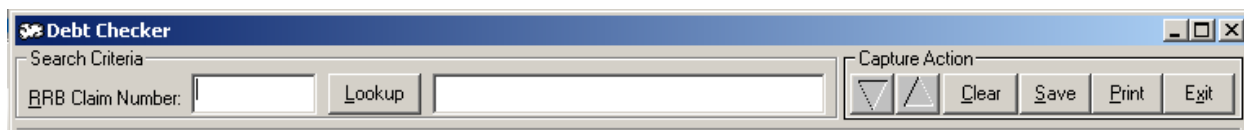
1240.10.2 Development for Possible Civil Suit

BFO-DRD may request information be secured for possible civil action being initiated to recover erroneous payments. Specifically, they may request you to obtain certain statements and documents to enhance our case against the debtor. However, if you discover other documents or sources of evidence that would strengthen our case, get copies of such evidence if readily available, or if development is necessary, contact BFO-DRD to discuss the relevancy of such evidence before development.

When your investigation is complete, assemble all the statements and evidence and send it to BFO-DRD in a white envelope marked, "Do Not Open in Mailroom."

1240.14 Using DEBTCHKR to Verify Debts

Use DEBTCHKR to verify RRA, RUIA and Medicare debts. The new version of DEBTCHKR is found on the RAILS toolbar and on the Extra toolbar. When DEBTCHKR is selected the screen below will appear. Enter the RRB Claim Number and press "Lookup". DEBTCHKR will scan PAR for any RRA, RUIA and Medicare debts including debts identified as uncollectible and transferred to the UNCL table on PAR. A printout of the debts will be shown on screen.



If an inquiry is made on a delinquent debt that has been referred to the Department of Treasury, DEBTCHKR has been enhanced to show the following message:

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*****                "DO NOT RELEASE ANY INFORMATION"                *****
*****                CROSS SERVICING INVOLVED                *****
*****                CONTACT DRD                *****
*****                "DO NOT RELEASE ANY INFORMATION"                *****
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ACCOUNT NUMBER

BILLING DOC ID:

If you encounter this message, do not release any information to the inquirer. In this type of situation the inquirer has already been informed that the case is being handled by the Department of Treasury. Inform the inquirer to contact the Debt Recovery Division at 1-312-751-7176. You can contact DRD via an e-mail to the BFO-Debt Recovery Waiver Group mailbox (provide a current phone number of the inquirer) or you may call DRD at extension 7176. DRD will respond directly to the individual.

DEBTCHKR allows you to save and/or print the data. Select “Clear” to enter another claim number. Select “Exit” to close the DEBTCHKR program. See [RCM 6.6.134](#) for more information.

1240.15 Investigating For Fraud

When a question of fraud has been raised in a case, OIG may request the field to make an investigation. The sources of evidence and the extent of development depend upon the facts and circumstances in each case. Undertake no development action until directed to do so by OIG.

1240.15.1 Action by OIG

The OIG releases Referral Memos to the appropriate Field Offices in cases where a case is being referred to the United States Attorney. These memos should be placed at the top of the annuitants file along with a notation of “Do Not Purge”. This folder should not be purged until the OIG releases another memo indicating that this case has been closed.

1240.15.2 Action by the Field Office

If, after the case has been referred to the United States Attorney, the annuitant offers to make repayment or has any inquiries regarding the benefits (s)he received as a result of his/her fraudulent claim or statement, take the following action:

- A. Written Inquiries – Field Office (FO) personnel are to fax written inquiries to the OIG at 312/751-4342. Include the annuitant’s claim number and the statement “Open Investigation” on the fax cover sheet. Forward the original to RBD or SBD via Form G-26. RBD/SBD will forward the documents to PSD/IDS to be imaged. Notate on the original that it was faxed to the OIG, initial and date. A copy of the correspondence should be retained in the FO for one year.
- B. Email Inquiries – FO personnel should forward the email to Hotline@oig.rrb.gov. The subject line should include “Open Investigation” and the claim number. Make a copy of the email and forward it to RBD or SBD via Form G-26. RBD/SBD will forward the documents to PSD/IDS to be imaged. Notate on the copy that the original was forwarded to the OIG, initial and date. A copy of the correspondence should be retained in the FO for one year.
- C. Telephone or In Office Inquiries – If an annuitant calls or comes into the office to discuss their case, the FO personnel should advise the annuitant that **“We do not have specific information on your case and a written request will have to be sent to headquarters for a response.”** Request the annuitant to prepare a written statement that will be forwarded to headquarters. Do not mention that the request will be sent to the OIG. Fax the statement to the OIG at 312/751-4342. Include the annuitant’s claim number and the statement “Open Investigation” on the fax cover sheet. Forward the original to RBD or SBD via Form G-26. RBD/SBD will forward

the statement to PSD/IDS to be imaged. Notate on the original that it was faxed to the OIG, initial and date. A copy of the correspondence should be retained in the FO for one year.

- D. Problems or Special Need Cases – If the annuitant insists on speaking to someone or this case needs special attention, have the FO Manager call or email one of the contacts below. They will contact the OIG and obtain the requested information.

RBD Operations and Claims Analyst – x4759

SBD Operations and Claims Analyst – x3323

Sickness and Unemployment Section Chief – x4708

UNDER NO CIRCUMSTANCES SHOULD FO PERSONNEL FORWARD ANY ANNUITANT CALLS TO THE OIG OR GIVE OUT THE OIG TELEPHONE NUMBER.

Note: You may take any non-overpayment related action on these cases e.g. change of address, direct deposit, rate letter, etc.) However, after performing the action, send an email to Hotline@oig.rrb.gov. Notate the action taken and date. The subject line should include “Open Investigation” and the claim number.

1240.20 Encouraging Repayment on Non-Fraud Cases

In any of your contacts with a debtor, the field can encourage repayment of a delinquent debt by reminding the individual of all the possible recourse we can take to recover the debt. BFO-DRD should be consulted to determine the status of a debt prior to any demands for repayment.

1240.20.1 Section 10(a) Recoveries

We have the authority to recover one person's debt from others entitled on the same wage record. In cases with multiple beneficiaries, tell the debtor that section 10(a) of the RRA gives us this recovery option.

1240.20.2 Recoveries from an Estate

When a debtor is deceased, it is important to notify the representative(s) of the estate concerning the overpayment. If you receive information that a debtor is deceased, immediately contact BFO-DRD with the name(s) of the legal representative of the estate or beneficiaries of the estate if the estate is already settled. BFO-DRD will make a formal written request for repayment from the estate. However, in your contacts with the estate's representative, you may inform him that the estate is liable for the overpayment.

1240.20.3 Debtor Is Receiving Federal Payments

The RRB is authorized to offset any Federal payments being received by a delinquent debtor. Offset is commenced after the debtor is notified of our intention to offset, if the debt is not repaid. If the debtor does not make arrangements to pay the debt, the agency making the Federal payments is instructed to commence the offset. BFO-DRD annually matches all delinquent debts with Federal payment tapes.

1240.20.4 Department of Justice Referrals

Delinquent debts may be referred to the DOJ for civil suit. It is the DOJ's sole responsibility to collect any judgments obtained through civil suit. Debts referred to the DOJ have interest, penalty and administrative costs added to the amount due.

1240.20.5 Referrals to a Private Collection Agency

Delinquent debts may be referred to a private collection agency. Debts referred to a collection agency have interest, penalty and administrative costs added to the amount due.

1240.25 Analyzing Form DR-423

1240.25.1 General

Normally, you will obtain Form DR-423 when an annuitant requests waiver consideration with or without a personal conference request. Also, BFO-DRD may request Form DR-423 when attempting recovery and the debtor is not currently entitled to benefits.

When the form is returned to the field office, review it according to the following guidelines and attempt to resolve any apparent discrepancies.

1240.25.2 Guidelines for Analysis

Specific guidelines for analysis are inadvisable since local costs and individual circumstances vary from region to region. However, with your knowledge of the area and the individuals involved, you should be able to review certain items on the form and indicate their validity. If necessary, the beneficiary should present evidence to support data on the Form DR-423.

- A. Section 3 - Monthly Income - Although only one member of a family group may be a beneficiary and the only person overpaid, the concept of "financial hardship" is related to the effect it has on the family, since individual expenses are difficult to isolate. Income for the beneficiary and spouse should be calculated on a monthly basis and be placed in the appropriate column. Income attributable to other "dependents" (see FOM 1720 DR-423 instructions for definition of "dependents") should be calculated on a monthly basis and entered in item J.

- B. Section 4 - Monthly Household Expenses - This section is the one most often questioned. Review each entry and determine if it is reasonable for the family composition and location. If you believe an unreasonable figure has been provided, contact the individual and obtain a signed statement explaining the discrepancy.

EXAMPLE: An individual entered \$500.00 per month food expenses for a family of two. On initial review, the figure appears too high for the family composition. After contact with the person, he explained that both he and his wife are on special diets prescribed by their family doctor. For this reason, their monthly food bill is higher than an average family of two in the area.

- C. Section 5 - Summary of debts - Only recurring monthly debts should be included and entries should not duplicate expenses listed in Section 4.
- D. Section 6 - Balance Summary - Items 20 and 21 should be reviewed carefully for consistency. Only one of these questions should be answered. If the beneficiary has an entry greater than zero in item 19, but fails to provide an amount in item 20, an explanation should be submitted. Make sure item 21 is completed if there is a negative amount shown in item 19.
- E. Section 7 - Summary of Assets - Take into consideration current real estate market values in your area when analyzing this information. Other possessions, such as furniture, vehicles, etc., should be given an estimated value based on probable resale value. The age and condition of material goods are important factors in placing a value on goods.
- F. Remaining items on DR-423 - Accept the statements made by the individual unless you have information to the contrary. In that case, obtain the individual's statement explaining the discrepancy.

1240.25.3 Preparing "Statement of Review" and Submitting Package To Headquarters

After reviewing the Form DR-423 and obtaining any necessary statements from the individual, prepare a "Statement of Review" indicating that you reviewed the form and found the entries to be reasonable/unreasonable for the location and family composition. Explain any unusual circumstances in your memo. If necessary, attach the debtor's statement(s) to the Form DR-423. Release the DR-423, the debtor's statements, if available, and your statement to BFO-DRD in a white envelope. A copy of the beneficiary's most recent Federal income tax return should be submitted with the Form DR-423 package.

1240.25.4 BFO Actions

When BFO-DRD receives the Form DR-423 package, an examiner will review the form, your evaluation and the debtor's statements. BFO-DRD will take all information into

consideration when making a decision. If further information is needed, BFO-DRD will request additional development from the field.

