§ 681.27 How is evidence presented at the hearing?
(a) The ALJ shall determine the admissibility of evidence.
(b) Except as provided in this part, the ALJ shall not be bound by the Federal Rules of Evidence. However, the ALJ may apply the Federal Rules of Evidence where he or she deems appropriate.
(c) The ALJ shall exclude irrelevant and immaterial evidence.
(d) Although relevant, evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or by considerations of undue delay or needless presentation of cumulative evidence.
(e) Although relevant, evidence shall be excluded if it is privileged under Federal law.
(f) Evidence concerning offers of compromise or settlement shall be inadmissible to the extent provided in Rule 408 of the Federal Rules of Evidence.
(g) The ALJ shall permit the parties to introduce rebuttal witnesses and evidence.

§ 681.28 How is witness testimony presented?
(a) Except as provided in paragraph (b) of this section, testimony at the hearing shall be given orally by witnesses under oath or affirmation.
(b) At the discretion of the ALJ, testimony may be admitted in the form of a written statement or deposition. Any such statement must be provided to all other parties along with the last known address of such witness, in a manner which allows sufficient time for other parties to subpoena such witness for cross-examination at the hearing. Prior written statements of witnesses proposed to testify at the hearing and deposition transcripts shall be exchanged as provided in § 681.19.
(c) The ALJ shall exercise reasonable control over the mode and order of interrogating witnesses and presenting evidence.

§ 681.29 Will the hearing proceedings be recorded?
The hearing will be recorded and transcribed. The transcript of testimony, exhibits and other evidence admitted at the hearing, and all papers and requests filed in the proceeding constitute the record for the decision by the ALJ and the authority head.

§ 681.30 Are ex parte communications between a party and the ALJ permitted?
Ex parte communications between a party and the ALJ are not permitted unless the other party consents to such a communication taking place. This does not prohibit a party from inquiring about the status of a case or asking routine questions concerning administrative functions or procedures.

§ 681.31 Are there sanctions for misconduct?
(a) The ALJ may sanction a person, including any party or representative, for failing to comply with an order, or for engaging in other misconduct that interferes with the speedy, orderly, and fair conduct of a hearing.
(b) Any such sanction shall reasonably relate to the severity and nature of the misconduct.
(c) When a party fails to comply with an order, including an order for taking