

DEPARTMENT OF LABOR**Office of the Secretary****[Secretary's Order 05-2006]****Delegation of Authority and Assignment of Responsibility for Debt Management**

1. *Purpose.* To delegate authority and assign overall responsibility for debt management to the Department of Labor's Chief Financial Officer.

2. *Directives Affected.* Secretary's Order 06-1992 is cancelled.

3. *Authority.* This order is issued under:

A. The Debt Collection Improvement Act of 1996, Pub. L. 104-134

B. The Chief Financial Officers Act of 1990, Pub. L. 101-576

C. Federal Claims Collections Standards, 31 CFR 900-904 (2005)

D. Federal Claims Collections Standards, 29 CFR 20 (2005)

E. OMB Circular A-129, "Managing Federal Debt Collection Programs"

F. OMB Circular A-123, "Management's Responsibility for Internal Control"

G. Secretary's Order 01-1997, "Authority and Responsibility for Implementation of Chief Financial Officers Act of 1990 and Related Legislation"

4. *Background.* The Debt Collection Improvement Act of 1996 establishes the statutory authority and responsibility for Federal agencies to collect and otherwise settle debts owed to the Federal Government. Settlement authority delegated to the Chief Financial Officer includes authority to compromise, suspend, or terminate collection action on debts stemming from program activities not in excess of \$100,000 (excluding interest, administrative costs, and penalties).

5. *Delegation of Authority and Assignment of Responsibility.*

A. The Chief Financial Officer shall:

(1) Exercise overall authority and assign responsibility for debt management within the Department;

(2) Develop and implement an effective debt management program within the Department;

(3) Develop written policies and guidance that govern the Department's debt management program;

(4) Have the option to compromise, suspend, or terminate collection action on debts stemming from program activities not in excess of \$100,000 (excluding interest, administrative costs, and penalties) under provisions of the Federal Claims Collections Standards; and

(5) Have the option to grant or deny debt waiver requests for the recovery of erroneous payments of pay and allowances, and of travel, transportation, and relocation expenses and allowances not in excess of \$100,000.

B. DOL Agency Heads shall:

(1) Establish and implement a program for collecting debts generated under their agency's programmatic or administrative activities, in accordance with applicable laws, regulations, and directives;

(2) Have the option to compromise, suspend or terminate collection action on debt stemming from program activities (except for DOL pay and allowances, and expenses and allowances related to travel, transportation, and relocation) not in excess of \$100,000 (excluding interest, penalties, and administrative costs) under provisions of the Federal Claims Collections Standards;

(3) Establish and implement a process for compromising, suspending, or terminating collection action on debts not in excess of \$100,000 (excluding interest, penalties, and administrative costs);

(4) Refer administratively uncollectible debts to the U.S. Department of Justice, through the U.S. Department of the Treasury (Treasury), for litigation or approval to compromise, suspend, or terminate collection action on debts in excess of \$100,000 (excluding interest, penalties, and administrative costs); if the principal amount of the debt is \$500,000 or less, and the debt has been serviced by Treasury in its cross-servicing program, Treasury may approve the compromise or termination of collection action;

(5) Ensure agency compliance with all Federal and Departmental debt collection reporting requirements, and with Federal and Departmental debt collection policies, procedures, and internal controls; and

(6) Establish procedures to identify the causes of debts, delinquencies, and defaults, and take appropriate action to minimize these conditions.

C. Agency Administrative Officers and OASAM Regional Administrators shall:

(1) Prepare investigative reports on requests for waiver of erroneous payments of pay or allowances (under 5 U.S.C. 5584);

(2) Have the option to grant or deny debt waiver requests for the recovery of erroneous payments of pay and allowances, and of travel, transportation, and relocation expenses

and allowances not in excess of \$3,000; and

(3) Make recommendations to the CFO for granting or denying waiver requests for the recovery of erroneous payments of pay and allowances, and of travel, transportation, and relocation expenses and allowances not in excess of \$100,000 based on the proper application of law, regulation, and precedent in the context of the facts of each case at hand.

D. The Inspector General may advise the CFO, the Deputy CFO, and DOL Agency Heads on the appropriate disposition of cases where there appears to be an indication of fraud, the filing of a false claim, or a misrepresentation on the part of the debtor or any other person having an interest in the claim.

E. The Solicitor of Labor shall advise the CFO and DOL Agency Heads on any issue that arises (e.g., applicability of a law, conflict between program statutes) with regard to disposition of claims.

F. The Chief Administrative Law Judge shall provide or arrange for an independent hearing official under 29 CFR 20.81 (2005).

6. *Redelegation of Authority.* The authorities delegated to the Chief Financial Officer may be redelegated in whole or part to the Deputy Chief Financial Officer, as deemed appropriate by the Chief Financial Officer. DOL Agency Heads may redelegate their authorities to senior officials within their respective agencies, consistent with the Department's internal control program and with the approval of the CFO. Agencies shall submit written proposed delegations for approval by the CFO. Approval will be based on adequacy of debt management policies, procedures, and operations.

7. *Reservations of Authority.*

A. This Secretary's Order does not affect the authorities and responsibilities of the Office of Inspector General under the Inspector General Act of 1978, as amended, or Secretary's Order 04-2006 (February 21, 2006).

B. This Order does not affect the statutory authorities and responsibilities of the Chief Financial Officer under the CFO Act of 1990.

8. *Effective Date.* This Order is effective immediately.

Dated: March 3, 2006.

Elaine L. Chao,
Secretary of Labor.

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