

22201–3078, or such other place as may be designated by the presiding officer.

[52 FR 29012, Aug. 5, 1987, as amended at 63 FR 66053, Dec. 1, 1998; 76 FR 15219, Mar. 21, 2011]

§ 965.9 Evidence.

(a) In general, admissibility will hinge on relevancy and materiality. However, relevant evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence.

(b) Testimony shall be given under oath or affirmation and witnesses are subject to cross-examination.

[52 FR 29012, Aug. 5, 1987, as amended at 76 FR 15219, Mar. 21, 2011]

§ 965.10 Transcript.

Testimony and argument at hearings shall be reported verbatim, unless the presiding officer otherwise orders. Transcripts or copies of the proceedings are supplied to the parties at such rate as may be fixed by contract between the reporter and Postal Service.

§ 965.11 Initial decision.

The presiding officer shall render an initial decision in writing, based on the record, as expeditiously as possible, but to the extent practicable within 10 working days of closing of the record. The decision will be brief, containing summary findings of fact, conclusions of law, and reasons therefor. If there has been a hearing the presiding officer may in his discretion render an oral decision. A typed copy of such oral decision will subsequently be furnished to the parties to establish the date for commencement of time for requesting review of the initial decision.

§ 965.12 Appeal.

Within 10 days after receipt by the parties of the initial or tentative decision, either party may file an appeal to the Judicial Officer. The Judicial Officer, or by delegation the Associate Judicial Officer, in his or her sole discretion, also may review the initial or tentative decision on his or her own initiative. If an appeal is denied, the

initial or tentative decision becomes the final agency decision upon the issuance of such denial. If an appeal is not filed and the Judicial Officer, or by delegation the Associate Judicial Officer does not review the initial or tentative decision on his or her own initiative, a final order will be issued. The Judicial Officer's decision on appeal or his or her final order is the final agency decision with no further agency review or appeal rights.

[76 FR 15219, Mar. 21, 2011]

§ 965.13 Compromise and informal disposition.

Nothing in these rules precludes the compromise, settlement, and informal disposition of proceedings initiated under these rules at any time prior to the issuance of the final agency decision.

§ 965.14 Public information.

The Librarian of the Postal Service maintains for public inspection in the Library copies of all initial, tentative, and final agency decisions and orders. Copies of decisions also are available on the Judicial Officer's section of the official Web site of the U.S. Postal Service. The Recorder maintains the complete official record of every proceeding.

[76 FR 15219, Mar. 21, 2011]

PART 966—ADMINISTRATIVE OFFSETS INITIATED AGAINST FORMER POSTAL SERVICE EMPLOYEES

Sec.

966.1 Authority for rules.

966.2 Scope of rules.

966.3 Definitions.

966.4 Petition for a hearing and supplement to petition.

966.5 Effect of petition filing.

966.6 Filing, docketing and serving documents; computation of time; representation of parties.

966.7 Answer to petition.

966.8 Authority and responsibilities of Hearing Officer or Judicial Officer.

966.9 Opportunity for oral hearing.

966.10 Initial decision.

966.11 Appeal.

966.12 Waiver of rights.

966.13 Ex parte communications.

AUTHORITY: 31 U.S.C. 3716; 39 U.S.C. 204, 401, 2601.

§ 966.1

39 CFR Ch. I (7–1–25 Edition)

SOURCE: 62 FR 63279, Nov. 28, 1997, unless otherwise noted.

§ 966.1 Authority for rules.

These rules of practice are issued by the Judicial Officer pursuant to authority delegated by the Postmaster General.

§ 966.2 Scope of rules.

(a) The rules in this part apply to any petition filed by a former postal employee:

(1) To challenge the Postal Service's determination that he or she is liable to the Postal Service for a debt incurred in connection with his or her Postal Service employment, that the Postal Service intends to collect by administrative offset pursuant to the authority of 31 U.S.C. 3716 and in accordance with the regulations contained in the Employee and Labor Relations Manual, sections 470 and 480; and/or

(2) To challenge the administrative offset schedule proposed by the Postal Service for collecting any such debt.

(b) The regulations in this part are consistent with the provisions of the Federal Claims Collection Standards pertaining to administrative offset.

[77 FR 65104, Oct. 25, 2012]

§ 966.3 Definitions.

(a) *Accounting Service Center* refers to the United States Postal Service Eagan Accounting Service Center or its successor installation.

(b) *Administrative offset* refers to the withholding of money payable by the Postal Service or the United States to, or held by the Postal Service or the United States for, a former employee in order to satisfy a debt determined to be owed by the former employee to the Postal Service.

(c) *Debt* refers to any amount determined by the Postal Service to be owed to the Postal Service by a former employee.

(d) *Federal Claims Collection Standards or FCCS* refers to regulations promulgated by the Department of Justice and the Department of the Treasury and codified at 31 CFR parts 900 through 904.

(e) *Former employee* refers to an individual whose employment with the Postal Service has ceased. An em-

ployee is considered formally separated from the Postal Service rolls as of close of business on the effective date of his or her separation.

(f) *General Counsel* refers to the General Counsel of the Postal Service, and includes a designated representative.

(g) *Hearing Official* refers to an Administrative Law Judge qualified to hear cases under the Administrative Procedure Act, an Administrative Judge appointed under the Contract Disputes Act of 1978, or any other qualified person licensed to practice law designated by the Judicial Officer to preside over a hearing conducted pursuant to this part.

(h) *Judicial Officer* refers to the Judicial Officer, Associate Judicial Officer, or Acting Judicial Officer of the Postal Service.

(i) *Reconsideration* refers to the review of an alleged debt and/or the proposed offset schedule conducted by the Accounting Service Center at the request of a former employee alleged to be indebted to the Postal Service.

(j) *Recorder* refers to the Recorder, Judicial Officer Department, United States Postal Service, 2101 Wilson Boulevard, Suite 600, Arlington, VA 22201–3078. The recorder's telephone number is (703) 812–1900, and the Judicial Officer's website is <https://about.usps.com/who/judicial/>. The fax number is (703) 812–1901.

[77 FR 65104, Oct. 25, 2012, as amended at 89 FR 61022, July 30, 2024; 89 FR 66599, Aug. 16, 2024]

§ 966.4 Petition for a hearing and supplement to petition.

(a) A former employee who is alleged to be responsible for a debt to the Postal Service may petition for a hearing under this part, provided:

(1) Liability for the debt and/or the proposed offset schedule has not been established under part 452.3 or part 462.3 of the Employee & Labor Relations Manual (ELM);

(2) The former employee has received a Notice from the Accounting Service Center in compliance with section 472.1 of the ELM and the administrative offset provisions of the FCCS, informing the former employee of the debt and an offset schedule to satisfy the debt, the former employee's rights under 31

United States Postal Service

§ 966.4

U.S.C. 3716(a), the right to request reconsideration of the debt and/or offset schedule from the Accounting Service Center, and the right to request review under this part; and

(3) The former employee has requested reconsideration of the Postal Service's determination of the existence or amount of the alleged debt and/or the offset schedule proposed by the Postal Service within thirty (30) calendar days of receiving the notice referenced in paragraph (a)(2), and either has received a reconsideration determination, or within sixty (60) calendar days from the reconsideration request has not received a reconsideration determination.

(b) Notwithstanding the provisions of this part, the Postal Service may omit the procedures for notice and reconsideration in this part under certain circumstances as set forth below:

(1) If the Postal Service first learns of the existence of the amount owed by the former employee when there is insufficient time before payment would be made to the former employee to allow for prior notice and an opportunity for review under this part. When prior notice and an opportunity for review are omitted, the Postal Service will give the former employee notice and an opportunity for review as soon as practicable and will promptly refund any money ultimately found not to have been owed. In such circumstances whereby prior notice and an opportunity for pre-deprivation review are omitted, the former employee may submit a petition for review under this part.

(2) If an agency (including the Postal Service) has already given the former employee any of the required notice and review opportunities set forth in the FCCS with respect to a particular debt. In such a situation, the Postal Service need not duplicate such notice and review opportunities before taking an administrative offset.

(3) If a former bargaining unit employee of the Postal Service pursues, in accordance with the applicable provisions of his or her CBA, a grievance concerning the Postal Service's claim, including, but not limited to, the existence of a debt owed to the Postal Service, the amount of such debt, and/or

the proposed repayment schedule, and none of the circumstances set forth in ELM section 483.1 apply;

(4) If otherwise allowed by law, including, but not limited to, the administrative offset provisions of the FCCS.

(c) Within thirty (30) calendar days after the date of receipt of the Accounting Service Center's decision upon reconsideration, after the expiration of sixty (60) calendar days after a request for reconsideration where a reconsideration determination is not made, or following an administrative offset taken without prior notice and opportunity for reconsideration pursuant to paragraph (b)(1) of this section, the former employee must file a written petition electronically at <https://usps-judicialoffice.journaltech.com>, or by mail at Recorder, Judicial Officer Department, United States Postal Service, 2101 Wilson Blvd., Suite 600, Arlington, VA 22201-3078.

(d) A sample petition is available through the Judicial Officer Electronic Filing website (<https://usps-judicialoffice.journaltech.com>). The petition must include the following:

(1) The words, "Petition for Review Under 39 CFR Part 966";

(2) The former employee's name;

(3) The former employee's home address, email address (if available), and telephone number, and any other address and telephone number at which the former employee may be contacted about these proceedings;

(4) A statement of the date the former employee received the Accounting Service Center's decision upon reconsideration of the alleged debt and a copy of the decision;

(5) A statement of the grounds upon which the former employee objects to the Postal Service's determination of the debt or to the administrative offset schedule proposed by the Postal Service for collecting any such debt. This statement should identify with reasonable specificity and brevity the facts, evidence, and legal arguments, if any, which support the former employee's position; and

(6) Copies of all records in the former employee's possession which relate to the debt and which the former employee may enter into the record of the hearing.

§ 966.5

39 CFR Ch. I (7–1–25 Edition)

(e) The former employee may, if necessary, file with the Recorder additional information as a supplement to the petition at any time prior to the filing of the answer to the petition under § 966.7, or at such later time as permitted by the Hearing Official upon a showing of good cause.

[77 FR 65105, Oct. 25, 2012, as amended at 80 FR 54723, Sept. 11, 2015; 89 FR 61022, July 30, 2024]

§ 966.5 Effect of petition filing.

Upon receipt and docketing of the former employee's petition, the Recorder will notify the General Counsel that the petition has been filed and that a timely filed petition stays further collection action.

§ 966.6 Filing, docketing and serving documents; computation of time; representation of parties.

(a) *Filing.* After a petition is filed, all documents required under this part must be filed using the electronic filing system unless the Hearing Official permits otherwise. Documents submitted using the electronic filing system are considered filed as of the date/time (Eastern Time) reflected in the system. Documents mailed to the Recorder are considered filed on the date mailed as evidenced by a United States Postal Service postmark. Filings by any other means are considered filed upon receipt by the Recorder of a complete copy of the filing during normal business hours (Normal Recorder office business hours are between 8:45 a.m. and 4:45 p.m., Eastern Time). If both parties are participating via the electronic filing system, separate service upon the opposing party is not required. Otherwise, documents shall be served personally or by mail on the opposing party, noting on the document filed, or on the transmitting letter, that a copy has been so furnished.

(b) *Docketing.* The Recorder will maintain a docket record of proceedings under this part and will assign each petition a docket number. After notification of the docket number, the former employee and General Counsel should refer to it on any further filings regarding the petition.

(c) *Time computation.* A filing period under the rules in this part excludes

the day the period begins, and includes the last day of the period unless the last day is a Saturday, Sunday, or legal holiday, in which event the period runs until the close of business on the next business day. Requests for extensions of time shall be made in writing stating good cause therefor, shall represent that the moving party has contacted the opposing party about the request, or made reasonable efforts to do so, and shall indicate whether the opposing party consents to the extension.

(d) *Representation of parties.* After the filing of the petition, further document transmittals for, or communications with, the Postal Service shall be through its representative, the General Counsel, or designee. The representative of the Postal Service, as designated by the General Counsel, shall file a notice of appearance as soon as practicable, and no later than the date for filing the answer. If a former employee has a representative, further transmissions of documents and other communications by and with the former employee shall be made through his or her representative rather than directly with the former employee.

[77 FR 65105, Oct. 25, 2012, as amended at 80 FR 54723, Sept. 11, 2015]

§ 966.7 Answer to petition.

Within thirty (30) days after the date of receipt of the petition, the General Counsel shall file an answer to the petition, and attach all available relevant records and documents in support of the Postal Service's claim, or the administrative offset schedule proposed by the Postal Service for collecting any such claim. The answer shall provide a clear and detailed description of the basis for the Postal Service's determination of the alleged debt and its calculation of the amount of the alleged debt and/or its proposed offset schedule, as appropriate.

[77 FR 65106, Oct. 25, 2012]

§ 966.8 Authority and responsibilities of Hearing Official or Judicial Officer.

(a) In processing a case under this part, the Hearing Official's authority

United States Postal Service

§ 966.11

includes, but is not limited to, the following:

(1) Ruling on all offers, motions, or requests by the parties;

(2) Issuing any notices, orders, or memoranda to the parties concerning the hearing procedures;

(3) Conducting telephone conferences with the parties to expedite the proceedings (a memorandum of a telephone conference will be transmitted to both parties). The Hearing Official's Memorandum of Telephone Conference serves as the official record of that conference;

(4) Determining if an oral hearing is necessary, the type of oral hearing that would be appropriate, and setting the place, date, and time for such hearing;

(5) Administering oaths or affirmations to witnesses;

(6) Conducting the hearing in a manner to maintain discipline and decorum while assuring that relevant, reliable, and probative evidence is elicited on the disputed issues, and that irrelevant, immaterial, or repetitious evidence is excluded. The Hearing Official in his or her discretion may examine witnesses to ensure that a satisfactory record is developed;

(7) Establishing the record in the case. Except as the Hearing Official may otherwise order in his or her discretion, no proof shall be received in evidence after completion of an oral hearing or, in cases submitted on the written record, after notification by the Hearing Official that the case is ready for decision. The weight to be attached to any evidence of record will rest within the sound discretion of the Hearing Official. The Hearing Official may require either party, with appropriate notice to the other party, to submit additional evidence on any relevant matter;

(8) Issuing an initial decision or one on remand; and

(9) Granting reasonable time extensions or other relief for good cause shown.

(b) The Judicial Officer, in addition to possessing such authority as is described elsewhere in this part, shall possess all of the authority and responsibilities of a Hearing Official.

[77 FR 65106, Oct. 25, 2012]

§ 966.9 Opportunity for oral hearing.

An oral hearing shall be held in the sole discretion of the Hearing Official. An oral hearing includes an in-person hearing, a telephonic hearing, or a hearing by video conference. When the Hearing Official determines that an oral hearing shall not be conducted, the decision shall be based solely on written submissions. The Hearing Official shall arrange for the recording and transcription of an oral hearing, which shall serve as the official record of the hearing. The unexcused absence of a party at the time and place set for hearing may not be occasion for delay at the discretion of the Hearing Official. In the event of such absence, the hearing may proceed without the participation of the absent party.

[77 FR 65106, Oct. 25, 2012]

§ 966.10 Initial decision.

(a) After the receipt of written submissions or after the conclusion of the hearing and the receipt of any post-hearing briefs, the Hearing Official shall issue a written initial decision, including findings of fact and conclusions of law, which the Hearing Official relied upon in determining whether the former employee is indebted to the Postal Service, or in upholding or revising the administrative offset schedule proposed by the Postal Service for collecting a former employee's debt. When the Judicial Officer presides at a hearing he or she shall issue a final or a tentative decision.

(b) The Hearing Official shall promptly send to each party a copy of the initial or tentative decision, and a statement describing the right of appeal to the Judicial Officer in accordance with § 966.11.

§ 966.11 Appeal.

The initial or tentative decision will become the final agency decision thirty (30) days after its issuance unless, before the expiration of that time, a party files an appeal with the Judicial Officer, or the Judicial Officer, in his or her sole discretion, elects to conduct a review of the decision on his or her own initiative. During such review or appeal consideration, the Judicial Officer will accept all findings of fact in

§ 966.12

the original decision unless clearly erroneous. If following appeal or review, the Judicial Officer affirms the original decision, that decision becomes the final agency decision with no further right of appeal within the agency.

[77 FR 65106, Oct. 25, 2012]

§ 966.12 Waiver of rights.

(a) The Hearing Official may determine that the former employee has waived the right to a hearing, and that administrative offset may be initiated if the former employee files a petition for hearing after the period prescribed in these Rules and fails to demonstrate to the satisfaction of the Hearing Official good cause for the delay; or has filed a withdrawal of the former employee's previous petition for a hearing.

(b) The Hearing Official may determine that the Postal Service has waived the alleged debt at issue, and that the administrative offset may not be initiated if the Postal Service fails to file the answer within the period prescribed by the Rules and fails to demonstrate to the satisfaction of the Hearing Official good cause for the delay; or has filed a withdrawal of the debt determination at issue.

(c) In addition, whenever a record discloses the failure of either party to file documents required by these rules, respond to notices or correspondence from the Hearing Official, comply with

39 CFR Ch. I (7–1–25 Edition)

orders of the Hearing Official, participate in conferences, fail to treat the proceedings with the proper decorum, or otherwise indicate an intention not to continue the prosecution or defense of a petition, the Hearing Official may issue an order requiring the offending party to show cause why the petition should not be dismissed or granted, as appropriate. If the offending party shall fail to show cause, the Hearing Official may take such action as he or she deems reasonable and proper under the circumstances, including dismissal or granting of the petition as appropriate.

[77 FR 65106, Oct. 25, 2012]

§ 966.13 Ex parte communications.

Ex parte communications are not allowed between a party and the Hearing Official or the Official's staff. For these purposes, ex parte communication means an oral or written communication, not on the public record, with one party only with respect to which reasonable prior notice to all parties is not given, but it shall not include requests for status reports or procedural matters. A memorandum of any communication between the Hearing Official and a party will be transmitted to both parties.

[77 FR 65106, Oct. 25, 2012]

PARTS 967–999 [RESERVED]