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U· S· DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT

DIRECTIVES SYSTEM

Subject Number: DMT-1

Transmittal Number: 542

Date: MAY 2 5 1989

Subject: Division of Debt Management, Branch of Civil Penalty Collections Procedures Manual

Approval: [signature] **Title:** Director

1. PURPOSE. This directive provides guidance, in the form of a procedures manual, to the Office of Surface Mining Reclamation and Enforcement (OSMRE) employees concerned with the collection of monies owed as the result of civil penalty fines incurred under the Surface Mining Control and Reclamation Act (SMCRA) of 1977.

2. DEFINITIONS. All definitions of terms are discussed in the various chapters of the attached manual.

3. POLICY AND PROCEDURES.

a. Concept. It is the mission of the OSMRE to formulate and execute policies that promote compliance with the SMCRA. It is, therefore, incumbent upon the Branch of Civil Penalty Collections, Division of Debt Management, Finance and Accounting, to contribute to the accomplishment of this mission by developing an internal collection program and procedures to establish an orderly and consistent process for its collection efforts. The attached manual puts forth procedures for the various activities that constitute the collection program.

b. Responsibilities. The procedures are for internal use only and are the responsibility of the Chief, Branch of Civil Penalty Collections.

4. REPORTING REQUIREMENTS. None.

5. REFERENCES.

The following sources identify the statutes, regulations, and directives supporting the procedures included in this manual:

Code of Federal Regulations (30 CFR), Chapter VII, Part 845.

The Debt Collection Act of 1982, as amended; Public Law 97-364.

Department of the Interior Departmental Manual, Part 344, Debt Collection.

General Services Administration Federal/Supply Schedule (GSA/FSS), Professional Debt Collection Services, 1988-1990, Basic Edition, January 12, 1988.

Memorandum of Understanding for Civil Penalty Lockbox, Mellon Bank and OSMRE.

Office of Surface Mining Reclamation and Enforcement, Civil Penalty Assessment Manual, January 6, 1988.

Office of Surface Mining Reclamation and Enforcement, Conference Officer Operations Manual, September 4, 1987.

Office of Surface Mining Reclamation and Enforcement, Settlement Guidelines, Directive CAA-2, November 15, 1988.

The Surface Mining Control and Reclamation Act of 1977 (SMCRA), Public Law 95-87, Title V, Section 518.

U.S. Treasury Fiscal Requirements Manual (TFRM) Chapters 2000-4000 and 8000.

6. EFFECT ON OTHER DOCUMENTS. Supersedes "Conference Officer Program Procedures" of May 28, 1986, Memorandum signed by Assistant Director, Finance and Accounting.

7. EFFECTIVE DATE. Upon issuance.

8. CONTACT. Division of Debt Management, Branch of Civil Penalty Collections, (202) 343-4031.

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

DIVISION OF DEBT MANAGEMENT

COLLECTION PROCEDURES MANUAL

BRANCH OF CIVIL PENALTY COLLECTIONS

Revised April 1989

COLLECTIONS PROCEDURES MANUAL

BRANCH OF CIVIL PENALTY COLLECTIONS

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CHAPTER 1

INTRODUCTION AND OVERVIEW

The Surface Mining Control and Reclamation Act of 1977 (SMCRA or the Act) requires coal mine operators to obtain permits from the Office of Surface Mining Reclamation and Enforcement (OSMRE), or the responsible state regulatory authority before beginning to mine. Once the permit is issued, the operator must comply with a broad range of mining standards designed to prevent degradation of land and water resources by coal mining operations. The Act provides State and Federal regulatory authorities with a number of enforcement tools to ensure compliance with the environmental standards. One such tool is the assessment of civil penalties for violations of mining standards.

1.1 PENALTY ASSESSMENT PROVISIONS OF SMCRA

After approving surface mining permits, State and Federal regulators are required to inspect the mine periodically for compliance with the environmental standards of the surface mining law. For violations of mining and reclamation standards, inspectors issue and serve Notices of Violations (NOVs) or, where there is imminent harm to the public health and safety or to the environment, inspectors issue and serve Imminent Harm Cessation Orders (IHCOs) requiring a cessation of mining activities. If a violation cited in a notice is not corrected within a specified period of time, it is followed by a Failure-to-Abate Cessation Order (FTA-CO) to stop the entire mining or reclamation operation or that portion relevant to the violation. Imminent Harm Cessation Orders which remain unabated beyond the prescribed abatement date do not receive FTA-COs, but do receive daily civil penalties.

Penalties may be assessed by OSMRE for federal violations. In determining the amount of the specific penalty to be assessed for an NOV or IHCO, OSMRE must consider the permit holder's prior history of violations, the extent of negligence involved, the seriousness of the violation and the permit holder's demonstrated good faith in abating the problem. When a penalty is assessed, a Notice of Proposed Assessment (NOPA), indicating the amount of the proposed penalty, is served to the permittee (and to the operator, if different than the permittee, or if the operator was also cited in the NOV).

The FTA-CO is assessed a penalty of $750 a day up to 30 days for a maximum penalty amount of $22,500 per violation. If the violation is not abated within the 30-day period, OSMRE must seek compliance through other enforcement provisions of the Act, which include court injunctions mandating reclamation; criminal penalties for certain violations, where appropriate; the assessment of individual civil penalties against directors, officers or agents of corporate violators; and the suspension and/or revocation of permits due to patterns of violations as set forth under Section 521 of SMCRA. In addition,

the Act, in Section 510(c) and implementing regulations, of SMCRA provides for the denial of new permits to violators, or persons linked to violators through common ownership or control, who have unreclaimed mine sites and/or unpaid penalties. Other sanctions against operators do not relieve them of debt assessed for violations except as provided for in bankruptcy court settlements.

1.2 THE COLLECTION PROCESS

OSMRE is responsible for debt collection for Federal civil penalties. Following issuance of a Notice of Proposed Assessment (NOPA), an operator has opportunities for assessment conferences and/or formal hearings with an Administrative Law Judge (ALJ) to review his or her case. A request for a formal hearing must be accompanied by a check or money order, in an amount equal to the assessment, to be held in escrow pending the outcome of the hearing. The Conference Officer may collect penalties during a conference, and an ALJ may collect penalties following a formal hearing. Penalties may also be eliminated as the result of a conference or a formal hearing if specific criteria authorizing such reductions are met.

Conference Officer procedures for settling cases and processing payments received during the conference are summarized in Chapter 2. Complete Conference Officer procedures for conducting conferences, settling cases, and establishing payment plans are included in the Conference Officer Manual. Procedures for processing records of requests for formal hearings and sending the final order, subsequent Debt Collection Act letters and Final Demand letters, which are the responsibility of the Branch of Assessments, are summarized in Chapter 2. There are assessment offices located both in the Knoxville Field Office and in the Western Field Operations in Denver.

If the penalty is upheld during the conference or hearing and remains unpaid, a final order, which is a formal notification to the permittee of the penalty owed, is sent to the operator. The final order is also sent within 37 days following service of the NOPA, if a conference or formal hearing were not requested.

Delinquent cases, which are transferred to the Branch of Civil Penalty Collections (BCPC) following issuance of the final order and demand letters, are analyzed by BCPC for appropriate action. Operators may be contacted by phone, the case may by referred to a contractor for collection or for a Net Worth Determination (NWD), they may be referred to the Office of the Solicitor for judgment, or the debt may be recommended for reclassification, depending upon the specific history of the case. Specific functions and responsibilities of the Branch of Civil Penalty Collections are presented in chapters 3-10 of the manual.

1.3 PURPOSE OF MANUAL

The Office of Surface Mining Reclamation and Enforcement (OSMRE) is responsible for developing an internal collection program for civil penalties assessed for violations of regulatory mining standards, and for prescribing procedures to ensure an orderly process for the collection effort.

This manual establishes guidelines and procedures for the collection and processing of civil penalty debt owed to the Federal government. It supersedes previous collection procedures used in the Branch of Civil Penalty Collections.

1.4 REFERENCES

The following sources identify the statutes, regulations, and directives supporting the procedures included in this manual:

Code of Federal Regulations (30CFR), Chapter VII, Part 845.

The Debt Collection Act of 1982, as amended; Public Law 97-364.

Department of the Interior Departmental Manual, Part 344, Debt Collection.

General Services Administration Federal/Supply Schedule (GSA/FSS), Professional Debt Collection Services, 1988-1990, Basic Edition, January 12, 1988.

Memorandum of Understanding for Civil Penalty Lockbox, Mellon Bank and OSMRE.

Office of Surface Mining Reclamation and Enforcement, Civil Penalty Assessment Manual, January 6, 1988.

Office of Surface Mining Reclamation and Enforcement, Conference Officer Operations Manual, September 4, 1987.

Office of Surface Mining Reclamation and Enforcement, Settlement Guidelines, Directive CAA-2, November 15, 1988.

The Surface Mining Control and Reclamation Act of 1977 (SMCRA), Public Law 95-87, Title V, Section 518.

U.S. Treasury Fiscal Requirements Manual (TFRM) Chapters 2000-4000 and 8000.

1.5 SCOPE/RESPONSIBILITY

The purpose of these procedures is to provide policy and operational guidelines to the collection area of the Division of Debt Management within the Directorate of Finance and Accounting. The manual is written to ensure consistency in management and daily operations within the Branch of Civil Penalty Collections as it engages in collection activity. These procedures are internal and apply to all citations transmitted to the Branch of Civil Penalty Collections for collection effort.

CHAPTER 2

INITIAL COLLECTION EFFORTS

2.1 CONFERENCE OFFICER PROGRAM

Upon receiving a Notice of Proposed Assessment (NOPA), an operator may request an assessment conference. The conference program encourages rapid abatement of violations and promotes the early settlement of penalties. Conference Officers settle cases and collect penalties, or establish payment plan agreements, within the conference process. They are authorized to reduce penalties if specific criteria authorizing such reductions are met; they are also authorized to adjust penalties upwards, if justified with supporting documentation. Only debts arising from violations that have been abated are settled in conference.

Following settlement of a case by a Conference Officer, the check for a full pay consent agreement or the check from a down payment for a payment plan agreement, is sent by the Conference Officer, with an abstract, to OSMRE's lockbox account at a designated commercial bank. Copies of the check, the abstract, and consent agreement (full pay or payment plan), and payment plan, if applicable, are placed in the file, and the original, complete file is sent to the Branch of Civil Penalty Collections, Division of Debt Management.

Payment plan agreements, as specified in the Conference Officer Manual, are available to operators who owe civil penalties amounting to $1,000 or more, and who: are unable, at the time, to pay the penalty in full; are able to make a down payment equal to 10 percent of the penalty owed, and pledge to make regular payments, including interest, to pay the penalty in full within a 12-month period; and have not previously defaulted on a payment plan agreement. Payment plans are monitored by the Branch of Civil Penalty Collections.

2.2 BILLINGS: FINAL ORDERS AND DEMAND LETTERS

If the person or company to whom a Notice of Violation (NOV) or Cessation Order (CO) is issued fails to request a conference or a hearing, the proposed assessment, as stated in the NOPA, becomes a Final Order of the Secretary. The civil penalty assessed becomes due and payable upon expiration of the time allowed to request a conference or a hearing, and the Final Order letter is sent to the permittee.

Written demands, made in terms which inform the debtor of the consequences of his/her failure to pay the assessed penalties, are sent following non-receipt for payment for civil penalties.

The first, a Final Order letter, is followed by two progressively stronger demands notifying the debtor of his/her financial obligations; the demand letters are issued within a period of not more than 37 days of the issuance of the Final Order if payment is not received. The above-listed functions are

performed by the Knoxville Field Office for all federal citations issued East of the Mississippi River and by the Western Field Operations Office for all federal citations written in the West.

Each of the demand letters directs permittees to submit payment for the identified penalties and/or administrative costs to the civil penalty lockbox. Procedures for processing payments sent to the lockbox are listed in Chapter 4.

The demands, the Debt Collection Act (DCA) letter and Final Demand letter, are explained as follows:

> A Debt Collection Act letter, which is mailed or hand served to debtors, explains the interest, penalties, and administrative costs which the OSMRE is required to assess on debts owed the Federal government (see Exhibit 2-1).
>
> A Final Demand Letter, the third demand letter, informs the debtor of the provisions stated previously in the Debt Collection Act letter and specifies the total amount owed (principal, interest, and administrative costs) and informs the debtor of the possible actions OSMRE may take to collect the debt (see Exhibit 2-2).

All pertinent data relating to each case is entered into the Collection Management Information System (CMIS).

The Treasury Current Value of Funds rate is used in determining the interest rate charged for outstanding debts on claims owed the Government. The Secretary of Treasury computes and publishes the percentage rate for the calendar year in the Federal Register. For calendar year 1989, the rate is 7 percent. The Branch of Civil Penalty Collection will notify the field offices of the Value of Funds rate at the beginning of each calendar year; this rate will be cited in the Debt Collection Act letter and Final Demand Letter.

Following the issuance of these letters, the files for debtors are sent, along with a transmittal memorandum, to the Chief, Branch of Civil Penalty Collections, Division of Debt Management. In addition, case files for all citations that have been closed (no penalty was assessed, penalty was reduced to zero in conference, or the citation was vacated) are sent to the Branch of Civil Penalty Collections.

EXHIBIT 2-1

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
530 Gay St., S.W., Suite 500
Knoxville, TN. 37902

X

Re: Citation No: Violation(s)

Dear Principal:

You were notified recently by Final Order of your civil penalty debt in the amount of $. This office has not yet received your payment. If payment is not received by , you will be subject to the following:

- Interest accrued from the date of the Final Order at the current U.S. Treasury Rate.

- Administrative costs incurred in collecting your debt.

In addition, a 6 percent per annum penalty will be charged for failure to pay within 90 days of the date of the Final Order.

You may avoid these additional costs and prevent further adverse action, including referral to the U.S. Department of Justice, by making your payment immediately. Make your check or money order payable to OSMRE (Office of Surface Mining Reclamation and Enforcement) and submit it with a copy of this letter to:

U.S. Department of the Interior
Office of Surface Mining
Reclamation and Enforcement
P.O. Box 360292 M
Pittsburgh, PA 15251

If you have questions concerning this notice, please contact Becky Hatmaker, Branch of Enforcement, Civil Penalty Section at (615) 673-4362.

Sincerely,

Beverly C. Brock, Chief
Branch of Enforcement

EXHIBIT 2-2

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
530 Gay St., S.W., Suite 500
Knoxville, TN. 37902

X

FINAL DEMAND

RE: Citation No: Violation(s)

Dear Principal:

Notices and letters have been sent to you for payment of the civil penalty shown below. However, we have no record of receiving your payment.

This is our final collection notice; failure to pay can result in:

- Referral to the U.S. Department of Justice for judgement and legal collection including possible attachment of your property;
- Additional penalties at the rate of 6% per year;
- A total ban on further mining permits in any state for your company or any of its officers or principals;
- A bad credit rating.

Information about bad debts owed OSMRE (Office of Surface Mining Reclamation and Enforcement) is shared with National credit rating bureaus, IRS, and state permitting agencies. Preserve your good name and credit rating; avoid unnecessary legal fees; pay now.

Civil Penalty (net of prior payments).....$
Interest (accruing at 7%) .....$
Administrative Costs (to date) .....$
TOTAL AMOUNT DUE.....$

Make your check or money order payable to OSMRE and submit it to:

U.S. Department of the Interior
Office of Surface Mining
Reclamation and Enforcement
P.O. Box 360292 M
Pittsburgh, PA 15251

If you have questions, please contact Becky Hatmaker, Branch of Enforcement, Civil Penalty Section at (615) 673-4362.

Sincerely,

Beverly C. Brock, Chief
Branch of Enforcement

CHAPTER 3

TRANSFER OF CASES AND PROCESSING OF NEW DELINQUENT ACCOUNTS

Cases are transferred to the Branch of Civil Penalty Collections (BCPC) to provide safekeeping, to update civil penalty files, and to initiate debt collection action on delinquent accounts. The Processing Section, BCPC, is responsible for verifying receipt of all case files and all subsequent collection action on outstanding civil penalties.

3.1 TRANSFER OF CITATION (CASE FILES) FROM THE FIELD OFFICES

The Field Operations Enforcement Units (Knoxville and Denver) transfer all case files on citations that have been closed or that have reached Final Demand and are delinquent. Cases are transferred (via certified mail or overnight delivery service) to the Chief, Branch of Civil Penalty Collections, using a transmittal memorandum such as the one in Exhibit 3-1. Cases are then assigned for verification and review in the Processing Section, as specified below, and a memorandum is prepared and submitted to update the Civil Penalty Library Case File Tracking System (see Exhibit 3-2).

3.2 RECEIPT AND ACCEPTANCE OF CASE FILES

Upon receipt of a case file transmittal, the collection specialist who is accountable for each case file until transferred to the civil penalty library, will:

1) Verify the receipt of all case files cited in the transmittal by crosschecking each case file against the listing on the transmittal.

   - If a citation appears on the transmittal but is not in the batch of case files, cross through the citation on the transmittal, make a copy of the corrected transmittal, and send it to the appropriate field office.

   - If a case file is included but is not listed on the transmittal, add the citation(s) to the transmittal, make a copy of the corrected transmittal, and send it to the appropriate field office.

2) Ensure that all citations listed on the transmittal have been entered into CMIS by accessing CMIS and verifying that the citations (and the appropriate permittees) exist in CMIS. If the citations are not on CMIS, notify the Branch of Data Management to add them. Insert the CMIS print-out in each file.

3) Send all case files that have been closed out (i.e., no penalty assessed, paid, vacated, etc.) to the Civil Penalty Library for appropriate processing.

4) Analyze all cases for which a Final Demand has been issued and the civil penalties remain outstanding, as indicated in 3.3.

3.3 ACCOUNT ANALYSIS

The purpose of the account analysis function is to expedite effective collection action on newly delinquent debt and avoid unnecessary delays and costs. An analysis is conducted on unpaid penalties that have reached final demand stage and have been transferred to the Branch of Civil Penalty Collections. Instructions for conducting the account analysis are as follows.

Complete the Account Analysis Checklist (Exhibit 3-3) using information from the following sources:

- the Collection Management Information System (CMIS);
- the AML Systems query to check the company's filing and payment record of Form OSM-1;
- any existing NWD reports; and
- any existing reclassification documents from the company file.

In reviewing these sources of information, determine if previous citations have been issued to the subject company. If they have, research the company's file to:

- determine if operator is actively mining coal;
- assess the company's past history of payment of civil penalties and AML fees;
- assess the company's ability to pay; and
- identify any ongoing collection actions that may be in process on other debts involving the subject company, such as collection contractor action or Solicitor action.

After completing the Account Analysis Checklist, give it to the Chief, Processing Section, for review.

The Chief, Processing Section, approves the analysis or returns it for additional research and reviews it again prior to approval. Following approval, the Chief indicates the next recommended action on the bottom of the Account Analysis Checklist, and assigns the account to a collection specialist.

Based on the analysis, one of the following actions will be taken as dictated by the facts of the case.

Contact Debtor

Contact the debtor to arrange payment and/or obtain additional information to influence further collection decisions, such as the debtor's financial condition or information about the structure of the company. Contact the debtor if:

- no prior history of collection action; or
- operator has paid previous penalties;
- operator is actively mining coal;
- no information suggests the debt is uncollectible; and
- company is still in operation.

Evaluate/Refer to Collection Contractor

Review the subject cases for referral to a collection contractor, and refer cases if:

- previous penalties are currently with the collection contractor for action; or
- debtor has not responded to demands for payment but no information suggests that debt is uncollectible; and
- previous penalties have not been referred to the Solicitor and are not pending judgement.

Order NWD

Order a Net Worth Determination report to confirm or determine a subject's ability to make payment if:

- there is a previous history of unsuccessful attempt to collect penalties;
- no payments have been received in the last two years;
- no NWD exists or when the existing NWD is at least five years old;
- no objective information is available to determine collectibility;
- total debts exceed $5,000;
- current Solicitor collection actions are pending or in process; and
- no current collection contractor actions are pending or in process (see chapter 7).

Solicitor Referral

Refer to the Solicitor to collect via a judgement, or in the case of a pending bankruptcy, via proof of administrative cost and proof of claim if previous cases have been referred to the Solicitor and are in a pre-judgement status.

Reclassification

Refer for review/reclassification if previous citations have been reclassified, or are in the process of being reclassified as uncollectible due to insufficient assets, insolvency of the company/debtor, or inability to locate the debtor.

Order a Credit Report

Order a credit report to obtain a quick indication of a subject's ability to make payment if criteria for ordering a NWD are met but the total debt owed is less than $5,000.

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
530 Gay St., S.W., Suite 500
Knoxville, TN. 37902

MAR 3 1989

Memorandum

To: Sean T. Spillane, Chief
Branch of Civil Penalty Collections

From: Wilfred R. Klimas, Chief
Civil Penalty Section

Subject: Transfer of Closed Civil Penalty Assessment Cases.

Attached are the original case file documents for 16 Civil Penalty Assessment Cases listed on page 2 which are closed due to one or more of the following: no penalty assessed, penalty paid, pay agreement, formal hearing decision, vacation, referral for collection, final demand, or bankruptcy final order.

Kindly acknowledge receipt of these documents by signing, dating and returning to me.

Received by: _____ Date: 3/10/89

Attachment(s)

CLOSED CIVIL PENALTY ASSESSMENT CASES

INDEX NO.	COMPANY NAME	CITATION NO.	CASE STATUS
856	Big Fork Mining	C88-092-190-005	Vacated.
4917	Cross Mountain Coal	N88-091-283-002	Paid
4990	Cumberland Resrce & Dev.	N88-091-083-005	Final Demand
4990	Cumberland Resrce & Dev.	N88-091-083-007	Final Demand
1392	Industrial Processing Co.	N88-091-164-010	No Penalty
4484	J & R Coal Co.	C88-091-097-007	Final Demand
3517	Monarch Coals, Inc.	N88-091-121-015	No Penalty.
3517	Monarch Coals, Inc.	N89-091-121-002	No Penalty.
4252	Robinson Coal	N88-092-162-007	Paid
430	Royal Gem Coal Co.	N88-091-283-012	No Penalty
1177	TN Consolidated Coal Co.	N88-092-162-004	No Penalty.
4301	Three King Coal Co.	N88-091-097-010	No Penalty
3873	U S Coal, Inc.	C88-091-094-004	Paid
5360	Westmoreland Coal	N88-132-126-006	No Penalty.
4942	White Oak Coal Corp.	N88-091-176-009	No Penalty.
3373	Woco Inc.	C84-081-023-004	Final Order

EXHIBIT 3-2

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
WASHINGTON, D.C. 20240

Memorandum

To: Pat Smith, Project Manager
Science Management Corporation

From: Sean T. Spillane, Chief
Branch of Civil Penalty Collections

Subject: Attached Civil Penalty File(s)

The file(s) listed below have been received from the _____ Field Office and are being forwarded to you for control and filing in the Civil Penalty Library. Please enter this information into the Library Tracking System and confirm that the system has been updated by signing and dating below and returning a copy to me.

Update Processed: _____ Date: _____

ACCOUNT ANALYSIS CHECKLIST

Co. Index #: _____

Co. Name: _____

Citation(s) Pending this Analysis	Amount(s)	Properly Issued Property Issue?
_____	_____	Yes{ } No { }
_____	_____	Yes{ } No { }
_____	_____	Yes{ } No { }

1.1 Any previous Company History? Yes{ } No{ }

1.2 Last date OSM-1 Filed: _____

2.0 Any Citations Reclassified? Yes{ } No{ }

2.1 If yes, Reason(s): _____

2.2 Also, date(s): _____

3.0 Previous Citation Referred to SOL? Yes{ } No{ }

3.1 If yes, list date(s): _____

4.0 Obtained NWD on Company? Yes{ } No{ } On Order{ }

4.1 If yes, when: _____

4.2 Also, list Net Worth: _____

4.3 Incorporated _____

5.0 Previous/other Citations Referred to Collection Contractor? Yes{ } No{ }

5.1 If yes, when: _____

5.2 If yes, results: _____

6.0 Payment on any previous/other Citation(s)? Yes{ } No{ }

6.1 If yes, when: _____

6.2 Also, How much paid: _____

7.0 Any other Notable Events? (e.g. Bankruptcy) _____

PREPARED BY: _____ **DATE:** _____

REVIEWED BY: _____ **DATE:** _____

RECOMMEND NEXT ACTION:

{ } Contact Debtor
{ } Evaluate/Refer To Collection Contractor
{ } Order NWD
{ } Solicitor Referral
{ } Reclassification
{ } Order - Credit Report

CHAPTER 4

PAYMENT PROCESSING

The Department of the Treasury contracted with a commercial bank to provide lockbox services for OSMRE to expedite the movement of funds to the U.S. Treasury. Following the completion of an "End Point Analysis" to determine the most efficient mail location for collections, a lockbox for civil penalty payments was established with the Mellon Bank in Pittsburgh, Pennsylvania. The lockbox address is Office of Surface Mining Reclamation and Enforcement, P. O. Box 360292 M, Pittsburgh, PA 15251. All payments of civil penalties and escrow deposits are deposited in the lockbox account at Mellon Bank.

4.1 PAYMENT RECEIPTS

Two types of direct payment receipts arise out of the civil penalty process — Account Payments and Escrow Payments.

Account payments are made by the permittees as a result of a conference; in response to a Final Order, Debt Collection Act Letter or Final Demand letters; in response to collection agency demands; or as a result of Solicitor collection actions.

Escrow payments are submitted by permittees who request an appeal of assessed penalties to the Office of Hearings and Appeals.

4.1.1 RECEIPT PROCESSING

Payments received through the lockbox are deposited by the lockbox bank on the same day, and net daily collections are transferred to the U.S. Treasury. The Division of Debt Management, Civil Penalty Collections Branch (BCPC) receives a daily notification of deposits from the lockbox bank along with all miscellaneous deposit documents such as: check photocopy, envelope, and any enclosed documents. The daily notification of deposits and accompanying deposit documentation data is processed as outlined in Sections 4.5 and 4.6 of this chapter.

The Division of Financial Management receives deposit notice of the net daily collections from Treasury and credits the Civil Penalty Suspense Account in the Administrative Accounting System (ABACIS).

4.1.2 EXCEPTION PROCESSING

Mellon Bank is unable to process certain exception items or checks that have been returned to the bank uncollected. The handling of these exception items has been prenegotiated with Mellon Bank and are described in the Memorandum of Understanding as follows:

- Unsigned Checks will be returned to the drawee.
- Checks Postdated More Than 4 Days will be returned to the drawee.

- Checks Inscribed with "Payment in Full" will be held pending approval from an authorized OSMRE employee who verifies that the payment is indeed a full payment. If not approved, the check is returned to the drawee.

- Returned Checks. When permittee's checks are returned by the drawee bank, regardless of the indicated reason, Mellon Bank will send a copy of the returned check to the BCPC with the daily deposit advice. The collection officer will reverse prior credit to the permittee's civil penalty account and send a letter to the permittee notifying him of the returned check.

- SF-5515. Mellon Bank also prepares a SF-5515 to adjust the funds transferred to Treasury. The Division of Financial Management receives a copy of the adjustment and reverses the credit to the administrative accounts based on advice from the BCPC.

4.1.3 NOTIFICATION OF FUNDS TRANSFER

Mellon Bank provides detailed documentation of the daily transfer of funds from the lockbox to OSMRE's account at the U.S. Treasury. The Division of Financial Management (DFM) credits daily transfers to the Civil Penalty Suspense Account.

4.2 DEPARTMENT OF JUSTICE COLLECTIONS

Collections resulting from cases referred to the Department of Justice are deposited by the Department of Justice and the funds are transferred to OSMRE by use of an SF-1081, Interagency Funds Transfer form. The SF-1081 is received by DFM and the funds are credited to the Civil Penalty Suspense Account. The BCPC is notified of the collection by DFM and is responsible for:

- identifying the payment item and classifying the civil penalty funds to be moved from the suspense account; or

- identifying funds that are not civil penalty collections.

4.3 COLLECTION CONTRACTOR COLLECTIONS

Collections made from delinquent debtors by collection contractors are deposited in a designated Treasury General Account (TGA) for transfer to the account of the U.S. Treasury. Detailed collection items and copies of the Deposit Ticket SF-215, and Debit Voucher SF-5515, are forwarded to the BCPC for appropriate credit to the debtor's civil penalty account. Copies of the SF-215 and SF-5515 are forwarded to DFM by the collection contractor. The collection is classified by DDM and forwarded to DFM. (See Section 4.5).

4.4 OFFSETS

An offset is initiated by the BCPC, DDM, against any identified refund for an established account receivable that has been classified as delinquent. Escrow refund offsets are described in Chapter 5.

4.4.1 AML OFFSETS

Outstanding civil penalties are offset against overpayments of AML Fees. The AML refund amount is identified by reviewing the AML Refund Report, which identifies scheduled refunds from the AML Fee System. The BCPC notifies DFM, Denver, of appropriate offsets. The AML Fee offset is executed by DFM and the amount is credited to the civil penalty suspense account by DFM. The Division of Financial Management will provide written notification to the BCPC when the offset is accomplished.

4.4.2 TAX REFUND OFFSETS

Each year, delinquent civil penalty debts that are owed by an individual can be submitted to the Internal Revenue Service (IRS) to offset income tax refunds. The Internal Revenue Service will prepare an SF-1081 to transfer any civil penalties that it collects and supply detailed collection data to classify the funds.

4.5 CLASSIFICATION OF COLLECTIONS

The BCPC will provide proper classification of all collections to DFM. Collections are identified as payment of civil penalty fines, interest, late payment penalty, administrative cost and escrow deposits. Upon confirmation that a collection has been received, the collection specialist reviews the accompanying documentation and the underlying civil penalty account(s) and:

- Determines the civil penalty citation(s) being paid;
- Calculates the amount to be applied to the civil penalty (principal) account, interest account, late payment penalty account and administrative charges account.
- Prepares a remittance voucher (Exhibit 4.1), which shows the civil penalty (citations) to be credited and the related administrative accounts.

4.6 UPDATING CIVIL PENALTY ACCOUNTS RECEIVABLE AND DFMs ADMINISTRATIVE ACCOUNTS

The collection specialist submits the remittance voucher to the Chief, Finance Section for signature. The Section Chief reviews and signs the remittance voucher and transmits it to DFM. The collection specialist also transmits a copy of the approved remittance voucher for CMIS data entry, using a CMIS

control sheet (Exhibit 4-2) within one business day after collection confirmation is received. An end of the month cutoff date is established by DFM for all collections and is observed by the BCPC who transmits remittance vouchers by overnight delivery service to meet the cutoffs.

4.7 RECONCILIATION

The Chief, Finance Section reconciles the collections received from all sources, the Civil Penalty Suspense Account and Final Accounts in the OSMRE's Administrative Accounting System (ABACIS) and the Civil Penalty Accounts in CMIS monthly.

The purpose of the reconciliation is to:

- Assure that all deposits into the civil penalty lockbox, Treasury General Accounts, and Interagency Funds Transfer System (SF-1081s) get credited to the Civil Penalty Suspense Account;
- Assure that all civil penalty collections are correctly credited to the appropriate civil penalty accounts receivable in CMIS; and
- Assure that civil penalties, interest, late payment penalty and administrative amounts collected are correctly credited in OSMRE's final administrative accounts.

Reconciliation shall be completed by the 10th workday following the end of the month.

REMITTANCE VOUCHER (RFN)

NO.	OPERATOR	CITATION #	LOCKBOX DATE	LOCKBOX DEPOSIT #	CHECK AMOUNT	PAYMENT AMOUNT #9999902R03	ESCROW #9999902R05	PRINCIPAL #99994R01	INTEREST #99994IR01	LATEPNTPEN #99955-R02	COSTS #99959-R01	OTHER (SEE REMARKS)
# 1												
1	R C COAL CO INC	C 80-2-59-5	20-Jan-89	672076	$5,000.00	$2,500.00		$2,500.00	$0.00			
2	R C COAL CO INC	B 80-2-59-16	20-Jan-89	672076	$5,000.00	$2,500.00		$2,500.00	$0.00			
3	INCA MINING INC	N 79-2-5-17	20-Jan-89	672076	$1,500.00	$1,500.00		$1,500.00	$0.00			
4			20-Jan-89		$0.00	$0.00						
5			20-Jan-89		$0.00	$0.00						
6	TOTALS:	03	20-Jan-89	672076	02	$6,500.00	$0.00	$6,500.00	$0.00	$0.00	$0.00	$0.00
						$6,500.00						
7												
8												
9												
10												

Collection Officer

RFN2

DISTRIBUTION: RFN, ABSTRACTS, LSTR, LUZ

EXHIBIT 4-1

Internal Memorandum

To: Norma Frank, Supervisor
Science Management Corporation

Thru: Ron Tarquinio, Chief
Branch of Data Management

Thru: Sean T. Spillane, Chief
Branch of Civil Penalty Collections

From: _____

Subject: Data Entry to CMIS

The following documents are attached and submitted for entry to the Collections Management Information Systems.

		TRANSMITTAL #
[ ] _____	Bankruptcy Petitions or Closures	# _____
[ ] _____	Batch of Payco Collection Contractor Referrals/Cases Returned Resolved	# _____
[ ] _____	Batch of CC&C Collection Contractor Referrals/Cases Returned Resolved	# _____
[ ] _____	Payment Plan #BCPC _____	
[ ] _____	Collections:	# _____
	[ ] _____ - Lock Box Payments for Date of: _____	# _____
	[ ] _____ - 1081 (DOJ) Payments for Date of: _____	# _____
	[ ] _____ - Other Misc. Remittance for Date of: _____	
	[ ] _____ - Refunds, Offsets, Transfers for Date of: _____	
[ ] _____	Referrals to Solicitor for Judgement/Collection	# _____
[ ] _____	Abatement Data	# _____
[ ] _____	Final Order	# _____
[ ] _____	Other (Identify/Explain) _____	# _____

Please return a signed and dated copy of this memo once Data Entry & Verification are completed.

[ ] Data Entry & Verification are Completed. _____ Signature _____ Date

CHAPTER 5

ESCROW ACCOUNT PROCESSING

Permittees who have been assessed a civil penalty may pursue an administrative review/appeal to dispute the amount of the civil penalty or the facts of the violation. If the permittee files a petition for review with the Office of Hearings and Appeals (within 30 days of receipt of the proposed assessment) disputing the amount of the penalty, an escrow deposit for the amount of the proposed penalty is required. This is known as a "P" Hearing. If the Office of Hearings and Appeals (OHA) rules against the permittee, the escrow monies are moved from the Escrow Account and applied to the penalty. If a ruling is made for a lesser penalty, the difference is refunded with interest at the rate of 6 percent or the prevailing Department of the Treasury rate, whichever is greater.

5.1 HEARING PETITION REVIEW

Upon receipt of a petition, the field office (Knoxville Field Office or Western Field Operations) records the information on a transmittal listing log and reviews the petition for timeliness and the proper escrow payment. If the petition was not filed within 30 days or the escrow deposit was less than the proposed penalty amount, the reviewer will notify the Solicitor's office for appropriate action to dismiss the hearing.

5.1.2 UPDATING THE COLLECTION MANAGEMENT INFORMATION SYSTEM (CMIS) AND ADMINISTRATIVE ACCOUNTS

The field office prepares a coding sheet to update CMIS, and places a copy of the petition in the violator's file. The Branch of Civil Penalty Collections (BCPC), Division of Debt Management (DDM), receives the information through the lockbox, and classifies and forwards the escrow deposit information to the Division of Financial Management (DFM). (See Chapter 4 for these procedures).

5.2 OFFICE OF HEARINGS AND APPEALS (OHA) DECISIONS AND TRANSMITTAL PROCEDURES

Decisions rendered by the OHA are forwarded to the appropriate field office for review and filing. The field office updates CMIS, prepares a transmittal, and forwards a copy of the decision along with the file to the BCPC for final disposition of the amount paid into escrow.

5.2.1 TRANSMITTAL PROCESSING

Upon receipt of the OHA decisions, the Finance Section, BCPC:

- o verifies that the cases have been received;
- o annotates the receipt date Refund/Transfer Ledger;
- o notifies the field office if documents are missing.

5.2.2 PAYMENT VERIFICATION

Upon receipt of the file, verify the accuracy of information and confirm that the escrow payment was received. If a case file does not contain a copy of the deposited check and payment abstract, review the "Escrow Listing Subsidiary Ledger" and "Transaction Status Report" to verify the deposit transaction. If a deposit has not been made, return the case to the appropriate field office.

5.2.3 OHA DECISION REVIEW

If payment is verified, review the OHA decision to determine the appropriate liquidation of the escrow funds. The OHA decision may result in three basic distributions.

- o **No Change in Civil Penalty:** The OHA decision may determine the civil penalty assessment amount was valid as issued.
- o **Decrease in Civil Penalty:** The OHA decision may result in a decrease in the assessed civil penalty amount or in a "vacation" of the violation, eliminating the penalty altogether.
- o **Increase in Civil Penalty:** The OHA decision may result in an increase in the assessed amount.

5.3 LIQUIDATION OF ESCROW ACCOUNTS

Upon receipt of the OHA decision and review to determine the final resolution of the funds residing in the Escrow Account, the funds must be liquidated from the Escrow Account based on the OHA decision.

5.3.1. NO CHANGE IN CIVIL PENALTY

Prepare a "Request for Refund/Transfer From Escrow, Final or AML" transferring the entire amount of the violator's escrow fund from the Escrow Account to the Civil Penalty Final Account. Enter the appropriate information on the "Request for Refund/Transfer From Escrow, Final or AML" form as indicated in EXHIBIT 5-1.

5.3.2 DECREASE IN CIVIL PENALTY

Prepare a "Request for Refund/Transfer From Escrow, Final or AML" transferring the appropriate civil penalty amount to the Civil Penalty Final Account. If a refund is due, the "Request for Refund/Transfer From Escrow, Final or AML" must indicate if interest is or is not to be paid. If interest is to be paid, DFM will calculate the interest based upon the date the refund is paid. Additionally, before a refund is made, determine if there are any outstanding debts which must be offset by the amount of the refund.

5.3.2.1 CIVIL PENALTY OFFSET PROCEDURES

Prepare a review of the CMIS listing (Report 9) to identify any outstanding civil penalties. If the subject company is due a refund, but has any outstanding civil penalties, offset the refund to the extent of any outstanding civil penalties. Use the "Request for Refund/Transfer From Escrow, Final or AML" form to accomplish the offset.

5.3.2.2 AML FEE OFFSET PROCEDURES

If no further delinquent civil penalties are owed by the company, and refund amounts are still due the company, review the "Mines Owing Money" (MOM) listing to identify any delinquent AML fees owed. Offset for AML fees will follow the same procedures as for civil penalties, but will request transfer to the appropriate AML Suspense Account.

5.3.3 INCREASES IN CIVIL PENALTY

In the event an OHA decision requires an increase in the civil penalty amount, prepare a "Request For Refund/Transfer From Escrow, Final or AML" transferring the entire amount of the violator's escrow fund from the Escrow Account to the Civil Penalty Final Account and issue a Final Order for the amount still outstanding.

5.4 FORM PROCESSING

Prepare and review the "Request for Refund/Transfer From Escrow, Final or AML" form, have it signed by the Chief, Finance Section and mailed to:

U. S. Department of the Interior
Office of Surface Mining Reclamation and Enforcement
P. O. Box 25065, Denver Federal Center
Denver, CO 80225

Upon receipt of the form, the Division of Financial Management (DFM) prepares a "Public Voucher for Refund" (SF-1048) to initiate a refund and sends a copy of the SF-1048 to the BCPC.

5.4.1 FORM FILING

File copies of the signed "Request for Refund/Transfer From Escrow, Final or AML" form in each citation folder. Place a copy in the hold (control) book when appropriate, and send a copy to the AML Fee Section, if an AML Fee offset is involved.

5.4.2 CMIS CODING

Prepare and submit a CMIS transmittal sheet for each transaction to record the information in CMIS.

5.4.3 PUBLIC VOUCHER FOR REFUNDS FORM

Upon receipt of the SF-1048, as described in 5.4, record the date in the Refund/Transfer Control Book and forward it to the Documents Control Section for filing in the citation folder. Refunds not completed within 30 days following submission of the "Request for Refund/Transfers From Escrow, Final or AML" form as identified in the control book require follow-up by the collection specialist.

5.4.4 NOTIFICATION TO LITIGANT COMPANY

Notify companies who have had their escrow accounts liquidated in response to an OHA decision of the final disposition of the escrow deposit.

5.4.4.1 NO CHANGE IN CIVIL PENALTY

Notification is not required for OHA decisions resulting in no change in the amount of the civil penalty owed by the company. Liquidate the Escrow Account and move funds to Civil Penalty Final Account.

5.4.4.2 DECREASE IN CIVIL PENALTY

Notification is not required if a refund is made and no offset was made for other civil penalty or AML debts. The refund check will have sufficient information to identify the payment to the company. When a refund is made to a remitter other than the operator cited, issue a letter of notification to both parties.

5.4.4.2.1 OFFSETS

Notify the company when an escrow deposit refund is offset against any outstanding civil penalty(ies) or AML fee(s).

5.5 APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

The OHA decision handed down by the Administrative Law Judge (ALJ) is the official directive document for the purpose of liquidating escrow accounts. Apply escrow funds as ruled by the ALJ. If the debtor subsequently appeals to the Interior Board of Land Appeals (IBLA), the IBLA decision rendered will be processed separately upon receipt. Refunds ordered by the IBLA will be issued as required from funds previously transferred to the Final Account. The Solicitor's office has the responsibility of submitting a directive with the OHA decision in order to retain funds in escrow on any OHA decision which OSMRE requests the Solicitor's office to appeal.

REQUEST FOR REFUND/TRANSFER (FROM ESCROW, FINAL, OR ANI.)
OFFICE OF SURFACE MINING
U.S. DEPARTMENT OF THE INTERIOR
DIVISION OF ASSESSMENTS AND COLLECTIONS
BRANCH OF COLLECTIONS

OSMRE-DENVER
88 OCT 20 AM 9:21

ENTERED NOV 2 1 1988 (87) RC900028
ENTERED NOV 2 1 1988 (89) RC900029
ENTERED NOV 2 1 1988

COMPANY NAME AND ADDRESS:

Farrell-Cooper Mining Company
P.O. Box 1947
Ft. Smith, Arkansas 72902

COMMENTS:

OHA [redacted]n Docket No. TU7-8-P by Judge Joseph E. McGuire dated [redacted] citation number N86-3-6-28.

Refund Voucher No. _____ Transaction No. of Acct. Switch Ref BP700325
Date of Refund _____ Date of Acct. Switch 4/24/88

CITATION NO.	AMOUNT DATE OF DEP. AND TR. NO. 9999-02-R05 '87	AMOUNT SWITCHED TO ACCT. 9999-40-R01 '89	INT. ON REMAINING AMT. (Out of Acct. 4422)	TOTAL AMT.	CITATION TO BE OFFSET	AMT. OF OFFSET TO ACCT. 9999-40-R01	AMT. OF OFFSET TO ACCT. 145015.1 AND MINE ID NO.	AMOUNT TO BE REFUNDED
N86-3-6-28	$1,100.00 1-16-88 870116D02	$1,100.00						

COMPANY NAME AND ADDRESS:

COMMENTS:

Refund Voucher No. _____ Transaction No. of Acct. Switch _____
Date of Refund _____ Date of Acct. Switch _____

CITATION NO.	AMOUNT DATE OF DEP. AND TR NO.	AMOUNT SWITCHED TO ACCT. 141099	INT. ON REMAINING AMT. (Out of Acct. 4422)	TOTAL AMT.	CITATION TO BE OFFSET	AMT. OF OFFSET TO ACCT. 141099	AMT. OF OFFSET TO ACCT. 145015.1 AND MINE ID NO.	AMOUNT TO BE REFUNDED

RECEIVED OCT 2 0 1988 Luz M. Balmont
COLLECTION OFFICER

Oct. 17 1988
DATE

10/14/88

5-6

EXHIBIT 5-1

CHAPTER 6

REFERRALS TO PRIVATE COLLECTION AGENCIES

6.1 BACKGROUND

The Debt Collection Act of 1982, as amended, provides guidelines for pursuing the collection of delinquent debt, and allows Federal agencies to refer unpaid debts to private contractors for collection of monies owed to the Federal Government. The General Services Administration (GSA) awards contracts to private sector firms to provide collection services to all Federal Agencies. The procurement of collection contractor services was initiated to enhance the Government's debt collection efforts.

The current GSA contracts provide for services by both a first referral collection contractor and a second referral collection contractor. The first referral collection contractor is the contractor to which delinquent accounts are first referred. The second referral collection contractor can be referred those delinquent accounts uncollected by the first referral collection contractor.

6.2 POLICY

OSMRE refers delinquent accounts to collection contractors when (1) there is no prior history to indicate that the particular civil penalties are uncollectible, such as in the case of a pending bankruptcy, and (2) the debtor has performed all necessary reclamation work on previous and current citations.

Accounts that are not successfully collected by a collection contractor will be evaluated for referral to the Solicitor or for reclassification. Generally, if the first referral collection contractor is unsuccessful in collecting an account, the account will not be referred to a second referral collection contractor.

Debtor inquiries about accounts that have been referred to a collections contractor should be referred to the Branch of Civil Penalty Collections for coordination. Debtors shall be required to deal through the collection contractors.

6.3 PURPOSE

This chapter establishes the guidelines and procedures for identifying debts for referral, processing eligible accounts, posting collections, reconciling accounts and invoices, paying the collection contractors and managing the debt collection contract. The specific requirements for debt collection by private collection firms are discussed in detail in GSA's Federal Supply Schedule (FSS) for Professional Debt Collection Services, 1988-1990. The Federal Supply Schedule must be used by all Federal Agencies that place nontax delinquent debts with collection firms.

6.4 SCOPE/RESPONSIBILITY

The Branch of Civil Penalty Collections (BCPC) is responsible for the day-to-day supervision and management of the collection contractors. Collection Specialists determine what debts, accounts or citations should be referred to a private collection agency and is responsible for the identification, application and reconciliation of civil penalty payments; specific procedures for these functions are outlined later in this chapter.
Other branches and agencies and their related responsibilities are as follows:

- The Branch of Procurement prepares work orders (purchase orders) based on requisitions from BCPC and submits work orders to the collection contractor.

- The Branch of Data Management ensures that the Collection Management Information System (CMIS) is updated as information is submitted.

- The Division of Financial Management (DFM), posts payments, from Deposit tickets (SF-215), to the designated collection contractors suspense account. Upon notification from DDM, DFM transfers the funds from the suspense account to the accounts designated by DDM.

- The Private Collection Agencies initiate collection action with the debtor, generate a billing statement to the debtor, receive and deposit debtor payments to financial institutions that have authorized U.S. Treasury general accounts; provide detailed collection data and status of collection efforts to BCPC; develop Claims Collections and Litigation Reports (when requested by BCPC), and recommend further action on each returned account.

- The General Services Administration is responsible for the general policies that govern the collection contractors.

6.5 DEFINITIONS

Definitions that are applicable to OSMRE's debt collection actions are as follows:

ABACIS	The Advanced Budget Accounting Control and Information System that tracks and maintains the Agency's administrative accounts.
Account	Citations referred to the collection contractors that have delinquent civil penalty amounts.
Administrative Costs	The costs incurred by the Agency as it attempts to collect the delinquent debt. Accounts are charged $15 per month per citation for each month the debt remains unpaid. These charges shall be assessed the debtor unless legislatively or contractually prohibited, or unless waived, in whole or part, in accordance with published regulations. Administrative costs also include the costs of any net worth determination reports.

Amount of Debt	Total amount due on a debt owed the Government, including principal, interest, penalty, administrative costs and any other costs incurred in collecting the debt.
Batch	A listing of accounts that show the amount owed (principal, interest, penalty, administrative costs and other costs) by the debtor at the time of referral.
Billing Statement	The instrument prepared and sent by the collection contractor to the debtor stipulating how much the debtor owes. The document informs the debtor of the amount owed, provides a detailed breakdown of the principal, interest, administrative charges and any other charges applicable for paying the debt.
Collections Fee	Charge for collection services. The Debt Collection Act of 1982, as amended, authorizes Federal Agencies to pay for collection services from the collection receipts.
Collection Reports	Reports (specified in the FSS) that supply OSMRE, GSA, Treasury/FMS, and OMB with sufficient data to evaluate and monitor the progress of the contract. Reports include data on individual debtors, general account status, severe delinquency, monthly portfolio activity, unidentified payments and account resolution.
Contractor's Invoice	A statement of the amount owed by the ordering agency to the contractor for the debts collected in the monthly period. It includes the collection fee percent, the amount collected by the contractor (includes collection fees added to the debt) and the amount due the contractor for services performed. The invoiced amount shall include adjustments for uncollectible amounts (i.e., returned checks) the Claims Collection and Litigation Report (CCLR) fees and other adjunct services rendered.
Current Date	The last date in which interest, penalty and administrative costs were added to the principal.
Debtor	Individual, partnership, or any entity that owes money to the Federal Government.
Delinquent Debt	Civil penalty debt that remains unpaid 31 one or more days past the Final Order date.
Delinquency Date	The date on which civil penalties become delinquent after the Final Order has been issued. The delinquency date is one day past thirty days from the date of Final Order.
Interest Charge	The charge assessed on delinquent debts in order to compensate the Government for the time value of money owed and not paid when due. Interest must be charged unless legislatively or contractually prohibited, or unless waived, in whole or in part, within published regulations.

Interest Rate	The percentage rate used to calculate interest. The specific rate for a delinquent debt is the current Treasury rate of interest that was applicable at the time the debt became delinquent.
Index Number	A number with 3 to 6 digits (241 or 2400.15) unique to each company.
Placements	Accounts sent to collection contractors for collection activity that have been approved with the Claims Acknowledgement Report and Time Phased Work Schedule.
Late Payment Penalty	The punitive charge assessed due to a failure to pay a debt. The charge is not to exceed 6 percent a year and is to be assessed on any portion of a debt that is delinquent for more than 90 days. This charge shall be assessed unless legislatively or contractually prohibited, or unless waived in whole or in part, in accordance with published regulations.
Stop Work Order	A request to the collection contractor by an authorized collection specialist to cease collection activity on an account.
Work Order	An official instrument prepared by Procurement that authorizes services to be rendered by the collection contractor. (Purchase order and work order are one and the same.)

6.6 IDENTIFYING ELIGIBLE ACCOUNTS

A Civil Penalty Citation (account) is eligible for referral to a private collection agency when the amount due becomes delinquent and the operator (company) has been notified of interest, penalty, administrative costs, and collection agency costs via a Debt Collection Act letter and Final Demand letter. A debt is delinquent when it remains unpaid for 31 days or more past the final order date.

6.6.1 Criteria for Account Selection

First Referral Collection Contractor Accounts are selected for referral to the first referral collection contractor, based upon the history of the debt. Prospective accounts meet the following criteria:

- the debtor has performed all necessary reclamation required under any current and previous citations;
- the debt is not known to be uncollectible;
- the debt is three years or less old and internal resources/efforts have been minimal in collecting the debt;
- previous OSMRE/BCPC collection efforts did not result in the company paying the debt, but sources revealed that the debtor is solvent;

- other citations issued to the debtor have not been referred to the Solicitor;

- net worth or bankruptcy information does not indicate that the debt is uncollectible;

- the debtor is not protected by bankruptcy statutes (i.e, is not in bankruptcy); and,

- a settlement agreement or payment plan is not in force.

Second Referral Collection Contractor Accounts referred to the second referral collection contractor are more difficult to collect. Accounts that are returned from the first referral collection contractor may be referred to the second referral collection contractor on an exception basis only, where there is an opportunity for collection of the accounts. The following criteria may apply when determining whether to refer debt to the second contractor:

- the criteria for the first referral collection contractor are met;

- previous citations have been referred to a first referral collection contractor;

- internal resources and efforts have proven unsuccessful and are limited due to budgetary constraints;

- the debtor refuses to pay, but is not known to be insolvent;

- it is determined to be the most cost effective approach to collecting the debt, such as in the case of low dollar debts of under $2,000.

6.7 REFERRING ELIGIBLE ACCOUNTS

6.7.1 Batch Processing

Refer accounts to the appropriate collection contractor in batches that are sequentially numbered. List each account on a Referral Batch Log (Exhibits 6.1 and 6.2) that consists of the following 16 fields of data.

- Operator Name;

- Company Address;

- Company Telephone;

- CMIS Index Number;

- Citation (account) Number;

- Final Order Date;

- Current Date (this is the date BCPC anticipates forwarding the batch and requisition to the Branch of Procurement).

- Principal Amount Due (the amount of the unpaid civil penalty);
- Administrative Costs Due;
- Penalty Amount Due (6 percent);
- Interest Rate;
- Total Interest Due;
- Other Administrative Costs (e.g., net worth determination costs); and
- Total amount due.

Enter accounts onto the Referral Batch Log which doubles as the referral instrument sent to the collection contractor.

6.7.2 Calculation of Outstanding Debt

Prior to referring accounts to a collection contractor, the amount outstanding is calculated for each account. Use the Referral Batch Log on a Lotus 1-2-3 Spread-Sheet, which automatically calculates the number of days an account has been outstanding and the related monthly administrative costs, late payment penalty charge, interest and the total amount due, based on the information entered in the Referral Batch Log.

Use the Final Order date and the current date (as shown in Exhibits 6.1 and 6.2) to determine how long the debt has been delinquent (number of days). Compute the interest using the applicable U.S. Treasury interest rate from the date of Final Order to current date (usually 2 weeks prior to submitting to the Branch of Procurement). Calculate administrative costs at the rate of $15 per month per citation. Late payment penalty (6 percent) is charged for failure to pay and is not applied until 91 days after the Final Order date. After 91 days, apply the penalty from the date of Final Order to the current date. Net Worth Determination (NWD) costs—other administrative costs are the amounts charged for net worth contractor services and have been passed onto the debtor as a one time charge. Obtain the applicable net worth costs from the in-house NWD tracking report. The total amount due at time of referral include principal, administrative costs, late payment penalty, interest, and any net worth costs.

6.7.3 Work Order Preparation, Delivery, Approval

Batch accounts for collection contractor referral and send to OSMRE's Branch of Procurement. Prepare a requisition (Exhibits 6.3 and 6.4) listing the total number of citations and the total amount of past due civil penalties (including principal, administrative costs, penalties, total interest, and other administrative costs [such as net worth costs]).

After the Branch of Procurement receives the requisition and applicable Referral Batch Log, procurement prepares a work order—Optional Form 367 (Exhibits 6.5 and 6.6). The work order (purchase order) is an official request that authorizes the collection contractors to provide collection

services and to receive payments. An order number is assigned by Procurement to each batch and follows the related accounts for the life of each account. The Branch of Procurement calculates the collection contractors potential contingency fee, signs the work order and sends the order by courier service to the appropriate private collection agency. A copy of the batch and signed work order is sent back to the Branch of Civil Penalty Collections as a matter of record and verification that the collection agency was requested by OSMRE to start the collection process. The dated batch and signed work order is maintained with BCPC files.

6.7.4 Acknowledging Placements and the 180 Day Collection Cycle

The BCPC is responsible for ensuring the collection contractors' prepare a Claims Acknowledgement Report (Exhibits 6.7 and 6.8) verifying that the accounts have been received and entered into their computer systems. The collection contractor completes a Time Phased Work Schedule (Exhibits 6.9 and 6.10) and each account listed on the Claims Acknowledgement Report remain with the collection contractor for a period of 180 days unless otherwise specified by OSMRE. The Time Phase Work Schedule authorizes the placement of each delivery order; the 180 day clock starts from the date the Branch of Civil Penalty Collections approves the Time Phased Work Schedule. At the end of 180 days, the accounts are returned from the collection contractors with a recommendation for further action.

6.7.5 CMIS Data Entry of Placements

Citations (accounts) are considered to be referred to the collections contractor's for collection pursuit when the Branch of Procurement notifies (by mail or telephone) identified Collection Specialists that the applicable batch has been sent to the collection contractor. Collection Specialists prepare a CMIS data entry Transmittal Memorandum (Exhibit 6.11) to record the referral of accounts. A dated copy of the Referral Batch Log is used as a source document for CMIS data entry. After CMIS has been updated to show the citations and dates referred to the collection contractor, a verified/signed copy of the CMIS Transmittal Memorandum is sent back to the Collection Specialists who submit source documents for CMIS coding and data entry.

6.8 CONTACTING DEBTORS—DEMAND FOR PAYMENT

Collection Contractors are officially authorized to contact the operators once they receive a work order and an approved Time Phased Work Schedule. Operators are contacted through a series of demand letters and phone calls. Collection contract procedures are described in the GSA Federal Supply Schedule.

6.8.1 Computing Money Owed on Placed Accounts

The collection contractor is required to continue accruing additional interest, penalties, and administrative charges. Contractor demands for payment should reflect the current amount due as required by GSA. Interest and penalties are computed after accounts are placed using the same procedures described earlier in this Chapter, Section 6.7.2 Referring Eligible Accounts, Calculation of Outstanding Debt. In addition to the accrued interest and penalties, the collection contractors' contingency fee is added to the

outstanding debt. The first referral collection contractor's fee is 15.1%. The second referral collection contractor's fee is 35%. The contingency fee is charged on every debt collected by the collection contractor.

The collection contractor's contingency fee is added to the debt and included in collections contractor demands for payment in accordance with the following formula:

$$\frac{\text{Amount of Debt}}{(1-\text{Allowable Fee Rate})} = \text{Amount to be Collected by Contractor}$$

The Statement of Work and the Federal Supply Schedule give specific details on the computation of interest, penalties and collection contractor fees and the amount to be collected by the contractors.

6.9 PROCESSING PAYMENTS AND TERMS OF PAYMENTS

OSMRE/Branch of Civil Penalty Collections is responsible for the collection, deposit and receipt of money sent to private collection contractors by operators who owe outstanding civil penalty debt.

6.9.1 Deposits and Receipts

Companies send payments directly to the collection contractor's Post Office Box. The collection contractor deposits checks received from the operator directly into an approved depository or Federal Reserve Bank for credit to the Treasury General Account (TGA) and sends a confirmed copy (original) of the deposit ticket (SF 215) to the Denver Federal Center, Division of Financial Management. A copy of the original confirmed deposit ticket (Exhibit 6.12) is also sent to the Branch of Civil Penalty Collections.

6.9.2 Direct Payments to OSMRE

Field Offices should not accept direct payment from operators without first checking CMIS or making a telephone call to the Chief, Branch of Civil Penalty Collections or Collection Specialists managing the contract or their designee. Direct payments delay the payment posting process and give operators the perception that they can ignore the collection contractors.

Payments made directly to OSMRE are processed through the standard lockbox procedures (Chapter 7) and require moving monies from the civil penalty suspense account to a collection contractor suspense account. Accounts that are paid directly to OSMRE by the operator require that the Collection Specialist determine if the collection contractors contacted the debtor before the payment was received by OSMRE. If the debtor was contacted prior to OSMRE receiving the direct payment, then the collection contractor is entitled to a collection fee, as required under the GSA Contract. Collection Specialists request the Division of Finance Management (DFM) to move monies from the Civil Penalty Suspense Account to the Collection Contractor Suspense Account. Anytime the BCPC determines that the collections contractor did not contact the debtor prior to receipt of payment, then the contractor is not to be paid a fee. The Collection Specialists notify the collections contractors immediately, by telephone and/or written correspondence, of all payments that are made directly to OSMRE.

6.9.3 Payment Identification - BCPC

Payments are identified by BCPC Collection Specialists/Finance Section if payment has been received on a placed account and when the supporting documentation is received from the contractor--accompanied by a copy of the SF 215 Deposit Voucher and a copy of check from the operator. Collection Specialists request the Division of Financial Management to move the money from the collections contractor suspense account to the appropriate final accounts via a remittance voucher.

6.9.4 Funds Control - DFM

The Division of Financial Management in Denver uses the original confirmed copy (SF 215 Deposit Voucher) to identify money collected by the collections contractor and places the money in the appropriate collections contractor suspense account until notified by the Collection Specialists. Exhibit 6.13 is a memorandum from the Chief, Division of Financial Management (Denver) to the Chief, Division of Debt Management, Headquarters that lists all the applicable ABACIS account numbers for collections contractors.

6.10 CONTRACTORS INVOICES

Invoices are sent to OSMRE/BCPC on a monthly basis by Collection Contractors. Services rendered for the preceding month are invoiced and include the total amount collected, received and deposited, less items returned by the TGA depository.

6.10.1 Invoice Receipt, Reconciliation, Approval

Invoices (Exhibit 6.14) are submitted to the Chief, Finance Section for approval. The total amount collected, the collections contractor's fee, less returned items and applicable adjunct services, is verified prior to authorizing payment. Invoices are approved by the Chief, Finance Section, and sent to the Branch of Procurement for official Agency obligation of funds. The Branch of Procurement forwards the approved invoices for payment to the following address: Chief, Financial Operations Section, Department of Interior/OSMRE, Division of Financial Management, P.O. Box 25065, Denver, CO 80225.

6.10.2 Reimbursements to Collections Contractors

Invoices are date stamped by the receiving Secretary in DDM. Invoices are paid within 30 days of receipt, in accordance with the Prompt Payment Act of 1982. DFM sends the collections contractors their contingency fee for services rendered and charges the appropriate collection contractor's account.

6.11 SUSPENDING COLLECTION ACTIVITY

The Collections Contractor suspends collection activity on an account whenever one of the following conditions occur:

1. The Collection Specialists request a suspension of collection activity. A request to suspend collection by OSMRE is made via telephone first and then followed up with a letter (Exhibit 6.15) to

the appropriate collections contractor. Suspension of collection activity on accounts at the request of OSMRE stops the collections contractor's performance and establishes a new 180 day delivery requirement that begins when OSMRE requests collection activity to resume.

2. The operator (debtor) disputes the amount of the debt citing that the amount of the debt was never incurred, it was paid, or that the amount is incorrect. Collection activity is stopped and further research is completed to support OSMRE's claim. The collections contractor may, in fact, request payment information for OSMRE, and/or copies of documents verifying OSMRE's claim. Collection Specialists authorize collection agencies to place accounts on hold whenever a dispute arises from the debtor. The collections contractor obtains written documentation from the company to support the debtor's claim. Accounts are referred back to the Collection Specialist from the private collection agencies within ten days of the date of suspension; accountability and responsibility for these accounts are the collections contractor's while collection is suspended. (Contractors do not adjust any disputed claims [amount due] independent of OSMRE.)

3. A legal defense is raised by the debtor or his representative. The operator may contest the service of the citation and/or that the Notice of Proposed Assessment was not properly served; the statute of limitation has expired; and/or the owner is not the same entity OSMRE is pursuing. Collection Specialists authorize the private collection agencies to cease collection activity until all legal issues raised have been addressed.

4. The debtor objects to the manner in which he/she has been approached by the private collection agency. Complaints by an operator are legitimate reasons to temporarily stop collection activity, according to GSA. The collections contractor is responsible for providing information to OSMRE in order to assist OSMRE in the resolution of any account that has been suspended due to any debtor claims, legal or otherwise. In situations where the BCPC has decided that the suspension is final (e.g., payment arrived while account case was being referred), a STOP WORK ORDER letter is issued by the Chief, BCPC. The collections contractors do not resume collection activity until the complaint is resolved to the Branch of Civil Penalty Collections' satisfaction. A CMIS Coding Transmittal Memorandum is prepared by the Collection Specialists identifying the accounts.

6.12 RETURNED ACCOUNTS

The collections contractors have 30 days to return accounts that have been requested by OSMRE to cease collection activity permanently. Accounts are identified as closed when the collections contractor has exhausted all means of collecting the debt. The collections contractor reports closed/returned accounts to BCPC.

6.12.1 CMIS Data Entry of Returned Accounts

Collection Specialists submit source documents for data entry to CMIS as soon as the closed returned report is received and prepare a CMIS coding transmittal memo. The next action is recommended for the case (company) depending upon the results of the contractor's collections efforts. Collection Specialist prepare a next action form (Exhibit 6.16), which lists the case(s) and recommends appropriate action. A CMIS coding Transmittal Memorandum is prepared by the Collection Specialists identifying the accounts.

PAYCO COLLECTION REFERRALS

BATCH NO. 2

DATE REFERRED MAY 02 1990

OPERATOR	COMPANY ADDRESS	TELEPHONE NUMBER	INDEX NO.	CITATION	FINAL ORDER DATE	CURRENT DATE	PRINCIPAL	ADMIN COST	PENALTY AS	INT RATE	TOTAL INTEREST	OTHER ADJ CREDIT	TOTAL AMOUNT DUE
													$142,921.03
BRAY, PAUL	RTE 4 BOX 215 HANCHESTER KY 40962	606-598-8154	840.00	CH0-2-81-32	29-May-86	25-Apr-90	$112,500.00	$345.00	$17,605.73	0.00	$17,166.30		$124,215.75
CEDAR COAL CO INC + F B C COAL	PKB 152 BEACH VA 24616		4910.00	CH7-132-522-3	07-Oct-87	25-Apr-90	$22,500.00	$105.00	$143.42	0.07	$847.33		$23,195.96
CEDAR COAL CO INC + F B C COAL	"			CH7-132-522-4	20-Jan-88	25-Apr-90	$22,500.00	$105.00	$325.40	0.06	$325.40		$24,255.02
CEDAR COAL CO INC + F B C COAL	"			CH7-132-522-5	02-Oct-87	25-Apr-90	$22,500.00	$105.00	$761.92	0.07	$840.10		$2,300.45
CEDAR COAL CO INC + F B C COAL	"			NH7-132-522-3	20-Jan-88	25-Apr-90	$2,200.00	$45.00	$51.02	0.06	$36.42		$45,310.29
CORBELL MINING	POB 355 PINE KNOT KY 42635	606-354-2155	4541.00	E87-91-90-6	15-Mar-88	25-Apr-90	$45,000.00	$15.00	$0.00	0.06	$303.29		$45,377.67
D + P COAL CO/MITCHELL DAVIS	RTE 2 BOX 2290 CLINCHWOOD VA 24228	703-926-4970	4974.00	CH7-132-423-10	09-Mar-88	25-Apr-90	$45,000.00	$30.00	$0.00	0.06	$347.67		$4,921.06
D + P COAL CO/MITCHELL DAVIS	"			NH7-132-423-2	20-Dec-87	25-Apr-90	$3,800.00	$60.00	$74.33	0.07	$46.72		$21,068.99
GEM MINING CO INC	POB 480 JELLICO TN 37762	615-784-9579	4074.00	CH7-91-102-10	05-Jan-89	25-Apr-90	$20,250.00	$60.00	$349.49	0.06	$349.49		$3,605.43
GEM MINING CO INC	"			NH4-91-152-13	15-Oct-86	25-Apr-90	$3,100.00	$270.00	$100.90	0.08	$174.53		$1,500.18
GEM MINING CO INC	"			NH5-91-89-9	26-May-87	25-Apr-90	$1,200.00	$165.00	$66.08	0.07	$77.10		$825.98
GEM MINING CO INC	"			NH6-91-102-6	29-Oct-86	25-Apr-90	$460.00	$270.00	$41.14	0.08	$54.65		$1,543.56
GEM MINING CO INC	"			NH7-91-102-15	01-Mar-88	25-Apr-90	$1,500.00	$30.00	$0.00	0.06	$13.56		$28,226.19
HICKORY COAL CO	POB 136 CARYVILLE TN 37714	615-562-4868	96.00	CH6-91-176-3	07-Aug-86	25-Apr-90	$22,500.00	$315.00	$2,319.04	0.00	$3,092.05		$45,303.49
HICKORY COAL CO	"			CH7-91-86-1	17-Mar-88	25-Apr-90	$45,000.00	$15.00	$0.00	0.06	$288.43		$16,012.73
HICKORY COAL CO	"			NH9-2-8-8	02-Feb-84	25-Apr-90	$3,700.00	$765.00	$130.09	0.09	$1,408.64		$9,214.71
HICKORY COAL CO	"			NH5-91-171-6	07-Jan-85	25-Apr-90	$6,100.00	$525.00	$1,055.88	0.09	$1,503.03		$2,146.63
HICKORY COAL CO	"			NH6-91-171-4	06-May-86	25-Apr-90	$1,400.00	$360.00	$165.70	0.08	$220.93		$10,630.29
JL + L COAL CO (RALPH LONE)	242 WALDEN AVE OLIVER SPRINGS TN	615-435-7661	4530.00	CH5-91-174-20	04-Apr-86	25-Apr-90	$7,500.00	$375.00	$927.12	0.08	$1,236.16		$27,178.29
JL + L COAL CO (RALPH LONE)	"			CH6-91-62-1	06-Oct-86	25-Apr-90	$22,500.00	$285.00	$2,097.32	0.08	$2,396.16		$27,829.14
JL + L COAL CO (RALPH LONE)	"			CH6-91-87-9	15-Dec-86	25-Apr-90	$22,500.00	$240.00	$1,838.22	0.08	$2,450.96		$75,249.45
JL + L COAL CO (RALPH LONE)	"			CH7-91-87-1	05-Jan-87	25-Apr-90	$22,500.00	$165.00	$1,702.05	0.07	$1,402.40		$840.25
JL + L COAL CO (RALPH LONE)	"			NH6-91-12-3	09-Sep-86	25-Apr-90	$440.00	$300.00	$42.96	0.08	$57.20		$2,394.57
JL + L COAL CO (RALPH LONE)	"			NH6-91-81-24	08-Jan-87	25-Apr-90	$2,000.00	$145.00	$105.06	0.07	$123.51		$2,551.37
JL + L COAL CO (RALPH LONE)	"			NH7-91-97-13	04-Mar-88	25-Apr-90	$2,500.00	$30.00	$0.00	0.06	$21.37		$1,240.98
JL + L COAL CO (RALPH LONE)	"			NH7-91-87-13	04-Feb-88	25-Apr-90	$1,200.00	$45.00	$0.00	0.06	$15.98		$1,846.27
JL + L COAL CO (RALPH LONE)	"			NH7-91-87-20	01-Mar-88	25-Apr-90	$1,800.00	$30.00	$0.00	0.06	$16.27		$1,340.47
LEFT FORK COAL CO + BRY KMAJ	GENERAL DELIVERY PULASKI KNOB VA	703-259-7040	3100.00	NH7-132-524-6	07-Mar-88	25-Apr-90	$1,300.00	$30.00	$0.00	0.06	$10.47		$91,606.44
MALLINS, MARK and RICKY	RTE 2 BOX 407 NIDE VA 24293	703-320-2524	4603.00	CH6-13-290-5	19-Feb-88	25-Apr-90	$90,000.00	$30.00	$0.00	0.06	$976.44		$12,469.18
+ SIBOUTH, VERL	"			NH5-13-290-6	13-Mar-87	25-Apr-90	$10,300.00	$210.00	$769.39	0.07	$829.29		$73,425.75
POPE + TAYLOR COAL CO	GENERAL DELIVERY PENNINGTON GAP VA		3269.00	CH0-2-94-15	25-Mar-87	25-Apr-90	$67,500.00	$105.00	$2,363.42	0.07	$2,357.33	$700.00	$6,070.44
SIBOUTH + HORTON COAL CO	GENERAL DELIVERY GOODES CREEK VA	703-873-4477	4988.00	CH7-132-524-1	15-Mar-88	25-Apr-90	$1,000.00	$30.00	$0.00	0.06	$40.44		$1972.11
TIPPLE SERVICES INC	1001 PLAZA TOWER KNOXVILLE TN 37929	615-525-4600	5002.00	NH7-91-172-20	05-Jan-88	25-Apr-90	$800.00	$60.00	$16.06	0.06	$16.06		$45,436.05
TRIO COAL CORP + MCCLOUD COAL	POB 580 GRUNDY VA 24614	703-935-8200	3554.00	CH7-132-522-7	01-Mar-88	25-Apr-90	$45,000.00	$30.00	$0.00	0.06	$406.05		$1,439.02
TRIO COAL CORP + MCCLOUD COAL	"			NH7-132-522-5	07-Dec-87	25-Apr-90	$1,300.00	$75.00	$29.92	0.07	$36.90		
TOTALS:				35			$604,030.00	$5,730.00	$29,226.17		$40,482.92	$700.00	$768,969.04

EXHIBIT 6-1

CREDIT CLAIMS & COLLECTIONS

BATCH NO. 1

DATE REFERRED MAY 2 1988

OPERATOR	COMPANY ADDRESS	TELEPHONE NUMBER	INDEX NO.	CITATION	FINAL ORDER DATE	COMPLNT DATE	PRINCIPAL	ADMIN COST	PENALTY GS	INT RATE	TOTAL INTEREST	OTHER ADM COSTS	TOTAL AMOUNT DUE
COAL HILL COAL CO	RTE 2 BOX 314-C ONEIDA TN 37841	615-569-8616	4764.00	C87-91-14-1	29-Apr-87	15-Apr-88	$47,500.00	$180.00	$3,905.35	0.07	$8,856.21	$700.00	$76,842.47
COAL HILL COAL CO				M86-91-88-8	04-Sep-86	15-Apr-88	$1,300.00	$285.00	$125.81	0.08	$167.82		$1,878.69
COAL HILL COAL CO				M86-91-94-17	11-Jun-87	15-Apr-88	$7,200.00	$150.00	$111.75	0.07	$130.37		$2,592.12
CUMBERLAND MINING CORP	106 SUFFOLK AVE RICHLAND VA 24441	703-935-8624	4843.00	C84-13-290-2	06-Sep-85	15-Apr-88	$45,000.00	$465.00	$7,042.19	0.09	$10,563.29	$700.00	$63,770.48
CUMBERLAND MINING CORP				M81-1-25-27	08-Nov-85	15-Apr-88	$3,300.00	$435.00	$482.25	0.09	$723.38		$4,940.63
CUMBERLAND MINING CORP				M84-13-290-9	20-Dec-85	15-Apr-88	$2,400.00	$420.00	$334.16	0.09	$501.24		$3,655.40
DELIE MINING CO	PHB 900 CLINTWOOD VA 24230	703-628-9252	3113.00	C84-13-287-2	10-May-85	15-Apr-88	$67,500.00	$525.00	$11,803.70	0.09	$17,825.55	$300.00	$98,054.25
DREAM INC	103 E BEECH ST LAFOLLETTE TN 37766	615-784-4172	4390.00	M84-91-111-15	19-Mar-86	15-Apr-88	$3,700.00	$600.00	$737.77	0.09	$1,106.65		$6,144.42
DREAM INC				C84-91-171-17	10-May-85	15-Apr-88	$67,500.00	$525.00	$11,803.70	0.09	$17,825.55	$300.00	$98,054.25
GILBREATH, JAMES HELTON	PHB 470 JELLICO TN 37762	615-784-4172	4489.00	M85-91-87-9	16-Dec-85	15-Apr-88	$2,200.00	$420.00	$307.76	0.09	$461.64	$700.00	$4,089.40
GILBREATH, JAMES HELTON				M86-91-115-3	06-Jan-86	15-Apr-88	$1,200.00	$330.00	$133.90	0.08	$170.59		$1,842.53
GILBREATH, JAMES HELTON				M87-91-132-1	29-Jan-87	15-Apr-88	$1,100.00	$150.00	$82.62	0.07	$61.39		$1,364.01
GILBREATH, JAMES HELTON				M87-91-172-13	02-Oct-87	15-Apr-88	$2,000.00	$90.00	$60.44	0.07	$75.18		$2,229.62
HUMPHREY HERBERT	PHB 34 FLUSHING OH 43977		3224.00	C81-3-7-7	06-Apr-87	15-Apr-88	$18,000.00	$180.00	$1,169.59	0.07	$1,294.52	$700.00	$21,284.11
JEFFERS EXCAVATING INC	RTE 1 BOX 284 ONEIDA TN 37327	615-569-4077	2462.00	M84-91-172-24	13-Feb-85	15-Apr-88	$1,300.00	$570.00	$209.21	0.09	$313.82	$700.00	$2,893.03
JEFFERS EXCAVATING INC				M85-91-164-24	04-Dec-85	15-Apr-88	$1,300.00	$420.00	$184.42	0.09	$276.63		$2,181.05
JESSIE P SHIPLEY COAL CO	PHB 403 DUNLAP TN 37327	615-949-3473	2719.00	M85-92-193-2	17-Jul-85	15-Apr-88	$843.41	$495.00	$139.06	0.09	$208.59	$700.00	$2,386.06
JESSIE P SHIPLEY COAL CO				M86-92-162-25	10-Feb-87	15-Apr-88	$4,300.00	$210.00	$91.09	0.07	$107.21		$5,709.30
JESSIE P SHIPLEY COAL CO				M86-92-83-15	21-Jul-86	15-Apr-88	$460.06	$315.00	$47.34	0.08	$63.11		$885.45
JESSIE P SHIPLEY COAL CO				C87-92-82-3	28-Jan-88	15-Apr-88	$22,500.00	$30.00	$280.49	0.06	$280.49		$23,106.99
JESSIE P SHIPLEY COAL CO				M87-92-162-1	26-May-87	15-Apr-88	$2,720.00	$165.00	$145.32	0.07	$169.53		$3,199.85
JESSIE P SHIPLEY COAL CO				K19-2-28-21	16-Jul-84	15-Apr-88	$1,320.00	$315.00	$138.65	0.08	$184.87	$700.00	$2,658.53
MINI-MAX MINING	101 WATER ST LOUISA KY 41230	606-739-5734	2140.00	M79-2-28-32	30-Oct-87	15-Apr-88	$9,400.00	$90.00	$261.80	0.07	$305.44		$10,137.24
MINI-MAX MINING				C80-2-5-14	17-Feb-87	15-Apr-88	$45,000.00	$210.00	$3,129.06	0.07	$3,650.55	$700.00	$52,689.59
MANTZ CHARLES JR + MANTZ MARTY	PHB 90 SOMERSET KY 40771	606-528-4321	3162.00	M80-2-5-24	19-Aug-86	15-Apr-88	$5,800.00	$300.00	$574.02	0.08	$769.10		$7,445.12
MANTZ CHARLES JR + MANTZ MARTY				M82-2-511-7	30-May-86	15-Apr-88	$10,500.00	$345.00	$1,188.57	0.07	$1,386.66	$700.00	$14,160.23
HARPER CLAYTON	RTE 1 BOX 108 HYDEN KY 41749		4164.00	C80-2-45-16	02-Oct-86	15-Apr-88	$1,300.00	$270.00	$119.80	0.08	$159.05		$1,849.73
PARSLEY-BENGE LAND DEVELOPMENT	RTE 3 BOX 106 LONDON KY 40741	606-864-7925	2940.00	C85-91-276-1	23-Aug-85	15-Apr-88	$112,500.00	$190.00	$3,291.79	0.07	$3,840.41		$119,772.19
PARSLEY-BENGE LAND DEVELOPMENT				M84-91-276-23	20-Nov-85	15-Apr-88	$22,500.00	$480.00	$3,572.88	0.09	$5,359.32	$700.00	$32,612.19
RANGER MINING INC	PHB DENVER & OLIVER SPRINGS TN	615-986-5120	4125.00	M86-332-524-2	19-Nov-86	15-Apr-88	$1,200.00	$435.00	$133.00	0.09	$259.50		$2,067.49
RANGER MINING INC				M86-13-290-7	09-Mar-87	15-Apr-88	$2,600.00	$255.00	$219.25	0.08	$292.34	$700.00	$4,066.59
SUMMIT COAL CORP	POB 94 WOLFORD VA 24658	703-531-8746	4789.00				$2,400.00	$195.00	$164.29	0.07	$191.61	$700.00	$3,730.96
TANNER MINING CORP	RTE 3 BOX 455 GRUNDY VA 24614	703-935-7333	4870.00										
			TOTALS:	32			$529,843.41	$9,945.00	$52,117.18		$73,298.96	$9,800.00	$674,204.55

EXHIBIT 6-2

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING

REQUISITION

CCN: 44772

Date 4/25/88

VENDOR:	SHIP TO:
PAYCO AMERICAN CORPORATION 180 North Executive Drive Brookfield, WI 53005 TELEPHONE NUMBER: (414) 784-9789	Department of Interior/Office of Surface Mining 1951 Constitution Ave, NW Washington, DC 20240 Attn: Patricia Leslie TELEPHONE NUMBER: (202) 653-2359

ACCOUNTING DATA:	PURCHASE ORDER NUMBER	GSA CONTRACT NUMBER	DISCOUNT TERMS
88 03 999902R10		GS-00F-03005	
	SHIP VIA	REQUESTED DELIVERY	FOB POINT

Item No.	ARTICLES OR SERVICES	Quantity	Unit	Unit Price	Amount	Account	Object Class
	Collection of Past Due						
	(Delinquent) Civil Penalty Debt.						
	"No Appropriated Funds"						
	Contingency Fee Basis (15.1%)						
	35 Citations @ $760,969.04						

PROPERTY MANAGEMENT CERTIFICATION: Except as noted, items are not available from source under my control.

Requisitioner _____

Approved _____

_____ (Title and Signature) _____ (Date)

I certify that funds are available for this procurement:

Fiscal Officer: _____

1. ORIGINAL

U.S. GOVERNMENT PRINTING OFFICE: 1986-773-413/65008

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING

REQUISITION

CCN: 23832

Date 4/15/88

VENDOR:
CREDIT CLAIMS & COLLECTIONS
4763 Buford Highway, Suite 2000
Atlanta, GA 30341

TELEPHONE NUMBER: (404) 454-1540

SHIP TO:
DOI/OFFICE OF SURFACE MINING
1951 Constitution Avenue, NW
Washington DC 20240
ATTN: Patricia Leslie 653-2359

TELEPHONE NUMBER:

ACCOUNTING DATA:	PURCHASE ORDER NUMBER	GSA CONTRACT NUMBER	DISCOUNT TERMS
8803999902R12		GS-00F-03004	
	SHIP VIA	REQUESTED DELIVERY	FOB POINT

Item No.	ARTICLES OR SERVICES	Quantity	Unit	Unit Price	Amount	Account	Object Class
	COLLECTION OF PAST DUE						
	CIVIL PENALTY DEBT						
	$674,204.55						
	~~NO APPROPRIATED FUNDS~~						
	~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~						
	NO APPROPRIATED FUNDS						
	(CONTINGENCY FEE 35%)						

PROPERTY MANAGEMENT CERTIFICATION: Except as noted, items are not available from source under my control.

(Title and Signature) (Date)

Requisitioner

Approved

I certify that funds are available for this procurement:

Fiscal Officer

EXHIBIT 6-5

ORDER FOR SUPPLIES OR SERVICES

PAGE 1 OF 2 PAGES

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER: 4-28-88
2. CONTRACT NO. (If any): GS-00F-03005
3. ORDER NO.: HQ51-D088-31494
4. REQUISITION/REFERENCE NO.: CCN: 23851

5. ISSUING OFFICE (Address correspondence to):
DOI/Office of Surface Mining
1951 Constitution Ave., NW
Washington, D.C. 20240
Attn: Procurement

6. SHIP TO: (Consignee and address, ZIP Code)
SAME AS BLOCK 5
SHIP VIA: Best Method

7. TO: CONTRACTOR (Name, address and ZIP Code)
Payco American Corporation
180 North Executive Drive
Brookfield, WI 53005
(414) 784-9789

DUNS: 08-280-7181

8. TYPE OF ORDER
☐ A. PURCHASE — Reference your _____
Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheets, if any, including delivery as indicated. This purchase is negotiated under authority of:
☒ B. DELIVERY — Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.

9. ACCOUNTING AND APPROPRIATION DATA
88 03 9999 02R10 25.60

10. REQUISITIONING OFFICE
Debt Mgmt

11. BUSINESS CLASSIFICATION (Check appropriate box(es))
☐ SMALL ☒ OTHER THAN SMALL ☐ DIS-ADVAN-TAGED ☐ WOMEN-OWNED

12. F.O.B. POINT: Destination
13. PLACE OF INSPECTION AND ACCEPTANCE: N/A
14. GOVERNMENT B/L NO.: N/A
15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date): 9-30-88
16. DISCOUNT TERMS: NET 30

17. SCHEDULE (See reverse for Reductions)

ITEM NO. (A)	SUPPLIES OR SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
1.	COLLECTION OF PAST DUE DELINQUENT CIVIL PENALTY DEBT. NTE 15.1% of $760,969.04					

18. SHIPPING POINT
19. GROSS SHIPPING WEIGHT
20. INVOICE NO.
17(H). TOT. (Cont. pages)

SEE BILLING INSTRUCTIONS ON REVERSE

21. MAIL INVOICE TO: (Include ZIP Code)
SAME AS BLOCK 5

$114,906.33

17(I). GRAND TOTAL

22. UNITED STATES OF AMERICA
BY (Signature) Denise Byrd Carter

23. NAME (Typed)
Denise Byrd Carter
TITLE: CONTRACTING/ORDERING OFFICER

50947-101

OPTIONAL FORM 347 (10-83)
Prescribed by GSA
FAR (48 CFR) 53.213(e)

EXHIBIT 6-6

ORDER FOR SUPPLIES OR SERVICES

PAGE 1 OF 2 PAGES

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER	2. CONTRACT NO. (If any)	3. ORDER NO.	4. REQUISITION/REFERENCE NO.
4-28-88	GS-00F-03004	HQ5100088-31509	CCN: 23832

5. ISSUING OFFICE (Address correspondence to)
DOI/Office of Surface Mining
1951 Constitution Ave., NW
Washington, D.C. 20240
Attn: Procurement

6. SHIP TO: (Consignee and address, ZIP Code)
SAME AS BLOCK 5

SHIP VIA: Best Method

7. TO: CONTRACTOR (Name, address and ZIP Code)
Nationwide Credit Claims & Collections
4774 Buford Highway, Suite 2000
Atlanta, GA 30341
(404) 454-1540

8. TYPE OF ORDER
☐ A. PURCHASE — Reference your ____
Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheets, if any, including delivery as indicated. This purchase is negotiated under authority of:
☒ B. DELIVERY — Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.

9. ACCOUNTING AND APPROPRIATION DATA
88 03 9999 02R12

10. REQUISITIONING OFFICE
Debt Mgmt

11. BUSINESS CLASSIFICATION (Check appropriate box(es))
☐ SMALL ☒ OTHER THAN SMALL ☐ DIS-ADVAN-TAGED ☐ WOMEN-OWNED

12. F.O.B. POINT	14. GOVERNMENT B/L NO.	15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date)	16. DISCOUNT TERMS
Destination			
13. PLACE OF INSPECTION AND ACCEPTANCE			
N/A	N/A	9-30-88	NET 30

17. SCHEDULE (See reverse for Reductions)

ITEM NO. (A)	SUPPLIES OR SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
1.	COLLECTION OF PAST DUE CIVIL PENALTY DEBT. NTE 35% of $674,204.55					

18. SHIPPING POINT	19. GROSS SHIPPING WEIGHT	20. INVOICE NO.		17(H). TOT. (Cont. pages)
SEE BILLING INSTRUCTIONS ON REVERSE	21. MAIL INVOICE TO: (Include ZIP Code) Same As Block 5		$235,971.60	17(I). GRAND TOTAL

22. UNITED STATES OF AMERICA BY (Signature) Denise Byrd Carter

23. NAME (Typed) Denise Byrd Carter
TITLE: CONTRACTING/ORDERING OFFICER

NSN 7540-01-152-8067 50347-101 OPTIONAL FORM 347 (10-83) Prescribed by GSA FAR (48 CFR) 53.213(e)