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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
312 FEDERAL OFFICE BUILDING, 900 FIRST AVENUE
SEATTLE, WASHINGTON 98104

Mr. Sidney I. Lozak
United States Attorney
Room 535, U.S. Court House - New
620 S. W. Main Street
Portland, Oregon 97205

Dear Mr. Lozak:

We have completed our review of the [collection policies and procedures employed by the District of Oregon U.S. Attorney's Office.] Our review, made pursuant to a request from the House Government Operations Subcommittee on Legal and Monetary Affairs, was directed toward (1) determining the effect of the Federal Claims Collection Act of 1966, on the U.S. Attorney's debt collection work-load, (2) determining the adequacy of the U.S. Attorney's collection reporting system, and (3) evaluating the collection efforts of the U.S. Attorney. The results of our review, including tentative conclusions and recommendations for actions at the Department level, will be considered for inclusion in a report to the Subcommittee.

There are certain areas, however, in which you may wish to make improvements at the local level. These matters, which we have discussed with members of your staff, are (1) continuity of collection staff, (2) attempts to locate debtors, (3) increased use of telephone and personal contacts with debtors, (4) controls over incoming payments, and (5) use of closing memoranda. A brief discussion of each of these areas follows.

Continuity of collection staff

The Assistant U.S. Attorney in charge of collections told us that most delays in follow-up on collection efforts have been the result of using the position of collection clerk as a training position for new employees. He stated that, to be effective, a collection clerk should be trained in the skills necessary for the position and kept on the job long enough to become proficient in the use of those skills. In order to provide continuity of staff for improved collection efforts, you may wish to make the position a permanent one.

[Collection Policies and Procedures Used by U.S. Attorney's Office, Oregon District]

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Attempts to locate debtors

Attempts to locate debtors have been limited to either obtaining information from the referring agency or requesting an M-I investigation. We believe that large claims merit the utilization of additional tracing procedures. Accordingly, you may wish to consider the use of such sources of information as taxing authorities, local directories, public utilities and drivers' license records by your collections staff.

Use of telephone and personal contacts

We noted that your staff has seldom used telephone contacts and personal interviews in attempting to collect debts referred to your office. The timeliness and personal nature of these procedures could make them valuable tools in dealing with debtors. You may wish to consider placing increased emphasis on these procedures in future collection efforts.

Control over incoming payments

You may wish to improve controls over incoming payments to assure that they are being properly recorded and controlled. We found that no record is kept of incoming payments. To preclude undetected loss of checks and to check on the timeliness of deposits, the individual receiving the mail could keep a daily record of all payments and periodically trace the entries in this daily record to copies of receipts and entries on the debtor index cards.

Use of closing memoranda

We noted that a memorandum stating the reasons for closing is not always prepared when a case is closed as uncollectible. You may wish to consider the use of such memoranda prepared and signed by the Assistant U.S. Attorney in charge of collections, to help assure that cases with collection potential are not closed inadvertently.

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Mr. Sidney I. Lezak

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We would like to acknowledge the courtesy and cooperation given our representatives during this review. We are available for further discussions and assistance if you so desire.

Sincerely yours,

WILLIAM N. CONRARDY

William N. Conrardy
Regional Manager

cc: Director, Civil Division
Associate Director, CD - Max Neuwirth (2)
Chief, Publications Branch - OAS