



UNITED STATES GENERAL ACCOUNTING OFFICE  
REGIONAL OFFICE

3086 FEDERAL OFFICE BUILDING, 909 FIRST AVENUE  
SEATTLE, WASHINGTON 98104



IN REPLY REFER TO:

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JAN 6 1971

Mr. Sidney I. Lezak  
United States Attorney  
Room 506, U.S. Court House - New  
620 S.W. Main Street  
Portland, Oregon 97205

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*DEPT. OF JUSTICE: 1*  
*OFFICE OF THE*  
*OREGON DISTRICT*

Dear Mr. Lezak:

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 recommendation by the House Committee on Government Operations in House Report 91-701, dated December 8, 1969, was directed toward (1) determining the effect of the Federal Claims Collection Act of 1966 on the U.S. Attorneys' debt collection work-load, (2) determining the adequacy of the U.S. Attorneys' collection reporting system, and (3) evaluating the collection efforts of the U.S. Attorneys. The result of our review, including tentative conclusions and recommendations for actions at the Department level, will be considered for inclusion in a report to the Congress.

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 these skills. In order to provide continuity of staff for improved collection efforts, you may wish to make the position a permanent one.

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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 FBI 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 directors, 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.

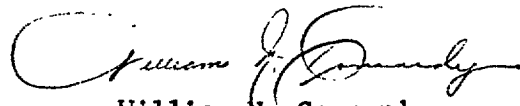
Use of closing memoranda

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 ensure that cases with collection potential are not closed inadvertently.

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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  
Regional Manager