

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re:) AWG Docket No. 10-0304
)
Efren Valdez)
)
Petitioner)

Dismissal of Petition for Oral Hearing

This matter is before me upon the request of the Petitioner, Efren Valdez, for a hearing in response to efforts of the United States Department of Agriculture – Rural Development (RD) to institute a federal administrative wage garnishment against him. On August 13, 2010, I issued a Pre-hearing Order requiring the parties to exchange information concerning the amount of the debt.

In its submission of Narrative and Exhibits, RD stated that it would be willing to cancel the remaining debt. Although Petitioner stated in his petition that he did not owe the debt, he submitted no documentation. Mr. Valdez’s lack of affirmative evidence related to the debt is rendered moot by RD’s response. Mr. Valdez is actively employed, earns a very modest wage and submitted his financial statement under oath.

After consideration of its options, Ms. Mary Kimball representing RD advised that RD would concede to cancellation of the debt and Ms. Kimball further advised that RD would be issuing a IRS form 1099-c to Mr. Valdez relating to the debt cancellation.

Conclusions of Law

1. Petitioner Efren Valdez is indebted to USDA's Rural Development program.
2. In addition, Efren Valdez is indebted for potential fees to the US Treasury.
3. All procedural requirements for administrative wage garnishment set forth in 31 C.F.R. ¶ 285.11 have been met.
4. RD will cancel the entire debt owed by Efren Valdez.
5. RD will not refund any payments by the debtor toward the debt made prior to this date.

Order

1. There being no remaining debt, the Administrative Wage Garnishment may NOT proceed against this debtor.
2. Copies of this Decision and Order shall be served upon the parties by the Hearing Clerk's office.

JAMES P. HURT
Hearing Official
October 5, 2010