

(5) It is impossible or impracticable for legal or other reasons to obtain the debtor's application but all of the findings required by paragraph (a) of this section are made.

[10 FR 807, Jan. 23, 1945, as amended at 12 FR 441, Jan. 22, 1947. Redesignated at 13 FR 6903, Nov. 24, 1948, and amended at 21 FR 3213, May 16, 1956]

#### § 3.4 Investigations and findings.

The heads of agencies designated in § 3.5 shall prescribe procedures for the conduct of investigations to determine the facts incident to the settlement of any indebtedness. These procedures should include, among other things, provisions for consultations with local authorities, businessmen, or local representatives of other Government agencies, or for obtaining the recommendations of committees or other groups or persons designated by each agency for assistance in its regular program, or otherwise. The file relating to each debtor shall contain the formal findings required by § 3.3, together with such evidence as has been obtained in support of such findings.

In order to effect uniformity in settlements, agency procedures should also provide that, where it appears from the application of the debtor or from investigation that the debtor is otherwise indebted to the United States, to the extent practicable consultation should be had (other than in cases under § 3.3(b)(1) and (4) with any other creditor agencies, to ascertain pertinent information as to the status of such other obligation or obligations. Such information shall be considered in connection with the settlement and for inclusion in the findings.

The head of each agency shall provide for review of proposed indebtedness settlements within his agency by officers or employees designated for that purpose under such conditions as he shall determine to be adequate to insure the protection of the interests of the United States.

#### § 3.5 Delegations of authority.

The heads of any administration or other agency having jurisdiction over any of the acts or programs listed in § 3.10 (including those of Federal Crop Insurance Corporation) are hereby au-

thorized, within their respective jurisdictions, to exercise any or all of the functions prescribed by this part. The head of each of such agencies may delegate and authorize the redelegation of any of the functions vested in him by this part: *Provided*, That the determination of any settlement shall not be delegated beyond the head of the highest field office having jurisdiction, except that in the case of the Agricultural Stabilization and Conservation State Offices, such authority may also be delegated to the State Administrative Officers and except that in the case of the Farmers Home Administration, such authority may also be delegated to Assistant State Directors and Chiefs, Production Loan Operations, in State offices of that administration.

[21 FR 3213, May 16, 1956, as amended at 55 FR 18591, May 3, 1990]

#### § 3.6 Forms and records.

The Office of Management and Budget may prescribe or approve forms for applications for settlement of indebtedness under this part; and shall require each agency to establish records to insure the immediate availability of necessary information of operations under this part. Each agency shall furnish to the Office of Management and Budget a report of operations under this part quarterly, or for such other periods as the Director of Finance may designate.

[21 FR 3213, May 16, 1956, as amended at 55 FR 38662, Sept. 20, 1990]

#### § 3.8 Penalties.

The act prescribes the punishment by a fine of not more than \$1,000 or imprisonment for not more than one year, or both, upon conviction, for anyone making any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Secretary or of any person acting under his authority in connection with any compromise, adjustment, or cancellation of indebtedness provided for in the act. The act also prohibits the acceptance by any officer, employee, or other person to whom is delegated any power or function under the act, of any fee, commission, gift, or other consideration, directly or indirectly, for or in