

## § 636.9

## 20 CFR Ch. V (4–1–10 Edition)

(2) In the event that the Grant Officer makes a finding of no violation the initial determination shall:

- (i) Be in writing;
- (ii) State the bases of the determination (factual findings and conclusions); and
- (iii) Give notice of the opportunity to present additional information within 30 days of receipt of the initial determination.

(3) The initial determination shall be mailed by certified mail return receipt requested to the parties and interested parties.

(c) *Allowability of certain questioned costs.* In any case in which the Grant Officer determines that the recipient meets the requirements of section 164(e)(2)(A)–(D) of the Act, the Grant Officer may waive the imposition of sanctions (sec. 164(e)(3)). It is the responsibility of the grantee to request such waiver by the Grant Officer and to submit the evidence to be used to make the finding.

(d) *Informal resolution.* Except as provided by section 164(f) of the Act, the Grant Officer shall not revoke a grant, in whole or in part, nor institute corrective action or sanctions against a grantee without first providing the grantee with an opportunity to informally resolve those matters contained in the Grant Officer's initial determination. If all matters are informally resolved, the Grant Officer shall notify the parties in writing of the nature of the resolution, which shall constitute final agency action, not subject to appeal, and shall close the file.

(e) *Final determination.* (1) If all the parties and the Grant Officer cannot informally resolve any matter pursuant to paragraph (d) of this section, the Grant Officer shall provide each party with a final written determination by certified mail, return receipt requested. In the case of audits, the final determination shall be issued not later than 180 days after the receipt by the Grant Officer of the final approved audit report.

(2) The final determination shall:

- (i) Indicate that efforts to informally resolve matters contained in the initial determination pursuant to paragraph (a) of this section have been unsuccessful;

- (ii) List those matters upon which the parties continue to disagree;

- (iii) List any modifications to the factual findings and conclusions set in the initial determination;

- (iv) List any sanctions, and required corrective actions, including any other alteration or modification of the plan, grant, agreement or program ordered by the Grant Officer; and

- (v) Inform the parties of their opportunity to request a hearing pursuant to these regulations.

(3) If it is determined in the final notice that the complaint does not allege and/or the evidence does not indicate that there is reason to believe there may have been a violation of the Act, regulations, grants or other agreements under the Act, the Grant Officer shall dismiss the complaint without an offer of a hearing. Such dismissal shall constitute final agency action.

### § 636.9 Opportunity for informal review.

(a) Parties to a complaint under § 636.10 may choose to waive their rights to an administrative hearing before the Office of Administrative Law Judges (OALJ) by choosing to transfer the settlement of their dispute to an individual acceptable to all parties for the purpose of conducting an informal review of the stipulated facts and rendering a decision in accordance with applicable law. A written decision will be issued within 60 days after the matter is submitted for informal review.

(b) The waiver of the right to request a hearing before the OALJ will automatically be revoked if a settlement has not been reached within the 60 days provided in paragraph (a) of this section.

(c) The decision rendered under this informal review process shall be treated as a final decision of an Administrative Law Judge pursuant to section 166(b) of the Act.

### § 636.10 Hearings before the Office of Administrative Law Judges.

(a) *Jurisdiction.* (1) Within 21 days of receipt of the Grant Officer's final determination, except for determinations under § 636.8(e)(3) dismissing the complaint without an opportunity to request a hearing, or on the expiration of

120 days of the filing of a complaint with the Grant Officer upon which no extensions have been mutually agreed, any affected grantee, subrecipient of complainant may transmit by certified mail, return receipt requested, a request for hearing to the Chief Administrative Law Judge, United States Department of Labor, 800 K Street, NW., suite 400, Washington, DC 20001-8002 with a copy to the Grant Officer.

(2) The request for hearing shall be accompanied by a copy of the Grant Officer's final determination, if issued, and shall specifically state those issues of the determination upon which review is requested. Those provisions of the determination not specified for review, or the entire determination when no hearing has been requested, shall be considered resolved and not subject to further review.

(3) Except as otherwise provided by these regulations, only alleged violations of the Act, regulations, grants or other agreements under the Act fairly raised in grantee level proceedings under §636.3, alleged violations of recipient level procedures fairly raised before the Grant Officer, or complaints identified in sections 164(f) and 166(a) of the Act are subject to review.

(4) The same procedure set forth in paragraphs (a) (1) through (3) of this section applies in the case of a complainant who has not had a dispute adjudicated by the informal review process of §636.9 within the 60 days, except that the request for hearing before the OALJ must be filed within 15 days of the conclusion of the 60-day period. In addition to including the determination upon which review is requested, the complainant must include a copy of any Stipulation of Facts and a brief summary of proceedings.

(5) *Discretionary hearing.* An opportunity for a hearing may also be extended when the appropriate Assistant Secretary determines that fairness and the effective operation of JTPA programs would be furthered.

(b) *Service and filing.* Copies of all papers required to be served on a party or filed with the OALJ shall be filed simultaneously with the OALJ and served upon the parties of record or their representatives, and shall contain proof of such service.

(c) *Rules of Procedure.* The rules of practice and procedure promulgated by the OALJ shall govern the conduct of hearings under this section.

(d) *Prehearing procedures.* In all cases, the OALJ should encourage the use of prehearing procedures to simplify and clarify facts and issues.

(e) *Subpoenas.* Subpoenas necessary to secure the attendance of witnesses and the production of documents or things at hearings shall be obtained from the OALJ and shall be issued pursuant to the authority contained in section 163(b) of the Act, incorporating 15 U.S.C. section 49.

(f) *Timely submission of evidence.* The OALJ shall not permit the introduction at the hearing of documentation relating to the allowability of costs if such documentation has not been made available for review either at the time ordered for any prehearing conference, or, in the absence of such an order, at least three weeks prior to the hearing date.

(g) *Burden of production.* The Department shall have the burden of production to support the Grant Officer's decision. To this end, the Grant Officer shall prepare and file an administrative file in support of the decision. Thereafter, the party or parties seeking to overturn the Grant Officer's decision shall have the burden of persuasion.

(h) *Review.* (1) In all cases proceeding under §636.6, the Administrative Law Judge shall review the Administrative File and the request for hearing and shall determine whether there has been a full and fair hearing at the grantee level and whether there are no material factual issues unresolved. If the Administrative Law Judge determines that these two conditions are met, the case shall be decided upon the record and upon such briefs as the parties may submit. The Administrative Law Judge shall determine from the record whether there exists reliable and probative evidence to uphold the decision of the Grant Officer and shall, as appropriate, either affirm or remand the decision.

(2) If the Administrative Law Judge determines that either of the two conditions is not met, he or she shall hold a hearing. In such cases, the Office of Administrative Law Judges shall have

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the full authority of the Secretary under section 164 of the Act, except with respect to the provisions of subsection (e) of that section.

(3) Nothing in this subsection shall be construed to limit the right of the parties to seek a dismissal of the request for hearing or to seek summary judgment.

(i) *Termination of grant.* When the decision terminates the grant in whole or in part after hearing pursuant to this subpart, the decision shall specify the extent of termination and the date upon which such termination becomes effective. Upon receipt of this notice, the grantee shall:

(1) Discontinue further commitments of grant funds to the extent that they relate to the terminated portion of the grant.

(2) Promptly cancel all subgrants, agreements and contracts utilizing funds under this grant to the extent that they relate to the terminated portion of the grant.

(3) Settle, with the approval of the Secretary, all outstanding claims arising from such termination.

(4) Submit, within a reasonable period of time, after the receipt of the notice of termination, a termination settlement proposal which shall include a final statement of all unreimbursed costs related to the terminated portion of the grant.

(j) *Alternative provision of services.* If the final decision specifies suspension or termination of the grant, the Grant Officer shall determine how services shall be maintained in the grantee's area. As part of the determination, the Grant Officer shall determine whether any funds shall be reallocated to another recipient to serve the area formerly served by the terminated or suspended grant. The Grant Officer may also consider the desirability of providing direct Federal services to the area through appropriate means.

(k) *Timing of decisions.* The Office of Administrative Law Judges should render a written decision not later than 90 days after the closing of the record.

[48 FR 48780, Oct. 20, 1983, as amended at 56 FR 54708, Oct. 22, 1991]

**§ 636.11 Final action.**

The final decision of the Secretary pursuant to section 166(b) of the Act in cases heard by the Administrative Law Judges or decided by an informal reviewer, or the Grant Officer's final determination where there has been no such hearing, constitutes final agency action within the meaning of the Act and the Administrative Procedure Act, 5 U.S.C. 704.

**PART 637—PROGRAMS UNDER TITLE V OF THE JOB TRAINING PARTNERSHIP ACT**

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AUTHORITY: 29 U.S.C 1579(a); 29 U.S.C. 1791i(e).

SOURCE: 59 FR 45868, Sept. 2, 1994, unless otherwise noted.

**Subpart A—General Provisions**

**§ 637.100 Scope and purpose.**

(a) This part implements Title V of the Act which creates a program to provide incentive bonuses to States for providing certain employable dependent individuals with job training to reduce welfare dependency, to promote