SEC. 803. PROGRAM FRAUD CIVIL REMEDIES STATUTE FOR THE DEPARTMENT OF DEFENSE AND THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

(a) PURPOSE.—The purpose of this section is to provide the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration with an effective administrative remedy to obtain recompense for the Department of Defense and the National Aeronautics and Space Administration for losses resulting from the submission to the Department or the Administration, respectively, of false, fictitious, or fraudulent claims and statements.

(b) PROGRAM FRAUD CIVIL REMEDIES.—

(1) IN GENERAL.—Chapter IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 163 the following new chapter:

"CHAPTER 164—ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS AND STATEMENTS

"Sec.
"2751. Applicability of chapter; definitions.
"2752. False claims and statements; liability.
"2753. Hearing and determinations.
"2754. Payment; interest on late payments.
"2755. Judicial review.
"2756. Collection of civil penalties and assessments.
"2757. Right to administrative offset.
"2758. Limitations.
"2759. Effect on other laws.

"§ 2751. Applicability of chapter; definitions

"(a) APPLICABILITY OF CHAPTER.—This chapter applies to the following agencies:

"(1) The Department of Defense.

"(2) The National Aeronautics and Space Administration.

"(b) DEFINITIONS.—In this chapter:

"(1) HEAD OF AN AGENCY.—The term 'head of an agency' means the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration.

"(2) CLAIM.—The term 'claim' means any request, demand, or submission—

"(A) made to the head of an agency for property, services, or money (including money representing grants, loans, insurance, or benefits);

"(B) made to a recipient of property, services, or money received directly or indirectly from the head of an agency or to a party to a contract with the head of an agency —

"(i) for property or services if the United States—

"(I) provided such property or services;

"(II) provided any portion of the funds for the purchase of such property or services; or

"(III) will reimburse such recipient or party for the purchase of such property or services; or

"(ii) for the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—

"(I) provided any portion of the money requested or demanded; or

"(II) will reimburse such recipient or party for any portion of the money paid on such request or demand; or

"(C) made to the head of an agency which has the effect of decreasing an obligation to pay or account for property, services, or money.

"(3) KNOWS OR HAS REASON TO KNOW.—The term 'knows or has reason to know',

for purposes of establishing liability under section 2752 of this title, means that a person, with respect to a claim or statement—

"(A) has actual knowledge that the claim or statement is false, fictitious, or fraudulent;

"(B) acts in deliberate ignorance of the truth or falsity of the claim or statement; or

"(C) acts in reckless disregard of the truth or falsity of the claim or statement, and no proof of specific intent to defraud is required.

"(4) RESPONSIBLE OFFICIAL.—The term 'responsible official' means a designated debarring and suspending official of the agency named in subsection (a).

"(5) RESPONDENT.—The term 'respondent' means a person who has received notice from a responsible official asserting liability under section 2752 of this title.

"(6) STATEMENT.—The term 'statement' means any representation, certification, affirmation, document, record, or an accounting or bookkeeping entry made—

"(A) with respect to a claim or to obtain the approval or payment of a claim (including relating to eligibility to make a claim); or

"(B) with respect to (including relating to eligibility for)—

"(i) a contract with, or a bid or proposal for a contract with the head of an agency; or

"(ii) a grant, loan, or benefit from the head of an agency.

"(c) CLAIMS.—For purposes of paragraph (2) of subsection (b)—

"(1) each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim;

"(2) each claim for property, services, or money is subject to this chapter regardless of whether such property, services, or money is actually delivered or paid; and

"(3) a claim shall be considered made, presented, or submitted to the head of an agency, recipient, or party when such claim is actually made to an agent, fiscal intermediary, or other entity acting for or on behalf of such authority, recipient, or party.

"(d) STATEMENTS.—For purposes of paragraph (6) of subsection (b)—

"(1) each written representation, certification, or affirmation constitutes a separate statement; and

"(2) a statement shall be considered made, presented, or submitted to the head of an agency when such statement is actually made to an agent, fiscal intermediary, or other entity acting for or on behalf of such authority.

"§ 2752. False claims and statements; liability

"(a) FALSE CLAIMS.—Any person who makes, presents, or submits, or causes to be made, presented, or submitted, to the head of an agency a claim that the person knows or has reason to know—

"(1) is false, fictitious, or fraudulent;

"(2) includes or is supported by any written statement which asserts a material fact this is false, fictitious, or fraudulent;

"(3) includes or is supported by any written statement that—

"(A) omits a material fact;

"(B) is false, fictitious, or fraudulent as a result of such omission; and

"(C) the person making, presenting, or submitting such statement has a duty to include such material fact; or

"(4) is for payment for the provision of property or services which the person has not provided as claimed,

shall, in addition to any other remedy that may be prescribed by law, be subject to a civil penalty of not more than $5,000 for each such claim. Such person shall also be subject to an assessment of not more than twice the amount of such claim, or the portion of such claim which is determined by the responsible official to be in violation of the preceding sentence.

"(b) FALSE STATEMENTS.—Any person who makes, presents, submits, or causes to be made, presented, or submitted, a written statement in conjunction with a procurement program or acquisition of the an agency named in section 2751(a) of this title that—

"(1) the person knows or has reason to know—

"(A) asserts a material fact that is false, fictitious, or fraudulent; or

"(B)(i) omits a material fact; and

"(ii) is false, fictitious, or fraudulent as a result of such omission;

"(2) in the case of a statement described in subparagraph (B) of paragraph (1), is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; and

"(3) contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the contents of the statement,

shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than $5,000 for each such statement.

"§ 2753. Hearing and determinations

"(a) TRANSMITTAL OF NOTICE TO ATTORNEY GENERAL.—If a responsible official determines that there is adequate evidence to believe that a person is liable under section 2752 of

this title, the responsible official shall transmit to the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, a written notice of the intention of such official to initiate an action under this section. The notice shall include the following:

"(1) A statement of the reasons for initiating an action under this section.

"(2) A statement specifying the evidence which supports liability under section 2752 of this title.

"(3) A description of the claims or statements for which liability under section 2752 of this title is alleged.

"(4) An estimate of the penalties and assessments that will be demanded under section 2752 of this title.

"(5) A statement of any exculpatory or mitigating circumstances which may relate to such claims or statements.

"(b) STATEMENT FROM ATTORNEY GENERAL.

"(1) Within 90 days after receipt of a notice from a responsible official under subsection (a), the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, shall transmit a written statement to the responsible official which specifies—

"(A) that the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, approves or disapproves initiating an action under this section based on the allegations of liability stated in such notice; and

"(B) in any case in which the initiation of an action under this section is

disapproved, the reasons for such disapproval.

"(2) If at any time after the initiation of an action under this section the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, transmits to a responsible official a written determination that the continuation of any action under this section may adversely affect any pending or potential criminal or civil action, such action shall be immediately stayed and may be resumed only upon written authorization from the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General.

"(c) LIMITATION ON AMOUNT OF CLAIM THAT MAY BE PURSUED UNDER THIS SECTION.—No action shall be initiated under this section, nor shall any assessment be imposed under this section, if the total amount of the claim determined by the responsible official to violate section 2752(a) of this title exceeds $500,000. The $500,000 threshold does not include penalties or any assessment permitted under 2752(a) of this title greater than the amount of the claim determined by the responsible official to violate such section.

"(d) PROCEDURES FOR RESOLVING CLAIMS.—(1) Upon receiving approval under subsection (b) to initiate an action under this section, the responsible official shall mail, by registered or certified mail, or other similar commercial means, or shall deliver, a notice to the person alleged to be liable under section 2752 of this title. Such notice shall specify the allegations of liability against such person, specify the total amount of penalties and assessments sought by the United States, advise the person of the opportunity to submit facts and arguments in opposition to the allegations set forth in the notice, advise the person of the opportunity to submit offers of settlement or proposals of adjustment, and advise the person of the procedures of the agency named in section 2751(a) of this title governing the resolution of actions initiated

under this section.

"(2) Within 30 days after receiving a notice under paragraph (1), or any additional period of time granted by the responsible official, the respondent may submit in person, in writing, or through a representative, facts and arguments in opposition to the allegations set forth in the notice, including any additional information that raises a genuine dispute of material fact.

"(3) If the respondent fails to respond within 30 days, or any additional time granted by the responsible official, the responsible official may issue a written decision disposing of the matters raised in the notice. Such decision shall be based on the record before the responsible official. If the responsible official concludes that the respondent is liable under section 2752 of this title, the decision shall include the findings of fact and conclusions of law which the responsible official relied upon in determining that the respondent is liable, and the amount of any penalty and/or assessment to be imposed on the respondent. Any such determination shall be based on a preponderance of the evidence. The responsible official shall promptly send to the respondent a copy of the decision by registered or certified mail, or other similar commercial means, or shall hand deliver a copy of the decision.

"(4) If the respondent makes a timely submission, and the responsible official determines that the respondent has not raised any genuine dispute of material fact, the responsible official may issue a written decision disposing of the matters raised in the notice. Such decision shall be based on the record before the responsible official. If the responsible official concludes that the respondent is liable under section 2752 of this title, the decision shall include the findings of fact and conclusions of law which the responsible official relied upon in determining that the respondent is liable, and the amount of any penalty or assessment to be imposed on the respondent. Any such determination shall be based on a preponderance of the evidence. The

responsible official shall promptly send to the respondent a copy of the decision by registered or certified mail, or other similar commercial means, or shall hand deliver a copy of the decision.

"(5) If the respondent makes a timely submission, and the responsible official determines that the respondent has raised a genuine dispute of material fact, the responsible official shall commence a hearing to resolve the genuinely disputed material facts by mailing by registered or certified mail, or other similar commercial means, or by hand delivery of, a notice informing the respondent of —

"(A) the time, place, and nature of the hearing;

"(B) the legal authority under which the hearing is to be held;

"(C) the material facts determined by the responsible official to be genuinely in dispute that will be the subject of the hearing; and

"(D) a description of the procedures for the conduct of the hearing.

"(6) The responsible official and any person against whom liability is asserted under this chapter may agree to a compromise or settle an action at any time. Any compromise or settlement must be in writing.

"(e) RESPONDENT ENTITLED TO COPY OF THE RECORD.—At any time after receiving a notice under paragraph (1) of subsection (d), the respondent shall be entitled to a copy of the entire record before the responsible official.

"(f) HEARINGS.—Any hearing commenced under this section shall be conducted by the responsible official, or a fact-finder designated by the responsible official, solely to resolve genuinely disputed material facts identified by the responsible official and set forth in the notice to the respondent.

"(g) PROCEDURES FOR HEARINGS.—(1) Each hearing shall be conducted under procedures

prescribed by the head of the agency. Such procedures shall include the following:

"(A) The provision of written notice of the hearing to the respondent, including written notice of—

"(i) the time, place, and nature of the hearing;

"(ii) the legal authority under which the hearing is to be held;

"(iii) the material facts determined by the responsible official to be genuinely in dispute that will be the subject of the hearing; and

"(iv) a description of the procedures for the conduct of the hearing.

"(B) The opportunity for the respondent to present facts and arguments through oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required to resolve any genuinely disputed material facts identified by the responsible official.

"(C) The opportunity for the respondent to be accompanied, represented, and advised by counsel or such other qualified representative as the Secretary may specify in such regulations.

"(2) For the purpose of conducting hearings under this section, the responsible official is authorized to administer oaths or affirmations.

"(3) Hearings shall be held at the responsible official's office, or at such other place as may be agreed upon by the respondent and the responsible official.

"(h) DECISION FOLLOWING HEARING.—The responsible official shall issue a written decision within 60 days after the conclusion of the hearing. That decision shall set forth specific findings of fact resolving the genuinely disputed material facts that were the subject of the hearing. The written decision shall also dispose of the matters raised in the notice required under

paragraph (1) of subsection (d). If the responsible official concludes that the respondent is liable under section 2752 of this title, the decision shall include the findings of fact and conclusions of law which the responsible official relied upon in determining that the respondent is liable, and the amount of any penalty or assessment to be imposed on the respondent. Any decisions issued under this subparagraph shall be based on the record before the responsible official and shall be supported by a preponderance of the evidence. The responsible official shall promptly send to the respondent a copy of the decision by registered or certified mail, or other similar commercial means, or shall hand deliver a copy of the decision.

"§ 2754. Payment; interest on late payments

"(a) PAYMENT OF ASSESSMENTS AND PENALTIES.—A respondent shall render payment of any assessment and penalty imposed by a responsible official, or any amount otherwise agreed to as part of a settlement or adjustment, not later than the date—

"(1) that is 30 days after the date of the receipt by the respondent of the responsible official's decision; or

"(2) as otherwise agreed to by the respondent and the responsible official.

"(b) INTEREST.—If there is an unpaid balance as of the date determined under paragraph (1), interest shall accrue from that date on any unpaid balance. The rate of interest charged shall be the rate in effect as of that date that is published by the Secretary of the Treasury under section 3717 of title 31.

"(c) TREATMENT OF RECEIPTS.—All penalties, assessments, or interest paid, collected, or otherwise recovered under this chapter shall be deposited into the Treasury as miscellaneous receipts as provided in section 3302 of title 31.

"§ 2755. Judicial review

"A decision by a responsible official under section 2753(d) or 2753(h) of this title shall be final. Any such final decision is subject to judicial review only under chapter 7 of title 5.

"§ 2756. Collection of civil penalties and assessments

"(a) JUDICIAL ENFORCEMENT OF CIVIL PENALTIES AND ASSESSMENTS.—The Attorney General shall be responsible for judicial enforcement of any civil penalty or assessment imposed under this chapter.

"(b) CIVIL ACTIONS FOR RECOVERY.—Any penalty or assessment imposed in a decision by a responsible official, or amounts otherwise agreed to as part of a settlement or adjustment, along with any accrued interest, may be recovered in a civil action brought by the Attorney General. In any such action, no matter that was raised or that could have been raised in a proceeding under this chapter or pursuant to judicial review under section 2755 of this title may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

"(c) JURISDICTION OF UNITED STATES DISTRICT COURTS.—The district courts of the United States shall have jurisdiction of any action commenced by the United States under subsection (b).

"(d) JOINING AND CONSOLIDATING ACTIONS.—Any action under subsection (b) may, without regard to venue requirements, be joined and consolidated with or asserted as a counterclaim, cross-claim, or setoff by the United States in any other civil action which includes as parties the United States, and the person against whom such action may be brought.

"(e) JURISDICTION OF UNITED STATES COURT OF FEDERAL CLAIMS. —The United States Court of Federal Claims shall have jurisdiction of any action under subsection (b) to recover any penalty or assessment, or amounts otherwise agreed to as part of a settlement or adjustment,

along with any accrued interest, if the cause of action is asserted by the United States as a counterclaim in a matter pending in such court. The counterclaim need not relate to the subject matter of the underlying claim.

"§ 2757. Right to administrative offset

"The amount of any penalty or assessment that has been imposed by a responsible official, or any amount agreed upon in a settlement or compromise, along with any accrued interest, may be collected by administrative offset.

"§ 2758. Limitations

"(a) LIMITATION ON PERIOD FOR INITIATION OF ADMINISTRATIVE ACTION.—An action under section 2752 of this title with respect to a claim or statement shall be commenced within six years after the date on which such claim or statement is made, presented, or submitted.

"(b) LIMITATION PERIOD FOR INITIATION OF CIVIL ACTION FOR RECOVERY OF ADMINISTRATIVE PENALTY OR ASSESSMENT.—A civil action to recover a penalty or assessment under section 2756 of this title shall be commenced within three years after the date of the decision of the responsible official imposing the penalty or assessment.

"§ 2759. Effect on other laws

"(a) RELATIONSHIP TO TITLE 44 AUTHORITIES.—This chapter does not diminish the responsibility of the head of an agency to comply with the provisions of chapter 35 of title 44, relating to coordination of Federal information policy.

"(b) RELATIONSHIP TO TITLE 31 AUTHORITIES.—The procedures set forth in this chapter apply to the agencies named in section 2751(a) of this title in lieu of the procedures under chapter 38 of title 31, relating to administrative remedies for false claims and statements.

"(c) RELATIONSHIP TO OTHER AUTHORITIES.—Any action, inaction, or decision under this chapter shall be based solely upon the information before the responsible official and shall not limit or restrict any agency of the Government from instituting any other action arising outside this chapter, including suspension or debarment, based upon the same information. Any action, inaction or decision under this chapter shall not restrict the ability of the Attorney General to bring judicial action, based upon the same information as long as such action is not otherwise prohibited by law.".

(2) CLERICAL AMENDMENT.—The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are each amended by inserting after the item relating to chapter 163 the following new item:

"164. Administrative Remedies for False Claims and Statements.....2751".

(c) CONFORMING AMENDMENTS.—Section 3801(a)(1) of title 31, United States Code, is amended—

(1) by inserting "(other than the Department of Defense)" in subparagraph (A) after "executive department";

(2) by striking subparagraph (B);

(3) by redesignating subparagraph (C) as subparagraph (B) and by inserting "(other than the National Aeronautics and Space Administration)" in that subparagraph after "not an executive department"; and

(4) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively.

(d) EFFECTIVE DATE.—Chapter 164 of title 10, United States Code, as added by subsection (b), and the amendments made by subsection (c), shall apply to any claim or statement made, presented, or submitted on or after the date of the enactment of this Act.

Section-by-Section Analysis

This proposal would add a new chapter 164 to title 10, United States Code, to establish an effective program fraud civil remedy that may be used by the Department of Defense (DoD) or the National Aeronautics and Space Agency (NASA) to redress fraud in DoD and NASA procurement programs and acquisitions. This administrative remedy is a non-judicial remedy that would permit DoD and NASA (subject to DoJ approval) to impose penalties and assessments on contractors that make false claims and statements to DoD and NASA. The proposal creates a remedy for DoD and NASA to use in lieu of the existing Program Fraud Civil Remedies Act (chapter 38 of title 31, United States Code). DoD has rarely used the existing legal authority because it imposes requirements that DoD cannot readily meet (for example, the need for administrative law judges to resolve factual disputes – DoD does not have ready access to administrative law judges and would need to acquire services from another agency on a reimbursable basis), and the procedures are cumbersome to the point of making it impractical for DoD or the military departments to pursue a remedy under title 31.

This legislative proposal streamlines and simplifies the cumbersome, multi-tiered approach set forth in title 31, while preserving its standards of review and providing contractors with due process and judicial review. The proposal would vest DoD, military department, and NASA suspending and debarring officials with the authority to impose administrative assessments and penalties similar to those permitted under title 31. DoD, military department, and NASA suspending and debarring officials execute the authorities at Federal Acquisition Regulation Subpart 9.4 (48 C.F.R. Subpart 9.4), and Defense Federal Acquisition Regulation Supplement Subpart 209.4 (48 C.F.R. Subpart 209.4). They serve in a quasi-judicial capacity, with responsibility for taking administrative action to suspend or debar a contractor when necessary to protect the government's interest. Contractors that are suspended or debarred are rendered ineligible to compete for or receive federal contracts or subcontracts, generally for a term of three years.

The proposed legislation eliminates many of the procedural requirements that impede DoD and NASA's use of the authority in title 31, including the exclusive use of administrative law judges to resolve factual disputes, without requiring additional resources to use the authority in title 31. The streamlined procedures set forth in the proposal afford contractors with adequate due process by establishing a legal process and related protections similar to those granted in agency suspensions and debarments, including review under the Administrative Procedure Act (Chapter 7 of Title 5, United States Code). The proposal imposes a $500,000 ceiling on false claims, singularly or combined, that can be pursued against a contractor using this administrative remedy, although, as with the authority in title 31, the assessment imposed may be doubled (for a maximum assessment of $1,000,000). As with the authority in title 31, the proposal authorizes the imposition of penalties of $5000 for each false claim or false statement, and there is no limit on the total number of penalties that can be imposed.

Although suspending and debarring officials would be vested with the authority to impose administrative assessments and penalties similar to those permitted under title 31, the important distinction between penalties to punish misconduct and suspension and debarment as a tool to protect the government from harm would be preserved. For example, the remedies

coordination official, required by DoD Instruction 7050.05, will continue to make decisions regarding which remedies to pursue in a given case.

There is a substantial need for this fraud-fighting authority. Currently, the Department of Justice is unable to pursue many relatively low-dollar DoD and NASA-related fraud cases due to limited resources. This leaves a gap in remedial coverage, allowing contractors that engage in relatively low dollar fraud to escape civil remedies that otherwise would have given the United States Government the opportunity to recover damages and impose penalties for the contractors' misconduct. Of equal importance, as discussed above, the proposed legislation creates an administrative fraud remedy that can be readily used by DoD and NASA – a critical feature, considering that DoD is the largest purchaser of products and services in the United States Government. Additionally, the proposed legislation will create a fraud-fighting administrative remedy that could serve as a model that could assist the broader U.S. Government in determining whether this simplified and streamlined program fraud civil remedy is appropriate for use by all federal agencies.

Further, the 2010 Report to Congress by the DOD Panel on Contracting Integrity recommended this change to amend the Program Fraud Civil Remedies Act of 1986. This Panel 2010 action was supported by the Panel senior leaders from the military departments and Defense Agency representatives.

Budget Implications: This proposal creates a procurement fraud remedy that will produce a positive return to the United States Treasury, and would not require new resources to implement, as described below. The authority created by the proposal can be administered with the existing workforce in the DoD agencies and military departments, using the existing suspending and debarring officials and their respective staffs. It is critical to note that the authority established under the proposed legislation is discretionary; it does not mandate that defense agencies or the military departments pursue every possible action. Rather, as with the current suspension and debarment process, which is also a discretionary process, DoD and military department officials must exercise discretion in pursuing recoveries under the proposed legislation. As with the current suspension and debarment process, that exercise of discretion will have to factor in a host of considerations, including the severity of the alleged misconduct, the strength of the evidence, the appropriateness of the remedy, and whether the suspending and debarring official has sufficient resources – including staff – to pursue the administrative remedy. As a final consideration, much of the effort necessary to pursue a suspension or debarment is the same effort required to build a case under the proposed program. By working these matters concurrently, there should be limited additional work imposed on suspending and debarring officials and their staffs.

Changes to Existing Law: This proposal would add a new chapter 164 to title 10, United States Code. The new chapter is set out in the legislative text of the proposal, above.

The proposal would amend 31 U.S.C. 3801 as set forth below: (For the information of reviewers, the entire text of chapter 38 of title 31 United States Code, is set forth):

CHAPTER 38— ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS AND

STATEMENTS

§ 3801. Definitions

(a) For purposes of this chapter—

(1) "authority" means—

(A) an executive department (other than the Department of Defense);
~~(B) a military department;~~
(~~C~~B) an establishment (as such term is defined in section 11(2) of the Inspector General Act of 1978) which is not an executive department (other than the National Aeronautics and Space Administration);
(~~D~~C) the United States Postal Service;
(~~E~~D) the National Science Foundation; and
(~~F~~E) a designated Federal entity (as such term is defined under section 8G(a)(2) of the Inspector General Act of 1978);

(2) "authority head" means—
(A) the head of an authority; or
(B) an official or employee of the authority designated, in regulations promulgated by the head of the authority to act on behalf of the head of the authority;

(3) "claim" means any request, demand, or submission—
(A) made to an authority for property, services, or money (including money representing grants, loans, insurance, or benefits);
(B) made to a recipient of property, services, or money from an authority or to a party to a contract with an authority—
(i) for property or services if the United States—
(I) provided such property or services;
(II) provided any portion of the funds for the purchase of such property or services; or
(III) will reimburse such recipient or party for the purchase of such property or services; or
(ii) for the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—
(I) provided any portion of the money requested or demanded; or
(II) will reimburse such recipient or party for any portion of the money paid on such request or demand; or
(C) made to an authority which has the effect of decreasing an obligation to pay or account for property, services, or money.
except that such term does not include any claim made in any return of tax imposed by the Internal Revenue Code of 1986;

(4) "investigating official" means an individual who—

(A)(i) in the case of an authority in which an Office of Inspector General is established by the

Inspector General Act of 1978 or by any other Federal law, is the Inspector General of that authority or an officer or employee of such Office designated by the Inspector General;

(ii) in the case of an authority in which an Office of Inspector General is not established by the Inspector General Act of 1978 or by any other Federal law, is an officer or employee of the authority designated by the authority head to conduct investigations under section 3803(a)(1) of this title; or

(iii) in the case of a military department, is the Inspector General of the Department of Defense or an officer or employee of the Office of Inspector General of the Department of Defense who is designated by the Inspector General; and

(B) who, if a member of the Armed Forces of the United States on active duty, is serving in grade O-7 or above or, if a civilian employee, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 under the General Schedule;

(5) "knows or has reason to know" for purposes of establishing liability under section 3802, means that a person, with respect to a claim or statement—

(A) has actual knowledge that the claim or statement is false, fictitious, or fraudulent;

(B) acts in deliberate ignorance of the truth or falsity of the claim or statement; or

(C) acts in reckless disregard of the truth or falsity of the claim or statement,

and no proof of specific intent to defraud is required;

(5) "person" means any individual, partnership, corporation, association, or private organization;

(7) "presiding officer" means—

(A) in the case of an authority to which the provisions of subchapter II of chapter 5 of title 5 apply, an administrative law judge appointed in the authority pursuant to section 3105 of such title or detailed to the authority pursuant to section 3344 of such title; or

(B) in the case of an authority to which the provisions of such subchapter do not apply, an officer or employee of the authority who—

(i) is selected under chapter 33 of title 5 pursuant to the competitive examination process applicable to administrative law judges;

(ii) is appointed by the authority head to conduct hearings under section 3803 of this title;

(iii) is assigned to cases in rotation so far as practicable;

(iv) may not perform duties inconsistent with the duties and responsibilities of a presiding officer;

(v) is entitled to pay prescribed by the Office of Personnel Management independently of ratings and recommendations made by the authority and in accordance with chapter 51 of such title and subchapter III of chapter 53 of such title;

(vi) is not subject to performance appraisal pursuant to chapter 43 of such title; and

(vii) may be removed, suspended, furloughed, or reduced in grade or pay only for good cause established and determined by the Merit Systems Protection Board on the record after opportunity for hearing by such Board;

(8) "reviewing official" means any officer or employee of an authority—
(A) who is the designated by the authority head to make the determination required under section 3803(a)(2) of this title;

(B) who, if a member of the Armed Forces of the United States on active duty, is serving in grade O-7 or above or, if a civilian employee, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 under the General Schedule; and

(C) who is—

(i) not subject to supervision by, or required to report to, the investigating official; and

(ii) not employed in the organizational unit of the authority in which the investigating official is employed; and

(9) "statement" means any representation, certification, affirmation, document, record, or an accounting or bookkeeping entry made—

(A) with respect to a claim or to obtain the approval or payment of a claim (including relating to eligibility to make a claim); or

(B) with respect to (including relating to eligibility for)—

(i) a contract with, or a bid or proposal for a contract with an authority; or

(ii) a grant, loan, or benefit from an authority, or any State, political subdivision of a State, or other party, if the United States Government provides any portion of the money or property under such contract or for such grant, loan, or benefit, or if the Government will reimburse such State, political subdivision, or party for any portion of the money or property under such contract or for such grant, loan, or benefit,

except that such term does not include any statement made in any return of tax imposed by the Internal Revenue Code of 1986.

(b) For purposes of paragraph (3) of subsection (a)—

(1) each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim;

(2) each claim for property, services, or money is subject to this chapter regardless of whether such property, services, or money is actually delivered or paid; and

(3) a claim shall be considered made, presented, or submitted to an authority, recipient, or party when such claim is actually made to an agent, fiscal intermediary, or other entity including any State or political subdivision thereof acting for or on behalf of such authority, recipient, or party.

(c) For purposes of paragraph (9) of subsection (a)—

(1) each written representation, certification, or affirmation constitutes a separate statement; and

(2) a statement shall be considered made, presented, or submitted to an authority when such statement is actually made to an agent, fiscal intermediary, or other entity including any State or political subdivision thereof acting for or on behalf of such authority.

§ 3802. False claims and statements; liability

(a)(1) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a claim that the person knows or has reason to know—

(A) is false, fictitious, or fraudulent;

(B) includes or is supported by any written statement which asserts a material fact which is false, fictitious, or fraudulent;

(C) includes or is supported by any written statement that—

(i) omits a material fact;

(ii) is false, fictitious, or fraudulent as a result of such omission; and

(iii) is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; or

(D) is for payment for the provision of property or services which the person has not provided as claimed,

shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than $5,000 for each such claim. Except as provided in paragraph (3) of this subsection, such person shall also be subject to an assessment, in lieu of damages sustained by the United States because of such claim, of not more than twice the amount of such claim, or the portion of such claim, which is determined under this chapter to be in violation of the preceding sentence.

(2) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a written statement that—

(A) the person knows or has reason to know—

(i) asserts a material fact which is false, fictitious, or fraudulent; or

(ii)(I) omits a material fact; and

(II) is false, fictitious, or fraudulent as a result of such omission;

(B) in the case of a statement described in clause (ii) of subparagraph (A), is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; and

(C) contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the contents of the statement,

shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than $5,000 for each such statement.

(3) An assessment shall not be made under the second sentence of paragraph (1) with respect to a claim if payment by the Government has not been made on such claim.

(b)(1) Except as provided in paragraphs (2) and (3) of this subsection—

(A) a determination under section 3803(a)(2) of this title that there is adequate evidence to believe that a person is liable under subsection (a) of this section; or

(B) a determination under section 3803 of this title that a person is liable under subsection (a) of this section,

may provide the authority with grounds for commencing any administrative or contractual action against such person which is authorized by law and which is in addition to any action against such person under this chapter.

(2) A determination referred to in paragraph (1) of this subsection may be used by the authority, but shall not require such authority, to commence any administrative or contractual action which

is authorized by law.

(3) In the case of an administrative or contractual action to suspend or debar any person who is eligible to enter into contracts with the Federal Government, a determination referred to in paragraph (1) of this subsection shall not be considered as a conclusive determination of such person's responsibility pursuant to Federal procurement laws and regulations.

§ 3803. Hearing and determinations

(a)(1) The investigating official of an authority may investigate allegations that a person is liable under section 3802 of this title and shall report the findings and conclusions of such investigation to the reviewing official of the authority. The preceding sentence does not modify any responsibility of an investigating official to report violations of criminal law to the Attorney General.

(2) If the reviewing official of an authority determines, based upon the report of the investigating official under paragraph (1) of this subsection, that there is adequate evidence to believe that a person is liable under section 3802 of this title, the reviewing official shall transmit to the Attorney General a written notice of the intention of such official to refer the allegations of such liability to a presiding officer of such authority. Such notice shall include—

(A) a statement of the reasons of the reviewing official for the referral of such allegations;

(B) a statement specifying the evidence which supports such allegations;

(C) a description of the claims or statements for which liability under section 3802 of this title is alleged;

(D) an estimate of the amount of money or the value of property or services requested or demanded in violation of section 3802 of this title; and

(E) a statement of any exculpatory or mitigating circumstances which may relate to such claims or statements.

(b)(1) Within 90 days after receipt of a notice from a reviewing official under paragraph (2) of subsection (a), the Attorney General or an Assistant Attorney General designated by the Attorney General shall transmit a written statement to the reviewing official which specifies—

(A) that the Attorney General or such Assistant Attorney General approves or disapproves the referral to a presiding officer of the allegations of liability stated in such notice;

(B) in any case in which the referral of allegations is approved, that the initiation of a proceeding under this section with respect to such allegations is appropriate; and

(C) in any case in which the referral of allegations is disapproved, the reasons for such disapproval.

(2) A reviewing official may refer allegations of liability to a presiding officer only if the Attorney General or an Assistant Attorney General designated by the Attorney General approves the referral of such allegations in a written statement described in paragraph (1) of this subsection.

(3) If the Attorney General or an Assistant Attorney General designated by the Attorney General transmits to an authority head a written finding that the continuation of any hearing under this section with respect to a claim or statement may adversely affect any pending or potential criminal or civil action related to such claim or statement, such hearing shall be immediately stayed and may be resumed only upon written authorization of the Attorney General.

(c)(1) No allegations of liability under section 3802 of this title with respect to any claim made, presented, or submitted by any person shall be referred to a presiding officer under paragraph (2) of subsection (b) if the reviewing official determines that—

(A) an amount of money in excess of $150,000; or

(B) property or services with a value in excess of $150,000,

is requested or demanded in violation of section 3802 of this title in such claim or in a group of related claims which are submitted at the time such claim is submitted.

(2)(A) Except as provided in subparagraph (B) of this paragraph, no allegations of liability against an individual under section 3802 of this title with respect to any claim or statement made, presented, or submitted, or caused to be made, presented, or submitted, by such individual relating to any benefits received by such individual shall be referred to a presiding officer under paragraph (2) of subsection (b).

(B) Allegations of liability against an individual under section 3802 of this title with respect to any claim or statement made, presented, or submitted, or caused to be made, presented, or submitted, by such individual relating to any benefits received by such individual may be referred to a presiding officer under paragraph (2) of subsection (b) if—

(i) such claim or statement is made by such individual in making application for such benefits;

(ii) such allegations relate to the eligibility of such individual to receive such benefits; and

(iii) with respect to such claim or statement, the individual—

(I) has actual knowledge that the claim or statement is false, fictitious, or fraudulent;

(II) acts in deliberate ignorance of the truth or falsity of the claim or statement; or

(III) acts in reckless disregard of the truth or falsity of the claim or statement.

(C) For purposes of this subsection, the term “benefits” means—

(i) benefits under the supplemental security income program under title XVI of the Social Security Act;

(ii) old age, survivors, and disability insurance benefits under title II of the Social Security Act;

(iii) benefits under title XVIII of the Social Security Act;

(iv) assistance under a State program funded under part A of title IV of the Social Security Act;

(v) medical assistance under a State plan approved under section 1902(a) of the Social Security Act;

(vi) benefits under title XX of the Social Security Act;

(vii) benefits under the supplemental nutrition assistance program (as defined in section 3(l) of the Food and Nutrition Act of 2008);

(viii) benefits under chapters 11, 13, 15, 17, and 21 of title 38;

(ix) benefits under the Black Lung Benefits Act;

(x) benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966;

(xi) benefits under section 336 of the Older Americans Act;

(xii) any annuity or other benefit under the Railroad Retirement Act of 1974;

(xiii) benefits under the Richard B. Russell National School Lunch Act;

(xiv) benefits under any housing assistance program for lower income families or elderly or handicapped persons which is administered by the Secretary of Housing and Urban Development or the Secretary of Agriculture;

(xv) benefits under the Low-Income Home Energy Assistance Act of 1981; and

(xvi) benefits under part A of the Energy Conservation in Existing Buildings Act of 1976,

which are intended for the personal use of the individual who receives the benefits or for a member of the individual's family.

(d)(1) On or after the date on which a reviewing official is permitted to refer allegations of liability to a presiding officer under subsection (b) of this section, the reviewing official shall mail, by registered or certified mail, or shall deliver, a notice to the person alleged to be liable

under section 3802 of this title. Such notice shall specify the allegations of liability against such person and shall state the right of such person to request a hearing with respect to such allegations.

(2) If, within 30 days after receiving a notice under paragraph (1) of this subsection, the person receiving such notice requests a hearing with respect to the allegations contained in such notice—

(A) the reviewing official shall refer such allegations to a presiding officer for the commencement of such hearing; and

(B) the presiding officer shall commence such hearing by mailing by registered or certified mail, or by delivery of, a notice which complies with paragraphs (2)(A) and (3)(B)(i) of subsection (g) to such person.

(e)(1)(A) Except as provided in subparagraph (B) of this paragraph, at any time after receiving a notice under paragraph (2)(B) of subsection (d), the person receiving such notice shall be entitled to review, and upon payment of a reasonable fee for duplication, shall be entitled to obtain a copy of, all relevant and material documents, transcripts, records, and other materials, which relate to such allegations and upon which the findings and conclusions of the investigating official under paragraph (1) of subsection (a) are based.

(B) A person is not entitled under subparagraph (A) to review and obtain a copy of any document, transcript, record, or material which is privileged under Federal law.

(2) At any time after receiving a notice under paragraph (2)(B) of subsection (d), the person receiving such notice shall be entitled to obtain all exculpatory information in the possession of the investigating official or the reviewing official relating to the allegations contained in such notice. The provisions of subparagraph (B) of paragraph (1) do not apply to any document, transcript, record, or other material, or any portion thereof, in which such exculpatory information is contained.

(f) Any hearing commenced under paragraph (2) of subsection (d) shall be conducted by the presiding officer on the record in order to determine—

(1) the liability of a person under section 3802 of this title; and

(2) if a person is determined to be liable under such section, the amount of any civil penalty or assessment to be imposed on such person.

Any such determination shall be based on the preponderance of the evidence.

(g)(1) Each hearing under subsection (f) of this section shall be conducted—

(A) in the case of an authority to which the provisions of subchapter II of chapter 5 of title 5 apply, in accordance with—

(i) the provisions of such subchapter to the extent that such provisions are not inconsistent with the provisions of this chapter; and

(ii) procedures promulgated by the authority head under paragraph (3) of this subsection; or

(B) in the case of an authority to which the provisions of such subchapter do not apply, in accordance with procedures promulgated by the authority head under paragraphs (2) and (3) of this subsection.

(2) An authority head of an authority described in subparagraph (B) of paragraph (1) shall by regulation promulgate procedures for the conduct of hearings under this chapter. Such procedures shall include:

(A) The provision of written notice of the hearing to any person alleged to be liable under section 3802 of this title, including written notice of—

(i) the time, place, and nature of the hearing;

(ii) the legal authority and jurisdiction under which the hearing is to be held; and

(iii) the matters of facts and law to be asserted.

(B) The provision to any person alleged to be liable under section 3802 of this title of opportunities for the submission of facts, arguments, offers of settlement, or proposals of adjustment.

(C) Procedures to ensure that the presiding officer shall not, except to the extent required for the disposition of ex parte matters as authorized by law—

(i) consult a person or party on a fact in issue, unless on notice and opportunity for all parties to the hearing to participate; or

(ii) be responsible to or subject to the supervision or direction of the investigating official or the reviewing official.

(D) Procedures to ensure that the investigating official and the reviewing official do not participate or advise in the decision required under subsection (h) of this section or the review of the decision by the authority head under subsection (i) of this section, except as provided in subsection (j) of this section.

(E) The provision to any person alleged to be liable under section 3802 of this title of opportunities to present such person's case through oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts.

(F) Procedures to permit any person alleged to be liable under section 3802 of this title to be accompanied, represented, and advised by counsel or such other qualified representative as the authority head may specify in such regulations.

(G) Procedures to ensure that the hearing is conducted in an impartial manner, including procedures to—

(i) permit the presiding officer to at any time disqualify himself; and

(ii) permit the filing, in good faith, of a timely and sufficient affidavit alleging personal bias or another reason for disqualification of a presiding officer or a reviewing official.

(3)(A) Each authority head shall promulgate by regulation procedures described in subparagraph (B) of this paragraph for the conduct of hearings under this chapter. Such procedures shall be in addition to the procedures described in paragraph (1) or paragraph (2) of this subsection, as the case may be.

(B) The procedures referred to in subparagraph (A) of this paragraph are:

(i) Procedures for the inclusion, in any written notice of a hearing under this section to any person alleged to be liable under section 3802 of this title, of a description of the procedures for the conduct of the hearing.

(ii) Procedures to permit discovery by any person alleged to be liable under section 3802 of this title only to the extent that the presiding officer determines that such discovery is necessary for the expeditious, fair, and reasonable consideration of the issues, except that such procedures shall not apply to documents, transcripts, records, or other material which a person is entitled to review under paragraph (1) of subsection (e) or to information to which a person is entitled under paragraph (2) of such subsection. Procedures promulgated under this clause shall prohibit the discovery of the notice required under subsection (a)(2) of this section.

(4) Each hearing under subsection (f) of this section shall be held—

(A) in the judicial district of the United States in which the person alleged to be liable under section 3802 of this title resides or transacts business;

(B) in the judicial district of the United States in which the claim or statement upon which the allegation of liability under such section was made, presented, or submitted; or

(C) in such other place as may be agreed upon by such person and the presiding officer who will conduct such hearing.

(h) The presiding officer shall issue a written decision, including findings and determinations, after the conclusion of the hearing. Such decision shall include the findings of fact and conclusions of law which the presiding officer relied upon in determining whether a person is liable under this chapter. The presiding officer shall promptly send to each party to the hearing a

copy of such decision and a statement describing the right of any person determined to be liable under section 3802 of this title to appeal the decision of the presiding officer to the authority head under paragraph (2) of subsection (i).

(i)(1) Except as provided in paragraph (2) of this subsection and section 3805 of this title, the decision, including the findings and determinations, of the presiding officer issued under subsection (h) of this section are final.

(2)(A)(i) Except as provided in clause (ii) of this subparagraph, within 30 days after the presiding officer issues a decision under subsection (h) of this section, any person determined in such decision to be liable under section 3802 of this title may appeal such decision to the authority head.

(ii) If, within the 30-day period described in clause (i) of this subparagraph, a person determined to be liable under this chapter requests the authority head for an extension of such 30-day period to file an appeal of a decision issued by the presiding officer under subsection (h) of this section, the authority head may extend such period if such person demonstrates good cause for such extension.

(B) Any authority head reviewing under this section the decision, findings, and determinations of a presiding officer shall not consider any objection that was not raised in the hearing conducted pursuant to subsection (f) of this section unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection. If any party demonstrates to the satisfaction of the authority head that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the authority head shall remand the matter to the presiding officer for consideration of such additional evidence.

(C) The authority head may affirm, reduce, reverse, compromise, remand, or settle any penalty or assessment determined by the presiding officer pursuant to this section. The authority head shall promptly send to each party to the appeal a copy of the decision of the authority head and a statement describing the right of any person determined to be liable under section 3802 of this title to judicial review under section 3805 of this title.

(j) The reviewing official has the exclusive authority to compromise or settle any allegations of liability under section 3802 of this title against a person without the consent of the presiding officer at any time after the date on which the reviewing official is permitted to refer allegations of liability to a presiding officer under subsection (b) of this section and prior to the date on which the presiding officer issues a decision under subsection (h) of this section. Any such compromise or settlement shall be in writing.

§ 3804. Subpoena authority

(a) For the purposes of an investigation under section 3803(a)(1) of this title, an investigating official is authorized to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and data not otherwise reasonably

available to the authority.

(b) For the purposes of conducting a hearing under section 3803(f) of this title, a presiding officer is authorized—

(1) to administer oaths or affirmations; and

(2) to require by subpoena the attendance and testimony of witnesses and the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence which the presiding officer considers relevant and material to the hearing.

(c) In the case of contumacy or refusal to obey a subpoena issued pursuant to subsection (a) or (b) of this section, the district courts of the United States shall have jurisdiction to issue an appropriate order for the enforcement of any such subpoena. Any failure to obey such order of the court is punishable by such court as contempt. In any case in which an authority seeks the enforcement of a subpoena issued pursuant to subsection (a) or (b) of this section, the authority shall request the Attorney General to petition any district court in which a hearing under this chapter is being conducted, or in which the person receiving the subpoena resides or conducts business, to issue such an order.

§ 3805. Judicial review

(a)(1) A determination by a reviewing official under section 3803 of this title shall be final and shall not be subject to judicial review.

(2) Unless a petition is filed under this section, a determination under section 3803 of this title that a person is liable under section 3802 of this title shall be final and shall not be subject to judicial review.

(b)(1)(A) Any person who has been determined to be liable under section 3802 of this title pursuant to section 3803 of this title may obtain review of such determination in—

(i) the United States district court for the district in which such person resides or transacts business;

(ii) the United States district court for the district in which the claim or statement upon which the determination of liability is based was made, presented, or submitted; or

(iii) the United States District Court for the District of Columbia.

(B) Such review may be obtained by filing in any such court a written petition that such determination be modified or set aside. Such petition shall be filed—

(i) only after such person has exhausted all administrative remedies under this chapter; and

(ii) within 60 days after the date on which the authority head sends such person a copy of the decision of such authority head under section 3803(i)(2) of this title.

(2) The clerk of the court shall transmit a copy of a petition filed under paragraph (1) of this subsection to the authority and to the Attorney General. Upon receipt of the copy of such petition, the authority shall transmit to the Attorney General the record in the proceeding

resulting in the determination of liability under section 3802 of this title. Except as otherwise provided in this section, the district courts of the United States shall have jurisdiction to review the decision, findings, and determinations in issue and to affirm, modify, remand for further consideration, or set aside, in whole or in part, the decision, findings, and determinations of the authority, and to enforce such decision, findings, and determinations to the extent that such decision, findings, and determinations are affirmed or modified.

(c) The decisions, findings, and determinations of the authority with respect to questions of fact shall be final and conclusive, and shall not be set aside unless such decisions, findings, and determinations are found by the court to be unsupported by substantial evidence. In concluding whether the decisions, findings, and determinations of an authority are unsupported by substantial evidence, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

(d) Any district court reviewing under this section the decision, findings, and determinations of an authority shall not consider any objection that was not raised in the hearing conducted pursuant to section 3803(f) of this title unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection. If any party demonstrates to the satisfaction of the court that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the court shall remand the matter to the authority for consideration of such additional evidence.

(e) Upon a final determination by the district court that a person is liable under section 3802 of this title, the court shall enter a final judgment for the appropriate amount in favor of the United States.

§ 3806. Collection of civil penalties and assessments

(a) The Attorney General shall be responsible for judicial enforcement of any civil penalty or assessment imposed pursuant to the provisions of this chapter.

(b) Any penalty or assessment imposed in a determination which has become final pursuant to this chapter may be recovered in a civil action brought by the Attorney General. In any such action, no matter that was raised or that could have been raised in a hearing conducted under section 3803(f) of this title or pursuant to judicial review under section 3805 of this title may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

(c) The district courts of the United States shall have jurisdiction of any action commenced by the United States under subsection (b) of this section.

(d) Any action under subsection (b) of this section may, without regard to venue requirements, be joined and consolidated with or asserted as a counterclaim, cross-claim, or setoff by the United States in any other civil action which includes as parties the United States and the person against whom such action may be brought.

(e) The United States Court of Federal Claims shall have jurisdiction of any action under subsection (b) of this section to recover any penalty or assessment if the cause of action is asserted by the United States as a counterclaim in a matter pending in such court.

(f) The Attorney General shall have exclusive authority to compromise or settle any penalty or assessment the determination of which is the subject of a pending petition pursuant to section 3805 of this title or a pending action to recover such penalty or assessment pursuant to this section.

(g)(1) Except as provided in paragraph (2) of this subsection, any amount of penalty or assessment collected under this chapter shall be deposited as miscellaneous receipts in the Treasury of the United States.

(2)(A) Any amount of a penalty or assessment imposed by the United States Postal Service under this chapter shall be deposited in the Postal Service Fund established by section 2003 of title 39.

(B) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with old age and survivors benefits under title II of the Social Security Act shall be deposited in the Federal Old-Age and Survivors Insurance Trust Fund.

(C) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with disability benefits under title II of the Social Security Act shall be deposited in the Federal Disability Insurance Trust Fund.

(D) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with benefits under part A of title XVIII of the Social Security Act shall be deposited in the Federal Hospital Insurance Trust Fund.

(E) Any amount of a penalty or assessment imposed by the Secretary of Health and Human Services under this chapter with respect to a claim or statement made in connection with benefits under part B of title XVIII of the Social Security Act shall be deposited in the Federal Supplementary Medical Insurance Trust Fund.

§ 3807. Right to administrative offset

(a) The amount of any penalty or assessment which has become final under section 3803 of this title, or for which a judgment has been entered under section 3805(e) or 3806 of this title, or any amount agreed upon in a settlement or compromise under section 3803(j) or 3806(f) of this title, may be collected by administrative offset under section 3716 of this title, except that an administrative offset may not be made under this subsection against a refund of an overpayment of Federal taxes, then or later owing by the United States to the person liable for such penalty or assessment.

(b) All amounts collected pursuant to this section shall be remitted to the Secretary of the Treasury for deposit in accordance with section 3806(g) of this title.

§ 3808. Limitations

(a) A hearing under section 3803(d)(2) of this title with respect to a claim or statement shall be commenced within 6 years after the date on which such claim or statement is made, presented, or submitted.

(b) A civil action to recover a penalty or assessment under section 3806 of this title shall be commenced within 3 years after the date on which the determination of liability for such penalty or assessment becomes final.

(c) If at any time during the course of proceedings brought pursuant to this chapter the authority head receives or discovers any specific information regarding bribery, gratuities, conflict of interest, or other corruption or similar activity in relation to a false claim or statement, the authority head shall immediately report such information to the Attorney General, and in the case of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law, to the Inspector General of that authority.

§ 3809. Regulations

Within 180 days after the date of enactment of this chapter [Oct. 21, 1986], each authority head shall promulgate rules and regulations necessary to implement the provisions of this chapter. Such rules and regulations shall—

(1) ensure that investigating officials and reviewing officials are not responsible for conducting the hearing required in section 3803(f) of this title, making the determinations required by subsections (f) and (h) of section 3803 of this title, or making collections under section 3806 of this title; and

(2) require a reviewing official to include in any notice required by section 3803(a)(2) of this title a statement which specifies that the reviewing official has determined that there is a reasonable prospect of collecting, from a person with respect to whom the reviewing official is referring allegations of liability in such notice, the amount for which such person may be liable.

[§ 3810. Repealed. Pub.L. 104-66, Title III, § 3001(c)(1), Dec. 21, 1995, 109 Stat. 734]

§ 3811. Effect on other law

(a) This chapter does not diminish the responsibility of any agency to comply with the provisions of chapter 35 of title 44.

(b) This chapter does not supersede the provisions of section 3512 of title 44.

(c) For purposes of this section, the term “agency” has the same meaning as in section

3502(1) of title 44.

§ 3812. Prohibition against delegation

Any function, duty, or responsibility which this chapter specifies be carried out by the Attorney General or an Assistant Attorney General designated by the Attorney General, shall not be delegated to, or carried out by, any other officer or employee of the Department of Justice.