

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 5, CHAPTER 25
“CLAIMS AGAINST THE GOVERNMENT
(INCLUDES QUESTIONABLE AND FRAUDULENT CLAIMS)”**

All changes are denoted in blue font

Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision.

Hyperlinks are denoted by *underlined, bold, italic font*

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Hyperlinked references in chapter.	Addition
2501	Adds vendor/contractor claims against the government can be found in Volume 10 of this Regulation.	New
250303	Increases the amount involving advanced entitlement decisions within DFAS involving payment certifications from \$100 to \$250.	Update
250304.B	Clarifies the effect of advance decisions.	Update
250401.B	Revises responsibility for detecting fraud in a voucher to include both the certifying officer and disbursing officer.	Update
250403	Adds certifying officer as also responsible for reporting a possible fraudulent payment.	Update
250406	Deletes subparagraphs 250406.A and B. Changes to read that the disbursing officer does not carry a fraudulent payment as a physical loss of funds when an individual outside of the disbursing office commits the fraud.	Deletion Update
250502	Deletes subparagraphs 250502.A, B, C, and D. References Appendix E of this volume for the offices where claims against the government are sent.	Deletion Updated

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CHAPTER 25

CLAIMS AGAINST THE GOVERNMENT
(INCLUDES QUESTIONABLE AND FRAUDULENT CLAIMS)★2501 OVERVIEW

This chapter stipulates policies and procedures for processing claims against the government, including questionable and fraudulent claims presented for certification or payment that the certifying officer or disbursing officer (DO) believes to be illegal or improper. The chapter includes the definition for fraud, but notes that inaccuracies on voucher submissions do not indicate intent to defraud the government. Personnel charged with the responsibility for processing payments shall conduct thorough research concerning those payments. When necessary, an advance decision from appropriate authority shall be requested in accordance with subparagraph 250302.B of this chapter. [For further information on vendor/contractor claims against the government see Volume 10 of this Regulation.](#)

2502 FRAUD DEFINED

250201. Fraud is defined as an intentional perversion of the truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him or surrender a legal right. Example: If a person submits a claim for reimbursement of a taxi fare for \$70, knowing that the actual taxi fare was only \$20, with the intent to obtain more money than the person is entitled to receive, and the government pays the \$70, then fraud has been committed. The amount claimed is \$50 more than the amount actually incurred (misrepresentation of a material fact). The claimant has knowledge of the actual cost but claims more (intent to deceive), and the government is entitled to rely on the truthfulness of the amount claimed (detrimental reliance). Related to fraud are false statements and other knowing and willful efforts to falsify, conceal, or cover up a material fact.

250202. Claims may also be not payable but not fraudulent. Example: A claim for payment that is not authorized by law or which is prohibited by law where willful intent to deceive the government is absent. These claims also may be referred to the appropriate authority for an advance decision.

2503 ADVANCE DECISIONS

250301. Claims. Any claim presented for certification or payment that the certifying officer or DO believe to be illegal or improper, shall be processed in accordance with procedures described in the following paragraphs.

250302. Application for Decision

A. Authority. Under [Title 31, United States Code \(U.S.C.\), section 3529](#), Requests for Decisions of the Comptroller General, a certifying officer, DO, or the head of any agency, may request an advance decision from an authorized official, see [Appendix E](#) of this volume on the propriety of any prospective payment. This authority does not cover the rendering of decisions on questions of law pertaining to payments that already have been made or for hypothetical cases.

B. Content. A certifying official, DO, or agency head may request an advance decision from an authorized official; see [Appendix E](#) of this volume regarding the propriety of certifying or issuing a payment based on the presentment of a questionable voucher or claim, as appropriate. The request shall specify the facts and evidence sufficient to support the reason(s) for requesting the advance decision and upon which the decision shall be based. As a general rule, decisions are rendered only when the request is accompanied by a specific claim or voucher (legible copies are acceptable). All requests for advance decisions shall be forwarded through the General Counsel of the Department of Defense (DoD) Component or the Defense Finance and Accounting Service (DFAS) to the Deputy General Counsel (Fiscal), DoD (DGC(F)) for determination. A legal memorandum from the DFAS General Counsel or other DoD Component that discusses the legality of the proposed payment under the circumstances shall be attached to the application for advance decision.

C. Forwarding of Certain Requests Concerning Military Personnel. A request for an advance decision concerning pay, allowances, travel, transportation, retired pay, or survivor benefits for military personnel is presented through the requesting certifying officer's or DO's chain of command. Within DFAS the request is also forwarded to the applicable DFAS site and the DFAS Office of General Counsel (OGC). DOs and certifying officers, under the cognizance of DFAS Columbus, shall submit requests through the appropriate chain of command and the DFAS Columbus, Office of General Counsel, regardless of the disbursing station symbol number (DSSN) involved.

★ 250303. Other Actions. Cases involving entitlement questions that have clearly been decided authoritatively may be returned to requestors by the responsible activity or DFAS site, or by the appropriate General Counsel, with a determination that an advance decision is not necessary. Advance decision requests may be resubmitted through the responsible activity or supporting DFAS site to the DoD DGC(F) for reconsideration of a Component General Counsel's advisory interpretation. NOTE: For cases within DFAS that involve payments or certifications of \$250 or less, decisions rendered by DFAS General Counsel are conclusive to the settlement of accounts. A copy of the memorandum containing each decision shall be attached to the voucher.

250304. Decisions Rendered

A. Payments in Question. An advance decision is conclusive only as to the particular payment involved in the question presented. A statement made by the responsible

office in an advance decision in the statement of facts submitted, which is broader than the stated facts rendered necessary, is not binding in the settlement of accounts.

★ B. Effect On Other Payments. Although an advance decision is only conclusive with regard to the specific payment reviewed, the principles set forth in the decision shall be used by certifying officers in making entitlement decisions. An advance decision issued by the General Counsel, DFAS, under paragraph 250303 of this chapter is not precedent in similar claims.

2504 FALSE, FICTITIOUS, OR FRAUDULENT CLAIMS

250401. Determination of Fraud. Although it is the claimant's responsibility to complete a claim accurately in order to ensure proper payment, it may not be assumed automatically that the claim is fraudulent because it is not prepared according to the requirements of publications such as the Joint Federal Travel Regulations (JFTR) or the Joint Travel Regulations (JTR).

A. Not every inaccuracy on a claim form shall be equated with intent to defraud the government. When minor discrepancies exist as a result of clerical or computation errors, misunderstanding of procedure, or failure to properly document, the intent to deceive may be missing and, a finding of fraud would not likely be supported absent evidence to the contrary. Such errors shall be discussed with the claimant and corrected. For example, when a person inadvertently submits a travel voucher for hotel expenses that contain minor additional room charges that are not payable and, upon notification, the claimant acknowledges the mistake, and where there is no intent to deceive, no fraud has occurred.

★ B. Where discrepancies are obvious, involve a large or unreasonable amount of money, or are made frequently, a finding of fraud is more likely, absent a satisfactory explanation from the claimant. To ensure the propriety of all payments, the certifying officer and DO are responsible primarily for determining the existence of fraud in a claim (see Chapter 33 of this volume).

250402. Required Action When a Suspected Fraudulent Claim Is Presented for Payment. When there is reason to suspect that a claim presented for payment contains fraudulent information, the certifying officer or DO shall request his or her commander, or comparable authorized civilian, to initiate an investigation into the suspected fraud. Within DFAS, the matter may be referred to the Director Internal Review. The requirement to request an investigation applies regardless of the dollar value of the suspected fraud. The certifying officer or DO shall be given a copy of the completed report of investigation (ROI) and the findings stipulated in the ROI shall be submitted for legal review to the supporting Staff Judge Advocate (SJA) or legal counsel.

A. If the ROI does not support a finding of fraud, then the certifying officer or DO may permit payment for all amounts to which the claimant otherwise is entitled. The certifying officer or DO shall document the reasons for the determination of no fraud. The certifying officer or DO may be called upon from time to time to furnish this documentation in

order to give an indication of whether the guidelines are being applied uniformly throughout DoD.

B. If the ROI confirms that some items of the claim are fraudulent, then the certifying officer or DO may permit the payment of those items free of fraud. When payment has been made for that portion of the claim that is free of fraud, if the claimant protests the determination of fraud and insists on payment of the entire claim, then the claimant may submit a new claim for the items denied because of fraud. The DO shall process the reclamation for the items denied as prescribed in paragraph 250405 of this chapter.

★ 250403. Required Action Upon Discovery That a Fraudulent Claim Has Been Paid. After the payment of a claim, if the certifying officer or DO discovers or is supplied credible information that indicates that a claim was paid based on fraudulent information or documents, the certifying officer or DO shall review the retained copy of the claim to determine whether the claim submitted contains false information.

A. If the certifying officer or DO determines that the claim remains suspect, then he or she shall request his or her commander, or comparable authorized civilian, to initiate an investigation into the suspected fraud. Within DFAS, the matter may be referred to the Director Internal Review. The requirement to request an investigation applies regardless of the dollar value of the suspected fraud and includes illegal or improper payments made as a result of issuing recertified payments where the payee negotiated both the original and the recertified check. The certifying officer and DO shall be given a copy of the final ROI and the findings stipulated in the ROI shall be submitted for legal review to the supporting SJA.

B. The DO shall forward a report to the supporting DFAS site upon initial disclosure that an illegal or improper payment was made on the basis of fraud. The report shall contain a basic statement of the irregularity and the date, amount, and identification of the individual(s) involved. Upon completion of the final recovery, investigative, or other negative action, the DO shall forward a second report to the supporting DFAS site.

C. A determination of a fraudulent claim is primarily the responsibility of the certifying officer and DO. The certifying officer or DO shall base his or her determination on the criteria in this paragraph and on the legal opinion of the supporting SJA or legal counsel. If the certifying officer or DO determines that no fraud is present, then all amounts recovered from the claimant shall be repaid, if otherwise entitled, and this information shall be included in the second report. If the certifying officer or DO determines that some or all items of the claim are fraudulent, then no repayment may be made of those items recovered and the second report shall contain the following:

1. A citation of the applicable contract number (or travel order number)
2. Voucher number
3. Date of payment

4. Appropriation charged
5. A description of the supporting documentation
6. A description of how the fraud was committed
7. A description of procedural deficiencies in the disbursing office
8. The action taken to correct the deficiencies
9. Information as to amounts recovered or scheduled for repayment from the recipient of the fraudulent payment

D. Except under unusual circumstances, reports shall not be classified or made in message form. No report is required if the fraud is detected prior to any issuance of payment. Should a claim in the form of a reclamation be received for any portion, or all of the amount recovered by the government because of an illegal or improper payment of any voucher item obtained by fraud or misrepresentation, such reclamation shall not be settled by the DO. It shall be processed as prescribed in paragraph 250405 of this chapter. In no case shall submission of the reclamation or recovery of amounts paid be deferred pending final determination on the claim.

E. The commission of fraud against the government shall be dealt with as a serious offense that is not condoned. A determination by a commander or equivalent civilian manager, regarding the seriousness of the offense, shall be made in consultation with representatives of the appropriate Human Resources office and in coordination with the supporting legal counsel staff.

1. Procedures for Collecting Illegal or Improper Payments from Civilian Employees. The DO shall forward fraudulent claims for which payments have been issued to the appropriate pay office and local agency OGC or SJA for referral to the Defense Criminal Investigative Service (DCIS) or Military Criminal Investigative Organization (MCIO), as appropriate. Payments based on substantiated claims of fraud may be recovered by direct repayment by the employee through salary offset, or by other procedures established in this regulation. The appropriate commander or equivalent civilian manager shall determine the propriety of initiating disciplinary or other remedial action, as appropriate. The DO shall not take any further action on the fraudulent claim until OGC or SJA gives the DO specific processing and dispositive instructions, on the claim. Oral hearings may be required under [5 U.S.C. 5514](#), Installment Deduction for Indebtedness to the United States.

2. Collection Procedures for Military Members. The DO shall collect debts owed by military members in accordance with [37 U.S.C. 1007\(c\)](#), Deductions from Pay, and this Regulation. When a debtor requests reconsideration of a fraud determination, the creditor organization shall ensure that any evidence or statements submitted by the debtor are considered when the debt is reviewed. The DO shall refer questionable cases to the local SJA for

determination. Additional information concerning debt collection procedures for military members may be found in [Volume 7A](#) of this Regulation.

250404. Corrected Claims. When it is established, or it reasonably appears, that a claimant has submitted a fraudulent claim and, upon discovery of the fraud, the claimant submits a corrected claim for those items previously suspected of being fraudulent, the DO shall not pay this subsequent claim. If the claimant persists in having the claim processed, then process the claim as prescribed in paragraph 250405 of this chapter.

250405. Reclaims of Items Disallowed or Recovered Due to Fraud. The DO shall forward reclaims of items disallowed or recouped due to fraud to the appropriate responsible office as identified in [Appendix E](#) of this volume, through the DO's chain of command and DoD DGC(F). If the entire claim was denied, then submit the original claim. The completed claim shall be accompanied by a covering letter or memorandum from the DO stating specific information as to why the claim is considered fraudulent, and the statement: "I have not made payment and will not make payment in the future unless authorized by competent authority." It shall contain the original and two copies of all supporting documents (and the orders with all endorsements if travel is involved), a copy of the payment voucher on which payment was made for the items free of fraud. If applicable, a copy of the ROI and a statement by the claimant supporting his or her belief that the claim is not fraudulent shall be provided. A statement by the claimant's commander may be submitted at the option of the claimant. When endorsing the DO's letter or memorandum, the DO's commander shall state an opinion on the case either in support of the DO or of the claimant.

★ 250406. Accountability for Amounts Paid Due to Fraud. Most instances of fraud occur when a military member or civilian employee, whose identity clearly is established, submits a claim containing information known to be false. On some occasions, payments are made to individuals whose true identity cannot be determined. In some cases, the individual committing the fraud uses a fictitious name. In other cases, the name of an actual military member or civilian employee may be used. [Losses resulting from the fraudulent acts of other than disbursing office personnel are not physical losses but shall be treated as improper payments. The DO shall account for these irregularities by leaving the payment charged to the appropriation.](#) In any of the above situations, an occurrence of this nature shall be reported and investigated as an irregularity in the DO's account as prescribed in [Chapter 6](#) of this volume.

250407. Relief of Liability. Submit requests for relief of liability for illegal or improper payments caused by fraudulent claims as prescribed in [Chapter 6](#) of this volume.

250408. Fraud Alert Reporting System

A. General. The Fraud Alert Reporting System is used only when an attempt to commit fraud has occurred or when a high vulnerability to fraud exists. Individuals who represent themselves as transient military personnel perpetrate many of the incidents described in this paragraph.

B. Action by DO. When it is determined that an individual is suspected of obtaining a fraudulent payment (pay, travel, or any other miscellaneous payment) by use of false documents and/or identification, DOs immediately shall notify the supporting DFAS site by priority message. Forward an information copy to all other DFAS sites. The DO also shall render a fraud alert report when he or she foresees a strong possibility of fraud being attempted by an unauthorized absentee who is knowledgeable in disbursing or pay and personnel matters. A fraud alert report shall describe the individual(s) involved in the fraud and details relating to the commission of the fraud with the expectation that this information will caution disbursing personnel and enable them to recognize fraudulent acts and avoid losses. Reports of missing luggage, burglarized automobiles, and unauthorized absence of personnel in the lower pay grades usually have no value in preventing fraud. The following subparagraphs identify specifics that shall be included in a fraud alert report.

1. Report fraudulent payments that have been made to anyone, especially transients, giving a description of the perpetrator, describing the type of documents used to establish fraudulent entitlement, explaining how the fraud was committed, and expressing an opinion that indicates the likelihood of the perpetrator attempting future fraud. The description shall include: name (including known aliases); rank or pay grade; social security number; race; age; height; weight; color of eyes/hair; and any distinguishing characteristics and/or body marks.

2. Address the fraud alert report message only to the supporting DFAS site with the other DFAS sites as information addressees. Under no circumstances shall DOs address a fraud alert report to any activity other than the supporting DFAS site.

3. Submit a fraud alert report for unauthorized absence of personnel only when the following three criteria are met.

a. The individual has possession of documents (e.g., orders, vouchers, or blank checks) that could be used to obtain fraudulent payments.

b. The individual has knowledge of pay and personnel procedures necessary to commit a fraudulent act.

c. The cognizant commander or manager suspects the individual might have a motive to commit the fraud (e.g., he or she is facing disciplinary action, has a past history of substance abuse, presently is encountering personal or financial problems, is suspected of, or has had, involvement in fraud or embezzlement, has voiced desires to obtain high-cost or high-value items, has exhibited an unhealthy fascination for gambling, or appears to rise to challenges or dares).

C. Action by the DFAS Site. Upon receipt and evaluation of the fraud alert report, the supporting DFAS site shall issue a Fraud Alert Warning to all DOs. Fraud Alert Warnings shall be retained by DOs for one year unless the issuing DFAS site cancels the warnings. The Internal Review Investigative Services also shall be notified of suspected pay fraud and will, in turn, notify DCIS or applicable MCIO, when appropriate.

2505 CLAIMS AGAINST THE GOVERNMENT

250501. General. [Title 31, U.S.C., section 3702](#), Authority to Settle Claims, provides general authority for settling claims against the U.S. That section provides that any claim against the U.S. shall be barred forever unless such claim, bearing the signature and address of the claimant or an authorized agent or attorney is received by the responsible agency within 6 full years after the date such claim first accrued. The Secretary of Defense may waive the time limitation for certain late claims involving military personnel. This statute applies unless a more specific statute, which includes its own period of limitation for asserting claims against the government, governs a claim.

★ 250502. Claims. The offices shown in [Appendix E](#) of this volume have been designated to settle claims against the government. Any claims not listed are handled following DoD Component claims regulations and procedures.

250503. Claim Submission Procedures

A. General. All claims shall be submitted on an individual voucher basis using the appropriate claim form. Each claim voucher shall identify the payee by name and social security number (or employer's identification number), as appropriate, and shall be supported by a claim over the signature and address of the claimant. When the entire amount due is recommended for setoff, the claim voucher may be submitted without a supporting claim. The claimant may state the claim directly on a dealer's bill or public voucher. Claim vouchers with supporting documents shall be submitted under a transmittal letter to the supporting DFAS site. Vouchers covering claims chargeable to either lapsed or available appropriations shall be submitted in the original with sufficient copies for regular distribution. Claims for payments due deceased civilian employees shall be processed as prescribed in [Volume 8](#) of this Regulation.

B. Voucher Preparation. The voucher shall contain:

1. The name and current address of the claimant or assignee.
2. The appropriation and other accounting data chargeable.
3. A statement as to the purpose of the payment.
4. A citation of the contract number.
5. Previous voucher payment(s).
6. Project order, and any other data required to process the voucher.
7. An explanation of the difference when the recommended amount of payment is different from the amount claimed.

8. Details regarding setoff as specified in subparagraph 250503.D of this chapter.

C. Letter of Transmittal. The letter of transmittal shall include: a statement of facts surrounding the claim, the reason(s) for forwarding the claim and an explanation of the doubtful aspects, a recommendation with the reason(s) or a statement that there is no specific recommendation and the reason no recommendation is made. Include a statement that the DO has not paid and will not pay the claim until authorized to do so by appropriate authority.

D. Setoff. In all cases involving setoff, submit an additional copy of the voucher. The voucher shall show the amount recommended for setoff and the complete accounting data to be credited. Also furnish a statement showing the basis for the setoff in sufficient detail to permit adequate explanation to the claimant. If no recommendation can be made of the amount to be set off, then the responsible settlement authority shall insert amounts on the voucher.

250504. Review of Claims. The supporting DFAS site shall review each claim to determine whether it is complete, as described in this section, and proper for submission to the responsible settlement authority. If submission of all or a major part of the claim to the responsible settlement authority is not required, then the claim shall be returned to the submitting office with:

- A. Advice that all or a major portion of the claim shall be paid locally.
- B. A citation to the regulation(s) that authorizes or provides for such payment.
- C. A statement, if applicable, that the doubtful portion of the claim should be resubmitted.

250505. Payment of Claims After Approval by the Responsible Settlement Authority. The supporting DFAS site shall forward approved civilian and military pay claims to the appropriate office for payment. All other approved claims shall be paid by the supporting DFAS site. Distribute copies of vouchers for approved claims paid against available appropriations in the same manner as other comparable vouchers. For example, one copy of a voucher for approved claims paid against a successor appropriation shall be forwarded to the payee, one copy shall be forwarded to the office that administers the applicable successor appropriation, and one copy shall be forwarded to the accountable activity.