

CHAPTER 4-50

THE FEDERAL CLAIMS **COLLECTION** ACT OF 1966

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**4-50-00** PURPOSE OF THE ACT

The Federal Claims Collection Act (31 U.S.C. **951-953**) was enacted July 19, 1966 and **became** effective January 15, 1967. The purpose of the Act is to authorize **the** Federal agencies to collect, compromise, **terminate**, or suspend collection action **on** claims for money or property arising from their activities.

**4-50-10** THE ACT

**§ 951.** Definitions

In this chapter-

(a) "agency" means any department, office, **commission**, board, service, Government corporation, instrumentality, or other establishment or body in either the executive or legislative branch of the Federal Government;

(b) "head of an agency" includes, where applicable, commission, board, or other group of individuals having the **decision-**making responsibility for the agency.

**§ 952.** Collection and compromise--Agency collection; rules and regulations

(a) The head of an agency or his designee, pursuant to regulations prescribed by him and in conformity with such standards **as** may be promulgated jointly by the Attorney General and the Comptroller General, shall attempt collection of all claims of the United States for money or property arising out of the activities of, or referred to, his agency.

**Compromise** of claims; termination of collection action; rules and regulations; \$20,000 limitation

(b) With respect to such claims of the United States that **have** not been referred to another agency, including the General Accounting Office, for further collection action and that do not exceed \$20,000, exclusive of interest, the head of an agency or his designee, pursuant to regulations prescribed by him and in conformity with such standards as may be promulgated jointly by the Attorney General and the Comptroller General, may (1) compromise any such claim, or (2) cause collection action on any

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such claim to be terminated or suspended where it appears that **no** person liable on the claim has the present or prospective financial ability to pay any significant sum thereon or that the cost of collecting the claim **is** likely to exceed the amount of recovery. The Comptroller General or his designee shall have the foregoing authority with respect to claims referred to the General Accounting Office by another agency for further collection action. The head of an agency or his designee shall not exercise the foregoing authority with respect to a claim as to which there is an indication of fraud, the presentation of a false **claim, or** misrepresentation on the part of the debtor or any other party having an interest in the claim, or a claim based in whole or in part on conduct in violation of the antitrust laws; nor shall the head of an agency, other than the Comptroller General of the United States, have authority to compromise a claim that arises from an exception made by the General Accounting Office in the account of an accountable officer.

Conclusiveness effect of compromise; fraud, misrepresentation, false claims, mutual mistake of fact

(c) A compromise effected pursuant to authority conferred by subsection (b) of this section shall be final and conclusive on the debtor and on all officials, agencies, and courts of the United States, except if procured by fraud, misrepresentation, **the** presentation of a false claim, or mutual mistake of fact. No **accountant** officer shall be liable for any amount paid **or** for the value of property lost, damaged, or destroyed, where the recovery of such **amount or** value may not be had because of a compromise with a person primarily responsible under subsection (b).

§ 953. Existing agency authority to litigate, settle, compromise, or close claims

Nothing in this chapter shall increase or diminish the existing authority of the head of an agency to litigate claims, or diminish his existing authority to settle, compromise, **or** close **claims**.

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STATUTE OF LIMITATIONS

The Statute of Limitations is a relevant consideration in all claims collection. It is therefore important to bear in mind pertinent provisions of 28 **U.S.C.** 2415 and 2416, which are as follows:

§ 2415. Time for **commencing** actions brought by the United States

(a) Subject to **the provisions** of section 2416 of this title, and except as otherwise provided by Congress, every action for money **damages** brought by the **United** States or an officer or agency

thereof which is founded upon any contract express or implied in law **or** fact, **shall** be barred unless the complaint is filed within six years after the right of action accrues or within one year after final decisions have been rendered in applicable administrative proceedings required by contract or by law, whichever is later: Provided, That in the event of later partial payment or written acknowledgment of debt, the right of action shall be deemed to accrue again at the time of each such payment or acknowledgment.

(b) . . .

**(c)** . . .

(d) Subject to the provisions of section 2416 of this title and except as otherwise provided by Congress, every action for the **recovery** of money erroneously paid to or on behalf of any civilian employee of any agency of the United States or to or on behalf of any member or dependent of any member of the uniformed services of the United States, incident to the employment or services of such employee **or** member, shall be barred unless the complaint is filed within six years after the right of action accrues: Provided, That in the event of later partial payment or written acknowledgment of debt, the right of action shall be deemed to accrue again at the time of each such payment or acknowledgment.

(e) In the event that any action to which this section applies is timely brought and is thereafter dismissed without prejudice, the action may be **recommenced** within one year after such dismissal, regardless of whether the action would **otherwise** then be barred by this section. In any action so recommenced the defendant shall not be barred from interposing any claim which would not have been barred in the original action.

(f) The provisions of this section shall not prevent the assertion, in an action against the United States or an officer or agency thereof, of any claim of the United States or an officer or agency thereof against an opposing party, a co-party, or a third party that arises out of the transaction or occurrence that is the subject matter of the opposing party's claim. A claim of the United States or an officer or agency thereof that does not arise out of the transaction or occurrence that is the subject matter of the opposing party's claim may, if time-barred, be asserted only by way of offset and may be allowed in an amount not to exceed the amount of the opposing party's recovery.

(g) Any right of action subject to the provisions of this section which accrued prior to the date of enactment of this Act **shall, for** purposes of this section, be deemed to have accrued on the date of enactment of this Act.

(h) . . .

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**§ 2416. Time for commencing actions brought by the United States--  
Exclusions**

For the purpose of computing the limitations periods established in section 2415, there shall be excluded all periods during which--

(a) the defendant or the **res** is outside the **United States, its** territories and possessions, the District of **Columbia, or** the Commonwealth of Puerto **Rico; or**

(b) the defendant is exempt from legal process because of infancy, mental incapacity, diplomatic immunity, **or** for any other reason; or

(c) facts material to the right of action are not known and reasonably could not be known by an official **of the** United States charged with the responsibility to act in the circumstances; **or**

(d) the United States is in a state of war declared pursuant to article **I**, section 8, of the Constitution **of the** United **States.**