

(3) A statement shall be considered made to the USDA 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 the USDA.

(c) *Benefits.* (1) In the case of any claim or statement made by any individual relating to any of the benefits listed in paragraph (c)(2) of this section received by such individual, such individual may be held liable for penalties and assessments under this section only if such claim or statement is made by such individual in making application for such benefits with respect to such individual's eligibility to receive such benefits.

(2) For purposes of this paragraph, the term *benefits* means—

(i) Benefits under the food stamp program established under the Food Stamp Act of 1977 which are intended as food assistance for the personal use of the individual who receives the benefits or for a member of the individual's family or household (as defined in section 3(h) of the Food Stamp Act of 1977);

(ii) Benefits under the National School Lunch Act;

(iii) Benefits under any housing assistance program for lower income families or elderly or handicapped persons which is administered by the Secretary or USDA;

(iv) Benefits under the special supplemental food program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 which are intended for the personal use of the individual who receives the benefits or for a member of the individual's family or household.

(d) *Intent.* No proof of specific intent to defraud is required to establish liability under this section.

(e) *More than one person liable.* In any case in which it is determined that more than one person is liable for making a claim or statement under this section, each person may be held liable for a civil penalty under this section.

(f) *Joint and several liability.* In any case in which it is determined that more than one person is liable for making a claim under this section on which the government has made payment (in-

cluding transferred property or provided services), an assessment may be imposed against any such person or jointly and severally against any combination of such persons. The aggregate amount of the assessments collected with respect to such claim shall not exceed twice the portion of such claim determined to be in violation of paragraph (a)(1) of this section.

§ 1.304 Investigation.

(a) The investigating official may investigate allegations that a person is liable under § 1.303 of this part.

(b) If an investigating official concludes that a subpoena pursuant to the authority conferred by 31 U.S.C. 3804(a) is warranted, the investigating officer may issue a subpoena, which shall notify the person to whom it is addressed of the authority under which it is issued and shall identify the information, documents, reports, answers, records, accounts, papers, or data sought.

(c) The investigating official may designate a person to act on his behalf to receive the documents or other materials sought by a subpoena issued under paragraph (b) of this section.

(d) The person receiving such subpoena shall be required to tender to the investigating official or the person designated to receive the documents a certification that the documents or other materials sought have been produced, or that such documents or other materials are not available and the reasons therefore, or that such documents or other materials, suitably identified, have been withheld based upon the assertion of an identified privilege.

(e) Each agency shall develop criteria for determining which allegations that a person is liable under § 1.303 of this part are to be referred to the investigating official.

(f) If the investigating official concludes that an action under the Program Fraud Civil Remedies Act may be warranted, the investigating official shall submit a report containing findings and conclusions of such investigation to the reviewing official.

(g) Nothing in this section shall preclude or limit an investigating official's discretion to refer allegations directly to the Department of Justice for

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suit under the False Claims Act or other civil relief, nor preclude or limit such official's discretion to defer or postpone a report or referral to the reviewing official in order to avoid interference with a criminal investigation or prosecution.

(h) Nothing in this section modifies any responsibility of an investigating official to report violations of criminal law to the Attorney General.

§ 1.305 Review by the reviewing official.

(a) Upon receipt of the report of the investigating official, the reviewing official may refer the report to the appropriate agency fraud claims officer (AFCO) for a recommendation with respect to the determination required under this section.

(b) The AFCO shall evaluate the evidence and make a recommendation to the reviewing officer within 45 days of receipt of the report of the investigating official.

(c) The reviewing official is not bound by the recommendation of the AFCO, and may accept or reject it.

(d) If, based on the report of the investigating official under § 1.304(f) of this part, the reviewing official determines that there is adequate evidence to believe that a person is liable under § 1.303 of this part, the reviewing official shall transmit to the Attorney General a written notice of the reviewing official's intention to issue a complaint under § 1.307 of this part.

(e) Such notice shall include—

(1) A statement of the reviewing official's reasons for issuing a complaint;

(2) A statement of the evidence that supports the allegations of liability;

(3) A description of the claims or statements upon which the allegations of liability are based;

(4) An estimate of the amount of money or the value of property, services, or other benefits requested or demanded in violation of § 1.303 of this part;

(5) A statement of any exculpatory or mitigating circumstances that may relate to the claims or statements;

(6) A statement that there is a reasonable prospect of collecting the amount specified in § 1.307(b)(2) of this

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part and the reasons supporting such statement.

§ 1.306 Prerequisites for issuing a complaint.

The reviewing official may issue a complaint under § 1.307 of this part only if:

(a) The Attorney General or an Assistant Attorney General designated by the Attorney General approves the issuance of a complaint in a written statement as provided in 31 U.S.C. 3803(b)(1);

(b) In the case of allegations of liability under § 1.303(a) of this part with respect to a claim, the reviewing official determines with respect to such claim, or a group of related claims submitted at the same time, that the amount of money or the value of property or services demanded or requested in violation of § 1.303(a) of this part does not exceed \$150,000; and

(c) For the purposes of this section, a group of related claims submitted at the same time shall include only those claims arising from the same transaction (e.g., a single grant, loan, application, or contract) that are submitted simultaneously as part of a single request, demand, or submission, regardless of the amount of money or the value of property or services demanded or requested.

(d) Nothing in this section shall be construed to limit the reviewing official's authority to join in a single complaint against a person claims that are unrelated or were not submitted simultaneously, regardless of the amount of money or the value of property or services demanded or requested.

§ 1.307 Complaint.

(a) On or after the date the Department of Justice approves the issuance of a complaint in accordance with 31 U.S.C. 3803(b)(1), the reviewing official may serve a complaint on the respondent, as provided in § 1.308 of this part.

(b) The complaint shall state—

(1) The allegations of liability, including the statutory basis for liability, an identification of the claims or statements that are the basis for the alleged liability, and the reasons that liability allegedly arises from such claims or statements;