



THE JUDGMENT FUND

Financial Management Service Conference

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What is the Judgment Fund?

- A permanent, indefinite appropriation available to pay:
 - Many judicially and administratively ordered monetary awards against the United States
 - Amounts owed under compromise agreements negotiated by the U.S. Department of Justice in settlement of claims arising under actual or imminent litigation, if a judgment on the merits would be payable from the Judgment Fund
- Statutory authority for Judgment Fund appropriation is **31 U.S.C. 1304**





What are the criteria for payments from the Judgment Fund?

1. Awards or settlements are final;
2. Awards or settlements are monetary;
3. Payment of the award or settlement is authorized in 31 U.S.C. 1304(a)(3);
and
4. Payment may not legally be made from any other source of funds





Claims **Not** Payable by the Judgment Fund

Examples

- Administrative awards of \$2,500 or less on claims under the Federal Tort Claims Act
- Administrative awards of \$100,000 or less on claims under the Military Claims Act
- Judgments against Government Corporations (e.g. Commodity Credit Corporation)
- Judgments against the United States Postal Service



Who Administers the Judgment Fund?

The Judgment Fund Branch (JFB) of the Financial Management Service (FMS) administers the Judgment Fund.

The JFB is responsible for:

- Ensuring that the agency has provided sufficient documentation to satisfy the criteria of 31 USC 1304
- Seeking reimbursements for payments in Notification and Federal Employees Antidiscrimination and Retaliation (No FEAR) Act and Contract Disputes Act (CDA) cases





Judgment Fund Branch Focus

- We are a service organization
- Our customers include:
 - Federal agencies
 - Claimants (e.g., individuals, attorneys, insurance companies)
 - Congress
 - Taxpayers
- Our goal is to provide excellent service to our customers



Judgment Fund Payments FY03 – FY07

	Payments	Amounts
FY 2003	10,595	\$1,081,328,420
FY 2004	8,161	\$800,450,029
FY 2005	7,794	\$1,074,131,007
FY 2006	8,736	\$697,968,132
FY 2007 thru 7/31	6,595	\$1,062,387,142





Submitting Claims to the JFB

- Only claims filed by Federal agencies are accepted
- Claims must be submitted using the required FMS Forms
 - **FMS Form 194 – Judgment Fund Transmittal**
 - **FMS Form 196 – Judgment Fund Data Sheet**
 - **FMS Form 197 – Judgment Fund Voucher for Payment**
- Forms are downloadable in MS Word and PDF formats at
<http://fms.treas.gov/judgefund/forms.html>
- Claims submitted on obsolete forms will be denied
- Signed court orders or settlement agreements are required
- Online submissions in the future
 - Starting in April 2008





Payment Methods

- ACH (preferred)
- Fed Wire (limited due to cost)
- Interagency Payment and Collection (IPAC) system
 - For agency-to-agency funds exchanges only
- Check (discouraged)





Payment Status Information

- The Public Access Website
 - <http://fms.treas.gov/judgefund/reports.asp>
 - Limited information on claims in the JF database (ref. nos., case description, payment amount, relevant dates)
 - Contains no sensitive or personally identifying information
- The Authorized User Website
 - <http://fms.treas.gov/judgefund/authorized.html>
 - Accessible by claims-filing agencies only
 - Username and password required for login
 - Provides claimant & payee names, agency contact information





Reimbursable Claims

- Notification and Federal Employees Antidiscrimination and Retaliation Act (No FEAR)
 - 5 U.S.C. 2301 note

- Contract Disputes Act (CDA)
 - 41 U.S.C. 612



No FEAR Reimbursement Obligations

- OPM regulations, 5 CFR Part 724
- Within 45 days of receipt of notice for reimbursement, agencies must:
 - Repay FMS, or
 - Contact FMS to make arrangements for repayment
- Agencies that do not meet this requirement will be posted annually on FMS' public website until the obligation is paid or arrangements have been made.





CDA Reimbursement Obligations

- 41 U.S.C. 612
- Within 30 days of receipt of notice for reimbursement, the responsible agency must
 - Repay FMS, or
 - Contact FMS to make arrangements for repayment
- If the agency fails to respond within 60 days of the initial contact, FMS will send a letter to the responsible agency's Chief Financial Officer (CFO).
- The agency's CFO has 30 days to contact FMS regarding reimbursement.
- Starting in FY2008, agencies that fail to make any response will be identified as nonresponsive on FMS' public website until the obligation has been paid or arrangements have been made.





GAO Review of No FEAR and CDA Programs

- Review began in 2006
- Initially reviewed FMS claims data and agency repayment histories
- No FEAR
 - No agencies have been posted for non-compliance
- CDA
 - Several agencies have outstanding CDA balances





Agencies Outstanding Balances

- Outstanding balances are available on –
 - No FEAR page:
<http://fms.treas.gov/tma/fear-act.html>
 - CDA page:
<http://fms.treas.gov/tma/contract.html>





Judgment Fund Seminar

- Tentative Date: November 2007
- Location: Washington, DC
- Possible Agenda Items:
 - Communicating with the Judgment Fund Branch
 - Reimbursable payments
 - Accounting for Judgment Fund payments
 - Legal issues regarding claims
 - The Judgment Fund Internet Claims System
- What issues would you like us to address?
Send an email to:
judgment.fund@fms.treas.gov
 - "Suggested topics for JF seminar" in subject line





Judgment Fund Internet Claims System (JFICS)

Benefits:

- Allows agencies to file claims online
- Reduces paper handling and mailing
- Provides immediate feedback on accuracy of information submitted
- Facilitates faster, more accurate processing
- Allows agencies to track claim status in real time





JFICS Implementation

- System is currently under development
- Pilot testing with a limited number of agencies is ongoing
 - US Attorney's Office – Washington, DC
 - Army – Fort Meade
 - Department of Justice – Environment and Natural Resource Division (ENRD)
- Agencies will be contacted in November 2007 in preparation for implementation
- Planned system implementation: April 2008





Contact Information

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Visit the Judgment Fund Website

- <http://fms.treas.gov/judgefund/>
- Judgment Fund Regulation
(31 CFR Part 256, Final Rule)
- Treasury Financial Manual
(1 TFM 6-3100)
- Common Questions page
- Current Judgment Fund forms
- Links
 - Public website
 - Authorized User website

