

One Hundred Nineteenth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Friday,
the third day of January, two thousand and twenty-five*

An Act

To amend title 38, United States Code, to improve the repayment by the Secretary of Veterans Affairs of benefits misused by a fiduciary, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veteran Fraud Reimbursement Act of 2025”.

SEC. 2. IMPROVEMENT TO REPAYMENT BY SECRETARY OF VETERANS AFFAIRS OF CERTAIN MISUSED BENEFITS.

Section 6107 of title 38, United States Code, is amended to read as follows:

“§ 6107. Reissuance of benefits

“(a) REISSUANCE OF MISUSED BENEFITS.—(1) In any case in which a fiduciary misuses all or part of an individual’s benefit paid to such fiduciary, the Secretary shall pay to the beneficiary or the beneficiary’s successor fiduciary an amount equal to the amount of such benefit so misused.

“(2) In any case in which the Secretary reissues a benefit payment (in whole or in part) under paragraph (1), the Secretary shall make a good faith effort to obtain recoupment from the fiduciary to whom the payment was originally made.

“(3) In any case in which the Secretary obtains recoupment from a fiduciary who has misused benefits, the Secretary shall promptly remit payment of the recouped amounts to the beneficiary or the beneficiary’s successor fiduciary, as the case may be, to the extent that such amounts have not been paid under paragraph (1).

“(b) REISSUANCE OF AMOUNTS IN THE CASE OF A DECEASED BENEFICIARY.—(1) If a beneficiary described in subsection (a)(1) predeceases a payment under such subsection, the Secretary shall pay such amount, subject to paragraph (2), to an individual or entity in accordance with section 5121 of this title.

“(2) The Secretary may not make a payment under this subsection to a fiduciary who misused benefits of the beneficiary.

“(c) LIMITATION ON TOTAL AMOUNT PAID.—The total of the amounts paid to a beneficiary or the beneficiary’s successor fiduciary under this section may not exceed the total benefit amount misused by the fiduciary with respect to that beneficiary.

“(d) OVERSIGHT OF NEGLIGENCE.—(1) The Secretary shall establish methods and timing with respect to determining whether an instance of misuse by a fiduciary, of all or part of an individual’s

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benefit paid to such fiduciary, is the result of negligence by the Secretary.

“(2) The Secretary may not withhold the reissuing of a benefit payment under subsection (a)(1) by reason of a pending determination under paragraph (1).

“(3) The Secretary is not required to make a determination under paragraph (1) for each instance of misuse by a fiduciary, of all or part of an individual’s benefit paid to such fiduciary.”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*