

§ 13.25

(7) That a deposition after being sealed be opened only by order of the ALJ;

(8) That a trade secret or other confidential research, development, commercial information, or facts pertaining to any criminal investigation, proceeding, or other administrative investigation not be disclosed or be disclosed only in a designated way; and

(9) That the parties simultaneously submit to the ALJ specified Documents or information enclosed in sealed envelopes to be opened as directed by the ALJ.

§ 13.25 Fees.

The party requesting a subpoena will pay the cost of the fees and mileage of any witness subpoenaed in the amounts that would be payable to a witness in a proceeding in United States District Court. A check for witness fees and mileage will accompany the subpoena when served, except that when a subpoena is issued on behalf of the Authority, a check for witness fees and mileage need not accompany the subpoena.

§ 13.26 Filing, form and service of papers.

(a) *Filing and form.* (1) Documents filed with the ALJ will include an original and two copies.

(2) Every pleading and paper filed in the proceeding will contain a caption setting forth the title of the action, the case number assigned by the ALJ, and a designation of the paper (*e.g.*, Motion to Quash Subpoena).

(3) Every pleading and paper will be signed by, and will contain the address and telephone number of, the party or the Person on whose behalf the paper was filed, or his or her Representative.

(4) Papers are considered filed when they are mailed. Date of mailing may be established by a certificate from the party or its Representative or by proof that the Document was sent by certified or registered mail.

(b) *Service.* A party filing a Document will, at the time of filing, serve a copy of such Document on every other party. Service upon any party of any Document other than those required to be served as prescribed in §13.8 will be Made by delivering a copy, or by placing a copy of the Document in the

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United States mail, postage prepaid and addressed, to the party's last known address. When a party is represented by a Representative, service will be Made upon such Representative in lieu of the actual party.

(c) *Proof of service.* A certificate of the Individual serving the Document by Personal delivery or by mail, setting forth the manner of service, will be proof of service.

§ 13.27 Computation of time.

(a) In computing any period of time under this part or in an order issued thereunder, the time begins with the day following the act, event, or default, and includes the last day of the period, unless it is a Saturday, Sunday, or legal holiday observed by the Federal Government, in which event it includes the next business day.

(b) When the period of time allowed is less than seven days, intermediate Saturdays, Sundays, and legal holidays observed by the Federal Government will be excluded from the computation.

(c) Where a Document has been served or issued by placing it in the United States mail, an additional five days will be added to the time permitted for any responses.

§ 13.28 Motions.

(a) Any application to the ALJ for an order or ruling will be by motion. Motions will state the relief sought, the authority relied upon, and the facts alleged, and will be filed and served on all other parties.

(b) Except for motions Made during a prehearing conference or at the hearing, all motions will be in writing. The ALJ may require that oral motions be reduced to writing.

(c) Within 15 days after a written motion is served, or such other time as may be fixed by the ALJ, any party may file a response to such motion.

(d) The ALJ may not grant a written motion before the time for filing response thereto has expired, except upon consent of the parties or following a hearing on the motion, but may overrule or deny such motion without awaiting a response.

(e) The ALJ will Make a reasonable effort to dispose of all outstanding motions before the hearing begins.

(f) Except as provided by §§13.21(e)(3) and 13.23(f), which concern subpoenas, the filing or pendency of a motion will not automatically alter or extend a deadline or return date.

§ 13.29 Sanctions.

(a) The ALJ may sanction a Person, including any party or Representative, for:

- (1) Failing to comply with an order, rule, or procedure governing the proceeding;
- (2) Failing to prosecute or defend an action; or
- (3) Engaging in other misconduct that interferes with the speedy, orderly, or fair conduct of the hearing.

(b) Sanctions include but are not limited to those specifically set forth in paragraphs (c), (d), and (e) of this section. Any such sanction will reasonably relate to the severity and nature of the failure or misconduct.

(c) When a party fails to comply with an order, including an order for taking a deposition, the production of evidence within the party's control, or a request for admission, the ALJ may:

- (1) Draw an inference in favor of the requesting party with regard to the information sought;
- (2) In the case of requests for admission, deem each matter of which an admission is requested to be admitted;
- (3) Prohibit the party failing to comply with such order from introducing evidence concerning, or otherwise relying upon, testimony relating to the information sought; and
- (4) Strike any part of the pleadings or other submissions of the party failing to comply with such request.

(d) If a party fails to prosecute or defend an action under this part begun by service of a notice of hearing, the ALJ may dismiss the action or may issue an Initial Decision imposition penalties and assessments.

(e) The ALJ may refuse to consider any motion, request, response, brief or other Document that is not filed in a timely fashion.

§ 13.30 The hearing and burden of proof.

(a) The ALJ will conduct a hearing on the record in order to determine whether the Defendant is liable for a

civil penalty or assessment under § 13.3 and, if so, the appropriate amount of any such civil penalty or assessment considering any aggravating or mitigating factors.

(b) The Authority will prove Defendant's liability and any aggravating factors by a preponderance of the evidence.

(c) The Defendant will prove any affirmative defenses and any mitigating factors by a preponderance of the evidence.

(d) The hearing will be open to the public unless otherwise ordered by the ALJ for good cause shown.

§ 13.31 Determining the amount of penalties and assessments.

(a) In determining an appropriate amount of civil penalties and assessments, the ALJ and the Authority Head, upon appeal, should evaluate any circumstances that mitigate or aggravate the violation and should articulate in their opinions the reasons that support the penalties and assessments they impose. Because of the intangible costs of fraud, the expense of investigating such conduct, and the need to deter others who might be similarly tempted, ordinarily double damages and a significant civil penalty should be imposed.

(b) Although not exhaustive, the following factors are among those that may influence the ALJ and the Authority Head in determining the amount of penalties and assessments to impose with respect to the misconduct (i.e., the false fictitious, or fraudulent Claims or Statements) charged in the Complaint:

- (1) The number of false, fictitious, or fraudulent Claims or Statements;
- (2) The time period over which such Claims or Statements were Made;
- (3) The degree of the Defendant's culpability with respect to the misconduct;
- (4) The amount of money or the value of the property, services, or Benefit falsely claimed;
- (5) The value of the Government's actual loss as a result of the misconduct, including foreseeable consequential damages and the costs of investigation;