

§ 2554.1

OVERVIEW AND DEFINITIONS

§ 2554.1 Overview of regulations.

(a) *Statutory basis.* This part implements the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801-3812 (“the Act”). The Act provides the Corporation and other federal agencies with an administrative remedy to impose civil penalties and assessments against persons making false claims and statements. The Act also provides due process protections to all persons who are subject to administrative proceedings under this part.

(b) *Possible remedies for program fraud.* In addition to any other penalties that may be prescribed by law, a person who submits, or causes to be submitted, a false claim or a false statement to the Corporation is subject to a civil penalty of not more than \$13,946 for each statement or claim, regardless of whether property, services, or money is actually delivered or paid by the Corporation. If the Corporation has made any payment, transferred property, or provided services in reliance on a false claim, the person submitting it also is subject to an assessment of not more than twice the amount of the false claim. This assessment is in lieu of damages sustained by the Corporation because of the false claim.

[72 FR 61912, Oct. 20, 2006, as amended at 81 FR 40820, June 23, 2016; 82 FR 1607, Jan. 6, 2017; 83 FR 2075, Jan. 16, 2018; 83 FR 67097, Dec. 28, 2018; 84 FR 70903, Dec. 26, 2019; 86 FR 13823, Mar. 11, 2021; 87 FR 2729, Jan. 19, 2022; 88 FR 3930, Jan. 23, 2023; 89 FR 5436, Jan. 29, 2024]

§ 2554.2 What kind of conduct will result in program fraud enforcement?

(a) Any person who makes, or causes to be made, a false, fictitious, or fraudulent claim or written statement to the Corporation is subject to program fraud enforcement. A “person” means any individual, partnership, corporation, association, or other legal entity.

(b) If more than one person makes a false claim or statement, each person is liable for a civil penalty. If more than one person makes a false claim which has induced the Corporation to make payment, an assessment is imposed against each person. The liability of each such person to pay the as-

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essment is joint and several, that is, each is responsible for the entire amount.

(c) No proof of specific intent to defraud is required to establish liability under this part.

§ 2554.3 What is a claim?

(a) Claim means any request, demand, or submission:

(1) Made to the Corporation for property, services, or money;

(2) Made to a recipient of property, services, or money from the Corporation or to a party to a contract with the Corporation for property or services, or for the payment of money. This provision applies only when the claim is related to property, services or money from the Corporation or to a contract with the Corporation; or

(3) Made to the Corporation which decreases an obligation to pay or account for property, services, or money.

(b) A claim can relate to grants, loans, insurance, or other benefits, and includes the Corporation guaranteed loans made by participating lenders. A claim is made when it is received by the Corporation, an agent, fiscal intermediary, or other entity acting for the Corporation, or when it is received by the recipient of property, services, or money, or the party to a contract.

(c) Each voucher, invoice, claim form, or individual request or demand for property, services, or money constitutes a separate claim.

§ 2554.4 What is a statement?

A “statement” means any written representation, certification, affirmation, document, record, or accounting or bookkeeping entry made with respect to a claim or with respect to a contract, bid or proposal for a contract, grant, loan or other benefit from the Corporation. “From the Corporation” means that the Corporation provides some portion of the money or property in connection with the contract, bid, grant, loan, or benefit, or is potentially liable to another party for some portion of the money or property under such contract, bid, grant, loan, or benefit. A statement is made, presented, or submitted to the Corporation when it is received by the Corporation or an agent, fiscal intermediary,