

DEPARTMENT OF LABOR

Office of the Secretary

29 CFR Part 15

RIN 1290-AA13

Revision of Regulations Governing Administrative Claims Under the Federal Tort Claims Act and Related Statutes

AGENCY: Department of Labor (DOL), Office of the Secretary.

ACTION: Final rule.

SUMMARY: This amendment revises DOL's regulations governing administrative claims submitted to DOL pursuant to the Federal Tort Claims Act (FTCA) and the Military Personnel and Civilian Employees' Claims Act (MPCECA), and for payment of claims arising out of the operation of the Job Corps. These regulations are being revised to reflect previous delegations of authority to the Counsel for Claims and to the Regional Solicitors and Associate Regional Solicitors to issue determinations on claims under the statutes covered by these regulations, to clarify the manner in which organizational units of the Department provide administrative assistance to the Office of the Solicitor in regard to claims and litigation under these statutes and to clarify and provide further examples of the manner in which MPCECA claims are submitted and determined. The regulations are also being amended to reflect a change in statutory authority for payment of claims arising out of operation of the Job Corps.

EFFECTIVE DATE: May 19, 1995.

FOR FURTHER INFORMATION CONTACT: Jeffrey L. Nesvet, Counsel for Claims and Compensation, Division of Employee Benefits, Office of the Solicitor, U.S. Department of Labor, Suite S4325, 200 Constitution Avenue, NW., Washington, DC 20210, (202) 219-4405.

SUPPLEMENTARY INFORMATION: In the July 22, 1994, **Federal Register**, Volume 59, No. 140, 59 FR 37540-37546, the Office of the Secretary published a proposal to revise the regulations governing the Federal Tort Claims Act (FTCA) and Related Statutes.

The FTCA surrenders the sovereign immunity of the United States for the negligent or wrongful act or omission of a Government employee acting within the scope of his or her employment. The Military Personnel and Civilian Employees' Claims Act (MPCECA) authorizes payment of claims of

employees of the Government for loss of, or damage to, property incident to Government service. The Job Training Partnership Act (JTPA) authorizes payment of claims arising out of the operation of the Job Corps that are not cognizable under the FTCA. Part 15 of title 29 of the Code of Federal Regulations currently contains regulations implementing these three claims authorities.

Interested persons have been afforded an opportunity to comment on the proposed rule. No comments were received on the proposed rule. The final rule is being adopted as proposed, with the exception of the addition of a definition for the term quarters, as used in Subpart B setting forth regulations implementing the MPCECA.

After further review it appears useful to resolve any ambiguity over that term by including a definition of that term. Therefore, a definition of the term quarters is included by adding subparagraph (d) to section 15.20. Since the addition of this definition merely eliminates an ambiguity in the original proposed regulation, public comment is unnecessary. In this connection, I find good cause pursuant to 5 U.S.C. 553(b)(B), to waive public comment.

An internal reorganization in the Office of the Solicitor resulted in a change of title from Counsel for Claims to Counsel for Claims and Compensation. This change is adopted in the final rule. Public comment is unnecessary on this matter pursuant to 5 U.S.C. 553(b)(A) because it relates to internal agency organization. For consistency, sections 15.11 to 15.32 have been renumbered as sections 15.20 to 15.42.

Regulatory Evaluation

This amendment is not considered a significant regulatory action under Executive Order 12866. In accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), the undersigned, at the time of publication of the proposed rule, certified to the Small Business Administration that this amendment will not have a significant economic impact on a substantial number of small entities.

This amendment contains no collection of information requirements under the Paperwork Reduction Act (44 U.S.C. 3501).

List of Subjects in 29 CFR Part 15

Tort claims, Indemnity payments, Administrative practice and procedure, Government employees.

For the reasons set out above, DOL revises 29 CFR part 15 to read as follows:

PART 15—ADMINISTRATIVE CLAIMS UNDER THE FEDERAL TORT CLAIMS ACT AND RELATED STATUTES**Subpart A—Claims Against the Government Under the Federal Tort Claims Act**

Sec.

- 15.1 Scope and purpose.
- 15.2 Definitions.
- 15.3 Administrative claim; who may file.
- 15.4 Administrative claim; where to file.
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- 15.6 Administrative action.
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Subpart B—Claims Under the Military Personnel and Civilian Employee' Claims Act of 1964

- 15.20 General provisions.
- 15.21 Filing of claims.
- 15.22 Allowable claims.
- 15.23 Restrictions on certain claims.
- 15.24 Unallowable claims.
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- 15.26 Claims procedures.
- 15.27 Computation of award and finality of settlement.
- 15.28 Attorney fees.
- 15.29 Reconsideration.

Subpart C—Claims Arising Out of the Operation of the Job Corps

- 15.40 Scope and purpose.
- 15.41 Allowable claims.
- 15.42 Claim procedure.

Authority: 28 U.S.C. 2672; 28 CFR 14.11; 31 U.S.C. 3721; 29 U.S.C. 1706(b).

Subpart A—Claims Against the Government Under the Federal Tort Claims Act**§ 15.1 Scope and purpose.**

(a) The purpose of this subpart is to set forth regulations relating to claims asserted under the Federal Tort Claims Act, as amended, accruing on or after January 18, 1967, for money damages against the United States for injury to or loss of property or personal injury or death caused by the negligent or wrongful act or omission of an officer or employee of the Department of Labor while acting within the scope of his or her office or employment.

(b) This subpart is issued subject to and consistent with applicable regulations on administrative claims under the Federal Tort Claims Act issued by the Attorney General (28 CFR part 14).

§ 15.2 Definitions.

(a) *Department* means the Department of Labor.

(b) *Organizational unit* means the jurisdictional area of each Assistant Secretary and each office head reporting directly to the Secretary.

(c) *Act* means the Federal Tort Claims Act, as amended, (28 U.S.C. 1346(b), 28 U.S.C. 2671, et seq.).

§ 15.3 Administrative claim; who may file.

(a) A claim for the injury to or loss of property may be presented by the owner of the property, his or her duly authorized agent, or his or her legal representative.

(b) A claim for personal injury may be presented by the injured person, his or her duly authorized agent, or his or her legal representative.

(c) A claim for death may be presented by the executor or administrator of the decedent's estate, or by any other person legally entitled to assert such a claim in accordance with applicable State law.

(d) A claim for loss wholly compensated by an insurer with the rights of a subrogee may be presented by the insurer. A claim for loss partially compensated by an insurer with the rights of a subrogee may be presented by the insurer or the insured individually, as their respective interests appear, or jointly. Whenever an insurer presents a claim asserting the rights of a subrogee, it shall present with its claim appropriate evidence that it has the rights of a subrogee.

(e) A claim presented by an agent or legal representative shall be presented in the name of the claimant, be signed by the agent or representative, show the title or legal capacity of the person signing and be accompanied by evidence of his or her authority to present a claim on behalf of the claimant as agent, executor, administrator, parent, guardian, or legal representative.

§ 15.4 Administrative claim; where to file.

(a) For the purposes of this subpart, a claim shall be deemed to have been presented when the Department receives, at a place designated in paragraph (b) of this section, a properly executed "Claim for Damage, Injury, or Death" on Standard Form 95, or other written notification of an incident accompanied by a claim for money damages in a sum certain for injury to or loss of property or personal injury or death by reason of the incident.

(b) In any case where the claim seeks damages in excess of \$25,000 or which involves an alleged act or omission of an employee of the Department whose official duty station is in Washington, D.C., a claimant shall mail or deliver his or her claim for money damages for injury to or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Department while

acting within the scope of his or her office or employment hereunder to the Council for Claims and Compensation, Office of the Solicitor of Labor, U.S. Department of Labor, 200 Constitution Avenue, NW., Suite S4325, Washington, DC 20210.

(c) In all other cases, the claimant shall address his or her claim to the official duty station of the employee whose act or omission forms the basis of the complaint.

§ 15.5 Administrative claim; evidence or information to substantiate.

(a) *Personal injury.* In support of a claim for personal injury, including pain and suffering, the claimant is required to submit the following evidence or information:

(1) A written report by the attending physician or dentist setting forth the nature and extent of the injury, nature and extent of treatment, any degree of temporary or permanent impairment, the prognosis, period of hospitalization, if any, and any diminished earning capacity. In addition, the claimant may be required to submit to a physical or mental examination by a physician employed or designated by the Department or another federal agency. A copy of the report of the examining physician shall be made available to the claimant upon the claimant's written request: *Provided*, That he or she has, upon request, furnished the report referred to in the first sentence of this subparagraph and has made, or agrees to make available to the Department, any other physician's report previously or thereafter made of the physical or mental condition which is the subject matter of the claim.

(2) Itemized bills for medical, dental and hospital, or any other, expenses incurred or itemized receipts of payment for such expenses.

(3) If the prognosis reveals the necessity for future treatment, a statement of expected expenses for such treatment.

(4) If a claim is made for loss of time from employment, a written statement from his or her employer showing actual time lost from employment, whether he or she is a full or part-time employee, and wages or salary actually lost.

(5) If a claim is made for loss of income and the claimant is self-employed, documentary evidence showing the amount of earnings lost. For example, income tax returns for several years prior to the injury in question and the year in which the injury occurred may be used to indicate or measure lost income; a statement of how much it did or would cost the claimant to hire someone else to do the

same work he or she was doing at the time of injury might also be used in measuring lost income.

(6) Any other evidence or information which may have a bearing on either the responsibility of the United States for the personal injury or the damages claimed.

(b) *Death.* In support of a claim based on death, the claimant may be required to submit the following evidence or information:

(1) An authenticated death certificate or other competent evidence showing cause of death, date of death, and age of the decedent.

(2) Decedent's employment or occupation at the time of death, including his or her monthly or yearly salary or earnings (if any), and the duration of his or her last employment or occupation.

(3) Full name, address, birth date, kinship and marital status of the decedent's survivors, including identification of those survivors who were dependent for support upon the decedent at the time of his or her death.

(4) Degree of support afforded by the decedent to each survivor dependent upon him or her for support at the time of his or her death.

(5) Decedent's general physical and mental condition before his or her death.

(6) Itemized bills for medical and burial expenses incurred by reason of the incident causing death, or itemized receipts of payment for such expenses.

(7) If damages for pain and suffering prior to death are claimed, a physician's detailed statement specifying the injuries suffered, duration of pain and suffering, any drugs administered for pain, and the decedent's physical condition in the interval between injury and death.

(8) Any other evidence or information which may have a bearing on either the responsibility of the United States for the death or damages claimed.

(c) *Property damages.* In support of a claim for injury to or loss of property, real or personal, the claimant may be required to submit the following evidence or information with respect to each item of property:

(1) Proof of ownership.

(2) A detailed statement of the amount claimed.

(3) An itemized receipt of payment for necessary repairs or itemized written estimates of the cost of such repairs.

(4) A statement listing date of purchase, purchase price, and salvage value where repair is not economical.

(5) Any other evidence or information which may have a bearing on either the responsibility of the United States for

the injury to or loss of property or the damages claimed.

§ 15.6 Administrative action.

(a) *Investigation.* When an organizational unit learns of an incident that reasonably can be expected to result in an allegation of harm caused to an individual or organization by an alleged negligent act or omission by an employee of that organizational unit or when it learns of an administrative claim or of litigation alleging such harm, it has the responsibility to fully investigate the incident and to take all actions necessary to preserve all relevant documents and other evidence. Each organizational unit should institute appropriate procedures to ensure that notification of such incidents are reported to the office responsible for ensuring that evidence is preserved and investigation undertaken.

(b) *Notification.* Upon receipt of an administrative claim under the Act or of notice of litigation seeking damages for an alleged negligent act or omission of an employee of the Department acting within the scope of his or her employment, the Office of the Solicitor shall notify the organizational unit responsible for the activity which gave rise to the claim or litigation and shall provide a copy of the administrative claim or the claim filed in the litigation.

(c) *Administrative Report.* (1) Upon receiving notification of an administrative claim or litigation, the organizational unit or units involved in the circumstances of the claim or litigation shall be responsible for preparing an Administrative Report and forwarding it to the Office of the Solicitor in a timely manner. The Administrative Report shall be in the form of a single memorandum in narrative form with attachments. It should contain all of the following elements, unless permission is obtained from the Office of the Solicitor to dispense with a particular element:

- (i) a brief explanation of the organization and operation of the program involved including statutory authority and applicable regulations;
- (ii) a complete description of the events which gave rise to the claim or litigation, including a specific response to every allegation in the claim or litigation;
- (iii) any information available regarding the questions of whether the claimant or plaintiff actually suffered the harm alleged in the claim or litigation and what individual or organization caused any harm which appears to have occurred;
- (iv) any information available regarding the damages claimed;

(v) any policy reasons which the organizational unit wishes to advance for or against settlement of the claim or litigation; and

(vi) details of any claims the Department may have against the claimant or plaintiff, whether or not they appear to be related to the subject matter of the claim or litigation.

(2) A copy of all documents relevant to the issues involved in the claim or litigation should be attached to each copy of the Administrative Report. Original records should not be forwarded to the Office of the Solicitor unless specifically requested. They should be preserved, however, and remain available for litigation if necessary.

(3) Organizational units should ensure that all Administrative Reports are either prepared or reviewed by an official of the organizational unit who was not personally involved in the incident in question prior to filing of the claim or suit.

(d) *Litigation.* During the course of any litigation, organizational units are responsible for providing assistance to the Office of the Solicitor in responding to discovery requests such as interrogatories and requests to produce documents, for providing assistance in analyzing factual and program issues, for providing witnesses for depositions and trials, and for assistance in producing affidavits and exhibits for use in the litigation.

§ 15.7 Determination of claims.

(a) *Authority to consider, ascertain, adjust, determine, compromise and settle claims.* The Counsel for Claims and Compensation shall have the authority to consider, ascertain, adjust, determine, compromise and settle claims pursuant to the Federal Tort Claims Act which involve an alleged negligent or wrongful act or omission of an employee whose official duty station is the Department's national office in Washington, D.C., or which exceed \$25,000 in amount, or which involve a new precedent, a new point of law, or a question of policy. Regional Solicitors and the Associate Regional Solicitors are authorized to consider, ascertain, adjust, determine, compromise and settle, claims arising in their respective jurisdictions pursuant to the Federal Tort Claims Act which do not exceed \$25,000 in amount and which do not involve a new precedent, new point of law, or a question of policy.

(b) *Payment.* Any award, compromise, or settlement in the amount of \$2,500 or less made pursuant to this section shall be paid by the Secretary of Labor out of appropriations available to the

Department. Payment of an award, compromise, or settlement in an amount in excess of \$2,500 made pursuant to this subpart shall be made in accordance with 28 CFR 14.10.

§ 15.8 Referral to Department of Justice.

An award, compromise or settlement of a claim under § 2672 title 28, United States Code, and this subpart, in excess of \$25,000 may be effected only with the prior written approval of the Attorney General or his designee. For the purpose of this subpart, a principle claim and any derivative or subrogated claim shall be treated as a single claim.

§ 15.9 Final denial of claim.

Final denial of an administrative claim under this subpart shall be in writing, and notification of denial shall be sent to the claimant, or his or her attorney or legal representative by certified or registered mail. The notification of final denial shall include a statement of the reasons for the denial and shall include a statement that, if the claimant is dissatisfied with the Department's action, he or she may file suit in an appropriate U.S. District Court not later than 6 months after the date of mailing of the notification.

§ 15.10 Action on approved claim.

(a) *Payment.* Payment of a claim approved under this subpart is contingent upon claimant's execution of a "Voucher for Payment Under Federal Tort Claims Act," Standard Form 1145. When a claimant is represented by an attorney, the voucher for payment shall designate both the claimant and his or her attorney as payees, and the check shall be delivered to the attorney whose address shall appear on the voucher.

(b) *Acceptance.* Acceptance by the claimant, or his or her agent or legal representative, of an award, compromise, or settlement under § 2672 or § 2677 of title 28, U.S.C., is final and conclusive on the claimant, his or her agent or legal representative, and any other person on whose behalf or for whose benefit the claim has been presented and constitutes a complete release of any claim against the United States and against any officer or employee of the Government whose act or omission gave rise to the claim by reason of the same subject matter.

Subpart B—Claims Under the Military Personnel and Civilian Employees' Claims Act of 1964

§ 15.20 General provisions.

(a) *Scope and Purpose.* This subpart applies to all claims filed by or on behalf of employees of the Department for loss of or damage to personal

property incident to their service with the Department under the Military Personnel and Civilian Employees' Claims Act of 1964, (hereinafter referred to as the Act). A claim must be substantiated and the possession of the property determined to be reasonable, useful or proper.

(b) *Payment.* The maximum amount that can be paid for any claim under the Act is \$40,000 and property may be replaced in kind at the option of the Government.

(c) *Policy.* The Department is not an insurer and does not underwrite all personal property losses that an employee may sustain. Employees are encouraged to carry private insurance to the maximum extent practicable to avoid losses which may not be recoverable from the Department. The procedures set forth in this subpart are designed to enable the claimant to obtain the proper amount of compensation for the loss or damage. Failure of the claimant to comply with these procedures may reduce or preclude payment of the claim under this subpart.

(d) *Definition.* Quarters means a house, apartment or other residence that is a Department employee's principal residence.

§ 15.21 Filing of claims.

(a) *Who may file.* (1) A claim may be made pursuant to this subpart by an employee or by a spouse or authorized agent, or legal representative on behalf of the employee. If the employee is deceased, the claim may be filed by a survivor in the following order of preference: spouse, children, parent, brother or sister or the authorized agent or legal representative of such person or persons.

(2) A claim may not be made hereunder by or for the benefit of a subrogee, assignee, conditional vendor or other third party.

(b) *Where to file.* A claim hereunder must be presented in writing. If the claimant's official duty station is at the Department's national office in Washington, DC., or if the claim is for an amount in excess of \$25,000, the claim should be filed with the Counsel for Claims and Compensation, Office of the Solicitor of Labor, U.S. Department of Labor, Suite S4325, 200 Constitution Avenue, NW., Washington, DC 20210. In all other cases the claimant shall address the claim to the regional or branch office of the Solicitor of Labor servicing the claimant's official duty station.

(c) *Evidence required.* The claimant is responsible for substantiating ownership or possession, the facts

surrounding the loss or damage, and the value of the property. Any claim filed hereunder must be accompanied by the following:

(1) A written statement, signed by the claimant or his or her authorized agent, setting forth the circumstances under which the damage or loss occurred. This statement shall also include:

(i) A description of the type, design, model number or other identification of the property.

(ii) The date of purchase or acquisition and the original cost of the property.

(iii) The location of the property when the loss or damage occurred.

(iv) The value of the property when lost or damaged.

(v) The actual or estimated cost of the repair of any damaged item.

(vi) The purpose of and authority for travel, if the loss or damage occurred incident to transportation or to the use of a motor vehicle.

(vii) Any and all available information as to the party responsible for the loss or damage, if such party is someone other than the claimant, and all information as to insurance contracts, whether held by the claimant or by the party responsible.

(2) Copies of all available and appropriate documents such as bills of sale, estimates of repairs, or travel orders. In the case of an automobile, the claimant must file two estimates of repair or a certified paid bill showing the damage incurred and the cost of all parts, labor and other items necessary to the repair of the vehicle or a statement from an authorized dealer or repair garage showing that the cost of such repairs exceeds the value of the vehicle.

(3) A copy of the power of attorney or other authorization if the claim is filed by someone other than the employee.

(4) A statement from the employee's immediate supervisor confirming that possession of the property was reasonable, useful or proper under the circumstances and that the damage or loss was incident to service.

(d) *Time limitations.* A claim under this part may be allowed only if it is filed in writing within 2 years after accrual of the claim. For the purpose of this part, a claim accrues at the later of:

(1) the time of the accident or incident causing the loss or damage;

(2) such time as the loss or damage should have been discovered by the claimant by the exercise of due diligence; or

(3) such time as cause preventing filing no longer exists or as war or armed conflict ends, whichever is earlier, if a claim otherwise accrues during war or an armed conflict or has

accrued within two years before war or an armed conflict begins, and for cause shown.

§ 15.22 Allowable claims.

(a) A claim may be allowed only if the property involved was being used incident to service with the Department and:

(1) The damage or loss was not caused wholly or partly by the negligent or wrongful act or omission of the claimant, his or her agent, the members of his or her family, or his or her private employee (the standard to be applied is that of reasonable care under the circumstances); and

(2) The possession of the property lost or damaged and the quantity and the quality possessed is determined to have been reasonable, useful or proper under the circumstances; and

(3) The claim is substantiated by proper and convincing evidence.

(b) Claims which are otherwise allowable under this subpart shall not be disallowed solely because the claimant was not the legal owner of the property for which the claim is made.

(c) Subject to the conditions in paragraph (a) of this section and the other provisions of this subpart, any claim for damage to, or loss, of personal property incident to service with the Department may be considered and allowed. For the purpose of subpart B of this part, an alternative work location at which an employee is performing duties pursuant to an approved Flexiplace agreement shall be considered an official duty station. The following are examples of the principal types of claims which may be allowed, but these examples are not exclusive and other types of claims may be allowed, unless hereinafter excluded:

(1) *Property or damage in quarters or other authorized places.* Claims may be allowable for damage to, or loss of, property arising from fire, flood, hurricane, other natural disaster, theft, or other unusual occurrence, while such property is located at:

(i) Quarters within the 50 States or the District of Columbia that were assigned to the claimant or otherwise provided in kind by the United States; or

(ii) Quarters outside the 50 States and the District of Columbia that were occupied by the claimant, whether or not they were assigned or otherwise provided in kind by the United States, except when the claimant is a civilian employee who is a local inhabitant; or

(iii) Any warehouse, office, working area or other place (except quarters) authorized or apparently authorized for the reception or storage of property.

(2) *Transportation or travel losses.* Claims may be allowed for damage to, or loss of, property incident to transportation or storage pursuant to order or in connection with travel under orders, including property in the custody of a carrier, an agent or agency of the Government, or the claimant.

(3) *Mobile homes.* Claims may be allowed for damage to, or loss of, mobile homes and their contents under the provisions of paragraph (c)(2) of this section. Claims for structural damage to mobile homes, other than that caused by collision, and damage to contents of mobile homes resulting from such structural damage, must contain conclusive evidence that the damage was not caused by structural deficiency of the mobile home and that it was not overloaded. Claims for damage to, or loss of, tires mounted on mobile homes will not be allowed, except in cases of collision, theft or vandalism.

(4) *Enemy action or public service.* Claims may be allowed for damage to, or loss of, property as a direct consequence of:

(i) Enemy action or threat thereof, or combat, guerrilla, brigandage, or other belligerent activity, or unjust confiscation by a foreign power or its nationals.

(ii) Action by the claimant to quiet a civil disturbance or to alleviate a public disaster.

(iii) Efforts by the claimant to save human life or Government property.

(5) *Property used for the benefit of the Government.* Claims may be allowed for damage to, or loss, of property when used for the benefit of the Government at the request of, or with the knowledge and consent of superior authority.

(6) *Clothing and Accessories.* Claims may be allowed for damage to, or loss of, clothing and accessories customarily worn on the person, such as eyeglasses, hearing aids, or dentures.

(7) *Expenses incident to repair.* Claimants may be reimbursed for the payment of any sales tax incurred in connection with repairs to an item. The costs of obtaining estimates of repair (subject to the limitations set forth in § 15.14(c)) are also allowable.

§ 15.23 Restrictions on certain claims.

Claims of the type described in this section are only allowable subject to the restrictions noted:

(a) *Money or currency.* Claims may be allowed for loss of money or currency (which includes coin collections) only when lost incident to fire, flood, hurricane, other natural disaster, or by theft from quarters (as limited by § 15.22(c)(1)). In incidents of theft from quarters, it must be conclusively shown

that the quarters were locked at the time of the theft. Reimbursement for loss of money or currency is limited to an amount which is determined to have been reasonable for the claimant to have had in his or her possession at the time of the loss.

(b) *Government property.* Claims may only be allowed for property owned by the United States for which the claimant is financially responsible to an agency of the Government other than the Department.

(c) *Estimate fees.* Claims may include fees paid to obtain estimates of repairs only when it is clear that an estimate could not have been obtained without paying a fee. In that case, the fee may be allowed only in an amount determined to be reasonable in relation to the value of the property or the cost of the repairs.

(d) *Automobiles and motor vehicles.* Claims may only be allowed for damage to, or loss of automobiles and other motor vehicles if:

(1) Such motor vehicles were required to be used for official Government business (official Government business, as used here, does not include travel, or parking incident thereto, between quarters and office, or use of vehicles for the convenience of the owner. However, it does include travel, and parking incident thereto, between quarters and an assigned place of duty specifically authorized by the employee's supervisor as being more advantageous to the Government); or

(2) Shipment of such motor vehicles was being furnished or provided by the Government, subject to the provisions of § 15.25.

(e) *Computers and Electronics.* Claims may be allowed for loss of, or damage to, cellular phones, fax machines, computers and related hardware and software only when lost or damaged incident to fire, flood, hurricane, other natural disaster, or by theft from quarters (as limited by § 15.22(c)(1)) or unless it is being shipped as a part of a change of duty station paid for by the Department. In incidents of theft from quarters, it must be conclusively shown that the quarters were locked at the time of the theft.

§ 15.24 Unallowable claims.

Claims are not allowable for the following:

(a) *Unassigned quarters in United States.* Property loss or damage in quarters occupied by the claimant within the 50 States or the District of Columbia that were not assigned to him or otherwise provided in kind by the United States.

(b) *Business property.* Property used for business or profit.

(c) *Unserviceable property.* Wornout or unserviceable property.

(d) *Illegal possession.* Property acquired, possessed or transferred in violation of the law or in violation of applicable regulations or directives.

(e) *Articles of extraordinary value.* Valuable articles, such as cameras, watches, jewelry, furs or other articles of extraordinary value. This prohibition does not apply to articles in the personal custody of the claimant or articles properly checked, if reasonable protection or security measures have been taken by claimant.

(f) *Intangible property.* Loss of property that has no extrinsic and marketable value but is merely representative or evidence of value, such as non-negotiable stock certificates, promissory notes, bonds, bills of lading, warehouse receipts, insurance policies, baggage checks, and bank books, is not compensable. Loss of a thesis, or other similar item, is compensable only to the extent of the out-of-pocket expenses incurred by the claimant in preparing the item such as the cost of the paper or other materials. No compensation is authorized for the time spent by the claimant in its preparation or for supposed literary value.

(g) *Incidental expenses and consequential damages.* The Act and this subpart authorize payment for loss of or damage to personal property only. Except as provided in § 15.22(c)(7), consequential damages or other types of loss or incidental expenses (such as loss of use, interest, carrying charges, cost of lodging or food while awaiting arrival of shipment, attorney fees, telephone calls, cost of transporting claimant or family members, inconvenience, time spent in preparation of claim, or cost of insurance premiums) are not compensable.

(h) *Real property.* Damage to real property is not compensable. In determining whether an item is considered to be an item of personal property, as opposed to real property, normally, any movable item is considered personal property even if physically joined to the land.

(i) *Commercial property.* Articles acquired or held for sale or disposition by other commercial transactions on more than an occasional basis, or for use in a private profession or business enterprise.

(j) *Commercial storage.* Property stored at a commercial facility for the convenience of the claimant and at his or her expense.

(k) *Minimum amount.* Loss or damage amounting to less than \$25.

§ 15.25 Claims involving carriers or insurers.

In the event the property which is the subject of the claim was lost or damaged while in the possession of a commercial carrier or was insured, the following procedures will apply:

(a) Whenever property is damaged, lost or destroyed while being shipped pursuant to authorized travel orders, the owner must file a written claim for reimbursement with the last commercial carrier known or believed to have handled the goods, or the carrier known to be in possession of the property when the damage or loss occurred, according to the terms of its bill of lading or contract, before submitting a claim against the Government under this subpart.

(b) Whenever property is damaged, lost or destroyed incident to the claimant's service and is insured in whole or in part, the claimant must make demand in writing against the insurer for reimbursement under the terms and conditions of the insurance coverage, prior to the filing of the claim against the Government.

(c) Failure to make a demand on a carrier or insurer or to make all reasonable efforts to protect and prosecute rights available against a carrier or insurer and to collect the amount recoverable from the carrier or insurer may result in reducing the amount recoverable from the Government by the maximum amount which would have been recoverable from the carrier or insurer had the claim been timely or diligently prosecuted. However, no deduction will be made where the circumstances of the claimant's service preclude reasonable filing of such a claim or diligent prosecution, or the evidence indicates a demand was impracticable or would have been unavailing.

(d) Following the submission of the claim against the carrier or insurer, the claimant may immediately submit his claim against the Government in accordance with the provisions of this subpart, without waiting until either final approval or denial of the claim is made by the carrier or insurer.

(1) Upon submitting his or her claim, the claimant shall certify in his claim that he or she has or has not gained any recovery from a carrier or insurer, and enclose all correspondence pertinent thereto.

(2) If final action has not been taken by the carrier or insurer on the claim, the claimant shall immediately notify them to address all correspondence in

regard to the claim to the appropriate Office of the Solicitor of Labor.

(3) The claimant shall advise the appropriate Office of the Solicitor of any action taken by the carrier or insurer on the claim and, upon request, shall furnish all correspondence, documents, and other evidence pertinent to the matter.

(e) The claimant shall assign to the United States, to the extent of any payment on the claim accepted by him or her, all rights, title and interest in any claim he or she may have against any carrier, insurer, or other party arising out of the incident on which the claim against the United States is based. After payment of the claim by the United States, the claimant shall, upon receipt of any payment from a carrier or insurer, pay the proceeds to the United States to the extent of the payment received by him or her from the United States.

(f) Where a claimant recovers for the loss from the carrier or insurer before his or her claim under this subpart is settled, the amount of recovery shall be applied to the claim as follows:

(1) When the amount recovered from a carrier, insurer, or other third party is greater than or equal to the claimant's total loss as determined under this part, no compensation is allowable under this subpart.

(2) When the amount recovered is less than such total loss, the allowable amount is determined by deducting the recovery from the amount of such total loss.

(3) For this purpose, the claimant's total loss is to be determined without regard to the maximum payment limitations set forth in § 15.20. However, if the resulting amount, after making this deduction exceeds the maximum payment limitations, the claimant shall be allowed only the maximum amount set forth in § 15.20.

§ 15.26 Claims procedures.

(a) *Award.* The Counsel for Claims and Compensation, the Regional Solicitors, and the Associate Regional Solicitors are authorized to consider, ascertain, adjust, determine, compromise and settle claims filed under this subpart that arose within their respective jurisdictions, except that any claim for an amount in excess of \$25,000 shall fall within the exclusive jurisdiction of the Counsel for Claims and Compensation.

(b) *Form of claim.* Any writing received by the Office of the Solicitor within the time limits set forth in § 15.21(d) will be accepted and considered a claim under the Act if it constitutes a demand for compensation from the Department. A demand is not

required to be for a specific sum of money.

(c) *Notification.* The determination upon the claim shall be provided to the claimant in writing by the deciding official.

§ 15.27 Computation of award and finality of settlement.

(a) The amount allowable for damage to or loss of any item of property may not exceed the lowest of:

(1) the amount requested by the claimant for the item as a result of its loss, damage or the cost of its repair;

(2) the actual or estimated cost of its repair; or

(3) the actual value at the time of its loss, damage, or destruction. The actual value is determined by using the current replacement cost or the depreciated value of the item since its acquisition, whichever is lower, less any salvage value of the item in question.

(b) Depreciation in value is determined by considering the type of article involved, its cost, its condition when damaged or lost, and the time elapsed between the date of acquisition and the date of damage or loss.

(c) Current replacement cost and depreciated value are determined by use of publicly available adjustment rates or through use of other reasonable methods at the discretion of the official authorized to issue a determination upon the claim in question.

(d) Replacement of lost or damaged property may be made in kind wherever appropriate.

(e) At the discretion of the official authorized to issue the determination upon the claim in question, a claimant may be required to turn over an item alleged to have been damaged beyond economical repair to the United States, in which case no deduction for salvage value will be made in the calculation of actual value.

(f) Notwithstanding any other provisions of law, settlement of claims under the Act are final and conclusive.

§ 15.28 Attorney fees.

No more than 10 per centum of the amount in settlement of each individual claim submitted and settled under this subpart shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with that claim.

§ 15.29 Reconsideration.

(a) *Deciding Official.* While there is no appeal from the decision of the deciding official in regard to claims under the Act, the deciding official may always reconsider his or her determination of a claim.

(b) *Claimant.* A claimant may request reconsideration from the deciding official by directing a written request for reconsideration to the deciding official within 180 days of the date of the original determination. The claimant must clearly state the factual or legal basis upon which he or she rests the request for a more favorable determination.

(c) *Notification.* The determination upon the reconsideration will be provided to the claimant in writing by the deciding official.

Subpart C—Claims Arising Out of the Operation of the Job Corps

§ 15.40 Scope and purpose.

(a) The purpose of this subpart is to set forth regulations relating to claims for damage to persons or property arising out of the operation of Job Corps which the Secretary of Labor finds to be a proper charge against the United States but which are not cognizable under the Federal Tort Claims Act.

(b) This subpart further amplifies the regulatory provisions set forth in 20 CFR 638.526(b) regarding such claims.

§ 15.41 Allowable claims.

(a)(1) A claim for damage to persons or property arising out of an act or omission of a student enrolled in the Job Corps may be considered pursuant to § 436(b) of the Job Training Partnership Act (29 U.S.C. 1706(b)):

(i) if the act or omission which gave rise to the claim took place at the center to which the student involved was assigned, or

(ii) if the student involved was not within the geographical limits of his hometown and was within 100 miles of the center to which he or she was assigned, or while he or she was on authorized travel to or from the center.

(2) The claim may be paid if the deciding official, in his or her discretion, finds the claim to be a proper charge against the United States resulting from an act or omission of a student enrolled in the Job Corps.

(b) A claim for damage to person or property hereunder may not be paid if the claim is cognizable under the Federal Tort Claims Act (28 U.S.C. 2677).

(c) A claim for damage to person or property may be adjusted and settled hereunder in an amount not exceeding \$1500.

§ 15.42 Claim procedures.

(a) *Claim.* A claim under this subpart must be in writing and signed by the claimant or by an authorized representative. It must be received by the Office of the Solicitor within two years of the date upon which the claim accrued.

(b) *Award.* The Regional Solicitors and Associate Regional Solicitors are authorized to consider, ascertain, adjust, determine, compromise and settle claims filed under this subpart that arose within their respective jurisdictions.

(c) *Notification.* The determination upon the claim shall be provided to the claimant in writing by the deciding official.

(d) *Reconsideration.* Reconsideration of a determination under this subpart shall be available pursuant to the procedures and limitations set forth in § 15.29.

Signed at Washington, D.C., this 14th day of April 1995.

Robert B. Reich,

Secretary of Labor.

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