

or agent of their respective departments.

(c) Funds appropriated for military assistance pursuant to the Mutual Security Act of 1954, as amended, which have been made available to a Military Department may be used to settle claims under section 506 of the Mutual Security Act of 1954, as amended (22 U.S.C. 1758). In addition, in those cases where the provisions of 10 U.S.C. 2386 are applicable, funds appropriated for a Military Department available for making or procuring supplies may be used to settle such claims.

PART 269—CIVIL MONETARY PENALTY INFLATION ADJUSTMENT

Sec.

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AUTHORITY: 28 U.S.C. 2461 note.

SOURCE: 61 FR 67945, Dec. 26, 1996, unless otherwise noted.

§ 269.1 Scope and purpose.

The purpose of this part is to establish a mechanism for the regular adjustment for inflation of civil monetary penalties under the jurisdiction of the Department of Defense. Applicable civil monetary penalties must be adjusted in conformity with the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. 2461 note, as amended by the Debt Collection Improvement Act of 1996, Public Law 104–134, April 26, 1996, and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114–74, November 2, 2015, in order to improve the deterrent effect of civil monetary penalties and to promote compliance with the law.

[81 FR 33391, May 26, 2016]

§ 269.2 Definitions.

(a) *Department.* The Department of Defense.

(b) *Civil monetary penalty.* Any penalty, fine, or other sanction that:

(1)(i) Is for a specific monetary amount as provided by Federal law; or

(ii) Has a maximum amount provided by Federal law; and

(2) Is assessed or enforced by the Department pursuant to Federal law; and

(3) Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal Courts.

(c) *Consumer Price Index.* The index for all urban consumers published by the Department of Labor.

[61 FR 67945, Dec. 26, 1996, as amended at 81 FR 33391, May 26, 2016]

§ 269.3 Civil monetary penalty inflation adjustment.

The Department must, not later than July 1, 2016 and not later than January 15 of every year thereafter—

(a) By regulation, adjust each civil monetary penalty provided by law within the jurisdiction of the Department by the inflation adjustment described in § 269.4; and

(b) Publish each such update in the FEDERAL REGISTER.

[61 FR 67945, Dec. 26, 1996, as amended at 81 FR 33391, May 26, 2016]

§ 269.4 Cost of living adjustments of civil monetary penalties.

(a) The inflation adjustment under § 269.3 must be determined by increasing the maximum civil monetary penalty or the range of minimum and maximum civil monetary penalties, as applicable, for each civil monetary penalty by the cost-of-living adjustment. Any increase determined under this subsection shall be rounded to the nearest multiple of \$1.

(b) For purposes of paragraph (a) of this section, the term “cost-of-living adjustment” means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of October preceding the date of the adjustment (January 15), exceeds the Consumer Price Index for the month of October in the previous calendar year. For example, if the Consumer Price Index for October 2016 is 1.0 and the Consumer Price Index for October 2015 was 0.75, then all applicable penalties will need to be positively adjusted by 0.25 by January 15, 2017.

(c) *Limitation on initial adjustment.* The initial adjustment of civil monetary penalty pursuant to § 269.3 may not exceed 150 percent of such penalty.

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(d) *Inflation adjustment.* Maximum jurisdiction of the Department are adjusted for inflation as follows:

TABLE 1 TO PARAGRAPH (d)

United States Code	Civil monetary penalty description	Maximum penalty amount as of 01/12/24	New adjusted maximum penalty amount
National Defense Authorization Act for FY 2005, 10 U.S.C. 113, note.	Unauthorized Activities Directed at or Possession of Sunken Military Craft.	161,168	165,355
10 U.S.C. 1094(c)(1)	Unlawful Provision of Health Care	14,152	14,519
10 U.S.C. 1102(k)	Wrongful Disclosure—Medical Records:		
	First Offense	8,368	8,586
	Subsequent Offense	55,788	57,237
10 U.S.C. 2674(c)(2)	Violation of the Pentagon Reservation Operation and Parking of Motor Vehicles Rules and Regulations.	2,306	2,366
31 U.S.C. 3802(a)(1)	Violation Involving False Claim	13,946	14,308
31 U.S.C. 3802(a)(2)	Violation Involving False Statement	13,946	14,308
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(1).	False claims	24,946	25,594
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(1).	Claims submitted with a false certification of physician license.	24,946	25,594
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(2).	Claims presented by excluded party	24,946	25,594
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(2); (b)(2) (ii).	Employing or contracting with an excluded individual.	24,946	25,594
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(1).	Patterns of claims for medically unnecessary services/supplies.	24,946	25,594
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(2).	Ordering or prescribing while excluded	24,946	25,594
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(5).	Known retention of an overpayment	24,946	25,594
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(4).	Making or using a false record or statement that is material to a false or fraudulent claim.	124,731	127,972
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(6).	Failure to grant timely access to OIG for audits, investigations, evaluations, or other statutory functions of OIG.	37,420	38,392
42 U.S.C. 1320a–7a(a); 32 CFR 200.210(a)(3).	Making false statements, omissions, misrepresentations in an enrollment application.	124,731	127,972
42 U.S.C. 1320a–7a(a); 32 CFR 200.310(a) ..	Unlawfully offering, paying, soliciting, or receiving remuneration to induce or in return for the referral of business in violation of 1128B(b) of the Social Security Act.	124,731	127,972

[81 FR 33391, May 26, 2016, as amended at 82 FR 6249, Jan. 19, 2017; 83 FR 3078, Jan. 23, 2018; 84 FR 12099, Apr. 1, 2019; 85 FR 13049, Mar. 6, 2020; 86 FR 46600, Aug. 19, 2021; 87 FR 57147, Sept. 19, 2022; 88 FR 2240, Jan. 13, 2023; 89 FR 2146, Jan. 12, 2024; 90 FR 3695, Jan. 15, 2025]

§ 269.5 Application of increase to violations.

Any increase in a civil monetary penalty under this part must apply only to civil monetary penalties, including those whose associated violation predated such increase, which are assessed after the date the increase takes effect (*i.e.*, July 1, 2016).

[61 FR 67945, Dec. 26, 1996, as amended at 81 FR 33391, May 26, 2016]

PART 273—DEFENSE MATERIEL DISPOSITION

Subpart A—Disposal Guidance and Procedures

Sec.

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