

making such a determination, the agency head may reduce or suspend further payments to the contractor under such contract.

(d) **EXTENT OF REDUCTION OR SUSPENSION.**—The extent of any reduction or suspension of payments by the head of an agency under subsection (c) on the basis of fraud shall be reasonably commensurate with the anticipated loss to the United States resulting from the fraud.

(e) **WRITTEN JUSTIFICATION.**—A written justification for each decision of the head of an agency whether to reduce or suspend payments under subsection (c) and for each recommendation received by such agency head in connection with such decision shall be prepared and be retained in the files of such agency.

(f) **NOTICE.**—The head of an agency shall prescribe procedures to ensure that, before such agency head decides to reduce or suspend payments in the case of a contractor under subsection (c), the contractor is afforded notice of the proposed reduction or suspension and an opportunity to submit matters to the head of the agency in response to such proposed reduction or suspension.

(g) **REVIEW.**—Not later than 180 days after the date on which the head of an agency reduces or suspends payments to a contractor under subsection (c), the remedy coordination official of such agency shall—

- (1) review the determination of fraud on which the reduction or suspension is based; and
- (2) transmit a recommendation to the head of such agency whether the suspension or reduction should continue.

(h) **ANNUAL REPORT.**—The head of an agency shall prepare for each year a report containing the recommendations made by the remedy coordination official of that agency to reduce or suspend payments under subsection (c), the actions taken on the recommendations and the reasons for such actions, and an assessment of the effects of such actions on the Federal Government. The Secretary of each military department shall transmit the annual report of such department to the Secretary of Defense. Each such report shall be available to any member of Congress upon request.

(i) **RESTRICTION ON DELEGATION.**—The head of an agency may not delegate responsibilities under this section to any person in a position below level IV of the Executive Schedule.

(j) **INAPPLICABILITY TO COAST GUARD.**—This section applies to the agencies named in paragraphs (1), (2), (3), (4), and (6) of section 3063 of this title.

(Added and amended Pub. L. 116–283, div. A, title XVIII, §1834(a), (g), Jan. 1, 2021, 134 Stat. 4234, 4237.)

Editorial Notes

REFERENCES IN TEXT

Level IV of the Executive Schedule, referred to in subsec. (i), is set out in section 5315 of Title 5, Government Organization and Employees.

CODIFICATION

The text of subsec. (i) of section 2307 of this title, which was transferred to this section and amended by

Pub. L. 116–283, §1834(g), was based on Pub. L. 101–510, div. A, title VIII, §836(a), Nov. 5, 1990, 104 Stat. 1615; Pub. L. 102–25, title VII, §701(j)(2)(A), Apr. 6, 1991, 105 Stat. 116; Pub. L. 102–484, div. A, title X, §1052(24), Oct. 23, 1992, 106 Stat. 2500; Pub. L. 103–355, title II, §2001(a)(7), Oct. 13, 1994, 108 Stat. 3301; Pub. L. 105–85, div. A, title VIII, §802(1), Nov. 18, 1997, 111 Stat. 1831; Pub. L. 106–391, title III, §306, Oct. 30, 2000, 114 Stat. 1592.

AMENDMENTS

2021—Pub. L. 116–283, §1834(g)(1), (2), (11), transferred subsec. (i) of section 2307 of this title to this section, struck out subsec. (i) designation and heading “Action in Case of Fraud” at beginning, and redesignated par. (10) as subsec. (a), pars. (1) to (7) as subsecs. (b) to (h), respectively, and pars. (9) and (8) as subsecs. (i) and (j), respectively.

Subsec. (a). Pub. L. 116–283, §1834(g)(3), inserted heading and substituted “this section” for “this subsection”.

Subsec. (b). Pub. L. 116–283, §1834(g)(4), inserted heading.

Subsec. (c). Pub. L. 116–283, §1834(g)(5), inserted heading and substituted “subsection (b)” for “paragraph (1)”.

Subsec. (d). Pub. L. 116–283, §1834(g)(6), inserted heading and substituted “subsection (c)” for “paragraph (2)”.

Subsec. (e). Pub. L. 116–283, §1834(g)(7), inserted heading and substituted “subsection (c)” for “paragraph (2)”.

Subsec. (f). Pub. L. 116–283, §1834(g)(8), inserted heading and substituted “subsection (c)” for “paragraph (2)”.

Subsec. (g). Pub. L. 116–283, §1834(g)(9), inserted heading, substituted “subsection (c)” for “paragraph (2)” in introductory provisions, and redesignated subpars. (A) and (B) as pars. (1) and (2), respectively.

Subsec. (h). Pub. L. 116–283, §1834(g)(10), inserted heading and substituted “subsection (c)” for “paragraph (2)”.

Subsec. (i). Pub. L. 116–283, §1834(g)(12), inserted heading and substituted “this section” for “this subsection”.

Subsec. (j). Pub. L. 116–283, §1834(g)(13), inserted heading and substituted “section applies” for “subsection applies” and “section 3063” for “section 2303(a)”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section and amendment by Pub. L. 116–283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116–283, set out as an Effective Date of 2021 Amendment note preceding section 3001 of this title.

§ 3807. Vesting of title in the United States

If a contract paid by a method authorized under section 3801(a) of this title provides for title to property to vest in the United States, the title to the property shall vest in accordance with the terms of the contract, regardless of any security interest in the property that is asserted before or after the contract is entered into.

(Added and amended Pub. L. 116–283, div. A, title XVIII, §1834(a), (h), Jan. 1, 2021, 134 Stat. 4234, 4239; Pub. L. 117–81, div. A, title XVII, §1701(b)(13), Dec. 27, 2021, 135 Stat. 2134.)

Editorial Notes

CODIFICATION

The text of subsec. (h) of section 2307 of this title, which was transferred to this section and amended by

Pub. L. 116-283, §1834(h), was based on Pub. L. 105-85, div. A, title VIII, §802(2), Nov. 18, 1997, 111 Stat. 1831.

AMENDMENTS

2021—Pub. L. 116-283, §1834(h), as amended by Pub. L. 117-81, §1701(b)(13), transferred subsec. (h) of section 2307 of this title to this section, struck out subsec. (h) designation and heading “Vesting of Title in the United States” at beginning, and substituted “section 3801(a) of this title” for “subsection (a)(1)”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by Pub. L. 117-81 applicable as if included in the enactment of title XVIII of Pub. L. 116-283 as enacted, see section 1701(a)(2) of Pub. L. 117-81, set out in a note preceding section 3001 of this title and Effective Date note below.

EFFECTIVE DATE

Section and amendment by Pub. L. 116-283 effective Jan. 1, 2022, with additional provisions for delayed implementation and applicability of existing law, see section 1801(d) of Pub. L. 116-283, set out as an Effective Date of 2021 Amendment note preceding section 3001 of this title.

§ 3808. Certain Navy contracts

(a) REPAIR, MAINTENANCE, OR OVERHAUL OF NAVAL VESSELS: RATE FOR PROGRESS PAYMENTS.—The Secretary of the Navy shall provide that the rate for progress payments on any contract awarded by the Secretary for repair, maintenance, or overhaul of a naval vessel shall be not less than—

- (1) 95 percent, in the case of a firm considered to be a small business; and
- (2) 90 percent, in the case of any other firm.

(b) AUTHORITY TO ADVANCE FUNDS FOR IMMEDIATE SALVAGE OPERATIONS.—The Secretary of the Navy may advance to private salvage companies such funds as the Secretary considers necessary to provide for the immediate financing of salvage operations. Advances under this subsection shall be made on terms that the Secretary considers adequate for the protection of the United States.

(c) SECURITY FOR CONSTRUCTION AND CONVERSION OF NAVAL VESSELS.—The Secretary of the Navy shall provide, in each contract for construction or conversion of a naval vessel, that, when partial, progress, or other payments are made under such contract, the United States is secured by a lien upon work in progress and on property acquired for performance of the contract on account of all payments so made. The lien is paramount to all other liens.

(Added and amended Pub. L. 116-283, div. A, title XVIII, §1834(a), (i)(1)–(4), as added and amended Pub. L. 117-81, div. A, title XVII, §1701(n)(1)(B), (2), Dec. 27, 2021, 135 Stat. 2145.)

Editorial Notes

CODIFICATION

The text of subsec. (g) of section 2307 of this title, which was transferred to this section and amended by Pub. L. 116-283, §1834(i)(1)–(4), as added by Pub. L. 117-81, §1701(n)(2), was based on Pub. L. 103-355, title II, §2001(g), Oct. 13, 1994, 108 Stat. 3302.

PRIOR PROVISIONS

Prior sections 3811 to 3813 were repealed by Pub. L. 90-235, §3(a)(2), (b)(1), Jan. 2, 1968, 81 Stat. 757, 758.

Section 3811, act Aug. 10, 1956, ch. 1041, 70A Stat. 220, provided for discharge of enlisted members of Army and limitations thereon, and for issuance of discharge certificates. See section 1169 of this title.

Section 3812, act Aug. 1956, ch. 1041, 70A Stat. 220, provided for the discharge of members of the Army enlisted during war or emergency. See section 1172 of this title.

Section 3813, act Aug. 10, 1956, ch. 1041, 70A Stat. 220, provided for dependency discharges for enlisted members of the Army.

A prior section 3814, act Aug. 10, 1956, ch. 1041, 70A Stat. 220, authorized Secretary of the Army to discharge a regular commissioned officer who has less than three years of continuous service as a commissioned officer therein, provided that such officer not be dismissed because of his marriage, unless marriage occurred within one year after date of his original appointment, prior to repeal by Pub. L. 96-513, title II, §214, title VII, §701, Dec. 12, 1980, 94 Stat. 2885, 2955, effective Sept. 15, 1981. See section 630 of this title.

A prior section 3814a, added Pub. L. 93-558, §1, Dec. 30, 1974, 88 Stat. 1793, related to discharge, during a reduction in force, of regular commissioned officers, second lieutenants, first lieutenants, and captains, expired three years after its effective date, Dec. 30, 1974, in accordance with section 2 of Pub. L. 93-558, and was repealed by Pub. L. 103-337, div. A, title XVI, §§1629(a)(2), 1691(b)(1), Oct. 5, 1994, 108 Stat. 2963, 3026, effective Oct. 1, 1996.

Prior sections 3815 and 3816 were repealed by Pub. L. 90-235, §3(a)(2), (b)(1), Jan. 2, 1968, 81 Stat. 757, 758.

Section 3815, act Aug. 10, 1956, ch. 1041, 70A Stat. 220, provided for resignation of regular enlisted members of Army enlisted on a career basis and limitations thereon.

Section 3816, act Aug. 10, 1956, ch. 1041, 70A Stat. 221, provided for minority discharges for regular enlisted members of Army. See section 1170 of this title.

A prior section 3818, acts Aug. 10, 1956, ch. 1041, 70A Stat. 221; Oct. 20, 1978, Pub. L. 95-485, title VIII, §820(g), 92 Stat. 1627, authorized the Secretary of the Army to terminate appointment of a female commissioned officer of Regular Army, other than by dismissal, under regulations prescribed by President, or to terminate the appointment of a female warrant officer or enlistment of a female member of Regular Army by discharge from the Army, prior to repeal by Pub. L. 96-513, title II, §236, title VII, §701, Dec. 12, 1980, 94 Stat. 2887, 2955, effective Sept. 15, 1981.

Prior sections 3819 and 3820 were repealed by Pub. L. 103-337, div. A, title XVI, §§1629(a)(2), 1691(b)(1), Oct. 5, 1994, 108 Stat. 2963, 3026, effective Oct. 1, 1996.

Section 3819, added Pub. L. 85-861, §1(93)(A), Sept. 2, 1958, 72 Stat. 1482; amended Pub. L. 98-525, title V, §528(b), Oct. 19, 1984, 98 Stat. 2526, related to discharge of Army Reserve officers for failure of promotion to first lieutenant. See section 14503 of this title.

Section 3820, acts Aug. 10, 1956, ch. 1041, 70A Stat. 221; Sept. 2, 1958, Pub. L. 85-861, §1(93)(B), 72 Stat. 1482, related to discharge and withdrawal of Federal recognition of officers of Army National Guard of United States absent without leave. See section 14907 of this title.

AMENDMENTS

2021—Pub. L. 116-283, §1834(i)(1), as added by Pub. L. 117-81, §1701(n)(2), transferred subsec. (g) of section 2307 of this title to this section, struck out subsec. (g) designation and heading “Certain Navy Contracts” at beginning, and redesignated pars. (1) to (3) as subsecs. (a) to (c), respectively.

Subsec. (a). Pub. L. 116-283, §1834(i)(2), as added by Pub. L. 117-81, §1701(n)(2), inserted heading and redesignated subpars. (A) and (B) as pars. (1) and (2), respectively.

Subsec. (b). Pub. L. 116-283, §1834(i)(3), as added by Pub. L. 117-81, §1701(n)(2), inserted heading and substituted “this subsection” for “this paragraph” in second sentence.