

the Secretary, a Federal reserve bank shall withhold credit from banks presenting Treasury checks for ultimate charge to the account of the United States Treasury. By presenting Treasury checks for payment a presenting bank is deemed to authorize this offset.

(2) ATTEMPT TO COLLECT REQUIRED.—Prior to directing offset under subsection (a)(1), the Secretary shall first attempt to collect amounts owed in the manner provided by sections 3711 and 3716.

(Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 971; Pub. L. 100–86, title X, § 1004(a), Aug. 10, 1987, 101 Stat. 659; Pub. L. 104–134, title III, § 31001(d)(4), Apr. 26, 1996, 110 Stat. 1321–362.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3712(a)	31:129.	Mar. 6, 1946, ch. 48, § 1, 60 Stat. 31; Aug. 28, 1957, Pub. L. 85–183, § 3(b), 71 Stat. 465; Aug. 12, 1970, Pub. L. 91–375, § 6(l)(2), 84 Stat. 782.
3712(b)	31:131.	Mar. 6, 1946, ch. 48, §§ 2, 3, 60 Stat. 31.
3712(c)	31:130.	
3712(d)	31:237a.	Aug. 28, 1954, ch. 1035, 68 Stat. 890.

In the section, the words “Comptroller General” are substituted for “General Accounting Office” for consistency.

In subsection (a), the words “civil action” are substituted for “proceeding in any court”, “court proceeding”, and “proceeding”, and the word “fiscal” is substituted for “financial”, for consistency in the revised title and with other titles of the United States Code. The words “Except as provided in this subsection” are added for clarity. The words “or by an agency or official of the United States” are omitted as surplus. The words “the Postmaster General” are omitted because of section 4(a) of the Postal Reorganization Act (Pub. L. 91–375, 84 Stat. 773). The words “the Treasurer and Assistant Treasurers of the United States” are omitted because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280). The word “official” is substituted for “officers” for consistency in the revised title and with other titles of the Code. The words “of the United States”, “to the Treasurer of the United States or other drawee”, and “of such check, checks, warrant, or warrants” are omitted as surplus. The text of 31:129(last sentence less proviso) is omitted as unnecessary. The last sentence is substituted for 31:129(last sentence proviso) to eliminate unnecessary words.

In subsection (b), the words “at any time” in 31:131 are omitted as surplus. The words “the claim is discovered” are substituted for “the United States or any agency or official of the United States who is entitled to bring the same shall discover that the United States or any agency or official of the United States had such cause of action” to eliminate unnecessary words. The words “who is liable to any of the actions mentioned in sections 129 to 131 of this title” are omitted as surplus. The words “officer or employee of the Government” are substituted for “United States or any agency or official of the United States” before “entitled” for consistency in the revised title and with other titles of the Code. The words “although such action would be otherwise barred by the provisions of sections 129 to 131 of this title” are omitted as surplus.

In subsection (c), the words “of the United States” and “allow . . . in” are omitted as surplus. The word “appropriate” is added for clarity. The word “Treasury” is substituted for “Treasurer of the United States” before “for the amount” because of the source provisions restated in section 321 of the revised title

and Department of the Treasury Order 229 of January 14, 1974 (39 F.R. 2280). The words “cannot be brought because notice was not given within the time required under this subsection” are substituted for “shall have been barred pursuant to the provisions of sections 129 to 131 of this title upon a showing that the barring of such proceedings . . . required by the provision of section 129 of this title” for clarity. The word “Secretary” is substituted for “Treasurer of the United States” before “in failing” because of the source provisions restated in section 321 of the revised title and Department of the Treasury Order 229 of January 14, 1974.

In subsection (d), the words “arising from dual pay” are substituted for “arising out of the receipt by such person of compensation . . . in violation of any provision of law prohibiting or restricting the receipt of dual compensation” to eliminate unnecessary words and for consistency in the revised title and with other titles of the Code. The words “including Government owned or controlled corporations” are omitted as unnecessary. The words “or from the government of the District of Columbia” are omitted because of sections 102(a), 448, 449, and 761 of the District of Columbia Self-Government and Governmental Reorganization Act (Pub. L. 93–198, 87 Stat. 777, 801, 836).

Editorial Notes

AMENDMENTS

1996—Subsec. (e). Pub. L. 104–134 added subsec. (e).

1987—Subsec. (a). Pub. L. 100–86 amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: “Except as provided in this subsection, the United States Government must bring a civil action to enforce the liability of an endorser, transferor, depository, or fiscal agent on a forged or unauthorized signature or endorsement on, or a change in, a check or warrant issued by the Secretary of the Treasury, the United States Postal Service, or a disbursing official or agent within 6 years after the check or warrant is presented to the drawee of the check or warrant for payment unless, within that period, written notice of the claim is given to the endorser, transferor, depository, or fiscal agent. The period for bringing a civil action or giving notice is extended for 180 days if a claim is received under section 3702(c) of this title.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100–86 effective 6 months after Aug. 10, 1987, or on such later date as the Secretary of the Treasury may prescribe in regulations, see section 1006 of Pub. L. 100–86, set out as a note under section 3328 of this title.

REGULATIONS

For provision permitting Secretary of the Treasury to prescribe rules, regulations, and procedures as necessary to implement amendment by section 1004(a) of Pub. L. 100–86, including recertification of Treasury checks which have been canceled or for which a claim has been asserted or barred, see section 1005 of Pub. L. 100–86, set out as a note under section 3328 of this title.

§ 3713. Priority of Government claims

(a)(1) A claim of the United States Government shall be paid first when—

(A) a person indebted to the Government is insolvent and—

(i) the debtor without enough property to pay all debts makes a voluntary assignment of property;

(ii) property of the debtor, if absent, is attached; or

(iii) an act of bankruptcy is committed; or

(B) the estate of a deceased debtor, in the custody of the executor or administrator, is not enough to pay all debts of the debtor.

(2) This subsection does not apply to a case under title 11.

(b) A representative of a person or an estate (except a trustee acting under title 11) paying any part of a debt of the person or estate before paying a claim of the Government is liable to the extent of the payment for unpaid claims of the Government.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 972.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3713(a)	31:191.	R.S. §3466; Nov. 6, 1978, Pub. L. 95-598, §322(a), 92 Stat. 2678.
3713(b)	31:192.	R.S. §3467; restated May 10, 1934, ch. 277, §518(a), 48 Stat. 760; Nov. 6, 1978, Pub. L. 95-598, §322(b), 92 Stat. 2679.

In the section, the word “claim” is substituted for “debts” for consistency. The word “due” is omitted as unnecessary.

In subsection (a)(1), before clause (A), the word “paid” is substituted for “satisfied” for consistency. In clause (A)(i), the words “and the priority established shall extend as well to cases in which” are omitted because of the restatement. In clause (A)(ii), the word “property” is substituted for “estate and effects” to eliminate unnecessary words. The words “absconding, concealed, or” and “by process of law” are omitted as surplus.

In subsection (a)(2), the words “The priority established under . . . however” are omitted as surplus.

In subsection (b), the words “A representative of a person or an estate” are substituted for “executor, administrator, or assignee, or other” for clarity and to eliminate unnecessary words. The words “for whom or for which he acts”, “satisfies and”, and “from such person or estate” are omitted as surplus. The word “liable” is substituted for “answerable in his own person and estate” for consistency.

§ 3714. Keeping money due States in default

The Secretary of the Treasury shall keep the necessary amount of money the United States Government owes a State when the State defaults in paying principal or interest on investments in stocks or bonds the State issues or guarantees and that the Government holds in trust. The money shall be used to pay the principal or interest or reimburse, with interest, money the Government advanced for interest due on the stocks or bonds.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 972.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3714	31:207.	R.S. §3481.

The word “amount” is substituted for “whole, or so much thereof” for clarity. The word “owes” is substituted for “due on any account from the . . . to” to eliminate unnecessary words. The words “or either” and “thereon” are omitted as surplus.

§ 3715. Buying real property of a debtor

The head of an agency for whom a civil action is brought against a debtor of the United States Government may buy real property of the debtor at a sale on execution of the real property of the debtor resulting from the action. The head of

the agency may not bid more for the property than the amount of the judgment for which the property is being sold, and costs. The marshal of the district in which the sale is held shall transfer the property to the Government.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 972.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
3715	31:195.	R.S. §3470; June 2, 1965, Pub. L. 89-30, §5, 79 Stat. 119.

The words “by such agent as . . . shall appoint” are omitted as unnecessary. The word “agency” is substituted for “department or independent agency” because of the restatement. The words “for whom a civil action is brought” are substituted for “at whose instance suit was instituted” for consistency. The words “real property” are substituted for “lands or tenements” for clarity and consistency. The words “in behalf of the United States” are omitted as surplus. The words “for the property” are added for clarity. The word “property” is substituted for “such estate” for consistency in the section. The words “Whenever such purchase is made” are omitted as surplus. The words “transfer the property” are substituted for “make all needful conveyances, assignments, or transfers” to eliminate unnecessary words and for clarity.

§ 3716. Administrative offset

(a) After trying to collect a claim from a person under section 3711(a) of this title, the head of an executive, judicial, or legislative agency may collect the claim by administrative offset. The head of the agency may collect by administrative offset only after giving the debtor—

(1) written notice of the type and amount of the claim, the intention of the head of the agency to collect the claim by administrative offset, and an explanation of the rights of the debtor under this section;

(2) an opportunity to inspect and copy the records of the agency related to the claim;

(3) an opportunity for a review within the agency of the decision of the agency related to the claim; and

(4) an opportunity to make a written agreement with the head of the agency to repay the amount of the claim.

(b) Before collecting a claim by administrative offset, the head of an executive, judicial, or legislative agency must either—

(1) adopt, without change, regulations on collecting by administrative offset promulgated by the Department of Justice, the Government Accountability Office, or the Department of the Treasury; or

(2) prescribe regulations on collecting by administrative offset consistent with the regulations referred to in paragraph (1).

(c)(1)(A) Except as otherwise provided in this subsection, a disbursing official of the Department of the Treasury, the Department of Defense, the United States Postal Service, the Department of Health and Human Services, or any other government corporation, or any disbursing official of the United States designated by the Secretary of the Treasury, shall offset at least annually the amount of a payment which a payment certifying agency has certified to the dis-