

107-296, set out as a note under section 101 of Title 10, Armed Forces.

EFFECTIVE DATE OF 1973 AMENDMENT

Amendment by Pub. L. 93-43 effective June 18, 1973, see section 10(a) of Pub. L. 93-43, set out as an Effective Date note under section 2400 of this title.

§ 6106. Misuse of benefits by fiduciaries

(a) **FEE FORFEITURE IN CASE OF BENEFIT MISUSE BY FIDUCIARIES.**—A fiduciary may not collect a fee from a beneficiary for any month with respect to which the Secretary or a court of competent jurisdiction has determined that the fiduciary misused all or part of the individual's benefit, and any amount so collected by the fiduciary as a fee for such month shall be treated as a misused part of the individual's benefit.

(b) **MISUSE OF BENEFITS DEFINED.**—For purposes of this chapter, misuse of benefits by a fiduciary occurs in any case in which the fiduciary receives payment, under any of laws administered by the Secretary, for the use and benefit of a beneficiary and uses such payment, or any part thereof, for a use other than for the use and benefit of such beneficiary or that beneficiary's dependents. Retention by a fiduciary of an amount of a benefit payment as a fiduciary fee or commission, or as attorney's fees (including expenses) and court costs, if authorized by the Secretary or a court of competent jurisdiction, shall be considered to be for the use or benefit of such beneficiary.

(c) **REGULATIONS.**—The Secretary may prescribe by regulation the meaning of the term "use and benefit" for purposes of this section.

(Added Pub. L. 108-454, title V, §503(a)(1), Dec. 10, 2004, 118 Stat. 3619.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable with respect to any determinations by the Secretary of Veterans Affairs made after Dec. 10, 2004, of misuse of funds by a fiduciary, see section 507(b)(2) of Pub. L. 108-454, set out as an Effective Date of 2004 Amendment note under section 5312 of this title.

§ 6107. Reissuance of benefits

(a) **NEGLIGENT FAILURE BY SECRETARY.**—(1) In any case in which the negligent failure of the Secretary to investigate or monitor a fiduciary results in misuse of benefits by the fiduciary, the Secretary shall pay to the beneficiary or the beneficiary's successor fiduciary an amount equal to the amount of benefits that were so misused.

(2) There shall be considered to have been a negligent failure by the Secretary to investigate and monitor a fiduciary in the following cases:

(A) A case in which the Secretary failed to review a fiduciary's accounting within 60 days of the date on which that accounting is scheduled for review.

(B) A case in which the Secretary was notified of allegations of misuse, but failed to act within 60 days of the date of such notification to terminate the fiduciary.

(C) In any other case in which actual negligence is shown.

(b) **REISSUANCE OF MISUSED BENEFITS IN OTHER CASES.**—(1) In any case not covered by subsection (a) in which a fiduciary misuses all or part of an individual's benefit paid to such fiduciary, the Secretary shall pay to the beneficiary or the beneficiary's successor fiduciary an amount equal to the amount of such benefit so misused.

(2) In any other case in which the Secretary obtains recoupment from a fiduciary who has misused benefits, the Secretary shall promptly remit payment of the recouped amounts to the beneficiary or the beneficiary's successor fiduciary as the case may be.

(c) **REISSUANCE OF AMOUNTS IN THE CASE OF A DECEASED BENEFICIARY.**—(1) If a beneficiary described in subsection (a) predeceases a payment under subsection (a) or (b), the Secretary shall pay such benefits, subject to paragraph (2), to an individual or entity in accordance with section 5121 of this title.

(2) The Secretary may not make a payment under this subsection to a fiduciary who misused benefits of the beneficiary.

(d) **LIMITATION ON TOTAL AMOUNT PAID.**—The total of the amounts paid to a beneficiary (or a beneficiary's successor fiduciary) under this section may not exceed the total benefit amount misused by the fiduciary with respect to that beneficiary.

(e) **RECOUPMENT OF AMOUNTS REISSUED.**—In any case in which the Secretary reissues a benefit payment (in whole or in part) under this section, the Secretary shall make a good faith effort to obtain recoupment from the fiduciary to whom the payment was originally made.

(Added Pub. L. 108-454, title V, §503(a)(1), Dec. 10, 2004, 118 Stat. 3619; amended Pub. L. 116-315, title VII, §7005(a), Jan. 5, 2021, 134 Stat. 5059; Pub. L. 118-114, §2, Nov. 25, 2024, 138 Stat. 1605.)

Editorial Notes

AMENDMENTS

2024—Subsecs. (c), (d), Pub. L. 118-114, §2(1), (2), added subsec. (c) and redesignated former subsec. (c) as (d). Former subsec. (d) redesignated (e).

Subsec. (e), Pub. L. 118-114, §2(1), (3), redesignated subsec. (d) as (e) and substituted "this section" for "subsection (a) or (b)".

2021—Subsec. (b)(1), Pub. L. 116-315, §7005(a)(1), substituted "In any case not covered by subsection (a) in which a fiduciary" for "In any case in which a fiduciary described in paragraph (2)".

Subsec. (b)(2), (3), Pub. L. 116-315, §7005(a)(2), (3), redesignated par. (3) as (2) and struck out former par. (2) which read as follows: "Paragraph (1) applies to a fiduciary that—

“(A) is not an individual; or

“(B) is an individual who, for any month during a period when misuse occurs, serves 10 or more individuals who are beneficiaries under this title.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2021 AMENDMENT

Pub. L. 116-315, title VII, §7005(b), Jan. 5, 2021, 134 Stat. 5059, provided that: "The amendments made by subsection (a) [amending this section] shall apply with respect to any determination by the Secretary of Veterans Affairs made on or after the date of the enactment of this Act [Jan. 5, 2021] regarding the misuse of benefits by a fiduciary."