

eral shall notify the Secretary in each case in which an individual is indicted or convicted of an offense listed in paragraph (2), (3), or (4) of subsection (b).

(Added Pub. L. 86-222, §3(a), Sept. 1, 1959, 73 Stat. 453, §3505; amended Pub. L. 92-128, §2(c), Sept. 25, 1971, 85 Stat. 348; Pub. L. 93-43, §8, June 18, 1973, 87 Stat. 88; Pub. L. 97-295, §4(79), Oct. 12, 1982, 96 Stat. 1311; renumbered §6105, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; Pub. L. 102-54, §14(d)(9), June 13, 1991, 105 Stat. 287; Pub. L. 102-83, §4(a)(1), (2)(A)(xiv), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 403-405; Pub. L. 103-446, title XII, §1201(e)(19), Nov. 2, 1994, 108 Stat. 4686; Pub. L. 107-296, title XVII, §1704(d), Nov. 25, 2002, 116 Stat. 2315; Pub. L. 108-183, title VII, §705(a), Dec. 16, 2003, 117 Stat. 2672.)

AMENDMENTS

2003—Subsec. (b)(2). Pub. L. 108-183 inserted “175, 229,” after “sections” and “831, 1091, 2332a, 2332b,” after “798.”

2002—Subsec. (c). Pub. L. 107-296 substituted “of Homeland Security” for “of Transportation”.

1994—Subsec. (c). Pub. L. 103-446 substituted “paragraph (2), (3), or (4) of subsection (b)” for “clauses (2), (3), or (4) of subsection (b) of this section” and “paragraph (1) of subsection (b)” for “clause (1) of that subsection” and transposed the first and second sentences.

1991—Pub. L. 102-40 renumbered section 3505 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(a)(2)(A)(xiv), substituted “Secretary” for “Veterans’ Administration” in second sentence.

Pub. L. 102-83, §4(a)(1), substituted “administered by the Secretary” for “administered by the Veterans’ Administration” in first sentence.

Subsec. (c). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” in two places.

Pub. L. 102-54 amended subsec. (c) as in effect immediately before the enactment of Pub. L. 102-40 by substituting “clauses (2),” for “clauses (1),” “Secretary of Transportation, as” for “Secretary of the Treasury, as may be”, and “clause (1) of that subsection” for “clause (2) of subsection (b) of this section”.

1982—Subsec. (a). Pub. L. 97-295, §4(79)(A), substituted “September 1, 1959,” for “the date of enactment of this section”.

Subsec. (b). Pub. L. 97-295, §4(79)(B), substituted pars. (1), (2), and (3) for cls. (2), (1), and (3), respectively, and inserted citations to the United States Code.

1973—Subsec. (a). Pub. L. 93-43 inserted “(including the right to burial in a national cemetery)” after “gratuitous benefits” in first sentence.

1971—Subsec. (b)(4). Pub. L. 92-128 substituted “in section 4 of the Internal Security Act of 1950” for “in the following sections of the Internal Security Act of 1950; sections 4, 112, and 113”.

EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-183, title VII, §705(b), Dec. 16, 2003, 117 Stat. 2672, provided that: “The amendments made by subsection (a) [amending this section] shall apply to claims filed after the date of the enactment of this Act [Dec. 16, 2003].”

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-296 effective on the date of transfer of the Coast Guard to the Department of Homeland Security, see section 1704(g) of Pub. L. 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.)

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 in which a fiduciary described in paragraph (2) 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) Paragraph (1) applies to a fiduciary that—
(A) is not an individual; or