

for EBT is an appropriate and reasonable use of the Secretary's authority to designate financial agents.

(3) A joint federal-state<sup>1</sup> EBT system offers convenience and economies of scale for those states<sup>1</sup> (and their citizens) that wish to deliver<sup>1</sup> state-administered benefits on a single card by entering into a partnership with the federal<sup>1</sup> government.<sup>1</sup>

(4) The Secretary's designation of a financial agent to deliver EBT is a specialized service not available through ordinary business channels and may be offered to the states<sup>1</sup> pursuant to section 6501 *et seq.* of this title.

(b) The Secretary shall continue to carry out the existing EBT pilot to disburse benefit payments electronically to recipients who do not have an account at a financial institution, which shall include the designation of one or more financial institution<sup>2</sup> as a financial agent of the Government, and the offering to the participating states<sup>1</sup> of the opportunity to contract with the financial agent selected by the Secretary, as described in the Invitation for Expressions of Interest to Acquire EBT Services for the Southern Alliance of States dated March 9, 1995, as amended as of June 30, 1995, July 7, 1995, and August 1, 1995.

(c) The selection and designation of financial agents, the design of the pilot program, and any other matter associated with or related to the EBT pilot described in subsection (b) shall not be subject to judicial review.

(Added Pub. L. 104-208, div. A, title I, §101(f) [title VI, §664], Sept. 30, 1996, 110 Stat. 3009-314, 3009-385.)

#### SUBCHAPTER III—MISCELLANEOUS

### § 3341. Sale of Government warrants, checks, drafts, and obligations

(a) A disbursing official of the United States Government may sell a Government warrant, check, draft, or obligation not the property of the official at a premium, or dispose of the proceeds of the warrant, check, draft, or obligation, only if the official deposits the premium and the proceeds in the Treasury or with a depository for the credit of the Government.

(b) A disbursing official violating subsection (a) of this section shall be dismissed immediately.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 956.)

#### HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3341(a) .....	31:544(words before last semicolon).	R.S. §3652.
3341(b) .....	31:544(words after last semicolon).	

In subsection (a), the words "disbursing official" are substituted for "officer" for clarity and consistency in the revised title. The words "either directly or indirectly" and "or dispose of to any person" are omitted as surplus. The words "Government warrant, check, draft, or obligation" are substituted for "Treasury

note, draft, warrant, or other public security" for consistency in the revised title. The words "or sell . . . avails or . . . in his hands for disbursement" are omitted as surplus. The words "only if the official deposits the premium and the proceeds in the Treasury or with a depository" are substituted for "without making return of such premium, and accounting therefor by charging the same in his account" for clarity and consistency in the chapter.

In subsection (b), the words "from office" are omitted as unnecessary.

### § 3342. Check cashing and exchange transactions

(a) A disbursing official of the United States Government may—

(1) cash and negotiate negotiable instruments payable in United States currency or currency of a foreign country;

(2) exchange United States currency, coins, and negotiable instruments and currency, coins, and negotiable instruments of foreign countries; and

(3) cash checks drawn on the Treasury to accommodate United States citizens in a foreign country, but only if—

(A) satisfactory banking facilities are not available in the foreign country; and

(B) a check is presented by the payee who is a United States citizen.

(b) A disbursing official may act under subsection (a)(1) and (2) of this section only for the following:

(1) An official purpose.

(2) Personnel of the Government.

(3) A dependent of personnel of the Government, but only—

(A) at a United States installation at which adequate banking facilities are not available; and

(B) in the case of negotiation of negotiable instruments, if the dependent's sponsor authorizes, in writing, the presentation of negotiable instruments to the disbursing official for negotiation.

(4) A veteran hospitalized or living in an institution operated by an agency.

(5) A contractor, or personnel of a contractor, carrying out a Government project.

(6) Personnel of an authorized agency not part of the Government that operates with an agency of the Government.

(7) A Federal credit union (as defined in section 101(1) of the Federal Credit Union Act (12 U.S.C. 1752(1))) that at the request of the Secretary of Defense is operating on a United States military installation in a foreign country, but only if that country does not permit contractor-operated military banking facilities to operate on such installations.

(8) A member of the military forces of an allied or coalition nation who is participating in a combined operation, combined exercise, or combined humanitarian or peacekeeping mission with the Armed Forces of the United States, but—

(A) only if—

(i) such disbursing official action for members of the military forces of that nation is approved by the senior United States military commander assigned to that operation, exercise, or mission; and

<sup>1</sup> So in original. Probably should be capitalized.

<sup>2</sup> So in original. Probably should be "institutions".

(ii) that nation has guaranteed payment for any deficiency resulting from such disbursing official action; and

(B) in the case of negotiable instruments, only for a negotiable instrument drawn on a financial institution located in the United States or on a foreign branch of such an institution.

(c)(1) An amount held by the disbursing official that is available for expenditure may be used to carry out subsection (a) of this section with the approval of the head of the agency having jurisdiction over the amount.

(2) The head of an agency having jurisdiction over a disbursing official may offset, within the same fiscal year, a deficiency resulting from a transaction under subsection (a) of this section with a gain from a transaction under subsection (a). A gain in the account of a disbursing official not used to offset deficiencies under subsection (a) shall be deposited in the Treasury as miscellaneous receipts.

(3) The amount of any deficiency resulting from cashing a check for a dependent under subsection (b)(3), including any charges assessed against the disbursing official by a financial institution for insufficient funds to pay the check, may be offset from the pay of the dependent's sponsor.

(4) Amounts necessary to adjust for deficiencies in the account of a disbursing official because of transactions under subsection (a) of this section are authorized to be appropriated.

(d) The Secretary of the Treasury and, with the approval of the Secretary, the head of an agency having jurisdiction over a disbursing official, may issue regulations to carry out this section. However, under conditions the Secretary decides are necessary, the Secretary may delegate to the head of an agency the authority to issue regulations applying to a disbursing official that is an officer or employee of the agency.

(e) Regulations prescribed under subsection (d) shall include regulations that define the terms "dependent" and "sponsor" for the purposes of this section. In the regulations, the term "dependent", with respect to a member of a uniformed service, shall have the meaning given that term in section 401 of title 37.

(f) With respect to automated teller machines on naval vessels, the authority of a disbursing official of the United States Government under subsection (a) also includes the following:

- (1) The authority to provide operating funds to the automated teller machines.
- (2) The authority to accept, for safekeeping, deposits and transfers of funds made through the automated teller machines.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 957; Pub. L. 104-106, div. A, title X, §1090, Feb. 10, 1996, 110 Stat. 459; Pub. L. 104-201, div. A, title X, §1011, Sept. 23, 1996, 110 Stat. 2635; Pub. L. 106-65, div. A, title III, §372, Oct. 5, 1999, 113 Stat. 580; Pub. L. 108-136, div. A, title XII, §1224, Nov. 24, 2003, 117 Stat. 1653.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3342(a) .....	31:492a(less 1st sentence words between 2d-7th commas, last sentence).	Dec. 23, 1944, ch. 716, §§1-3, 58 Stat. 921; restated June 16, 1953, ch. 115, 67 Stat. 61.
3342(b) .....	31:492a(1st sentence words between 2d-7th commas).	
3342(c)(1)	31:492a(last sentence).	
3342(c)(2), (3).	31:492b.	
3342(d) .....	31:492c.	

In the section, the words "disbursing official" are substituted for "disbursing officers" for clarity and consistency in the revised title.

In subsection (a), the words "negotiable instruments" are substituted for "checks, drafts, bills of exchange, and other instruments" for clarity and consistency. Before clause (1), the words "Subject to regulations promulgated pursuant to sections 492a-492c of this title" are omitted as unnecessary. In clause (3), before subclause (A), the words "disbursing officers in foreign countries are also authorized . . . to" are omitted because of the restatement. The word "Treasury" is substituted for "Treasurer of the United States" 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 "person who is" are omitted as surplus. In subclause (B), the word "payee" is substituted for "person to whose order they are drawn" to eliminate unnecessary words. The words "who is a United States citizen" are added for clarity.

Subsection (b), before clause (1), is added because of the restatement. In clause (2), the words "the accommodation of" are omitted as surplus. The word "personnel" is substituted for "members of the Armed Forces and civilian personnel" to eliminate unnecessary words and for consistency in the revised title and with other titles of the United States Code. In clause (3), the words "of the Armed Forces of the United States . . . institutions operated by the Veterans' Administration and other" are omitted as surplus.

In subsection (c)(2), the words "For the purposes of this section" are omitted because of the restatement. The words "in the accounts of such disbursing officers" are omitted as unnecessary. The words "resulting from a transaction under subsection (a) of this section" are added for clarity. The words "not used to offset deficiencies from transactions under subsection (a)" are substituted for "resulting from operations permitted by sections 492a to 492c of this title" for clarity and consistency.

Subsection (c)(3) is substituted for 31:492b(2d sentence) to eliminate unnecessary words and for consistency in the revised title and with other titles of the Code.

In subsection (d), the words "rules and . . . governing the disbursing officers under their respective jurisdictions, as may be deemed necessary or proper . . . the purposes of" are omitted as surplus. The words "under conditions the Secretary decides are necessary" are substituted for "subject to such terms and conditions as he may prescribe" for clarity and consistency. The words "and exercise the function of disbursement pursuant to a delegation by the Secretary of the Treasury" are omitted as unnecessary.

AMENDMENTS

2003—Subsec. (b). Pub. L. 108-136, §1224(b)(1), substituted "only for the following:" for "only for—" in introductory provisions.

Subsec. (b)(1). Pub. L. 108-136, §1224(b)(2), (5), substituted "An" for "an" and period for semicolon at end.

Subsec. (b)(2). Pub. L. 108-136, §1224(b)(3), (5), substituted "Personnel" for "personnel" and period for semicolon at end.

Subsec. (b)(3) to (5). Pub. L. 108-136, §1224(b)(4), (5), substituted “A” for “a” and period for semicolon at end.

Subsec. (b)(6). Pub. L. 108-136, §1224(b)(3), (6), substituted “Personnel” for “personnel” and period for “; or”.

Subsec. (b)(7). Pub. L. 108-136, §1224(b)(4), (7), substituted “A” for “a” and “1752(1))” for “1752(1))”.

Subsec. (b)(8). Pub. L. 108-136, §1224(a), added par. (8). 1999—Subsec. (f). Pub. L. 106-65 added subsec. (f).

1996—Subsec. (b)(3). Pub. L. 104-201, §1011(1), substituted a semicolon for the period at end.

Pub. L. 104-106, §1090(a)(2), added par. (3). Former par. (3) redesignated (4).

Subsec. (b)(4) to (6). Pub. L. 104-106, §1090(a)(1), redesignated pars. (3) to (5) as (4) to (6), respectively.

Subsec. (b)(7). Pub. L. 104-201, §1011(2)–(4), added par. (7).

Subsec. (c)(3), (4). Pub. L. 104-106, §1090(b), added par. (3) and redesignated former par. (3) as (4).

Subsec. (e). Pub. L. 104-106, §1090(c), added subsec. (e).

### § 3343. Check forgery insurance fund

(a) The Department of the Treasury has a special deposit revolving fund, the “Check Forgery Insurance Fund”. Necessary amounts are hereafter appropriated to the Fund out of any moneys in the Treasury not otherwise appropriated, and shall remain available until expended to make the payments required or authorized under this section. The Fund consists of amounts—

(1) appropriated to the Fund; and

(2) received under subsection (d) of this section.

(b) The Secretary of the Treasury shall pay from the Fund to a payee or special endorsee of a check drawn on the Treasury or a depositary designated by the Secretary the amount of the check without interest if in the determination of the Secretary the payee or special endorsee<sup>1</sup> establishes that—

(1) the check was lost or stolen without the fault of the payee or a holder that is a special endorsee and whose endorsement is necessary for further negotiation;

(2) the check was negotiated later and paid by the Secretary or a depositary on a forged endorsement of the payee’s or special endorsee’s name; and

(3) the payee or special endorsee has not participated in any part of the proceeds of the negotiation or payment.

(c) Notwithstanding section 1306 of this title, a check drawn on a designated depositary may be paid in the currency of a foreign country when the appropriate accountable official authorizes payment in that currency.

(d) The Secretary shall deposit immediately to the credit of the Fund an amount recovered from a forger or a transferee or party on the check. The Secretary may use amounts in the Fund to reimburse payment certifying or authorizing agencies for any payment that the Secretary determines would otherwise have been payable from the Fund, and may reimburse certifying or authorizing agencies with amounts recovered because of payee nonentitlement. However, currency of a foreign country recovered because of a forged check drawn on a designated

depositary shall be credited to the Fund or to the foreign currency fund that was charged when payment was made under subsection (b) of this section to the payee or special endorsee.

(e) The Secretary may waive any provision of this section as may be necessary to ensure that claimants receive timely payments.

(f) Under such conditions as the Secretary may prescribe, the Secretary may delegate duties and powers of the Secretary under this section to the head of an agency. Consistent with a delegation from the Secretary under this subsection, the head of an agency may redelegate those duties and powers to officers or employees of the agency.

(g) This section does not relieve—

(1) a forger from civil or criminal liability; or

(2) a transferee or party on a check after the forgery from liability—

(A) on the express or implied warranty of prior endorsements of the transferee or party; or

(B) to refund amounts to the Secretary.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 957; Pub. L. 104-134, title III, §31001(x)(3), Apr. 26, 1996, 110 Stat. 1321-377.)

#### HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3343(a) .....	31:561.	Nov. 21, 1941, ch. 489, §§1-3, 55 Stat. 777.
3343(b) .....	31:562. 31:563a(1st sentence).	Nov. 21, 1941, ch. 489, 55 Stat. 777, §4; added Dec. 22, 1974, Pub. L. 93-539, §1(b), 88 Stat. 1738.
3343(c) .....	31:563a(2d sentence).	
3343(d) .....	31:563(words after 3d comma). 31:563a(last sentence).	
3343(e) .....	31:563(words before 3d comma).	

Subsection (a) is substituted for 31:561 for clarity and consistency in the revised title and with other titles of the United States Code and to eliminate unnecessary words.

In subsection (b), the text of 31:563a(1st sentence) is omitted because of section 321 of the revised title. Before clause (1), the word “Secretary” is substituted for “Treasurer of the United States” before “is authorized and directed” in 31:562 because of the source provisions restated in section 321(c) of the revised title. The words “prior to reclamation” and “heretofore or hereafter” are omitted as unnecessary. The words “Treasury or a depositary designated by the Secretary” are substituted for “Treasurer of the United States” before “has been lost or stolen” 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) and for consistency in the revised title. The words “it is established” are omitted as unnecessary. In clause (2), the words “Secretary or a depositary” are substituted for “Treasurer” for consistency. In clause (3), the words “either directly or indirectly” are omitted as surplus.

In subsection (c), the words “drawn on a designated depositary” are added because of the restatement.

In subsection (d), the words “The Secretary shall deposit immediately to the credit of the Fund amounts recovered from a forger” are substituted for 31:563(words after 3d comma) to eliminate unnecessary words. The words “The liability and restoration provisions of section 563 of this title shall apply with respect to checks drawn on designated depositaries” in

<sup>1</sup> So in original. Probably should be “endorsee”.