

1988—Pub. L. 100-456, div. A, title III, §344(b)(1), Sept. 29, 1988, 102 Stat. 1962, inserted “AND REPORT OF THEFT OR LOSS OF CERTAIN PROPERTY” in chapter heading and added item 2722.

1986—Pub. L. 99-499, title II, §211(a)(3), Oct. 17, 1986, 100 Stat. 1725, redesignated item 2701 as item 2721.

**§ 2721. Property records: maintenance on quantitative and monetary basis**

(a) Under regulations prescribed by him, the Secretary of Defense shall have the records of the fixed property, installations, major equipment items, and stored supplies of the military departments maintained on both a quantitative and a monetary basis, so far as practicable.

(b) The regulations prescribed pursuant to subsection (a) shall include a requirement that the records maintained under such subsection—

(1) to the extent practicable, provide up-to-date information on all items in the inventory of the Department of Defense;

(2) indicate whether the inventory of each item is sufficient or excessive in relation to the needs of the Department for that item; and

(3) permit the Secretary of Defense to include in the budget submitted to Congress under section 1105 of title 31 for each fiscal year, information relating to—

(A) the amounts proposed for each appropriation account in such budget for inventory purchases of the Department of Defense; and

(B) the amounts obligated for such inventory purchases out of the corresponding appropriations account for the preceding fiscal year.

(Aug. 10, 1956, ch. 1041, 70A Stat. 152, §2701; renumbered §2721, Pub. L. 99-499, title II, §211(a)(1)(A), Oct. 17, 1986, 100 Stat. 1719; amended Pub. L. 101-510, div. A, title XIII, §1322(a)(12), Nov. 5, 1990, 104 Stat. 1671; Pub. L. 102-190, div. A, title III, §347(b), title X, §1061(a)(17)(A), Dec. 5, 1991, 105 Stat. 1347, 1473.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
2701(a) .....	5:172i (less last sentence).	July 26, 1947, ch. 343, §410; added Aug. 10, 1949, ch. 412, §11(410), 63 Stat. 590.
2701(b) .....	5:172i (last sentence).	

In subsection (a), the words “equipment” and “materials” are omitted, since the word “supplies”, as defined in section 101(26) of this title, includes equipment and materials. The word “stored” is substituted for the words “held in store by the armed services”.

In subsection (b), the words “on property records maintained under this section” are substituted for the word “thereon”.

AMENDMENTS

1991—Pub. L. 102-190, §1061(a)(17)(A), substituted section catchline for one which read “Basis: reports”.

Pub. L. 102-190, §347(b), designated existing provisions as subsec. (a) and added subsec. (b).

1990—Pub. L. 101-510 struck out “(a)” before “Under regulations” and struck out subsec. (b) which read as follows: “The Secretary shall report once a year to Congress and the President on property records maintained under this section.”

IMPLEMENTATION OF 1991 AMENDMENT

Pub. L. 102-190, div. A, title III, §347(c), Dec. 5, 1991, 105 Stat. 1347, provided that: “The Secretary of Defense

shall establish the uniform system of valuation described in section 2458(a)(3) of title 10, United States Code (as added by subsection (a)), and prescribe the regulations required by section 2721(b) of such title (as added by subsection (b)), not later than 180 days after the date of the enactment of this Act [Dec. 5, 1991].”

INVENTORY INVESTIGATIONS

Pub. L. 100-456, div. A, title III, §343, Sept. 29, 1988, 102 Stat. 1961, provided that:

“(a) UNDERCOVER INVESTIGATIONS.—(1) Congress finds that the use of undercover investigative techniques by the Department of Defense enhances the ability of the Department of Defense to detect and investigate theft of Government property (including munitions) from the Department of Defense supply system.

“(2) The Secretary of Defense is urged to continue to conduct undercover investigations to detect and investigate thefts referred to in paragraph (1).

“(b) INVENTORY SECURITY INCIDENT REPOSITORY.—The Secretary of Defense shall establish and maintain a centralized computer system for recording and organizing information on theft, fraud, and breach of security and incidents involving the loss of Department of Defense supplies (including munitions).”

**§ 2722. Theft or loss of ammunition, destructive devices, and explosives: report to Secretary of the Treasury**

(a) IN GENERAL.—The Secretary of Defense shall report the theft or other loss of any ammunition, destructive device, or explosive material from the stocks of the Department of Defense to the Secretary of the Treasury within 72 hours, if possible, after the discovery of such theft or loss.

(b) EXCLUSION FOR CERTAIN ITEMS.—The Secretary of Defense may exclude from the reporting requirement under subsection (a) any item referred to in that subsection if—

(1) the Secretary determines that the item represents a low risk of danger to the public and would be of minimal utility to any person who may illegally receive such item; and

(2) the exclusion of such item is specified as being excluded from the reporting requirement in a memorandum of agreement between the Secretary of Defense and the Secretary of the Treasury.

(c) DEFINITIONS.—In this section:

(1) The term “explosive material” means explosives, blasting agents, and detonators.

(2) The terms “destructive device” and “ammunition” have the meanings given those terms by paragraphs (4) and (17), respectively, of section 921(a) of title 18.

(Added Pub. L. 100-456, div. A, title III, §344(a), Sept. 29, 1988, 102 Stat. 1961; amended Pub. L. 109-364, div. A, title X, §1071(a)(24), Oct. 17, 2006, 120 Stat. 2399.)

AMENDMENTS

2006—Subsec. (c)(2). Pub. L. 109-364 substituted “921(a)” for “921”.

EFFECTIVE DATE

Pub. L. 100-456, div. A, title III, §344(c), Sept. 29, 1988, 102 Stat. 1962, provided that: “The amendment made by subsection (a) [enacting this section] shall take effect with respect to thefts and losses discovered more than 180 days after the date of the enactment of this Act [Sept. 29, 1988].”

**§ 2723. Notice to congressional committees of certain security and counterintelligence failures within defense programs**

(a) **REQUIRED NOTIFICATION.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a notification of each security or counterintelligence failure or compromise of classified information relating to any defense operation, system, or technology of the United States that the Secretary considers likely to cause significant harm or damage to the national security interests of the United States. The Secretary shall consult with the Director of National Intelligence and the Director of the Federal Bureau of Investigation, as appropriate, before submitting any such notification.

(b) **MANNER OF NOTIFICATION.**—Notification of a failure or compromise of classified information under subsection (a) shall be provided, in accordance with the procedures established pursuant to subsection (c), not later than 30 days after the date on which the Department of Defense determines that the failure or compromise has taken place.

(c) **PROCEDURES.**—The Secretary of Defense and the Committees on Armed Services of the Senate and House of Representatives shall each establish such procedures as may be necessary to protect from unauthorized disclosure classified information, information relating to intelligence sources and methods, and sensitive law enforcement information that is submitted to those committees pursuant to this section and that are otherwise necessary to carry out the provisions of this section.

(d) **STATUTORY CONSTRUCTION.**—(1) Nothing in this section shall be construed as authority to withhold any information from the Committees on Armed Services of the Senate and House of Representatives on the grounds that providing the information to those committees would constitute the unauthorized disclosure of classified information, information relating to intelligence sources and methods, or sensitive law enforcement information.

(2) Nothing in this section shall be construed to modify or supersede any other requirement to report information on intelligence activities to the Congress, including the requirement under section 501 of the National Security Act of 1947 (50 U.S.C. 3091).

(Added Pub. L. 106–65, div. A, title X, §1042(a), Oct. 5, 1999, 113 Stat. 759; amended Pub. L. 110–181, div. A, title IX, §931(a)(13), Jan. 28, 2008, 122 Stat. 285; Pub. L. 110–417, [div. A], title IX, §932(a)(12), Oct. 14, 2008, 122 Stat. 4576; Pub. L. 111–84, div. A, title X, §1073(c)(10), Oct. 28, 2009, 123 Stat. 2475; Pub. L. 113–291, div. A, title X, §1071(c)(12), Dec. 19, 2014, 128 Stat. 3509.)

**AMENDMENTS**

2014—Subsec. (d)(2). Pub. L. 113–291 substituted “(50 U.S.C. 3091)” for “(50 U.S.C. 413)”.

2009—Subsec. (a). Pub. L. 111–84 repealed Pub. L. 110–417, §932(a)(12). See 2008 Amendment note below.

2008—Subsec. (a). Pub. L. 110–181 and Pub. L. 110–417, §932(a)(12), amended subsec. (a) identically, substituting “Director of National Intelligence” for “Director of Central Intelligence”. Pub. L. 110–417, §932(a)(12), was repealed by Pub. L. 111–84. See 2009 Amendment note above.

**EFFECTIVE DATE OF 2009 AMENDMENT**

Pub. L. 111–84, div. A, title X, §1073(c), Oct. 28, 2009, 123 Stat. 2474, provided in part that the amendment made by section 1073(c)(10) is effective as of Oct. 14, 2008, and as if included in Pub. L. 110–417 as enacted.

**CHAPTER 163—MILITARY CLAIMS**

Sec.	Definition.
2731.	Payment of claims: availability of appropriations.
2732.	Property loss; personal injury or death: incident to noncombat activities of Department of Army, Navy, or Air Force.
2733.	Medical malpractice claims by members of the uniformed services.
2733a.	Property loss; personal injury or death: incident to noncombat activities of the armed forces; foreign countries.
2734.	Property loss; personal injury or death: incident to noncombat activities of armed forces in foreign countries; international agreements.
2734a.	Property loss; personal injury or death: incident to activities of armed forces of foreign countries in United States; international agreements.
2734b.	Settlement: final and conclusive.
2735.	Property loss; personal injury or death: advance payment.
2736.	Property loss; personal injury or death: incident to use of property of the United States and not cognizable under other law.
2737.	Property loss: reimbursement of members for certain losses of household effects caused by hostile action.
2738.	Amounts recovered from third parties for loss or damage to personal property shipped or stored at Government expense: crediting to appropriations.
2739.	Property loss: reimbursement of members and civilian employees for full replacement value of household effects when contractor reimbursement not available.

**AMENDMENTS**

2019—Pub. L. 116–92, div. A, title VII, §731(a)(2), Dec. 20, 2019, 133 Stat. 1459, added item 2733a.

2011—Pub. L. 111–383, div. A, title III, §354(a)(2), Jan. 7, 2011, 124 Stat. 4195, added item 2740.

1998—Pub. L. 105–261, div. A, title X, §1010(a)(2), Oct. 17, 1998, 112 Stat. 2117, added item 2739.

1994—Pub. L. 103–337, div. A, title V, §557(b), Oct. 5, 1994, 108 Stat. 2776, added item 2738.

1990—Pub. L. 101–510, div. A, title XIV, §1481(j)(2), Nov. 5, 1990, 104 Stat. 1708, added item 2732.

1984—Pub. L. 98–525, title XIV, §1405(42)(B), Oct. 19, 1984, 98 Stat. 2625, substituted “in foreign countries” for “: foreign countries” in item 2734a.

1968—Pub. L. 90–521, §2, Sept. 26, 1968, 82 Stat. 874, substituted “advance payment” for “incident to aircraft or missile operation” in item 2736.

1966—Pub. L. 89–718, §21(b), Nov. 2, 1966, 80 Stat. 1118, substituted “2737” for “2736” as item number for “Property loss; personal injury or death: incident to use of property of the United States and not cognizable under other law”.

1964—Pub. L. 88–558, §5(2), Aug. 31, 1964, 78 Stat. 768, struck out item 2732 “Property loss: incident to service; members of Army, Navy, Air Force, or Marine Corps and civilian employees”, effective two years after Aug. 31, 1964. Pub. L. 88–558, was itself repealed by Pub. L. 97–258, §5(b), Sept. 13, 1982, 96 Stat. 1068.

1962—Pub. L. 87–769, §1(1)(B), Oct. 9, 1962, 76 Stat. 768, added item 2736 “Property loss; personal injury or death: incident to use of property of the United States and not cognizable under other law”.

Pub. L. 87–651, title I, §113(b), Sept. 7, 1962, 76 Stat. 513, added items 2734a and 2734b.