

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3727(a)	31:203(1st par. words before 9th comma).	R.S. §3477; May 27, 1908, ch. 206(last par. on p. 411), 35 Stat. 411; Oct. 9, 1940, ch. 779, §1(related to §3477), 54 Stat. 1029; May 15, 1951, ch. 75, §1(related to §1 related to §3477), 65 Stat. 41.
3727(b)	31:203(1st par. words after 9th comma, 3d, last pars.).	
3727(c)	31:203(2d par.).	
3727(d)	31:203(5th par.).	
3727(e)(1)	31:203(4th par.).	
3727(e)(2)	31:239.	Aug. 10, 1956, ch. 1041, § 45, 70A Stat. 638.

In subsection (a)(1), the words “or share thereof” and “whether absolute or conditional, and whatever may be the consideration therefor” are omitted as surplus. In clause (2), the word “authorization” is substituted for “powers of attorney, orders, or other authorities” to eliminate unnecessary words.

In subsections (b) and (c), the word “official” is substituted for “officer” for consistency in the revised title and with other titles of the United States Code.

In subsection (b), the words “Except as hereinafter provided” are omitted as unnecessary. The words “read and” are omitted as surplus. The words “to the person acknowledging the same” are omitted as unnecessary. The text of 31:203(1st par. last sentence) is omitted as superseded by 39:410. The words “Notwithstanding any law to the contrary governing the validity of assignments” and the text of 31:203(last par.) are omitted as unnecessary.

In subsection (c), before clause (1), the words “bank, trust company, or other . . . including any Federal lending agency” are omitted as surplus. The words “of money due or to become due under a contract providing for payments totaling at least \$1,000” are substituted for “in any case in which the moneys due or to become due from the United States or from any agency or department thereof, under a contract providing for payments aggregating \$1,000 or more” to eliminate unnecessary words. The text of 31:203(2d par. proviso cl. 1) is omitted as executed. In clause (1), the words “in the case of any contract entered into after October 9, 1940” are omitted as executed. In clause (2)(A), the words “payable under such contract” are omitted as surplus. In clause (3), the words “true” and “instrument of” are omitted as surplus. The words “department or” are omitted because of the restatement. The words “if any” and “to make payment” are omitted as surplus.

In subsection (d), before clause (1), the words “During a war or national emergency proclaimed by the President or declared by law and ended by proclamation or law” are substituted for “in time of war or national emergency proclaimed by the President (including the national emergency proclaimed December 16, 1950) or by Act or joint resolution of the Congress and until such war or national emergency has been terminated in such manner” to eliminate unnecessary words. The words “Department of Energy (when carrying out duties and powers formerly carried out by the Atomic Energy Commission)” are substituted for “Atomic Energy Commission” (which was reconstituted as the Energy Research and Development Administration by 42:5813 and 5814) because of 42:7151(a) and 7293. The words “other department or . . . of the United States . . . except any such contract under which full payment has been made” and “of any moneys due or to become due under such contract” before “shall not be subject” are omitted as surplus. The words “A payment subsequently due under the contract (even after the war or emergency is ended) shall be paid to the assignee without” are substituted for “and if such provision or one to the same general effect has been at any time heretofore or is hereafter included or inserted in any such contract, payments to be made thereafter to an assignee of any moneys due or to become due under such

contract, whether during or after such war or emergency . . . hereafter” to eliminate unnecessary words. The words “of any nature” are omitted as surplus. In clause (1), the words “or any department or agency thereof” are omitted as unnecessary. In clause (2), the words “under any renegotiation statute or under any statutory renegotiation article in the contract” are omitted as surplus.

Subsection (e)(1) is substituted for 31:203(4th par.) to eliminate unnecessary words.

In subsection (e)(2), the words “person receiving an amount under an assignment or allotment” are substituted for “assignees, transferees, or allottees” for clarity and consistency. The words “or to others for them” and “with respect to such assignments, transfers, or allotments or the use of such moneys” are omitted as surplus. The words “person making the assignment or allotment” are substituted for “assignors, transferors, or allotters” for clarity and consistency.

§ 3728. Setoff against judgment

(a) The Secretary of the Treasury shall withhold paying that part of a judgment against the United States Government presented to the Secretary that is equal to a debt the plaintiff owes the Government.

(b) The Secretary shall—

(1) discharge the debt if the plaintiff agrees to the setoff and discharges a part of the judgment equal to the debt; or

(2)(A) withhold payment of an additional amount the Secretary decides will cover legal costs of bringing a civil action for the debt if the plaintiff denies the debt or does not agree to the setoff; and

(B) have a civil action brought if one has not already been brought.

(c) If the Government loses a civil action to recover a debt or recovers less than the amount the Secretary withholds under this section, the Secretary shall pay the plaintiff the balance and interest of 6 percent for the time the money is withheld.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 977; Pub. L. 104-316, title II, §202(p), Oct. 19, 1996, 110 Stat. 3844.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
3728(a)	31:227(1st sentence words before semicolon).	Mar. 3, 1875, ch. 149, 18 Stat. 481; restated Mar. 3, 1933, ch. 212, §13, 47 Stat. 1516.
3728(b)	31:227(1st sentence words after semicolon, 2d, 3d sentences).	
3728(c)	31:227(last sentence).	

In the section, the words “of the United States” are omitted as unnecessary.

In subsection (a), the words “final . . . recovered . . . duly allowed by legal authority”, “for payment”, and “in any manner, whether as principal or surety” are omitted as surplus.

In subsection (b)(1), the words “due from the plaintiff to the United States” are omitted as surplus.

In subsection (b)(2)(A), the words “of such judgment”, “be sufficient to”, and “charges and” are omitted as surplus. The words “of bringing a civil action” are substituted for “in prosecuting the debt” for consistency in the revised title and with other titles of the United States Code. The words “of the United States to final judgment” and “to the United States” are omitted as surplus.

Subsection (b)(2)(B) is substituted for 31:227(3d sentence) for consistency and to eliminate unnecessary words.

In subsection (c), the words “for debt and costs”, “thereon”, and “from the plaintiff” are omitted as surplus.

Editorial Notes

AMENDMENTS

1996—Subsec. (a). Pub. L. 104-316, §202(p)(1), (2), substituted “Secretary of the Treasury” for “Comptroller General” before “shall withhold” and “Secretary” for “Comptroller General” after “presented to the”.

Subsecs. (b), (c). Pub. L. 104-316, §202(p)(2), substituted “Secretary” for “Comptroller General” wherever appearing.

§ 3729. False claims

(a) LIABILITY FOR CERTAIN ACTS.—

(1) IN GENERAL.—Subject to paragraph (2), any person who—

(A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

(B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

(C) conspires to commit a violation of subparagraph (A), (B), (D), (E), (F), or (G);

(D) has possession, custody, or control of property or money used, or to be used, by the Government and knowingly delivers, or causes to be delivered, less than all of that money or property;

(E) is authorized to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true;

(F) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge property; or

(G) knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the Government,

is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410¹), plus 3 times the amount of damages which the Government sustains because of the act of that person.

(2) REDUCED DAMAGES.—If the court finds that—

(A) the person committing the violation of this subsection furnished officials of the United States responsible for investigating false claims violations with all information

known to such person about the violation within 30 days after the date on which the defendant first obtained the information;

(B) such person fully cooperated with any Government investigation of such violation; and

(C) at the time such person furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation,

the court may assess not less than 2 times the amount of damages which the Government sustains because of the act of that person.

(3) COSTS OF CIVIL ACTIONS.—A person violating this subsection shall also be liable to the United States Government for the costs of a civil action brought to recover any such penalty or damages.

(b) DEFINITIONS.—For purposes of this section—

(1) the terms “knowing” and “knowingly”—
(A) mean that a person, with respect to information—

(i) has actual knowledge of the information;

(ii) acts in deliberate ignorance of the truth or falsity of the information; or

(iii) acts in reckless disregard of the truth or falsity of the information; and

(B) require no proof of specific intent to defraud;

(2) the term “claim”—

(A) means any request or demand, whether under a contract or otherwise, for money or property and whether or not the United States has title to the money or property, that—

(i) is presented to an officer, employee, or agent of the United States; or

(ii) is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the Government's behalf or to advance a Government program or interest, and if the United States Government—

(I) provides or has provided any portion of the money or property requested or demanded; or

(II) will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; and

(B) does not include requests or demands for money or property that the Government has paid to an individual as compensation for Federal employment or as an income subsidy with no restrictions on that individual's use of the money or property;

(3) the term “obligation” means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment; and

¹ So in original. Probably should be “101-410”.