
This content is from the eCFR and is authoritative but unofficial.

Title 40 —Protection of Environment
Chapter I —Environmental Protection Agency
Subchapter A —General

Part 27 Program Fraud Civil Remedies

- § 27.1 Basis and purpose.
- § 27.2 Definitions.
- § 27.3 Basis for civil penalties and assessments.
- § 27.4 Investigation.
- § 27.5 Review by the reviewing official.
- § 27.6 Prerequisites for issuing a complaint.
- § 27.7 Complaint.
- § 27.8 Service of complaint.
- § 27.9 Answer.
- § 27.10 Default upon failure to file an answer.
- § 27.11 Referral of complaint and answer to the presiding officer.
- § 27.12 Notice of hearing.
- § 27.13 Parties to the hearing.
- § 27.14 Separation of functions.
- § 27.15 *Ex parte* contacts.
- § 27.16 Disqualification of the reviewing official or presiding officer.
- § 27.17 Rights of parties.
- § 27.18 Authority of the presiding officer.
- § 27.19 Prehearing conferences.
- § 27.20 Disclosure of documents.
- § 27.21 Discovery.
- § 27.22 Exchange of witness lists, statements, and exhibits.
- § 27.23 Subpoenas for attendance at hearing.
- § 27.24 Protective order.
- § 27.25 Fees.
- § 27.26 Form, filing and service of papers.
- § 27.27 Computation of time.
- § 27.28 Motions.
- § 27.29 Sanctions.
- § 27.30 The hearing and burden of proof.
- § 27.31 Determining the amount of penalties and assessments.
- § 27.32 Location of hearing.

- § 27.33 Witnesses.
- § 27.34 Evidence.
- § 27.35 The record.
- § 27.36 Post-hearing briefs.
- § 27.37 Initial decision.
- § 27.38 Reconsideration of initial decision.
- § 27.39 Appeal to authority head.
- § 27.40 Stay ordered by the Department of Justice.
- § 27.41 Stay pending appeal.
- § 27.42 Judicial review.
- § 27.43 Collection of civil penalties and assessments.
- § 27.44 Right to administrative offset.
- § 27.45 Deposit in Treasury of United States.
- § 27.46 Compromise or settlement.
- § 27.47 Limitations.
- § 27.48 Delegated functions.

PART 27—PROGRAM FRAUD CIVIL REMEDIES

Authority: 31 U.S.C. 3801-3812; Pub. L. 101-410, 104 Stat. 890, 28 U.S.C. 2461 note; Pub. L. 104-134, 110 Stat. 1321, 31 U.S.C. 3701 note.

Source: 53 FR 15182, Apr. 27, 1988, unless otherwise noted.

§ 27.1 Basis and purpose.

- (a) **Basis.** This part implements the Program Fraud Civil Remedies Act of 1986, Public Law No. 99-509, sections 6101-6104, 100 Stat. 1874 (October 21, 1986), to be codified at 31 U.S.C. 3801-3812. 31 U.S.C. 3809 of the statute requires each authority head to promulgate regulations necessary to implement the provisions of the statute.
- (b) **Purpose.** This part
 - (1) establishes administrative procedures for imposing civil penalties and assessments against persons who make, submit, or present, or cause to be made, submitted, or presented, false, fictitious, or fraudulent claims or written statements to the Environmental Protection Agency, and
 - (2) specifies the hearing and appeal rights of persons subject to allegations of liability for such penalties and assessments.

§ 27.2 Definitions.

Administrative Law Judge means an administrative law judge in the Authority appointed pursuant to 5 U.S.C. 3105 or detailed to the Authority pursuant to 5 U.S.C. 3344.

Administrator means the Administrator of the United States Environmental Protection Agency.

Authority means the United States Environmental Protection Agency.

Benefit means, in the context of “statement,” anything of value, including but not limited to any advantage, preference, privilege, license, permit, favorable decision, ruling, status, or loan guarantee.

Claim means any request, demand, or submission—

- (a) Made to the Authority for property, services, or money (including money representing grants, loans, insurance, or benefits);
- (b) Made to a recipient of property, services, or money from the Authority or to a party to a contract with the Authority—
 - (1) For property or services if the United States—
 - (i) Provided such property or services;
 - (ii) Provided any portion of the funds for the purchase of such property or services; or
 - (iii) Will reimburse such recipient or party for the purchase of such property or services; or
 - (2) For the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—
 - (i) Provided any portion of the money requested or demanded; or
 - (ii) Will reimburse such recipient or party for any portion of the money paid on such request or demand; or
- (c) Made to the Authority which has the effect of decreasing an obligation to pay or account for property, services, or money.

Complaint means the administrative complaint served by the reviewing official on the defendant under § 27.7.

Defendant means any person alleged in a complaint under § 27.7 to be liable for a civil penalty or assessment under § 27.3.

Environmental Appeals Board means the Board within the Agency described in § 1.25 of this title.

Government means the United States Government.

Hearing Clerk means the Office of the Hearing Clerk (1900), United States Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460.

Individual means a natural person.

Initial decision means the written decision of the presiding officer required by § 27.10 or § 27.37, and includes a revised initial decision issued following a remand or a motion for reconsideration.

Investigating official means the Inspector General of the United States Environmental Protection Agency or an officer or employee of the Office of Inspector General designated by the Inspector General and serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 under the General Schedule.

Knows or has reason to know means that a person, with respect to a claim or statement—

- (a) Has actual knowledge that the claim or statement is false, fictitious, or fraudulent;

- (b) Acts in deliberate ignorance of the truth or falsity of the claim or statement; or
- (c) Acts in reckless disregard of the truth or falsity of the claim or statement.

Makes, wherever it appears, shall include the terms presents, submits, and causes to be made, presented, or submitted. As the context requires, *making* or *made* shall likewise include the corresponding forms of such terms.

Person means any individual, partnership, corporation, association, or private organization, and includes the plural of those terms.

Presiding officer means the administrative law judge designated by the Chief administrative law judge to serve as presiding officer.

Representative means an attorney who is a member in good standing of the bar of any State, Territory, or possession of the United States or of the District of Columbia or the Commonwealth of Puerto Rico, or other representative who must conform to the standards of conduct and ethics required of practitioners before the courts of the United States.

Reviewing official means the General Counsel of the Authority or his designee who is—

- (a) Not subject to supervision by, or required to report to, the investigating official;
- (b) Not employed in the organizational unit of the Authority in which the investigating official is employed; and
- (c) Serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 under the General Schedule.

Statement means any representation, certification, affirmation, document, record, or accounting or bookkeeping entry made—

- (a) With respect to a claim or to obtain the approval or payment of a claim (including relating to eligibility to make a claim); or
- (b) With respect to (including relating to eligibility for)—
 - (1) A contract with, or a bid or proposal for a contract with; or
 - (2) A grant, loan, or benefit from,

the Authority, or any State, political subdivision of a State, or other party, if the United States Government provides any portion of the money or property under such contract or for such grant, loan, or benefit, or if the Government will reimburse such State, political subdivision, or party for any portion of the money or property under such contract or for such grant, loan, or benefit.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5326, Feb. 13, 1992]

§ 27.3 Basis for civil penalties and assessments.

(a) **Claims.**

- (1) Except as provided in paragraph (c) of this section, any person who makes a claim that the person knows or has reason to know—
 - (i) Is false, fictitious, or fraudulent;

- (ii) Includes or is supported by any written statement which asserts a material fact which is false, fictitious, or fraudulent;
 - (iii) Includes, or is supported by, any written statement that—
 - (A) Omits a material fact;
 - (B) Is false, fictitious, or fraudulent as a result of such omission; and
 - (C) Is a statement in which the person making such statement has a duty to include such material fact; or
 - (iv) Is for payment for the provision of property or services which the person has not provided as claimed, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than the operative effective statutory maximum amount, as provided in 40 CFR 19.4,^[1] for each such claim.
- (2) Each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim.
- (3) A claim shall be considered made to the Authority, recipient, or party when such claim is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of the Authority, recipient, or party.
- (4) Each claim for property, services, or money is subject to a civil penalty regardless of whether such property, services, or money is actually delivered or paid.
- (5) If the Government has made any payment (including transferred property or provided services) on a claim, a person subject to a civil penalty under paragraph (a)(1) of this section, shall also be subject to an assessment of not more than twice the amount of such claim or that portion thereof that is determined to be in violation of paragraph (a)(1) of this section. Such assessment shall be in lieu of damages sustained by the Government because of such claim.

(b) **Statements.**

- (1) Except as provided in paragraph (c) of this section, any person who makes a written statement that—
- (i) The person knows or has reason to know—
 - (A) Asserts a material fact which is false, fictitious, or fraudulent; or
 - (B) Is false, fictitious, or fraudulent because it omits a material fact that the person making the statement has a duty to include in such statement; and
 - (ii) Contains, or is accompanied by, an express certification or affirmation of the truthfulness and accuracy of the contents of the statement, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than the operative effective statutory maximum amount, as provided in 40 CFR 19.4,^[2] for each such statement.

^[1] As adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, 104 Stat. 890), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, 110 Stat. 1321).

- (2) Each written representation, certification, or affirmation constitutes a separate statement.
- (3) A statement shall be considered made to the Authority when such statement is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such Authority.
- (c) No proof of specific intent to defraud is required to establish liability under this section.
- (d) In any case in which it is determined that more than one person is liable for making a claim or statement under this section, each such person may be held liable for a civil penalty under this section.
- (e) In any case in which it is determined that more than one person is liable for making a claim under this section on which the Government has made payment (including transferred property or provided services), an assessment may be imposed against any such person or jointly and severally against any combination of such persons.

[53 FR 15182, Apr. 27, 1988, as amended at 61 FR 69366, Dec. 31, 1996; 69 FR 7126, Feb. 13, 2004; 73 FR 75346, Dec. 11, 2008]

§ 27.4 Investigation.

- (a) If the investigating official concludes that a subpoena pursuant to the authority conferred by 31 U.S.C. 3804(a) is warranted—
 - (1) The subpoena so issued shall notify the person to whom it is addressed of the authority under which the subpoena is issued and shall identify the records or documents sought;
 - (2) The investigating official may designate a person to act on his or her behalf to receive the documents sought; and
 - (3) The person receiving such subpoena shall be required to tender to the investigating official or the person designated to receive the documents a certification that the documents sought have been produced, or that such documents are not available and the reasons therefor, or that such documents, suitably identified, have been withheld based upon the assertion of an identified privilege.
- (b) If the investigating official concludes that an action under the Program Fraud Civil Remedies Act may be warranted, the investigating official shall submit a report containing the findings and conclusions of such investigation to the reviewing official.
- (c) Nothing in this section shall preclude or limit an investigating official's discretion to defer or postpone a report or referral to the reviewing official to avoid interference with a criminal investigation or prosecution.
- (d) Nothing in this section modifies any responsibility of an investigating official to report violations of criminal law to the Attorney General.

^[2] As adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, 104 Stat. 890), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, 110 Stat. 1321).

§ 27.5 Review by the reviewing official.

- (a) If, based on the report of the investigating official under § 27.4(b), the reviewing official determines that there is adequate evidence to believe that a person is liable under § 27.3 of this part, the reviewing official shall transmit to the Attorney General a written notice of the reviewing official's intention to issue a complaint under § 27.7.
- (b) Such notice shall include—
 - (1) A statement of the reviewing official's reasons for issuing a complaint;
 - (2) A statement specifying the evidence that supports the allegations of liability;
 - (3) A description of the claims or statements upon which the allegations of liability are based;
 - (4) An estimate of the amount of money or the value of property, services, or other benefits requested or demanded in violation of § 27.3 of this part;
 - (5) A statement of any exculpatory or mitigating circumstances that may relate to the claims or statements known by the reviewing official or the investigating official; and
 - (6) A statement that there is a reasonable prospect of collecting an appropriate amount of penalties and assessments.

§ 27.6 Prerequisites for issuing a complaint.

- (a) The reviewing official may issue a complaint under § 27.7 only if—
 - (1) The Department of Justice approves the issuance of a complaint in written statement described in 31 U.S.C. 3803(b)(1), and
 - (2) In the case of allegations of liability under § 27.3(a) with respect to a claim, the reviewing official determines that, with respect to such claim or a group of related claims submitted at the same time such claim is submitted (as defined in paragraph (b) of this section), the amount of money or the value of property or services demanded or requested in violation of § 27.3(a) does not exceed \$150,000.
- (b) For the purposes of this section, a related group of claims submitted at the same time shall include only those claims arising from the same transaction (e.g., grant, loan, application, or contract) that are submitted simultaneously as part of a single request, demand, or submission.
- (c) Nothing in this section shall be construed to limit the reviewing official's authority to join in a single complaint against a person, claims that are unrelated or were not submitted simultaneously, regardless of the amount of money, or the value of property or services, demanded or requested.

§ 27.7 Complaint.

- (a) On or after the date the Department of Justice approves the issuance of a complaint in accordance with 31 U.S.C. 3803(b)(1), the reviewing official may serve a complaint on the defendant, as provided in § 27.8.
- (b) The complaint shall state—
 - (1) The allegations of liability against the defendant, including the statutory basis for liability, an identification of the claims or statements that are the basis for the alleged liability, and the reasons why liability allegedly arises from such claims or statements;

- (2) The maximum amount of penalties and assessments for which the defendant may be held liable;
 - (3) Instructions for filing an answer to request a hearing, including a specific statement of the defendant's right to request a hearing by filing an answer and to be represented by a representative; and
 - (4) That failure to file an answer within 30 days of service of the complaint will result in the imposition of the maximum amount of penalties and assessments without right to appeal as provided in § 27.10.
- (c) At the same time the reviewing official serves the complaint, he or she shall serve the defendant with a copy of these regulations.

§ 27.8 Service of complaint.

- (a) Service of a complaint must be made by certified or registered mail or by delivery in any manner authorized by Rule 4(d) of the Federal Rules of Civil Procedure. Service is complete upon receipt.
- (b) Proof of service, stating the name and address of the person on whom the complaint was served, and the manner and date of service, may be made by—
 - (1) Affidavit of the individual serving the complaint by delivery;
 - (2) A United States Postal Service return receipt card acknowledging receipt; or
 - (3) Written acknowledgment of receipt by the defendant or his or her representative.

§ 27.9 Answer.

- (a) The defendant may request a hearing by filing an answer with the reviewing official within 30 days of service of the complaint. An answer shall be deemed to be a request for hearing.
- (b) In the answer, the defendant—
 - (1) Shall admit or deny each of the allegations of liability made in the complaint;
 - (2) Shall state any defense on which the defendant intends to rely;
 - (3) May state any reasons why the defendant contends that the penalties and assessments should be less than the statutory maximum; and
 - (4) Shall state the name, address, and telephone number of the person authorized by the defendant to act as defendant's representative, if any.
- (c) If the defendant is unable to file an answer meeting the requirements of paragraph (b) of this section within the time provided, the defendant may, before the expiration of 30 days from service of the complaint, file with the reviewing official a general answer denying liability and requesting a hearing, and a request for an extension of time within which to file an answer meeting requirements of paragraph (b) of this section. The reviewing official shall file promptly with the hearing clerk the complaint, the general answer denying liability, and the request for an extension of time as provided in § 27.11. Upon assignment to a presiding officer, the presiding officer may, for good cause shown, grant the defendant up to 30 additional days within which to file an answer meeting the requirements of paragraph (b) of this section.

§ 27.10 Default upon failure to file an answer.

- (a) If the defendant does not file an answer within the time prescribed in § 27.9(a), the reviewing official may file the complaint with the hearing clerk as provided in § 27.11.

- (b) Upon assignment of the complaint to a presiding officer, the presiding officer shall promptly serve on defendant in the manner prescribed in § 27.8, a notice that an initial decision will be issued under this section.
- (c) The presiding officer shall assume the facts alleged in the complaint to be true, and, if such facts establish liability under § 27.3, the presiding officer shall issue an initial decision imposing the maximum amount of penalties and assessments allowed under the statute.
- (d) Except as otherwise provided in this section, by failing to file a timely answer, the defendant waives any right to further review of the penalties and assessments imposed under paragraph (c) of this section, and the initial decision shall become final and binding upon the parties 30 days after it is issued.
- (e) If, before such an initial decision becomes final, the defendant files a motion seeking to reopen on the grounds that extraordinary circumstances prevented the defendant from filing an answer, the initial decision shall be stayed pending the presiding officer's decision on the motion.
- (f) If, on such motion, the defendant can demonstrate extraordinary circumstances excusing the failure to file a timely answer, the presiding officer shall withdraw the initial decision in paragraph (c) of this section, if such a decision has been issued, and shall grant the defendant an opportunity to answer the complaint.
- (g) A decision of the presiding officer denying a defendant's motion under paragraph (e) of this section, is not subject to reconsideration under § 27.38.
- (h) The defendant may appeal to the Environmental Appeals Board the decision denying a motion to reopen by filing a notice of appeal within 15 days after the presiding officer denies the section. The timely filing of a notice of appeal shall stay the initial decision the Environmental Appeals Board decides the issue.
- (i) If the defendant files a timely notice of appeal, the presiding officer shall forward the record of the proceeding to the Environmental Appeals Board.
- (j) The Environmental Appeals Board shall decide expeditiously whether extraordinary circumstances excuse the defendant's failure to file a timely answer based solely on the record before the presiding officer.
- (k) If the Environmental Appeals Board decides that extraordinary circumstances excused the defendant's failure to file a timely answer, the Environmental Appeals Board shall remand the case to the presiding officer with instructions to grant the defendant an opportunity to answer.
- (l) If the Environmental Appeals Board decides that the defendant's failure to file a timely answer is not excused, the Environmental Appeals Board shall reinstate the initial decision of the presiding officer, which shall become final and binding upon the parties 30 days after the Environmental Appeals Board issues such decision.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5326, Feb. 13, 1992]

§ 27.11 Referral of complaint and answer to the presiding officer.

- (a) Upon receipt of an answer, the reviewing official shall file the complaint and answer with the hearing clerk.
- (b) The hearing clerk shall forward the complaint and answer to the Chief administrative law judge who shall assign himself or herself or another administrative law judge as presiding officer. The presiding officer shall then obtain the complaint and answer from the Chief administrative law judge and notify the parties of his or her assignment.

§ 27.12 Notice of hearing.

- (a) When the presiding officer obtains the complaint and answer, the presiding officer shall promptly serve a notice of hearing upon the defendant in the manner prescribed by § 27.8. At the same time, the presiding officer shall send a copy of such notice to the representative for the Government.
- (b) Such notice shall include—
 - (1) The date, time and place, and the nature of the hearing;
 - (2) The legal authority and jurisdiction under which the hearing is to be held;
 - (3) The matters of fact and law to be asserted;
 - (4) A description of the procedures for the conduct of the hearing;
 - (5) The name, address, and telephone number of the representative of the Government and of the defendant, if any; and
 - (6) Such other matters as the presiding officer deems appropriate.
- (c) The presiding officer shall issue the notice of hearing at least twenty (20) days prior to the date set for the hearing.

§ 27.13 Parties to the hearing.

- (a) The parties to the hearing shall be the defendant and the Authority.
- (b) Pursuant to 31 U.S.C. 3730(c)(5), a private plaintiff under the False Claims Act may participate in these proceedings to the extent authorized by the provisions of that Act.

§ 27.14 Separation of functions.

- (a) The investigating official, the reviewing official, and any employee or agent of the Authority who takes part in investigating, preparing, or presenting a particular case, may not, in such case or a factually related case—
 - (1) Participate in the hearing as the presiding officer;
 - (2) Participate or advise in the initial decision or the review of the initial decision by the Environmental Appeals Board, except as a witness or representative in public proceedings; or
 - (3) Make the collection of penalties and assessments under 31 U.S.C. 3806.
- (b) Neither the presiding officer nor the members of the Environmental Appeals Board shall be responsible to, or subject to, the supervision or direction of the investigating official or the reviewing official.
- (c) Except as provided in paragraph (a) of this section, the representative for the Government may be employed anywhere in the authority, including in the offices of either the investigating official or the reviewing official.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5326, Feb. 13, 1992]

§ 27.15 *Ex parte* contacts.

No party or person (except employees of the presiding officer's office) shall communicate in any way with the presiding officer on any matter at issue in a case, unless on notice and opportunity for all parties to participate. This provision does not prohibit a person or party from inquiring about the status of a case or asking routine question concerning administrative functions or procedures.

§ 27.16 Disqualification of the reviewing official or presiding officer.

- (a) A reviewing official or presiding officer in a particular case may disqualify himself or herself at any time.
- (b) A party may file a motion for disqualification of a reviewing official or presiding officer with the hearing clerk. Such motion shall be accompanied by an affidavit alleging personal bias or other reason for disqualification.
- (c) Such motion and affidavit shall be filed within 15 days of the party's discovery of reasons requiring disqualification, or such objections shall be deemed waived.
- (d) Such affidavit shall state specific facts that support the party's belief that personal bias or other reason for disqualification exists and the time and circumstances of the party's discovery of such facts. It shall be accompanied by a certificate of the representative of record that it is made in good faith.
- (e) Upon the filing of such a motion and affidavit, the presiding officer shall proceed no further in the case until he or she resolves the matter of disqualification in accordance with paragraph (f) of this section.
- (f)
 - (1) If the presiding officer determines that the reviewing official is disqualified because the reviewing official could not have made an impartial determination pursuant to § 27.5(a), the presiding officer shall dismiss the complaint without prejudice.
 - (2) If the presiding officer disqualifies himself or herself, the case shall be reassigned promptly to another presiding officer.
 - (3) If the presiding officer denies a motion to disqualify, the Environmental Appeals Board may determine the matter only as part of its review of the initial decision upon appeal, if any.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5326, Feb. 13, 1992]

§ 27.17 Rights of parties.

Except as otherwise limited by this part, all parties may—

- (a) Be accompanied, represented, and advised by a representative;
- (b) Participate in any conference held by the presiding officer;
- (c) Conduct discovery;
- (d) Agree to stipulations of fact or law, which shall be made part of the record;
- (e) Present evidence relevant to the issues at the hearing;
- (f) Present and cross-examine witnesses;

- (g) Present oral arguments at the hearing as permitted by the presiding officer; and
- (h) Submit written briefs and proposed findings of fact and conclusions of law after the hearing.

§ 27.18 Authority of the presiding officer.

- (a) The presiding officer shall conduct a fair and impartial hearing, avoid delay, maintain order, and assure that a record of the proceeding is made.
- (b) The presiding officer has the authority to—
 - (1) Set and change the date, time, and place of the hearing upon reasonable notice to the parties;
 - (2) Continue or recess the hearing in whole or in part for a reasonable period of time;
 - (3) Hold conferences to identify or simplify the issues, or to consider other matters that may aid in the expeditious disposition of the proceeding;
 - (4) Administer oaths and affirmations;
 - (5) Issue subpoenas requiring the attendance of witnesses and the production of documents at depositions or at hearings;
 - (6) Rule on motions and other procedural matters;
 - (7) Regulate the scope and timing of discovery;
 - (8) Regulate the course of the hearing and the conduct of representatives and parties;
 - (9) Examine witnesses;
 - (10) Receive, rule on, exclude, or limit evidence;
 - (11) Upon motion of a party, take official notice of facts;
 - (12) Upon motion of a party, decide cases, in whole or in part, by summary judgment where there is no disputed issue of material fact;
 - (13) Conduct any conference, argument, or hearing on motions in person or by telephone; and
 - (14) Exercise such other authority as is necessary to carry out the responsibilities of the presiding officer under this part.
- (c) The presiding officer does not have the authority to find Federal statutes or regulations invalid.

§ 27.19 Prehearing conferences.

- (a) The presiding officer may schedule prehearing conferences as appropriate.
- (b) Upon the motion of any party, the presiding officer shall schedule at least one prehearing conference at a reasonable time in advance of the hearing.
- (c) The presiding officer may use prehearing conferences to discuss the following:
 - (1) Simplification of the issues;
 - (2) The necessity or desirability of amendments to the pleadings, including the need for a more definite statement;
 - (3) Stipulations and admissions of fact as to the contents and authenticity of documents;

- (4) Whether the parties can agree to submission of the case on a stipulated record;
 - (5) Whether a party chooses to waive appearance at an oral hearing and to submit only documentary evidence (subject to the objection of other parties) and written argument;
 - (6) Limitation of the number of witnesses;
 - (7) Scheduling dates for the exchange of witness lists and of proposed exhibits;
 - (8) Discovery;
 - (9) The time and place for the hearing; and
 - (10) Such other matters as may tend to expedite the fair and just disposition of the proceedings.
- (d) The presiding officer may issue an order containing all matters agreed upon by the parties or ordered by the presiding officer at a prehearing conference.

§ 27.20 Disclosure of documents.

- (a) Upon written request to the reviewing official, the defendant may review any relevant and material documents, transcripts, records, and other materials that relate to the allegations set out in the complaint and upon which the findings and conclusions of the investigating official under § 27.4(b) are based, unless such documents are subject to a privilege under Federal law. Upon payment of fees for duplication, the defendant may obtain copies of such documents.
- (b) Upon written request to the reviewing official, the defendant also may obtain a copy of all exculpatory information in the possession of the reviewing official or investigating official relating to the allegations in the complaint, even if it is contained in a document that would otherwise be privileged. If the document would otherwise be privileged, only that portion containing exculpatory information must be disclosed.
- (c) The notice sent to the Attorney General from the reviewing official as described in § 27.5 is not discoverable under any circumstances.
- (d) The defendant may file a motion to compel disclosure of the documents subject to the provisions of this section. Such a motion may only be filed following the filing of an answer pursuant to § 27.9.

§ 27.21 Discovery.

- (a) The following types of discovery are authorized:
 - (1) Requests for production of documents for inspection and copying;
 - (2) Requests for admissions of the authenticity of any relevant document or of the truth of any relevant fact;
 - (3) Written interrogatories; and
 - (4) Depositions.
- (b) For the purpose of this section and §§ 27.22 and 27.23, the term *documents* includes information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence. Nothing contained herein shall be interpreted to require the creation of a document.
- (c) Unless mutually agreed to by the parties, discovery is available only as ordered by the presiding officer. The presiding officer shall regulate the timing of discovery.

(d) *Motions for discovery.*

- (1) A party seeking discovery may file a motion which shall be accompanied by a copy of the requested discovery, or in the case of depositions, a summary of the scope of the proposed deposition.
- (2) Within ten days of service, a party may file an opposition to the motion and/or a motion for protective order as provided in § 27.24.
- (3) The presiding officer may grant a motion for discovery only if he finds that the discovery sought—
 - (i) Is necessary for the expeditious, fair, and reasonable consideration of the issues;
 - (ii) Is not unduly costly or burdensome;
 - (iii) Will not unduly delay the proceeding; and
 - (iv) Does not seek privileged information.
- (4) The burden of showing that discovery should be allowed is on the party seeking discovery.
- (5) The presiding officer may grant discovery subject to a protective order under § 27.24.

(e) *Depositions.*

- (1) If a motion for deposition is granted, the presiding officer shall issue a subpoena for the deponent, which may require the deponent to produce documents. The subpoena shall specify the time and place at which the deposition will be held.
- (2) The party seeking to depose shall serve the subpoena in the manner prescribed in § 27.8.
- (3) The deponent may file a motion to quash the subpoena or a motion for a protective order within ten days of service.
- (4) The party seeking to depose shall provide for the taking of a verbatim transcript of the deposition, which it shall make available to all other parties for inspection and copying.

- (f) Each party shall bear its own costs of discovery.

§ 27.22 Exchange of witness lists, statements, and exhibits.

- (a) At least 15 days before the hearing or at such other time as may be ordered by the presiding officer, the parties shall exchange witness lists, copies of prior statements of proposed witnesses, and copies of proposed hearing exhibits, including copies of any written statements that the party intends to offer in lieu of live testimony in accordance with § 27.33(b). At the time the above documents are exchanged, any party that intends to rely on the transcript of deposition testimony in lieu of live testimony at the hearing, if permitted by the presiding officer, shall provide each party with a copy of the specific pages of the transcript it intends to introduce into evidence.
- (b) If a party objects, the presiding officer shall not admit into evidence the testimony of any witness whose name does not appear on the witness list or any exhibit not provided to the opposing party as provided above unless the presiding officer finds good cause for the failure or that there is not prejudice to the objecting party.
- (c) Unless another party objects within the time set by the presiding officer, documents exchanged in accordance with paragraph (a) of this section shall be deemed to be authentic for the purpose of admissibility at the hearing.

§ 27.23 Subpoenas for attendance at hearing.

- (a) A party wishing to procure the appearance and testimony of any individual at the hearing may request that the presiding officer issue a subpoena.
- (b) A subpoena requiring the attendance and testimony of an individual may also require the individual to produce documents at the hearing.
- (c) A party seeking a subpoena shall file a written request therefor not less than 15 days before the date fixed for the hearing unless otherwise allowed by the presiding officer for good cause shown. Such request shall specify any documents to be produced and shall designate the witnesses and describe the address and location thereof with sufficient particularity to permit such witnesses to be found.
- (d) The subpoena shall specify the time and place at which the witness is to appear and any documents the witness is to produce.
- (e) The party seeking the subpoena shall serve it in the manner prescribed in § 27.8. A subpoena on a party or upon an individual under the control of a party may be served by first class mail.
- (f) A party or the individual to whom the subpoena is directed may file a motion to quash the subpoena within ten days after service or on or before the time specified in the subpoena for compliance if it is less than ten days after service.

§ 27.24 Protective order.

- (a) A party or a prospective witness or deponent may file a motion for a protective order with respect to discovery sought by a party or with respect to the hearing, seeking to limit the availability or disclosure of evidence.
- (b) In issuing a protective order, the presiding officer may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following:
 - (1) That the discovery not be had;
 - (2) That the discovery may be had only on specified terms and conditions, including a designation of the time or place;
 - (3) That the discovery may be had only through a method of discovery other than that requested;
 - (4) That certain matters not be inquired into, or that the scope of discovery be limited to certain matters;
 - (5) That discovery be conducted with no one present except persons designated by the presiding officer;
 - (6) That the contents of discovery or evidence be sealed;
 - (7) That a deposition after being sealed be opened only by order of the presiding officer;
 - (8) That a trade secret or other confidential research, development, or commercial information, or facts pertaining to any criminal investigation, proceeding, or other administrative investigation not be disclosed or be disclosed only in a designated way; or
 - (9) That the parties simultaneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the presiding officer.

§ 27.25 Fees.

The party requesting a subpoena shall pay the cost of the fees and mileage of any witness subpoenaed in the amounts that would be payable to a witness in a proceeding in United States District Court. A check for witness fees and mileage shall accompany the subpoena when served, except that when a subpoena is issued on behalf of the Authority, a check for witness fees and mileage need not accompany the subpoena.

§ 27.26 Form, filing and service of papers.

(a) *Form.*

- (1) Documents filed with the hearing clerk shall include an original and two copies.
- (2) The first page of every pleading and paper filed in the proceeding shall contain a caption setting forth the title of the action, the case number assigned by the hearing clerk, and a designation of the paper (e.g., motion to quash subpoena).
- (3) Every pleading and paper shall be signed by, and shall contain the address and telephone number of, the party or the person on whose behalf the paper was filed, or his or her representative.
- (4) Papers are considered filed when they are mailed. Date of mailing may be established by a certificate from the party or its representative or by proof that the document was sent by certified or registered mail.

(b) **Service.** A party filing a document with the hearing clerk shall, at the time of filing, serve a copy of such document on every other party. Service upon any party of any document, other than those required to be served as prescribed in § 27.8, shall be made by delivering a copy or by placing a copy of the document in the United States mail, postage prepaid and addressed, to the party's last known address. When a party is represented by a representative, service shall be made upon such representative in lieu of the actual party.

(c) **Proof of service.** A certificate of the individual serving the document by personal delivery or by mail, setting forth the manner of service, shall be proof of service.

§ 27.27 Computation of time.

- (a) In computing any period of time under this part or in an order issued thereunder, the time begins with the day following the act, event, or default, and includes the last day of the period, unless it is a Saturday, Sunday, or legal holiday observed by the Federal Government, in which event it includes the next business day.
- (b) When the period of time allowed is less than seven days, intermediate Saturdays, Sundays, and legal holidays observed by the Federal Government shall be excluded from the computation.
- (c) When a document has been served or issued by placing it in the mail, an additional five days will be added to the time permitted for any response.

§ 27.28 Motions.

- (a) Any application to the presiding officer for an order or ruling shall be by motion. Motions shall state the relief sought, the authority relied upon, and the facts alleged, and shall be filed with hearing clerk and served on all other parties.

- (b) Except for motions made during a prehearing conference or at the hearing, all motions shall be in writing. The presiding officer may require that oral motions be reduced to writing.
- (c) Within 15 days after a written motion is served, or such other time as may be fixed by the presiding officer, any party may file a response to such motion.
- (d) The presiding officer may not grant a written motion before the time for filing responses thereto has expired, except upon consent of the parties or following a hearing on the motion, but may overrule or deny such motion without awaiting a response.
- (e) The presiding officer shall make a reasonable effort to dispose of all outstanding motions prior to the beginning of the hearing.

§ 27.29 Sanctions.

- (a) The presiding officer may sanction a person, including any party or representative for—
 - (1) Failing to comply with an order, rule, or procedure governing the proceeding;
 - (2) Failing to prosecute or defend an action; or
 - (3) Engaging in other misconduct that interferes with the speedy, orderly, or fair conduct of the hearing.
- (b) Any such sanction, including but not limited to those listed in paragraphs (c), (d), and (e) of this section, shall reasonably relate to the severity and nature of the failure or misconduct.
- (c) When a party fails to comply with an order, including an order for taking a deposition, the production of evidence within the party's control, or a request for admission, the presiding officer may—
 - (1) Draw an inference in favor of the requesting party with regard to the information sought;
 - (2) In the case of requests for admission, deem each matter of which an admission is requested to be admitted;
 - (3) Prohibit the party failing to comply with such order from introducing evidence concerning, or otherwise relying upon, testimony relating to the information sought; and
 - (4) Strike any part of the pleadings or other submissions of the party failing to comply with such request.
- (d) If a party fails to prosecute or defend an action under this part commenced by service of a notice of hearing, the presiding officer may dismiss the action or may issue an initial decision imposing penalties and assessments.
- (e) The presiding officer may refuse to consider any motion, request, response, brief or other document which is not filed in a timely fashion.

§ 27.30 The hearing and burden of proof.

- (a) The presiding officer shall conduct a hearing on the record in order to determine whether the defendant is liable for a civil penalty or assessment under § 27.3 and, if so, the appropriate amount of any such civil penalty or assessment considering any aggravating or mitigating factors.
- (b) The Authority shall prove defendant's liability and any aggravating factors by a preponderance of the evidence.

- (c) The defendant shall prove any affirmative defenses and any mitigating factors by a preponderance of the evidence.
- (d) The hearing shall be open to the public unless otherwise ordered by the presiding officer for good cause shown.

§ 27.31 Determining the amount of penalties and assessments.

- (a) In determining an appropriate amount of civil penalties and assessments, the presiding officer and the Environmental Appeals Board, upon appeal, should evaluate any circumstances that mitigate or aggravate the violation and should articulate in their opinions the reasons that support the penalties and assessments they impose. Because of the intangible costs of fraud, the expense of investigating such conduct, and the need to deter others who might be similarly tempted, ordinarily double damages and a significant civil penalty should be imposed.
- (b) Although not exhaustive, the following factors are among those that may influence the presiding officer and the Environmental Appeals Board in determining the amount of penalties and assessments to impose with respect to the misconduct (*i.e.*, the false, fictitious, or fraudulent claims or statements) charged in the complaint:
 - (1) The number of false, fictitious, or fraudulent claims or statements;
 - (2) The time period over which such claims or statements were made;
 - (3) The degree of the defendant's culpability with respect to the misconduct;
 - (4) The amount of money or the value of the property, services, or benefit falsely claimed;
 - (5) The value of the Government's actual loss as a result of the misconduct, including foreseeable consequential damages and the costs of investigation;
 - (6) The relationship of the amount imposed as civil penalties to the amount of the Government's loss;
 - (7) The potential or actual impact of the misconduct upon national defense, public health or safety, or public confidence in the management of Government programs and operations, including particularly the impact on the intended beneficiaries of such programs;
 - (8) Whether the defendant has engaged in a pattern of the same or similar misconduct;
 - (9) Whether the defendant attempted to conceal the misconduct;
 - (10) The degree to which the defendant has involved others in the misconduct or in concealing it;
 - (11) Where the misconduct of employees or agents is imputed to the defendant, the extent to which the defendant's practices fostered or attempted to preclude such misconduct;
 - (12) Whether the defendant cooperated in or obstructed an investigation of the misconduct;
 - (13) Whether the defendant assisted in identifying and prosecuting other wrongdoers;
 - (14) The complexity of the program or transaction, and the degree of the defendant's sophistication with respect to it, including the extent of the defendant's prior participation in the program or in similar transactions;
 - (15) Whether the defendant has been found, in any criminal, civil, or administrative proceeding to have engaged in similar misconduct or to have dealt dishonestly with the Government of the United States or of a State, directly or indirectly; and

(16) The need to deter the defendant and others from engaging in the same or similar misconduct.

- (c) Nothing in this section shall be construed to limit the presiding officer or the Environmental Appeals Board from considering any other factors that in any given case may mitigate or aggravate the offense for which penalties and assessments are imposed.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5327, Feb. 13, 1992]

§ 27.32 Location of hearing.

- (a) The hearing may be held—
- (1) In any judicial district of the United States in which the defendant resides or transacts business;
 - (2) In any judicial district of the United States in which the claim or statement in issue was made; or
 - (3) In such other place as may be agreed upon by the defendant and the presiding officer.
- (b) Each party shall have the opportunity to present argument with respect to the location of the hearing.
- (c) The hearing shall be held at the place and at the time ordered by the presiding officer.

§ 27.33 Witnesses.

- (a) Except as provided in paragraph (b) of this section, testimony at the hearing shall be given orally by witnesses under oath or affirmation.
- (b) At the discretion of the presiding officer, testimony may be admitted in the form of a written statement or deposition. Any such written statement must be provided to all other parties along with the last known address of such witness, in a manner which allows sufficient time for other parties to subpoena such witness for cross-examination at the hearing. Prior written statements of witnesses proposed to testify at the hearing and deposition transcripts shall be exchanged as provided in § 27.22(a).
- (c) The presiding officer shall exercise reasonable control over the mode and order of interrogating witnesses and presenting evidence so as to:
- (1) Make the interrogation and presentation effective for the ascertainment of the truth,
 - (2) Avoid needless consumption of time, and
 - (3) Protect witnesses from harassment or undue embarrassment.
- (d) The presiding officer shall permit the parties to conduct such cross-examination as may be required for a full and true disclosure of the facts.
- (e) At the discretion of the presiding officer, a witness may be cross-examined on matters relevant to the proceeding without regard to the scope of his or her direct examination. To the extent permitted by the presiding officer, cross-examination on matters outside the scope of direct examination shall be conducted in the manner of direct examination and may proceed by leading questions only if the witness is a hostile witness, an adverse party, or a witness identified with an adverse party.
- (f) Upon motion of any party, the presiding officer shall order witnesses excluded so that they cannot hear the testimony of other witnesses. This rule does not authorize exclusion of—
- (1) A party who is an individual;

- (2) In the case of a party that is not an individual, an officer or employee of the party appearing for the entity *pro se* or designated by the party's representative; or
- (3) an individual whose presence is shown by a party to be essential to the presentation of its case, including an individual employed by the Government engaged in assisting the representative for the Government.

§ 27.34 Evidence.

- (a) The presiding officer shall determine the admissibility of evidence.
- (b) Except as provided in this part, the presiding officer shall not be bound by the Federal Rules of Evidence. However, the presiding officer may apply the Federal Rules of Evidence when appropriate, e.g., to exclude unreliable evidence.
- (c) The presiding officer shall exclude irrelevant and immaterial evidence.
- (d) Although relevant, evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or by considerations of undue delay or needless presentation of cumulative evidence.
- (e) Although relevant, evidence may be excluded if it is privileged under Federal law.
- (f) Evidence concerning offers of compromise or settlement shall be inadmissible to the extent provided in Rule 408 of the Federal Rules of Evidence.
- (g) The presiding officer shall permit the parties to introduce rebuttal witnesses and evidence.
- (h) All documents and other evidence offered or taken for the record shall be open to examination by all parties, unless otherwise ordered by the presiding officer pursuant to § 27.24.

§ 27.35 The record.

- (a) The hearing will be recorded and transcribed. Transcripts may be obtained following the hearing from the hearing clerk at a cost not to exceed the actual cost of duplication.
- (b) The transcript of testimony, exhibits and other evidence admitted at the hearing, and all papers and requests filed in the proceeding constitute the record for the decision by the presiding officer and the Environmental Appeals Board.
- (c) The record may be inspected and copied (upon payment of a reasonable fee) by anyone, unless otherwise ordered by the presiding officer pursuant to § 27.24.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5327, Feb. 13, 1992]

§ 27.36 Post-hearing briefs.

The presiding officer may require the parties to file post-hearing briefs. In any event, any party may file a post-hearing brief. The presiding officer shall fix the time for filing such briefs, not to exceed 60 days from the date the parties receive the transcript of the hearing or, if applicable, the stipulated record. Such briefs may be accompanied by proposed findings of fact and conclusions of law. The presiding officer may permit the parties to file responsive briefs.

§ 27.37 Initial decision.

- (a) The presiding officer shall issue an initial decision based only on the record. The decision shall contain findings of fact, conclusions of law, and the amount of any penalties and assessments imposed.
- (b) The findings of fact shall include a finding on each of the following issues:
 - (1) Whether the claims or statements identified in the complaint, or any portions thereof, violate § 27.3;
 - (2) If the person is liable for penalties or assessments, the appropriate amount of any such penalties or assessments considering any mitigating or aggravating factors that he or she finds in the case, such as those described in § 27.31.
- (c) The presiding officer shall promptly serve the initial decision on all parties within 90 days after the time for submission of post-hearing briefs and responsive briefs (if permitted) has expired. The presiding officer shall at the same time serve all parties with a statement describing the right of any defendant determined to be liable for a civil penalty or assessment to file a motion for reconsideration or a notice of appeal. If the presiding officer fails to meet the deadline contained in this paragraph, he or she shall notify the parties of the reason for the delay and shall set a new deadline.
- (d) Unless the initial decision of the presiding officer is timely appealed to the Environmental Appeals Board, or a motion for reconsideration of the initial decision is timely filed, the initial decision shall constitute the final decision of the Environmental Appeals Board and shall be final and binding on the parties 30 days after it is issued by the presiding officer.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5327, Feb. 13, 1992]

§ 27.38 Reconsideration of initial decision.

- (a) Except as provided in paragraph (d) of this section, any party may file a motion for reconsideration of the initial decision within 20 days of receipt of the initial decision. If service was made by mail, receipt will be presumed to be five days from the date of mailing in the absence of contrary proof.
- (b) Every such motion must set forth the matters claimed to have been erroneously decided and the nature of the alleged errors. Such motion shall be accompanied by a supporting brief.
- (c) Responses to such motions shall be allowed only upon request of the presiding officer.
- (d) No party may file a motion for reconsideration of an initial decision that has been revised in response to a previous motion for reconsideration.
- (e) The presiding officer may dispose of a motion for reconsideration by denying it or by issuing a revised initial decision.
- (f) If the presiding officer denies a motion for reconsideration, the initial decision shall constitute the final decision of the Environmental Appeals Board and shall be final and binding on the parties 30 days after the presiding officer denies the motion, unless the initial decision is timely appealed to the Environmental Appeals Board in accordance with § 27.39.
- (g) If the presiding officer issued a revised initial decision, that decision shall constitute the final decision of the Environmental Appeals Board and shall be final and binding on the parties 30 days after it is issued, unless it is timely appealed to the Environmental Appeals Board in accordance with § 27.39.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5327, Feb. 13, 1992]

§ 27.39 Appeal to authority head.

- (a) Any defendant who has filed a timely answer and who is determined in an initial decision to be liable for a civil penalty or assessment may appeal such decision to the Environmental Appeals Board by filing a notice of appeal with the hearing clerk in accordance with this section.
- (b)
 - (1) A notice of appeal may be filed at any time within 30 days after the presiding officer issues an initial decision. However, if another party files a motion for reconsideration under § 27.38, consideration of the appeal shall be stayed automatically pending resolution of the motion for reconsideration.
 - (2) If a motion for reconsideration is timely filed, a notice of appeal may be filed within 30 days after the presiding officer denies the motion or issues a revised initial decision, whichever applies.
 - (3) The Environmental Appeals Board may extend the initial 30 day period for an additional 30 days if the defendant files a request for an extension within the initial 30 day period and shows good cause.
- (c) If the defendant filed a timely notice of appeal, and the time for filing motions for reconsideration under § 27.38 has expired, the presiding officer shall forward the record of the proceeding to the Environmental Appeals Board.
- (d) A notice of appeal shall be accompanied by a written brief specifying exceptions to the initial decision and reasons supporting the exceptions.
- (e) The representative for the Government may file a brief in opposition to exceptions within 30 days of receiving the notice of appeal and accompanying brief.
- (f) There is no right to appear personally before the Environmental Appeals Board.
- (g) There is no right to appeal any interlocutory ruling by the presiding officer.
- (h) In reviewing the initial decision, the Environmental Appeals Board shall not consider any objection that was not raised before the presiding officer unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection.
- (i) If any party demonstrates to the satisfaction of the Environmental Appeals Board that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the Environmental Appeals Board shall remand the matter to the presiding officer for consideration of such additional evidence.
- (j) The Environmental Appeals Board may affirm, reduce, reverse, compromise, remand, or settle any penalty or assessment, determined by the presiding officer in any initial decision.
- (k) The Environmental Appeals Board shall promptly serve each party to the appeal with a copy of the decision of the Environmental Appeals Board and a statement describing the right of any person determined to be liable for a civil penalty or assessment to seek judicial review.
- (l) Unless a petition for review is filed as provided in 31 U.S.C. 3805 after a defendant has exhausted all administrative remedies under this part and within 60 days after the date on which the Environmental Appeals Board serves the defendant with a copy of the Environmental Appeals Board's decision, a determination that a defendant is liable under § 27.3 is final and is not subject to judicial review.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5327, Feb. 13, 1992]

§ 27.40 Stay ordered by the Department of Justice.

If at any time the Attorney General or an Assistant Attorney General designated by the Attorney General transmits to the Environmental Appeals Board a written finding that continuation of the administrative process described in this part with respect to a claim or statement may adversely affect any pending or potential criminal or civil action related to such claim or statement, the Environmental Appeals Board shall stay the process immediately. The Environmental Appeals Board may order the process resumed only upon receipt of the written authorization of the Attorney General.

[57 FR 5327, Feb. 13, 1992]

§ 27.41 Stay pending appeal.

- (a) An initial decision is stayed automatically pending disposition of a motion for reconsideration or of an appeal to the Environmental Appeals Board.
- (b) No administrative stay is available following a final decision of the Environmental Appeals Board.

[57 FR 5327, Feb. 13, 1992]

§ 27.42 Judicial review.

Section 3805 of title 31, United States Code, authorizes judicial review by an appropriate United States District Court of a final decision of the Environmental Appeals Board imposing penalties or assessments under this part and specifies the procedures for such review.

[57 FR 5327, Feb. 13, 1992]

§ 27.43 Collection of civil penalties and assessments.

Sections 3806 and 3808(b) of title 31, United States Code, authorize actions for collection of civil penalties and assessments imposed under this part and specify the procedures for such actions.

§ 27.44 Right to administrative offset.

The amount of any penalty or assessment which has become final, or for which a judgment has been entered under §§ 27.42 or 27.43, or any amount agreed upon in a compromise or settlement under § 27.46, may be collected by administrative offset under 31 U.S.C. 3716, except that an administrative offset may not be made under this section against a refund of an overpayment of Federal taxes, then or later owing by the United States to the defendant.

§ 27.45 Deposit in Treasury of United States.

All amounts collected pursuant to this part shall be deposited as miscellaneous receipts in the Treasury of the United States, except as provided in 31 U.S.C. 3806(g).

§ 27.46 Compromise or settlement.

- (a) Parties may make offers of compromise or settlement at any time.

- (b) The reviewing official has the exclusive authority to compromise or settle a case under this part at any time after the date on which the reviewing official is permitted to issue a complaint and before the date on which the presiding officer issues an initial decision.
- (c) The Environmental Appeals Board has exclusive authority to compromise or settle a case under this part at any time after the date on which the presiding officer issues an initial decision, except during the pendency of any review under § 27.42 or during the pendency of any action to collect penalties and assessments under § 27.43.
- (d) The Attorney General has exclusive authority to compromise or settle a case under this part during the pendency of any review under § 27.42 or of any action to recover penalties and assessments under 31 U.S.C. 3806.
- (e) The investigating official may recommend settlement terms to the reviewing official, the Environmental Appeals Board, or the Attorney General, as appropriate. The reviewing official may recommend settlement terms to the Environmental Appeals Board or the Attorney General, as appropriate.
- (f) Any compromise or settlement must be in writing.

[53 FR 15182, Apr. 27, 1988, as amended at 57 FR 5327, Feb. 13, 1992]

§ 27.47 Limitations.

- (a) The notice of hearing with respect to a claim or statement must be served in the manner specified in § 27.8 within 6 years after the date on which such claim or statement is made.
- (b) If the defendant fails to file a timely answer, service of a notice under § 27.10(b) shall be deemed a notice of hearing for purposes of this section.
- (c) The statute of limitations may be extended by agreement of the parties.

§ 27.48 Delegated functions.

The Administrator delegates authority to the Environmental Appeals Board to issue final decisions in appeals filed under this part. An appeal directed to the Administrator, rather than the Environmental Appeals Board, will not be considered. This delegation of authority to the Environmental Appeals Board does not preclude the Environmental Appeals Board from referring an appeal or motion filed under this part to the Administrator for decision when the Environmental Appeals Board, in its discretion, deems it appropriate to do so. When an appeal or motion is referred to the Administrator, all parties shall be so notified and the rules in this part referring to the Environmental Appeals Board shall be interpreted as referring to the Administrator. If a case or motion is referred to the Administrator by the Environmental Appeals Board, the Administrator may consult with any EPA employee concerning the matter, provided such consultation does not violate the *ex parte* contacts restrictions set forth in §§ 27.14 and 27.15 of this part.

[57 FR 5328, Feb. 13, 1992]