

(c) Compensation in all cases of such employees paid and closed prior to the effective date of the regulations in this part shall be deemed compromised and paid under 5 U.S.C. 8137; in all other cases compensation may be adjusted to conform with the regulations in this part, or the beneficiary may by compromise or agreement with the Director have compensation continued on the basis of a previous adjustment of the claim.

(d) Persons employed in a country or area having no well-defined workers' compensation benefits structure shall be accorded the benefits provided—either by local law or special schedule—in a nearby country as determined by the Director. In selecting the benefit structure to be applied, equity and administrative feasibility shall be given due consideration, as well as local custom.

(e) Compensation for disability and death of noncitizens outside the United States under this part, whether paid under local law or special schedule, shall in no event exceed that generally payable under the Federal Employees' Compensation Act.

§ 25.3 General provisions relating to special schedule.

The special schedule established by subpart B of this part is intended as the vehicle of general basic provisions, to be adapted, with such modifications as may be necessary, and as local conditions outside the United States require. The application of this special schedule will be by specific and appropriate provision in the regulations in this part, such provision specifying the locality to which applied, and the particular modifications of or additions to the schedule, as may be made.

§ 25.4 Authority to settle and pay claims.

In addition to the authority to receive, process, and pay claims, when delegated such representative or agency receiving delegation of authority shall, in respect to cases adjudicated under this part, and when so authorized by the Director, have authority (a) to make lump sum awards (in the manner prescribed by 5 U.S.C. 8135) whenever such authorized representative shall

deem such settlement to be for the best interest of the United States, and (b) to compromise and pay claims for any benefits provided for under this part, including claims in which there is a dispute as to jurisdiction or other facts, or questions of law. The Director shall, in administrative instructions to the particular representative concerned, establish such procedures in respect to action under this section as may be deemed necessary, and may specify the scope of any administrative review of such action.

§ 25.5 Applicable criteria.

The following criteria shall apply to cases of employees specified in § 25.1 and such cases, if otherwise compensable, shall be approved only upon evidence of the following nature without regard to the date of injury or death for which claim is made:

- (a) Appropriate certification by the Federal employing establishment, or;
- (b) An armed service's casualty or medical record, or;
- (c) Verification of the employment and casualty by military personnel, or;
- (d) Recommendation of an armed service's "Claim Service" based on investigations conducted by it.

(79 Stat. 592)

§ 25.6 Third and fourth country nationals.

(a) *Definitions.* (1) A third country national is a person who is neither a citizen nor resident of the United States who is hired by the United States in the person's country of citizenship or residence for employment in another foreign country, or in a possession or territory of the United States.

(2) A fourth country national is a person who is neither a citizen nor resident of either the country of hire or the place of employment, but otherwise meets the definition of third country national.

(3) "Benefits applicable to local hires" are the benefits provided in this part by local law or special schedule, as determined by the Director. In relation to a United States territory or possession, local law means only the law of the particular territory or possession.

(b) *Benefits payable.* (1) Third and fourth country nationals shall be paid