

Legal Services Corporation

§ 1640.4

§ 1640.2 Definitions.

(a)(1) *Federal law relating to the proper use of Federal funds* means:

- (i) 18 U.S.C. 201 (Bribery of Public Officials and Witnesses);
- (ii) 18 U.S.C. 286 (Conspiracy to Defraud the Government With Respect to Claims);
- (iii) 18 U.S.C. 287 (False, Fictitious or Fraudulent Claims);
- (iv) 18 U.S.C. 371 (Conspiracy to Commit Offense or Defraud the United States);
- (v) 18 U.S.C. 641 (Public Money, Property or Records);
- (vi) 18 U.S.C. 1001 (Statements or Entries Generally);
- (vii) 18 U.S.C. 1002 (Possession of False Papers to Defraud the United States);
- (viii) 18 U.S.C. 1516 (Obstruction of Federal Audit);
- (ix) 31 U.S.C. 3729 (False Claims);
- (x) 31 U.S.C. 3730 (Civil Actions for False Claims), except that actions that are authorized by 31 U.S.C. 3730(b) to be brought by persons may not be brought against the Corporation, any recipient, subrecipient, grantee, or contractor of the Corporation, or any employee thereof;
- (xi) 31 U.S.C. 3731 (False Claims Procedure);
- (xii) 31 U.S.C. 3732 (False Claims Jurisdiction); and
- (xiii) 31 U.S.C. 3733 (Civil Investigative Demands).

(2) For the purposes of the laws listed in paragraph (a)(1) of this section, LSC shall be considered a Federal agency and a recipient's LSC funds shall be considered to be Federal funds provided by grant or contract.

(b) A *violation of the agreement* means:

(1) That the recipient has been convicted of, or judgment has been entered against the recipient for, a violation of any of the laws listed in paragraph (a)(1) of this section, with respect to its LSC grant or contract, by the court having jurisdiction of the matter, and any appeals of the conviction or judgment have been exhausted or the time for the appeal has expired; or

(2) An employee or board member of the recipient has been convicted of, or judgment has been entered against the employee or board member for, a violation of any of the laws listed in para-

graph (a)(1) of this section with respect to a recipient's grant or contract with LSC by the court having jurisdiction of the matter, and any appeals of the conviction or judgment have been exhausted or the time for appeal has expired, and the Corporation finds that the recipient has knowingly or through gross negligence allowed the employee or board member to engage in such activities.

§ 1640.3 Contractual agreement.

As a condition of receiving LSC funds, a recipient must enter into a written contractual agreement with the Corporation that, with respect to its LSC funds, it will be subject to the Federal laws listed in §1640.2(a)(1). The agreement shall include a statement that all of the recipient's employees and board members have been informed of such Federal law and of the consequences of a violation of such law, both to the recipient and to themselves as individuals.

§ 1640.4 Violation of agreement.

(a) A violation of the agreement under §1640.2(b)(1) shall result in the recipient's LSC grant or contract being terminated by the Corporation without need for a termination hearing. During the pendency of any appeal of a conviction or judgment, the Corporation may take such steps as it determines necessary to safeguard its funds.

(b) A violation of the agreement under §1640.2(b)(2) shall result in the recipient's LSC grant or contract being terminated by the Corporation. Prior to such termination, the Corporation shall provide notice and an opportunity to be heard for the sole purpose of determining whether the recipient knowingly or through gross negligence allowed the employee or board member to engage in the activities which led to the conviction or judgment. During the pendency of any appeal of a conviction or judgment or during the pendency of a hearing, the Corporation may take such steps as it determines necessary to safeguard its funds.