32.006-1 General.

(a) Under 10 U.S.C. 3806(j), the statutory authority implemented by this section is available to the Department of Defense and the National Aeronautics and Space Administration; this statutory authority is not available to the *United States* Coast Guard. Under 41 U.S.C. 4506, this statutory authority is available to all agencies subject to Division C of subtitle I of title 41.

(b) 10 U.S.C. 3806(c) and 41 U.S.C. 4506 provide for a reduction or *suspension* of further payments to a contractor when the *agency head* determines there is *substantial evidence* that the contractor's request for advance, partial, or progress payments is based on fraud. This authority does not apply to commercial interim payments under subpart 32.2, or performance-based payments under subpart 32.10.

(c) The *agency head may* not delegate his or her responsibilities under these statutes below Level IV of the Executive Schedule.

(d) Authority to reduce or suspend payments under these statutes is in addition to other Government rights, remedies, and procedures.

(e) In accordance with these statutes, *agency head* determinations and decisions under this section *may* be made for an individual contract or any group of contracts affected by the fraud.

Parent topic: 32.006 Reduction or suspension of contract payments upon finding of fraud.