

FEDERAL CIVIL PENALTIES INFLATION ADJUSTMENT ACT

The Federal Civil Penalties Inflation Adjustment Act of 1990 established annual reporting requirements for civil monetary penalties assessed and collected by Federal agencies. The Department assesses civil fines and penalties on individuals for such infractions as violating the terms of munitions licenses, exporting unauthorized defense

articles and services, and valuation of manufacturing license agreements. In 2017, the Department did not assess any new penalties, and collected \$2 million of outstanding penalties from one company. There is no outstanding balance as of September 30, 2017. The following table lists the current penalty level for infractions governed by the Department.

FEDERAL CIVIL PENALTIES INFLATION ADJUSTMENTS						
Statutory Authority	Penalty	Year Enacted	Latest Year of Adjustment	Current Penalty Level (\$ Amount or Range)	Sub-Agency/ Bureau/ Unit	Location for Penalty Update Details
Arms Export Control Act of 1976, 22 U.S.C. 2778(e)	International Traffic in Arms Regulations Violations – Export of Defense Articles and Defense Service	1985	2017	\$1,111,908		Federal Register 82 3168-3170
Arms Export Control Act of 1976, 22 U.S.C. 2779a	International Traffic in Arms Regulations Violations – Prohibition on Incentive Payments	1994	2017	\$808,458		Federal Register 82 3168-3170
Arms Export Control Act of 1976, 22 U.S.C. 2780	International Traffic in Arms Regulations Violations – Transactions with Countries Supporting Acts of International Terrorism	1989	2017	\$962,295		Federal Register 82 3168-3170
False Claims Act of 1986, 31 U.S.C. 3729-3733	Penalty imposed on persons and companies who defraud governmental programs	1986	2017	\$10,957 – \$328,734		Federal Register 82 3168-3170
Chemical Weapons Convention Act of 1998, 22 U.S.C. 6761(a)(1)(A)	Prohibited acts relating to inspections	1998	2017	\$36,849		Federal Register 82 3168-3170
Chemical Weapons Convention Act of 1998, 22 U.S.C. 6761(a)(1)(B)	Recordkeeping violations	1998	2017	\$7,370		Federal Register 82 3168-3170

PROMPT PAYMENT ACT

Timeliness of Payments

The Prompt Payment Act (PPA) requires Federal agencies to pay their bills on time. PPA assesses an interest penalty against Federal agencies that do not pay their vendors timely as required by law. In 2017, the Department timely paid 98.5 percent of the 603,245 payments subject to PPA regulations. The “Timeliness of DOS Payments” bar chart reflects the timeliness of the Department’s payments from 2015 through 2017. During 2017, the Department paid \$271,158 in interest penalties out of \$10.5 billion in payments that were subject to the PPA, compared to \$349,358 in 2016.

TIMELINESS OF DOS PAYMENTS (2015 – 2017)

