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## UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

RELEASED

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OFFICE OF GENERAL COUNSEL

B-199073

July 1, 1980

The Honorable Alice Daniel  
Assistant Attorney General  
Civil Division  
Department of Justice

Attention: Lawrence F. Ledebur  
Director, Torts Branch

Dear Ms. Daniel:

This is in reply to your letter of May 19, 1980, in which you propose a change in procedures with respect to settlements negotiated by the Justice Department in Suits in Admiralty Act (46 U.S.C. §§ 741-752) and Public Vessels Act (46 U.S.C. §§ 781-790) cases. You state that current practice is to obtain consent judgments for all such settlements. You propose to replace consent judgments with stipulations of compromise such as those used in cases under the Federal Tort Claims Act.

While we cannot be certain exactly how or why the use of consent judgments developed in this context, it may have been because the permanent judgment appropriation (31 U.S.C. § 724a) when originally enacted in 1956, was applicable only to judgments and not to compromise settlements. Consent judgments thus became commonly used in the late 1950's in order to take advantage of the prompt payment made possible by 31 U.S.C. § 724a. A 1961 amendment, Pub. L. No. 87-187, 75 Stat. 415, expanded 31 U.S.C. § 724a to include compromise settlements, and also amended 28 U.S.C. § 2414 to provide that compromise settlements made by the Attorney General would be paid in the same manner as judgments in like cases. Thus, as the law now exists, unless one were to question the basic authority of the Justice Department to compromise a suit, we see no reason why it should make any difference whether the operating document for payment purposes is a stipulation of compromise or a consent judgment.

Accordingly, we have no objection to your proposal to use compromise stipulations instead of consent judgments in cases under the Suits in Admiralty Act and Public Vessels Act. In order to be certified for payment, the stipulation must be properly executed, and must expressly provide that--

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(a) The plaintiff/libellant will accept the specified sum in full and final satisfaction of the claim for which suit was brought; and

(b) The plaintiff/libellant will dismiss the action.

Payment procedures will otherwise be the same as for judgments. Specifically--

(a) The stipulation should be submitted to our Claims Group with a transmittal letter from the Justice Department which identifies the type of suit and contains mailing instructions for the check.

(b) Payment will be made from the permanent appropriation unless some other source of funds is available.

(c) A stipulation containing an interest provision at variance with the express authorization in the law (46 U.S.C. § 743) will be returned for appropriate modification.

(d) If it is desired that plaintiff's counsel be made co-payee on the check, this must be expressly provided in the stipulation.

Sincerely yours,

*Harry D. Van Cleave*

for Milton J. Socolar  
General Counsel

**ADMIRALTY**

Damage, loss, etc.  
Compromise offer

**ADMIRALTY**

Settlements  
Admiralty Act and/or Public Vessels Act

**COURTS**

Judgments, decrees, etc.  
Compromises  
Constitutes consent judgment

**COURTS**

Judgments, decrees, etc.  
Consent