

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

§ 333. Liabilities of certifying and disbursing officers.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him, under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

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III. REGULATIONS

Armed Services Procurement Regulations Concerning Procurement Policies and Procedures for Aiding Labor Surplus Areas

SECTION I

PART 8—LABOR SURPLUS AREA CONCERNS

1-800 Scope of Part. This Part sets forth Department of Defense procurement policy and procedures with respect to aiding areas of persistent or substantial labor surplus, hereinafter referred to as labor surplus areas, in the United States, its possessions, and Puerto Rico. This Part implements Defense Manpower Policy No. 4 (Revised) 6 June 1960 (32-A C.F.R. Chapter 1.)

1-801 Definitions.

1-801.1 Labor surplus area concern includes—

(i) persistent labor surplus area concerns which will perform or cause to be performed any contracts awarded to them as labor surplus area concerns substantially in "Areas of Substantial and Persistent Labor Surplus"; and

(ii) substantial labor surplus area concerns which will perform or cause to be performed any contracts awarded to them as labor surplus area concerns substantially in "Areas of Substantial Labor Surplus."

A concern shall be deemed to perform a contract substantially in "Areas of Substantial and Persistent Labor Surplus" if the costs that it incurs on account of manufacturing or production (by itself or its subcontractors) in such areas amount to more than 50 percent of the contract price. A concern shall be deemed to perform a contract substantially in "Areas of Substantial Labor Surplus" if the costs that it incurs on account of manufacturing or production (by itself or its subcontractors) in such areas or in "Areas of Substantial or Persistent Labor Surplus" amount to more than 50 percent of the contract price.

Example A. ABC Company, manufacturing in a full employment area, bids on a contract at \$1,000. ABC Company will incur the following costs:

Direct labor	\$200
Overhead	200
Purchase of materials from XYZ, which manufactures the materials in a labor surplus area	510

ABC Company qualifies as a labor surplus area concern.