

with the Palestinian Authority, and further provided that no payment pursuant to this license may involve a debit to an account of the Palestinian Authority on the books of a U.S. financial institution or to any account blocked pursuant to this part.

(b) The retention and reporting provisions of § 597.201 shall not apply with respect to transactions authorized by paragraph (a) of this section.

■ 8. Add a new § 597.511 to subpart E to read as follows:

§ 597.511 In-kind donations of medicine.

(a) Effective April 12, 2006, U.S. financial institutions are authorized to conduct all transactions ordinarily incident to the provision by nongovernmental organizations that are U.S. persons of in-kind donations of medicine to the Palestinian Authority Ministry of Health, provided that such donations are strictly for distribution in the West Bank or Gaza and not intended for resale, and provided further that no payment pursuant to this license may involve a debit to an account of the Palestinian Authority on the books of a U.S. financial institution or any account blocked pursuant to this part.

(b) The retention and reporting provisions of § 597.201 shall not apply with respect to transactions authorized by paragraph (a) of this section.

Dated: April 13, 2006.

Barbara C. Hammerle,

Acting Director, Office of Foreign Assets Control.

Stuart A. Levey,

Under Secretary, Terrorism and Financial Intelligence.

[FR Doc. 06-4351 Filed 5-9-06; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 44

RIN 2900-AK16

Loan Guaranty: Governmentwide Debarment and Suspension (Nonprocurement) and Requirements for Drug-Free Workplace (Grants); Correction

AGENCY: Department of Veterans Affairs.

ACTION: Final rule; technical amendment.

SUMMARY: On November 26, 2003, the Department of Veterans Affairs (VA) published a final rule in the **Federal Register** at 68 FR 66534 (VA's portion at 66618) implementing changes to the governmentwide nonprocurement

debarment and suspension common rule (NCR). The NCR sets forth the common policies and procedures that Federal Executive branch agencies must use in taking suspension or debarment actions. At that time, "Subpart G—Limited Denial of Participation" (LDP), was inadvertently eliminated instead of being redesignated as subpart J. This technical amendment reinstates the dropped regulatory text for former subpart G in the new subpart J of part 44.

DATES: *Effective Date:* This technical amendment is effective as of November 26, 2003, the date of the erroneous omission.

FOR FURTHER INFORMATION CONTACT:

William White, Acting Assistant Director for Loan Policy and Valuation (262), Loan Guaranty Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420 (202-273-7368), william.white@vba.va.gov.

SUPPLEMENTARY INFORMATION: On November 26, 2003, the Department of Veterans Affairs (VA) joined in the publication of governmentwide debarment and suspension (nonprocurement) and governmentwide requirements for drug-free workplace (grants). Until that time, subpart G of 38 CFR part 44 had set forth VA's regulations governing limited denial of participation (LDP) authority for VA to deny participation in loan guaranty programs in certain limited geographic areas or for a certain period of time. The intent has been for VA to have at its disposal a lesser sanction than a governmentwide debarment for program participants.

Unfortunately, the regulatory language setting out how and when LPDs would be administered was omitted when part 44 was revised to include the new governmentwide sanctions. This document reinstates the dropped regulatory text for former subpart G and places it in the new subpart J with current cross-references. VA's administration of LPDs during this lapsed period remained unaffected.

List of Subjects in 38 CFR Part 44

Administrative practice and procedure, Condominiums, Debarment and suspension, Grant programs, Handicapped, Housing loan programs—housing and community development, Manufactured homes, Reporting and recordkeeping requirements, Veterans.

Approved: May 4, 2006.

Robert C. McFetridge,

Acting Assistant to the Secretary for Regulation Policy and Management.

■ Accordingly, 38 CFR part 44 is amended as follows:

PART 44—GOVERNMENTWIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

■ 1. The authority citation for part 44 continues to read as follows:

Authority: 38 U.S.C. 501 and 38 U.S.C. 3703(c); Sec. 2455, Pub. L. 103-355, 108 Stat. 3327 (31 U.S.C. 6101 note); E.O. 11738 (3 CFR, 1973 Comp., p. 799); E.O. 12549 (3 CFR 1986 comp., p. 189); E.O. 12689 (3 CFR 1989 Comp., p. 235.)

■ 2. Subpart J is added to part 44 to read as follows:

Subpart J—Limited Denial of Participation

Sec.

44.1100 General.

44.1105 Cause for a limited denial of participation.

44.1110 Scope and period of a limited denial of participation.

44.1111 Notice.

44.1112 Conference.

44.1113 Appeal.

Subpart J—Limited Denial of Participation

§ 44.1100 General.

Field Facility Directors are authorized to order a limited denial of participation affecting any participant or contractor and its affiliates except lenders and manufactured home manufacturers. In each case, even if the offense or violation is of a criminal, fraudulent or other serious nature, the decision to order a limited denial of participation shall be discretionary and in the best interests of the Government.

§ 44.1105 Cause for a limited denial of participation.

(a) *Causes.* A limited denial of participation shall be based upon adequate evidence of any of the following causes:

(1) Irregularities in a participant's or contractor's performance in the VA loan guaranty program;

(2) Denial of participation in programs administered by the Department of Housing and Urban Development or the Department of Agriculture, Rural Housing Service;

(3) Failure to satisfy contractual obligations or to proceed in accordance with contract specifications;

(4) Failure to proceed in accordance with VA requirements or to comply with VA regulations;

(5) Construction deficiencies deemed by VA to be the participant's responsibility;

(6) Falsely certifying in connection with any VA program, whether or not the certification was made directly to VA;

(7) Commission of an offense or other cause listed in § 44.800;

(8) Violation of any law, regulation, or procedure relating to the application for guaranty, or to the performance of the obligations incurred pursuant to a commitment to guaranty;

(9) Making or procuring to be made any false statement for the purpose of influencing in any way an action of the Department;

(10) Imposition of a limited denial of participation by any other VA field facility;

(b) *Indictment.* A criminal indictment or information shall constitute adequate evidence for the purpose of limited denial of participation actions.

(c) *Limited denial of participation.* Imposition of a limited denial of participation by a VA field facility shall, at the discretion of any other VA field facility, constitute adequate evidence for a concurrent limited denial of participation. Where such a concurrent limited denial of participation is imposed, participation may be restricted on the same basis without the need for an additional conference or further hearing.

§ 44.1110 Scope and period of a limited denial of participation.

(a) *Scope and period.* The scope of a limited denial of participation shall be as follows:

(1) A limited denial of participation extends only to participation in the VA Loan Guaranty Program and shall be effective only within the geographic jurisdiction of the office or offices imposing it.

(2) The sanction may be imposed for a period not to exceed 12 months except for unresolved construction deficiencies. In cases involving construction deficiencies, the builder may be excluded for either a period not to exceed 12 months or for an indeterminate period which ends when the deficiency has been corrected or otherwise resolved in a manner acceptable to VA.

(b) *Effectiveness.* The sanction shall be effective immediately upon issuance and shall remain effective for the prescribed period. If the cause for the limited denial of participation is resolved before the expiration of the prescribed period, the official who imposed the sanction may terminate it. The imposition of a limited denial of

participation shall not affect the right of the Department to suspend or debar any person under this part.

(c) *Affiliates.* An affiliate or organizational element may be included in a limited denial of participation solely on the basis of its affiliation, and regardless of its knowledge of or participation in the acts providing cause for the sanction. The burden of proving that a particular affiliate or organizational element is capable of meeting VA requirements and is currently a responsible entity and not controlled by the primary sanctioned party (or by an entity that itself is controlled by the primary sanctioned party) is on the affiliate or organizational element.

§ 44.1111 Notice.

(a) *Generally.* A limited denial of participation shall be initiated by advising a participant or contractor, and any specifically named affiliate, by certified mail, return receipt requested:

(1) That the sanction is effective as of the date of the notice;

(2) Of the reasons for the sanction in terms sufficient to put the participant or contractor on notice of the conduct or transaction(s) upon which it is based;

(3) Of the cause(s) relied upon under § 44.1105 for imposing the sanction;

(4) Of the right to request in writing, within 30 days of receipt of the notice, a conference on the sanction, and the right to have such conference held within 10 business days of receipt of the request;

(5) Of the potential effect of the sanction and the impact on the participant's or contractor's participation in Departmental programs, specifying the program(s) involved and the geographical area affected by the action.

(b) *Notification of action.* After 30 days, if no conference has been requested, the official imposing the limited denial of participation will notify VA Central Office of the action taken and of the fact that no conference has been requested. If a conference is requested within the 30-day period, VA Central Office need not be notified unless a decision to affirm all or a portion of the remaining period of exclusion is issued. VA Central Office will notify all VA field offices of sanctions imposed and still in effect under this subpart.

§ 44.1112 Conference.

Upon receipt of a request for a conference, the official imposing the sanction shall arrange such a conference with the participant or contractor and may designate another official to

conduct the conference. The participant shall be given the opportunity to be heard within 10 business days of receipt of the request. This conference precedes, and is in addition to, the formal hearing provided if an appeal is taken under § 44.1113. Although formal rules of procedure do not apply to the conference, the participant or contractor may be represented by counsel and may present all relevant information and materials to the official or designee. After consideration of the information and materials presented, the official shall, in writing, advise the participant or contractor of the decision to withdraw, modify or affirm the limited denial of participation. If the decision is made to affirm all or a portion of the remaining period of exclusion, the participant shall be advised of the right to request a formal hearing in writing within 30 days of receipt of the notice of decision. This decision shall be issued promptly, but in no event later than 20 days after the conference and receipt of materials.

§ 44.1113 Appeal.

Where the decision is made to affirm all or a portion of the remaining period of exclusion, any participant desiring an appeal shall file a written request for a hearing with the Under Secretary for Benefits, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420. This request shall be filed within 30 days of receipt of the decision to affirm. If a hearing is requested, it shall be held in accordance with the procedures set forth at §§ 44.825 through 44.855. Where a limited denial of participation is followed by a suspension or debarment, the limited denial of participation shall be superseded and the appeal shall be heard solely as an appeal of the suspension or debarment.

[FR Doc. 06-4332 Filed 5-9-06; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 271

[EPA-R03-RCRA-2006-0381; FRL-8165-7]

Virginia: Final Authorization of State Hazardous Waste Management Program Revisions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Immediate final rule.

SUMMARY: Virginia has applied to EPA for final authorization of revisions to its