

1976 S.C. Op. Atty. Gen. 9 (S.C.A.G.), 1976 S.C. Op. Atty. Gen. No. 4228, 1976 WL 22849

Office of the Attorney General

State of South Carolina

Opinion No. 4228

January 8, 1976

***1** The contract between Department of Social Services and community action agencies concerning depreciation allowance for vehicles used is void but no monies previously paid for depreciation will be recovered by the Department of Social Services.

TO: State Director

Division of Economic Opportunity

QUESTION PRESENTED:

What is the effect of the contractual agreement between the Department of Social Services and the community action agencies in South Carolina providing for a depreciation allowance on vehicles used for transportation for eligible recipients under Aid for Dependent Children?

STATUTES, CASES, ETC., INVOLVED:

[Bruces Juices v. Amer. Can. Co. Fla.](#), 67 S. Ct. 1015, 330 U.S. 743, 91 L. Ed. 1219 (1947); [Crylon Steel Co. v. Globus](#), 185 F. Supp. 757 (1960); [Grant v. Butt](#), 17 S.E.2d 689, 198 S.C. 298 (1942); [Hinnant v. Southern Ry. Co.](#), 100 S.E. 709, 113 S.C. 19 (1919); [Kaiser-Frazer Corp. v. Otis & Co.](#), 195 F.2d 838, cert. denied, 73 S. Ct. 89, 344 U.S. 856, 97 L. Ed. 664 (1952); [National Bank of Savannah v. All](#), — S.C. —, 260 F. 370, 171 C.C.A. 236 (); [Virginia Dare Transport Co. v. Norfolk So. Bus. Corporation](#), 176 F.2d 354 (1949); [Weil v. Neary](#), — N.Y. —, 49 S. Ct. 144, 278 U.S. 160, 73 L. Ed. 243 (1929).

DISCUSSION OF ISSUES:

Generally, a contract to do an act which violates the laws of the United States or is prohibited by statute, or which is contrary to public policy is void and cannot be enforced. [Kaiser-Frazer Corp. v. Otis & Co.](#), 195 F.2d 838, cert. denied, 73 S. Ct. 89, 344 U.S. 856, 97 L. Ed. 664 (1952); [Grant v. Butt](#), 17 S.E.2d 689, 198 S.C. 298 (1942).

The contract between the Department of Social Services and the community action agencies of South Carolina provides for a depreciation allowance on vehicles used for transportation of those eligible for Aid to Dependent Children. Such depreciation allowance is prohibited by Federal Statute, and, hence, is void and unenforceable.

There is a question as to the effect of this illegality. The law will not aid either party to an illegal agreement; it leaves the parties where it finds them. [Bruces Juices v. American Can Co., Fla.](#), 67 S. Ct. 1015, 330 U.S. 743, 91 L. Ed. 1219 (1947); [Weil v. Neary](#), — N.Y. —, 49 S. Ct. 144, 278 U.S. 160, 73 L. Ed. 243 (1929); [National Bank of Savannah v. All](#), — S.C. —, 260 F. 370, 171 C.C.A. 236 (); [Hinnant v. Southern Ry. Co.](#), 100 S.E. 709, 113 S.C. 19 (1919).

Where the contract has been executed in whole or in part, neither court of law or court of equity will interpose to give relief to either party and will refuse to disturb the result. Generally, a party cannot recover damages for breach of an illegal contract nor can he recover value of what he has given for performance of contract by rescinding it. [Virginia Dare Transport Co. v. Norfolk Southern Business Corp.](#), 176 F.2d 354 (1949); [Crylon Steel Co. v. Globus](#), 185 F. Supp. 757 (1960).

CONCLUSION:

*2 The aforestated principles of case law bring one to the conclusion that the contract is void but that the Department of Social Services cannot recover any monies paid out by them for depreciation and that the parties will be left at the point at which the contract was found void.

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