



DIGEST - 1-01

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08860COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-178595

JUN 27 1973

The Honorable George P. Shultz  
Secretary of the Treasury

Dear Mr. Secretary:

This is in reply to the letter dated May 2, 1973, from your Assistant Secretary for Administration, requesting our decision concerning a transferred employee's entitlement to reimbursement for relocation expenses in the circumstances set forth below. If the employee is not entitled to reimbursement a decision is requested as to the propriety of withholding from the money due him at separation from Government service the sum advanced for the purpose of travel expenses incident to his transfer.

The record indicates that the employee, Mr. Herman L. Kaskowitz, a Special Agent of the Customs Agency Service, was transferred from Los Angeles, California, to Washington, D. C., in September 1971. He was advanced \$2,550 by the Government to cover travel costs and the expense of transporting and storing his household goods but through administrative error he was not required at that time to sign an agreement to remain in Government service for 12 months after his transfer. Although the employee performed the required travel in September 1971, he did not submit a voucher for his travel and transportation expenses until March 9, 1972. The voucher submitted was in the amount of \$1,591.05 and was approved by Mr. Kaskowitz's supervisor, but was not certified for payment. Further, Mr. Kaskowitz did not refund directly the amount by which the advance exceeded the expenses claimed. On March 10, 1972, approximately 6 months after his transfer, Mr. Kaskowitz submitted his resignation to accept employment outside the Federal Government.

Since Mr. Kaskowitz did not sign a service agreement and did not complete 12 months of Government service after his transfer, the agency has withheld the full amount of the advance partly from the salary and the lump-sum leave payment due him and partly from the refund of his retirement fund balance which he had requested. Mr. Kaskowitz has claimed \$1,591.05 of the amount withheld from the money due him upon his separation representing the travel and transportation expenses

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claimed by him incident to his transfer on the basis that he did not sign an agreement to remain in Government service for one year following his transfer and was not advised at the time he received the advance that he would be required to remain in Government service for 12 months to be entitled to reimbursement for relocation expenses. The questions presented are whether Mr. Kaskowitz is entitled to reimbursement for his travel and transportation expenses, whether the delay in his submitting a voucher for such expenses has any effect on his entitlement, and whether the amount of the advance was properly withheld from the money due him from the Government upon his separation if it is determined that he is not entitled to reimbursement.

Section 5724(1) of title 5, United States Code, provides that an agency may pay the travel and transportation expenses of a transferred employee only after the employee agrees in writing to remain in the Government service for 12 months after his transfer, unless separated for reasons beyond his control that are acceptable to the agency concerned. See also section 1.5a(1) of Office of Management and Budget (OMB) Circular No. A-56, revised September 1, 1971. Since Mr. Kaskowitz did not sign a service agreement, did not remain in Government service for 12 months after his transfer, and apparently was not separated for reasons beyond his control and acceptable to the agency, he was not entitled to payment of travel and transportation expenses incident to transfer. The timeliness of his submitting a voucher for payment of such expenses would not be material to his entitlement since under the statute a voucher may not be properly certified for payment until a service agreement had been signed or the employee has completed 12 months of Government service after his transfer. Moreover, the fact that through administrative error or otherwise an agency does not require an employee to sign a service agreement and does not specifically bring this statutory requirement to the employee's attention at the time a travel advance is paid would not constitute a waiver of the requirements established by law for the employee's eligibility for travel and transportation benefits. In that connection it is noted that neither the law relating to advances nor the regulations issued pursuant thereto require that the service agreement required by 5 U.S.C. 5724(1) be signed prior to receipt of an advance by an employee.

In the present case the agency did not pay Mr. Kaskowitz for his travel and transportation expenses incident to his transfer, but merely advanced him funds for use for travel or transportation expenses he might

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incur incident to his transfer. In this regard an advance of funds is based upon the employee's prospective entitlement to reimbursement for certain expenses and an advance of funds does not necessarily mean that the employee will ultimately be reimbursed for these expenses. See section 1.3a of Circular No. A-56. Accordingly, Mr. Kaskowitz must account to the Government for the advance of funds either by submitting vouchers and supporting documents evidencing the expenditure of funds for allowable travel and transportation expenses which, upon certification of the vouchers, would then be deducted from the funds advanced to him or by refunding to the Government any portion of the advance not used for such allowable expenses. See section 1.3 of Circular No. A-56 incorporating by reference the provisions of OMB Circular No. A-7 pertaining to advances of funds (section 10.3) and 5 U.S.C. 5724(f) incorporating by reference 5 U.S.C. 5705. Since Mr. Kaskowitz is not entitled to payment for any travel or transportation expenses incident to his transfer a voucher for such expenses could not be properly certified or deducted from the funds advanced to him and thus he is required to refund to the Government the full amount of the advance of funds.

As to the propriety of withholding the amount of the advance of funds from the money due Mr. Kaskowitz from the Government upon his separation, section 10.3c(3) of Circular No. A-7 specifically requires an agency to recover outstanding advances which have not been recovered by deductions or voluntary refunds by setoff of salary due or retirement credit. See also 5 U.S.C. 5705. Moreover, the advance of funds to Mr. Kaskowitz placed him in debt to the United States for the amount of the advance and it is well settled that the final salary, retirement deductions, and other funds due employees from the Government may be set off by the Government against debts due the Government. See 39 Comp. Gen. 203 (1959).

In view of the above, we conclude that Mr. Kaskowitz is not entitled to reimbursement for the travel and transportation expenses incurred by him incident to his transfer and that the full amount of the funds advanced to him for this purpose was properly set off against money due him from the Government upon his separation.

Sincerely yours,

PAUL G. DEBELL

Comptroller General  
of the United States

THOMAS J. BROWN  
Special Agent in Charge

For the

Special Agent in Charge

Washington, D. C.