



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

Wersenbloom
5/31

OFFICE OF GENERAL COUNSEL

B-223080

June 2, 1986

Mr. Clyde E. Jeffcoat
Principal Deputy Commander
U.S. Army Finance and
Accounting Center
Indianapolis, Indiana 46249

Dear Mr. Jeffcoat:

This responds to your request of May 6, 1986, that we relieve Lieutenant Colonel (LTC) W.H. Hill, Finance Corps, Finance and Accounting Officer, III Corps and Fort Hood, Fort Hood, Texas, and his deputy, Captain (CPT) Rickey W. Welcher under 31 U.S.C. § 3527(c) for an improper payment of a \$423.30 check payable to Mr. James A. Hodges. For the reasons stated below, relief is granted.

The loss resulted when the payee negotiated both the original and a substitute check. Both checks were in the same amount. The substitute check was issued on the basis of the payee's allegation that the original check had not been received and a request for stop payment had been made. Both checks were issued by the Army under authority delegated by the Department of the Treasury. 31 C.F.R. § 245.8.

It appears that the request for stop payment and the issuance of a substitute check in this case were within the bounds of due care as established by Army Regulations. See AR 37-103, paras. 4-161, 4-162 and 4-164. There was no indication of bad faith on the part of the disbursing officers and it appears that adequate collection efforts are now being made. Accordingly, we grant relief.

Although we have granted relief to the disbursing officer and his deputy in this case, we do not believe that the Army's collection procedures, taken together, meet the diligent claims collection requirement of 31 U.S.C. § 3527(c). Once the debit voucher was received from Treasury, it took Army 7 months to refer the matter to your collection

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division. As we previously indicated to you, for debit vouchers dated after June 1, 1986, where the payee has left the Army or its employ, we will no longer grant relief if Army delays more than 3 months in forwarding the debt to your collection division. However, since this case occurred prior to that date we will not deny relief here.

Sincerely yours,

A handwritten signature in cursive script that reads "Rolley Efros".

(Mrs.) Rollee H. Efros
Associate General Counsel