

DECISION

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

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FILE: B-212921**DATE:** May 30, 1984**MATTER OF:** Jeffery G. Ellegard**DIGEST:**

A transferred employee reclaims that part of his subsistence expenses which were disallowed by the agency as unreasonable under the Federal Travel Regulations. The employee also reclaims laundry costs incurred because of son's allergy condition and disallowed as not part of temporary quarters allowance. The employing agency has the initial responsibility to determine the reasonableness of expenditures for lodging and subsistence claimed by employees while occupying temporary quarters. Where the agency has exercised that responsibility, GAO will not substitute its judgment for that of the agency in the absence of evidence that the agency's determination is clearly erroneous, arbitrary, or capricious.

This decision addresses the reclaim of Mr. Jeffery G. Ellegard for additional temporary quarters and subsistence expenses.¹ Since the determination of the Air Force that his lodging and subsistence expenses were unreasonably high in the circumstances was not unreasonable, that determination is sustained, but the employee's claim for laundry expenses is returned for further consideration.

BACKGROUND

Mr. Ellegard, an employee of the Department of the Air Force, was authorized a permanent change of duty station from Grand Forks Air Force Base, North Dakota, to Williams

¹ This decision is issued at the request of Mr. Ellegard, who, by letter of June 13, 1983, requested reconsideration of the disallowance of that portion of his claim for temporary quarters and subsistence expenses which was disallowed by the Air Force on the basis of instructions issued by the Claims Group, U.S. General Accounting Office, in Z-2827169, September 28, 1981.

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Air Force Base, Arizona, under orders issued January 5, 1979. Subsequently he filed a claim for temporary quarters and subsistence expenses in the amount of \$1,480.55 for the period April 4 to May 5, 1979. On the basis of instructions issued by our Claims Group his claim for lodging expenses in the amount of \$790 was reduced to \$475, his claim for subsistence expenses in the amount of \$619.10 was reduced to \$315, and his claim for \$101.45 in laundry costs was disallowed. Mr. Ellegard now reclaims \$690.55, the difference between his original claim and that amount determined by the Air Force to be reasonable.

Mr. Ellegard and his family occupied temporary quarters in a mobile home rented from Mrs. Ellegard's parents for \$1,000 per month including utilities.² Mr. Ellegard contends that this is a reasonable price to pay for accommodations in the Phoenix area during the vacation season and states that the cost to the Government would have been higher had his family occupied commercial lodgings. Mr. Ellegard has provided a signed receipt from his mother-in-law, Mrs. Ruby Eide, as proof of payment and states that he paid in cash. The Air Force reduced his claim to \$475 on the basis that this was a reasonable rate for the accommodations furnished.

Mr. Ellegard's claim for subsistence expenses was reduced from \$619.10 to \$315 by the Air Force on the basis of surveys of average grocery costs in the Phoenix area.

Mr. Ellegard indicates that his higher than normal laundry costs were caused by a faulty washer in the mobile home and the need to clean sheets, spreads, and linens daily due to his son's severe allergy/asthma condition. The Air Force disallowed this amount on the basis that the mobile home contained a washer and dryer, and that unusual laundry costs due to a family member's allergy condition are not reimbursable as a part of the temporary quarters allowance.

REIMBURSEMENT ALLOWED

Reimbursement of the subsistence expenses of employees while occupying temporary quarters is governed by the provisions of chapter 2, part 5 of the Federal Travel Regulations (FPMR 101-7, May 1973, applicable at the time of

² Mr. Ellegard has claimed only \$790 of the rent against his temporary quarters allowance.

Mr. Ellegard's transfer) (FTR). These regulations authorize reimbursement only for the actual subsistence expenses incurred, provided they are incident to the occupancy of temporary quarters and are reasonable as to amount. FTR para. 2-5.4a. It is the responsibility of the employing agency, in the first instance, to determine that such expenses are reasonable in light of the circumstance of each case. Matter of Burks, 55 Comp. Gen. 1107 (1976); Matter of Schluck, B-202243, July 6, 1983. We will not substitute our judgment for that of the agency in the absence of evidence that the agency's action was clearly erroneous, arbitrary, or capricious.

Lodging Costs

When the cost of temporary quarters obtained from close relatives is apparently fixed in an attempt to recover the maximum reimbursable amount, the expenses may be viewed as unreasonable. 52 Comp. Gen. 78 (1972). Mr. Ellegard contends that his situation is different from that in the cited case in that he and his family did not stay with relatives. Instead they rented a mobile home belonging to relatives who lived elsewhere. However, the Air Force indicates that there is no evidence that Mr. Ellegard's in-laws otherwise rented their mobile home.

When noncommercial accommodations are secured from friends or relatives, it is not usually considered reasonable for the employee to pay the same amount that he would pay at a motel or other commercial establishment. While payment of the established rate for services provided commercially ordinarily creates an inference that the amount of the payment was reasonable, no such presumption arises if the attendant circumstances suggest that the character of the transaction is other than at arm's length. Moreover, a receipt signed by a relative does not necessarily establish (1) that the employee incurred a legal obligation to make the payment for which the receipt was given or (2) that a reasonably prudent person or private business would have done so under like circumstances. Matter of Smith, B-184946, March 10, 1976.

Since the Air Force used appropriate data in determining what a reasonable cost for accommodations would have

been, we do not find that their determination to reduce Mr. Ellegard's reimbursable lodging costs for renting a mobile home for one month from \$790 to \$475 was clearly erroneous, arbitrary, or capricious.

Meal Expenses

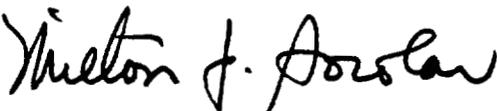
As noted earlier it is the responsibility of the employing agency to determine whether subsistence expenses are reasonable. Where the agency has exercised that responsibility, we will not ordinarily substitute our judgment. The fact that expenses claimed by the employee are within the maximum amounts allowable under the Federal Travel Regulations does not automatically entitle that employee to reimbursement. Rather the amount claimed may be reduced to a reasonable sum as determined by the evidence in the individual case. Matter of Walser, B-211295, March 26, 1984.

Reasonable subsistence expenses for a family when groceries are purchased for consumption at home are usually well below the maximum allowable amount, and agency action to reduce claims of employees for excessive grocery costs have been upheld. Matter of Burks, cited above, and 56 Comp. Gen. 604 (1977). A determination to reduce an employee's claim for grocery expenses should be made on the basis of statistics or other information gathered by Government agencies regarding living cost in the relevant relocation. Matter of Yanak, B-204185, December 15, 1981, and April 27, 1982. The Air Force indicates that it based its reduction on surveys of grocery costs in the Phoenix area. We have compared their determination against data gathered by the Bureau of Labor Statistics which provides an objective and readily available indication of reasonable expenditures by families in certain geographical locations. On the basis of that evidence we find no basis to conclude that the reduction of Mr. Ellegard's claim for grocery costs for three persons for one month from \$619.10 to \$315 was clearly erroneous, arbitrary, or capricious.

Laundry Costs

Reimbursement of laundry and dry cleaning costs is permissible under applicable regulations provided they are incident to the occupancy of temporary quarters. FTR para. 2-5.4a. Without regard to whether a washer and dryer were

available in the rented quarters, the cost of using a coin-operated laundry may be allowed. In a similar situation we have not questioned the individual's right to claim the cost of meals taken in a restaurant even though cooking facilities were available in the quarters occupied. Matter of Social Security Employees, B-208794, July 20, 1983. Accordingly, the Air Force should determine what they consider to be reasonable costs for use of coin-operated laundry facilities in view of all the circumstances (including the allergic problem of the son) and include that cost in reimbursement to Mr. Ellegard.

for 
Comptroller General
of the United States