



Office of the General Counsel

B-235044; B-234947; B-234958

March 20, 1990

Mr. Gerald Murphy
Fiscal Assistant Secretary
Department of the Treasury

Dear Mr. Murphy:

By two letters dated March 21, 1989, and a letter dated March 29, 1989, you asked us to relieve Regional Director of the Philadelphia Financial Center, Department of the Treasury, under 31 U.S.C. § 3527(c), from personal liability for three overpayments in his accounts. On May 1, 1989, due to insufficient information in the original submission, we suspended the running of the statute of limitations to permit you an opportunity to provide us with the necessary information. See 31 U.S.C. § 3526(g).

In each instance listed below, the overpayment resulted from the negotiation by the payee of two identical checks issued to him or her. You indicate that duplicate checks were printed inadvertently, and both the original and the duplicate were mailed to the payee. For the reasons stated below, we grant relief for the following losses:

<u>Payee</u>	<u>Amount</u>	<u>GAO File No.</u>
	\$577.00	B-235044
	\$688.00	B-234958
	\$953.00	B-234947

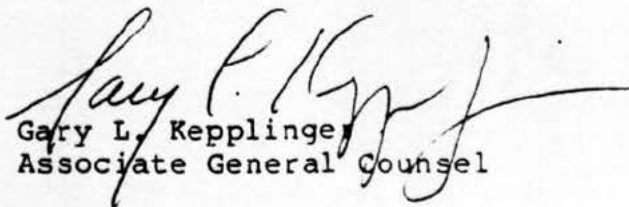
Under 31 U.S.C. § 3527(c), we may relieve a disbursing official from liability for an improper payment when the record shows that the payment was not the result of bad faith or a lack of due care. 65 Comp. Gen. 858, 861 (1986). The good faith and due care of a supervisory disbursing official is shown by evidence that the supervisor maintained an adequate system of procedures and controls to avoid errors and that the supervisor took steps to ensure that system's effectiveness. See 62 Comp. Gen. 476, 480 (1983).

The record here indicates that Mr. _____ implemented and maintained adequate procedures to safeguard against

erroneous payments. Duplicate checks resulted in these three instances when the operator of the check-printing system restarted the print run after it had stopped.^{1/} Procedures in effect at the time required the system operators to use extreme care to remove all voided checks from the printer after a stopped print job that is successfully restarted. See Financial Management Service, Division of Disbursement Procedures Manual, § 7140(2), September 1988. You explain that all financial center employees were trained in these procedures and were given a copy of the manual outlining these procedures prior to performing their jobs. Accordingly, since there is no indication of bad faith or a lack of due care, relief is granted.

We are concerned that collection action did not begin in a timely manner in the case of . Under section 3527(c), we may deny relief to disbursing officials responsible for duplicate checks if diligent collection actions are not undertaken to recover the amount of the unlawfully cashed check. B-220836, Nov. 29, 1985. We have denied relief to a disbursing official when there was a delay of more than 3 months between the time a debit voucher was issued and the time collection action was initiated. Id. It took almost 4 months to initiate collection action after notification of the debt owed by Ms. . The delay, here, does not appear to have affected collection possibilities; such delays, however, should be avoided in the future.

Sincerely yours,


Gary L. Kepplinger
Associate General Counsel

^{1/} A system restart is necessary when a print job is aborted or the system hangs up. See Financial Management Service, Division of Disbursement Procedures Manual, § 7140(1), September 1988.