



United States  
General Accounting Office  
Washington, D.C. 20548

Office of the General Counsel

B-232615

September 28, 1988

Charles R. Coffee, Acting Chief, Accounting  
and Finance Division, Office of Comptroller  
Defense Logistics Agency  
Cameron Station  
Alexandria, Virginia 22304-6100

Dear Mr. Coffee:

This responds to your request of September 7, 1988, that we relieve Mr. [redacted], former Accounting and Finance Officer, DSSN 6551, Defense Construction Supply Center, Columbus, Ohio, under 31 U.S.C. § 3527(c), for two improper payments totaling \$753.81 paid to Mr. [redacted]. For the reasons stated below, relief is granted.

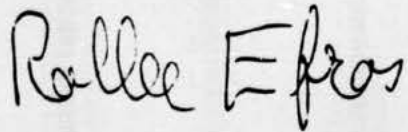
The losses resulted when the payee twice negotiated both the original and a recertified check. In both instances, the original and recertified check were in the same amount. The recertified checks were issued on the basis of the payee's allegations that the original checks had not been received and requests for stop payment had been made. All four checks were issued by the Defense Logistics Agency (DLA) under authority delegated by the Department of the Treasury. 31 C.F.R. Sec. 245.8 and Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies, Bulletin No. 83-28. See also B-227538, July 8, 1987.

It appears that the issuances of both recertified checks in this case were within the bounds of due care. Id. There was no indication of bad faith on the part of the former disbursing officer and adequate collection efforts are being made. Accordingly, we grant relief.

Finally, we note that as a result of this case and others you have modified your procedures for issuing recertified checks. Under your revised procedures, if an employee does not have sufficient retirement funds to cover a potential loss, a recertified check will only be issued after

determination has been made by the Treasury Department that the original check has not been negotiated. In addition, you have changed your procedures for an employee leaving DLA. You now require that before leaving federal service the employee must obtain clearances from the supervisors of the Travel Section, Disbursing Branch and Payroll Branch in the Office of Comptroller. This is to preclude a DLA employee from leaving federal service with a debt caused by his negotiation of both an original and recertified check. We think that both these changes will better safeguard federal funds.

Sincerely yours,

A handwritten signature in cursive script that reads "Rolley H. Efros". The signature is written in dark ink and is positioned below the typed name.

(Mrs.) Rollee H. Efros  
Associate General Counsel