

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

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Dear Mr. Secretary:

The Assistant Secretary-Controller of your Department by letter of July 15, 1957, presents for our consideration a question arising from relief granted by our Office under the provisions of Public Law 334, 81st Congress, approved August 9, 1955, 69 Stat. 4626, to Miss Hulda Christiansen for a loss of \$2,000 which occurred while she was serving as United States Disbursing Officer at Kabul, Afghanistan.

Public Law 334 provides in pertinent part as follows:

"* * * Whenever it is necessary in the opinion of the Comptroller General to restore or otherwise adjust the account of any disbursing or accountable officer or agent or former disbursing or other accountable officer for relief heretofore or hereafter granted under this Act, the amount of such relief shall, unless another appropriation is specifically provided therefor, be charged to the appropriation or fund available for the expense of the disbursing or other accountable function at the time the adjustment is effected."

31 U.S.C. 822-1

Pursuant to the above provision, we requested that your Department furnish a citation to the appropriation or fund to be charged with the adjustment of the amount involved. The Assistant Secretary-Controller advised us by the letter of July 15 that while an adjustment appears necessary to clear Miss Christiansen's account, your Department has no appropriation specifically available for such adjustments. Hence, it would appear that under the provisions cited above, the "appropriation or fund available for the expense of the disbursing or other accountable function at the time the adjustment is effected" must be charged with the adjustment.

However, the letter of July 15 indicates that, while Miss Christiansen and the other United States Disbursing Officers are employees of the Department of State, they act under delegations of authority from the Treasury Department in accordance with the provisions of section 4, Executive Order No. 6166; that they receive and disburse moneys on behalf of other agencies of the Government as well as for the Department of State; and, that where services to

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the other agencies are sufficiently extensive to warrant reimbursement, charge is made therefor. The letter further indicates that the accountable balances of these disbursing officers are not generally identified by agency and hence it is impossible in this and similar cases to determine whether the losses are related to a Department of State function or to one of the many other agencies for which the United States Disbursing Officers perform disbursing services. In view of the above, the view is expressed that Department of State appropriations should not be held liable for losses experienced by the United States Disbursing Officers in such situations and our advice and assistance are requested to determine how relief for such losses should be treated.

We recognize that there may be some inequity in charging Department of State appropriations in the circumstances here related. However, since it is acknowledged that the losses involved cannot be related to the functions of any particular one or more of the many agencies for which the United States Disbursing Officers disburse, it is clearly equally inequitable to attempt to charge such losses against the funds of any particular agency. Nor does there appear any proper basis upon which the appropriations of the Treasury Department, except as one of the departments using the services of the United States Disbursing Officer, could be charged, that department having little control over the conditions under which the funds in foreign countries are safeguarded or disbursed. The situation arising under section 2 of Public Law 61, 83rd Congress, 67 Stat. 62, mentioned in the Acting Secretary's letter, and that here involved are not considered comparable, since the account involved under Public Law 61 to record gains and losses in the accounts of the disbursing officers arising from operations permitted by that act is wholly within the jurisdiction and control of the Treasury Department and does not directly involve the appropriations and accounts of other agencies.

Nevertheless, and notwithstanding the possible equities involved, we are bound by the terms of Public Law 330, which provides in the absence of an appropriation specifically provided therefor, that the amount of the adjustment shall be "charged to the appropriation or other fund available for the expense of the disbursing or other accountable function at the time the adjustment is effected." This phraseology clearly is intended to mean the appropriation of the department or agency to which the expenses of carrying on the particular disbursing function are chargeable. It is understood from the Assistant Secretary's letter that such expense in the instant case is charged to the funds of

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the Department of State with appropriate service charges to the agencies using its services where they are sufficiently extensive to warrant reimbursement. Accordingly, we have no alternative, in the absence of a more specific appropriation available for such charges, but to charge the amount of the adjustment to the applicable current appropriation of the State Department in this and similar cases, and we again request that a citation thereto be furnished. However, since the amounts of such adjustments properly may be considered as part of the costs of the disbursing function, we perceive no objection to so considering such amounts in the determination of the reimbursement charges assessed against agencies utilizing the services of the United States Disbursing Officers as indicated in the letter of July 15, and the distribution of such amounts to all of the utilizing agencies in the same manner as other costs are distributed.

Sincerely yours,

FRANK H. WEITZEL

Assistant Comptroller General
of the United States

The Honorable
The Secretary of State