

**DECISION**



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

60622  
98502

FILE: B-185270

DATE: MAR 10 1976

**MATTER OF:**

Edward M. Cain - Reimbursement of real estate expenses for sale of residence

**DIGEST:**

Employee sold his residence in reliance on information of pending stateside transfer of function of his activity; the transfer was later delayed indefinitely and he accepted a transfer to Seoul, Korea, instead. Employee is not entitled to reimbursement of expenses incurred for the sale of his house since section 2-6.1 of the Federal Travel Regulations excludes reimbursement of expenses for sale of a residence when the transfer is between the United States and a post of duty located in a foreign country.

This action is before us on an appeal from the determination of our Transportation and Claims Division (now Claims Division) in Settlement Certificate Claim No. Z-2598111, dated September 9, 1975, disallowing the claim of Mr. Edward M. Cain, an employee of the Defense Communications Agency (DCA), for real estate expenses incurred in connection with the sale of his residence in Colorado Springs, Colorado.

The record shows that in February 1975, Mr. Cain was informed of the pending transfer of function of his division of DCA from Colorado Springs to Scott AFB, Illinois. Subsequently, the employees of his division were briefed on the sale of their residences and were advised of their entitlement to reimbursement of selling expenses under the applicable regulations.

On April 29, 1975, it was announced that job transfers would be issued by Scott AFB between May 15 and June 1, 1975. Anticipating such transfer and before the issuance of any travel orders, Mr. Cain entered into a contract for the sale of his residence on May 20, 1975. On June 6, 1975, Mr. Cain was informed that his transfer was delayed indefinitely pending the outcome of litigation concerning the transfer of function. With his residence under a contract for sale and his transfer to Scott AFB delayed, Mr. Cain was offered and accepted a transfer to Seoul, Korea, which was effected by Travel Order No. L03203 dated July 1, 1975. The sale of his residence in Colorado Springs was consummated on July 11, 1975.

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Mr. Cain's claim in the amount of \$3,971.90 for expenses incurred in the sale was denied by our Transportation and Claims Division on the ground that the regulations governing payment of real estate expenses upon transfers of official duty stations do not allow payment for transfers between the United States and a post in a foreign country.

Paragraph 2-6.1 of the Federal Travel Regulations (FPMR 101-7, May 1973) provides for reimbursement of expenses incurred in connection with the sale of a residence at the old official station, provided that:

"a. Transfers covered - agreement required. A permanent change of station is authorized or approved and the old and new official stations are located within the 50 States, the District of Columbia, the territories and possessions of the United States, the Commonwealth of Puerto Rico, or the Canal Zone, and the employee has signed an agreement as required in 2-1.5a(1). (See exclusions in 2-6.4)."

Since this regulation precludes reimbursement of real estate expenses upon transfer to a post in a foreign country, such expenses may not be reimbursed in connection with Mr. Cain's transfer to Korea. This is so even though it appears that Mr. Cain acted as a prudent person in putting his house on the market when he was informed of the pending transfer to Scott AFB. Although Mr. Cain was informed of a pending transfer to Scott AFB, the record does not show that such transfer was ever authorized or approved. On the contrary, Mr. Cain's authorized transfer was from Colorado Springs to Seoul, Korea, and he settled the sale of his house after the announced delay of the transfer to Scott AFB and after he had accepted the transfer to Korea.

Accordingly, the settlement by our Transportation and Claims Division is hereby affirmed.

R. F. Keller

Deputy<sup>1</sup> Comptroller General  
of the United States