



**The Comptroller General  
of the United States**

Washington, D.C. 20548

## Decision

**Matter of:** Mike Meadors Trucking - Deductions of Alleged  
Overcharges After the 3-year Limitations Period  
**File:** B-225138  
**Date:** May 22, 1987

### DIGEST

The General Services Administration effected deduction of alleged overcharges from amounts subsequently due a carrier more than 3 years after the bills were paid. Section 3726(b) of title 31, United States Code, limits the Government's time in which to deduct overcharges to 3 years after payment. Thus, the deductions were erroneous and the amounts deducted should be refunded to the carrier.

### DECISION

Mike Meadors Trucking (Meadors) requests the Comptroller General to review the General Services Administration's (GSA) audit actions relating to 43 shipments of Government property.<sup>1/</sup> Meadors contends that GSA has no authority to use freight charges, as a basis for its audit determination, that are different from the charges estimated by the shipper on the Government Bills of Lading (GBL). The carrier also contends that it was improper for GSA to make the deductions from monies due Double M Trucking when the alleged overcharges were collected by Meadors.<sup>2/</sup> Without deciding the issues raised by the carrier or implying agreement with the carrier's arguments, we conclude, on other grounds, that GSA's collection actions were improper. The deductions were made after expiration of the 3-year time limit authorized by law for the Government to recover overcharges by deduction.

<sup>1/</sup> This decision does not cover three of the bills. GSA's report explained that no overcharges were stated against GBL M-5353383, and that the amounts deducted on GBLs S-4372037 and S-4372038 will be refunded since the deductions were erroneous.

<sup>2/</sup> Based on GSA's informal advice, it is our understanding that Michael Meadors and one other person own both Mike Meadors Trucking and Double M Trucking.

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ANALYSIS

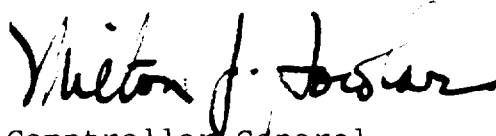
The pertinent law, 31 U.S.C. § 3726(b), expressly provides that:

"Not later than 3 years \* \* \* after the time a bill is paid, the Government may deduct [overcharges] from an amount subsequently due a carrier \* \* \*."

Our review of the payment vouchers shows that February 1983 (GBL S-4988272) was the latest date on which any of the carrier's bills were paid. Although the record does not indicate the dates on which the deductions were made, pursuant to our inquiry we were informally advised by GSA representatives that the deductions were made after July 1986, with, perhaps, the earliest made on August 1, 1986. Thus, the GSA deducted the alleged overcharges at least 3 years and 5 months after the bills were paid.

We have held, in relation to the predecessor statute from which 31 U.S.C. § 3726 was derived (section 322 of the Transportation Act of 1940, as amended, 49 U.S.C. § 66), that the 3-year limitation period affects the Government's right to deduct overcharges, and where untimely deductions occur they are in error. See Trans Country Van Lines, Inc., B-188647, December 28, 1977 (citing 46 Comp. Gen. 436, 437 (1966)).

Accordingly, the amounts erroneously deducted should be refunded to the carrier whose accounts were the sources of the deductions.



Acting

Comptroller General  
of the United States