

Office of the General Counsel

B-245760

January 16, 1992

Melvin L. Hines
Deputy Associate Comptroller
Financial Operations
United States Department of State
Washington, D.C. 20520

Dear Mr. Hines:


This responds to your request, dated September 11, 1991, regarding an apparent loss of 7,073,871 Laotian Royal Kip (U.S.E. \$5,892.52) which has been carried on the accounts of the United States Disbursing Officer (USDO) in the Regional Administrative Management Center (RAMC) in Bangkok for over ten years. You suggest that the loss probably occurred when the Government of Laos issued a new currency, the Lao Kip, replacing the Royal Kip as the country's official currency. You ask that we, under authority of 31 U.S.C. § 3527, permit the State Department to write off this loss.

To the extent that the loss in the value of the USDO's account resulted from foreign exchange transactions in Laos and is solely attributable to the devaluation of the Royal Kip, it is governed by 31 U.S.C. § 3342, and it is not necessary to seek relief for the disbursing officer under 31 U.S.C. § 3527 in order to restore the dollar value of the account. See 64 Comp. Gen. 152, 153 (1984); 61 Comp. Gen. 132 (1981). The Department of the Treasury has issued regulations to implement section 3342, at Treasury Circular No. 830 (revised June 16, 1980) and Treasury Financial Manual (formerly T.F.R.M.), vol. 1, chap. 4-9000. Under these regulations, Treasury charges net losses resulting from foreign currency transactions against its "Gains and Deficiencies Account." We suggest that you bring this matter to the attention of the Treasury. You will find specific procedures for reporting deficiencies to the Treasury in 1 T.F.M. § 4-9090.10 and 2 T.F.M. chap. 3200.

Please advise us, however, if you have any additional information indicating that any portion of the loss can be attributed to other factors, such as local theft or

negligence of the disbursing officer or his subordinates.
Under such circumstances, our Office would consider the loss
under our authority in 31 U.S.C. § 3527. 4

Sincerely yours,


Gary L. Keplinger
Associate General Counsel

APPROPRIATIONS/FINANCIAL MANAGEMENT

Accountable Officers

Relief

Losses

Foreign currencies

Exchange rates