



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

Office of the General Counsel

November 4, 1992

B-248957

Dear Mr. :

This is in response to your appeal of Claims Group settlement Z-2915365, dated April 22, 1992, which granted in part and denied in part your request for a waiver of a debt you owe to the Navy. That settlement is affirmed.

The record indicates that early in 1968 you took leave in excess of your entitlement and incurred a debt in the adjusted amount of \$2,157.62. Of this amount \$744.45 was remitted by the Navy and you paid \$581.34, leaving a balance of \$831.83.

At the time of your separation you were also overpaid in the amount of \$572.67. Combining this overpayment with the balance of \$831.83 remaining from your excessive use of leave brought your total debt to \$1,404.50 as of late 1989. The Navy contacted you shortly thereafter to inform you of this debt. The Navy's letter informed you that interest accrues on debts owed to the government.

By the time that the Internal Revenue Service turned the refund from your 1990 joint income tax return over to the Navy in March 1991, the amount of your debt had increased to \$1,598.17 reflecting the accrual of interest. When your refund of \$836.57 was applied to your debt, the amount you owed was reduced to \$761.60. The Navy then added \$10.88 in charges and interest, bringing the total to \$772.48 as of April 1991. However, we note that in October 1991 the Navy returned \$260.00 to you, apparently the amount of your wife's portion of the income tax refund. As a result, your debt increased by that amount to \$1032.48 plus accrued interest.

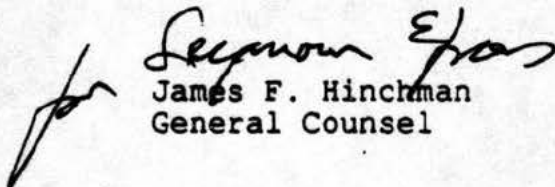
In April 1991 you requested waiver from this Office, and on April 22, 1992, the Claims Group issued a settlement which granted waiver of the \$572.67 overpayment of pay and denied waiver of the \$831.83 for excess leave. In response, the Navy reduced your debt in July 1992 by \$572.67 plus the accrued interest on that amount, bringing your debt to under

\$450. We have been informally advised by the Navy that as of August 30, 1992, the amount of your debt was \$461.94. However, that amount is subject to increase as additional interest accrues.

Since it is well settled that a member is expected to know his correct leave balance, the Claims Group was correct in denying waiver of that portion of your debt which arose due to your taking excess leave. We have contacted the Navy with regard to the accrual of interest on your debt and are satisfied that the debt was handled in accordance with Department of Defense Instruction 7045.18, March 13, 1985, and applicable Navy regulations on debt collection.

We find no error of law or fact in the Claims Group's settlement, which is therefore affirmed. You remain obligated to pay your debt to the Navy of \$461.94 plus interest accrued since August 1992.

Sincerely yours,


James F. Hinchman
General Counsel

B-241957

November 4, 1992

Digest

A military member who was indebted to the government due to an excess leave payment and an overpayment at separation cannot be granted waiver as to the excess leave payment, since a member is held accountable for knowledge of his or her leave balance and for notifying the proper authorities of any inaccuracies. Interest properly accrued on this debt because he did not pay it within 30 days of receiving notice and did not request waiver for over a year after receiving notice. However, the Claims Group properly granted waiver as to the overpayment at separation because the member had no knowledge of the overpayment.