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Mr. Durrah

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548



IN REPLY
REFER TO: B-197270

OFFICE OF GENERAL COUNSEL

March 7, 1980

The Honorable Max Cleland
Administrator
Veterans Administration

AGC 00016

Dear Mr. Cleland:

DLG04069

This responds to a letter from Mr. Conrad R. Hoffman, Controller, Veterans Administration (VA), requesting that relief from liability granted in the amount of \$957 to Mrs. Annie Gunn, Alternate Cashier, VA Medical Center, Tuskegee, Alabama, to cover a shortage in the advance account of the Class B Cashier, Mrs. Arlene Hutton.

According to the record submitted, the Medical Center employed five cashiers. Mrs. Hutton, the Agent Cashier, and Mr. Dean Thomas, Assistant Cashier, were employed exclusively as cashiers while the three alternates, including Mrs. Gunn, had other jobs in Fiscal Service and served as cashiers only on a part-time basis as needed. The Agent Cashier, who had a cash advance of \$60,000, maintained signed receipts for the amounts she advanced to the other cashiers for which they were personally responsible.

The cashiers had separate cash boxes which were kept in a safe when not in use. Each cashier had a key to his/her own cash box. The Agent Cashier had the combination to the safe and the only key to the Cashier's Office, both of which were required to be turned over to one of the alternates in the event of her absence. The safe was opened at times during the day for the conduct of normal business. Duplicate keys and the safe combination were kept in a separate locked safe in the Medical Center Director's Office.

In May 1979, a \$20 shortage in Mrs. Hutton's cash advance and a revelation by Mr. Thomas that his key would fit Mrs. Gunn's cash box caused concern that the cash boxes were not secure, and the Chief of the Fiscal Service issued a work order to Engineering Service to install new locks on all five of the cash boxes. In early June, 1979, locks inadvertently were changed on only three cash boxes, including Mrs. Hutton's and Mr. Thomas', but not on the cash box belonging to Mrs. Gunn. The safe combination was changed on June 5.

According to the record, on the morning of June 13, 1979, Mrs. Gunn reported to Mrs. Hutton and turned in her vouchers and the key to the door of the Agent Cashier's office. Her vouchers reconciled and she received sufficient cash from Mrs. Hutton to bring her cash box total to \$1,000. She

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locked the tape and money in the cash box and placed it in the safe. She did not return to the Agent Cashier's office until July 5, at which time she relieved Mr. Thomas for lunch. Upon removing her cash box from the safe, she discovered that it contained only coins and that \$957 in currency was missing. She immediately reported the theft to Mr. Bumgardner, Assistant Fiscal Officer, who confirmed the loss and notified the Central Office, the Secret Service, and the Federal Bureau of Investigation (FBI).

An FBI investigation was conducted in July and August by Agent Marvin Strickland, who stated that all of the cashiers agreed to take a polygraph test, which he decided, based on his initial investigation should first be given to Mr. Thomas. According to Sergeant Cloud of the Alabama Bureau of Investigation who conducted the polygraph test, the test indicated that Mr. Thomas was not telling the truth when he stated he was not involved in the disappearance of the money. Although the investigation tended to indicate that Mr. Thomas was responsible for the shortage, Agent Strickland felt that polygraph evidence alone was insufficient to warrant prosecution, because Mr. Thomas did not admit taking the money, and the cost of the trial would exceed the amount missing. When Mr. Thomas was removed from the position of Assistant Cashier on August 16, 1979, a shortage of \$145 in his cash was discovered, which he repaid. His probationary appointment was terminated on August 24, 1979.

The General Accounting Office is authorized to grant relief from liability to an accountable officer upon its concurrence with determinations by the department or agency head that (1) the loss or deficiency occurred while the officer or agent was acting in the discharge of his official duties, or that it occurred by reason of the act or omission of a subordinate of the officer or agent, and (2) the loss or deficiency occurred without fault or negligence on the part of the officer or agent. 31 U.S.C. § 82a-1 (1976). While the record does not explicitly state that the loss occurred while Mrs. Gunn was acting in the discharge of her official duties, the recital of facts clearly suggests that this was the VA's conclusion. The question of relief, therefore, turns on the presence or absence of negligence.

The facts noted above indicate that the facility failed to provide adequate security for the funds entrusted to Mrs. Gunn, specifically in failing to change the lock on her cash box after supervisory personnel knew it was inadequate. The record suggests some confusion as to exactly why Mrs. Gunn's lock was not changed, but the Chief of the Fiscal Service had ordered it changed on May 25, and the fact that it was not changed was beyond Mrs. Gunn's control. Additionally, there is no indication of negligence attributable to Mrs. Gunn, and the FBI investigation produced evidence which tended to implicate another individual.

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Accordingly, we concur with the VA's administrative determination that the loss occurred without fault or negligence on the part of Mrs. Gunn, and grant relief to Mrs. Gunn in the amount of \$957. The loss may be charged to appropriation account 3600160.

Sincerely yours,

Harry R. Van Cleave
for Milton J. Socolar
General Counsel