



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

Office of the General Counsel

Matter of: Robert C. Luckey
File: B-249726
Date: September 7, 1993

DIGEST

Employee received travel orders directing a change in his permanent duty station, and executed a service agreement whereby he agreed to remain in government service for 12 months from the date of his relocation. He canceled his request to transfer for personal reasons. Employee is responsible for the amount paid by his agency on his behalf to a relocation service company. The Federal Travel Regulation, 41 C.F.R. §§ 302-1.5(a), and 302-12.5(c) (1991), specifically provides that an employee who violates an agreement, including failure to effect a transfer, is liable for any funds expended by the government for relocation expenses on his behalf.

DECISION

Mr. Robert C. Luckey, an employee of the Department of Transportation (DOT), Federal Aviation Administration (FAA), appeals our Claims Group settlement.¹ The Claims Group determined that Mr. Luckey was indebted to the United States for \$2,035 paid by the FAA on his behalf to a relocation services company for real estate transaction services because he violated his service agreement when he declined to transfer. For the reasons that follow, we uphold the Claims Group settlement.

Mr. Luckey was issued travel orders for a permanent change of station from Lovejoy, Georgia, to Oklahoma City, Oklahoma. In connection with the transfer, Mr. Luckey signed a service agreement in which he agreed to remain in government service for 12 months following the date of his relocation. The service agreement provided that if the employee violated the agreement, any payments made shall be recoverable from the employee as a debt due the United States.

¹2-2867858, June 5, 1992.

Mr. Luckey was offered the use of PHH Homequity, a relocation service company on contract to FAA, to assist him in selling his residence at his old duty station. Mr. Luckey agreed to use this service and Homequity performed various services, appraisals, inspections, etc., under the terms of the contract with FAA. Subsequently, Mr. Luckey decided not to transfer, and his travel orders were canceled at his request. After the cancellation, PHH Homequity billed FAA a total amount of \$2,035 for its services.

The FAA held that Mr. Luckey was responsible for repayment of the amount paid to Homequity on his behalf, based on paragraph 5-1109a and f, DOT Order 1500.6A, which provides that the agency may recover the amount expended under a contract when the employee decides not to relocate or violates his service agreement. Our Claims Group upheld the FAA determination. Mr. Luckey contends that he is not responsible for repayment because he did not violate his agreement to remain in the government service for 12 months. He also states that he was never informed that a failure to relocate would place him in debt and that the relocation service package he was given made no mention of reimbursement of fees for not using or canceling the relocation services.

The Federal Travel Regulation (FTR) specifically provides for repayment in case of violation of a service agreement, including failure to effect the transfer, 41 C.F.R. § 302-1.5(a) (1992). Further, 41 C.F.R. § 302-12.5(c) (1992), provides that, if the employee violates a service agreement, the government reserves the right to recover from the employee any payments made to the relocation services company on his behalf. The FTR provisions are clear on their face and implement the statutory provisions providing for reimbursement for relocation expenses in 5 U.S.C. § 5724a (1988). Therefore, they have the force and effect of law and may not be waived or modified by an employing agency. Donald R. Stacy, 67 Comp. Gen. 395, 400 (1988).

In addition to the FTR provisions cited above, the agency's regulations contain essentially the same requirements. See DOT Order 1500.6A, supra. Although an employee may not have actual knowledge of the FTR and agency regulations, the employee is nevertheless limited to those expenses allowable under the applicable statutes and regulations. James R. Drayer, B-185983, Oct. 16, 1980. Thus, Mr. Luckey is bound by those provisions despite his alleged lack of actual knowledge of them. See also, Sandra A. Cossu, B-193969, June 5, 1980, in which we held that a service agreement specifically provides that payments of travel, transportation and other relocation expenses are in consideration for an agreement to transfer.

Accordingly, our Claims Group settlement is affirmed and Mr. Luckey is liable to repay the government the amounts expended on his behalf for relocation services.



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General Counsel