



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Lieutenant Rinda K. Ranch, USN--Waiver Request

File: B-258488

Date: March 30, 1995

DIGEST

A member was erroneously paid a dislocation allowance (DLA) and overseas housing allowance (OHA) when she moved into private quarters. Payment of OHA continued for 6 weeks after the member was notified that she was not entitled to OHA. When she was notified, she moved back into government quarters, but exhausted the 6 weeks of erroneous payments covering the costs of vacating the private quarters prior to the expiration of the lease. Waiver under 10 U.S.C. § 2774 is appropriate for the DLA and OHA amounts she received including OHA paid after her notification because the requirements for waiver are met.

DECISION

This is in response to an appeal of a Claims Group settlement which granted in part the request of Navy Lieutenant Rinda K. Ranch for waiver of a debt which arose due to erroneous payments of Overseas Housing Allowance (OHA) and Dislocation Allowance (DLA). Waiver of the entire debt is granted.

Lieutenant Ranch was assigned to the USS Niagara Falls in August 1991. She was erroneously informed by a disbursing officer that she was entitled to receive OHA while she leased private quarters on shore.¹ She and another officer leased a house on October 15, 1991. Lieutenant Ranch received a DLA to help defray the cost of moving into the house and began receiving OHA to help defray her housing costs effective October 16, 1991. On February 16, 1992, she was notified verbally that she was not entitled to OHA. The OHA payments ceased as of March 31, 1992, by which time Lieutenant Ranch had vacated the house and returned to quarters onboard ship. The Claims Group waived the DLA and that portion of the OHA which Lieutenant Ranch

¹Because Lieutenant Ranch's husband was not living in the vicinity of her duty station, she was not entitled to OHA if adequate government quarters were available for her use. See 1 Joint Federal Travel Regulations para. U9100-E. The record indicates that government quarters were available, and Lieutenant Ranch did in fact occupy such quarters after she vacated her leased quarters.

received before she was notified of her ineligibility. They denied waiver of \$590.40, the amount of OHA she received after notification.

Lieutenant Ranch argues that the balance of her debt should be waived because she continued to incur expenses for her leased quarters after she was notified that she was not entitled to OHA. She forfeited her security deposit when she terminated her lease, and she was required by law to give her landlord 30 days notice that she intended to move. She also had to make arrangements to store her belongings.

Under 10 U.S.C. § 2774 the Comptroller General has the authority to waive a claim of the government against a member if collection would be against equity and good conscience and not in the best interest of the United States. Waiver is precluded if there is any evidence of fraud, misrepresentation, fault, or lack of good faith on the part of the member.

In our decisions we have said that the erroneous payment of an allowance may be subject to waiver under 10 U.S.C. § 2774 to the extent that it was made to cover expenses erroneously authorized and the member actually spent the allowance in good faith. See Captain James D. Ellefson, USAF, B-231567, June 7, 1989.

In the present situation Lieutenant Ranch was erroneously advised that she was entitled to DLA and OHA if she leased private quarters. She was unaware until February 16, 1992, that she was not entitled to OHA or DLA. As soon as she was notified that she was not entitled to OHA, she notified her landlord that she intended to vacate the quarters. She incurred further expense because she had to pay rent during the notice period, lost her security deposit because she broke her lease, and was forced to place household goods in storage. Because Lieutenant Ranch was required to spend the amount she received after notification to cover the expenses of vacating the private quarters she had rented prior to the expiration of the lease, waiver is appropriate under 10 U.S.C. § 2774 for the amounts of OHA she received after notification. See B-231567, supra.

Accordingly, waiver of Lieutenant Ranch's entire debt is granted.

for \s\ Seymour Efros
Robert P. Murphy
General Counsel