



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

Office of the General Counsel

B-223372

December 4, 1989

Brigadier General B. W. Hall
Deputy Commander for Operations
U.S. Army Finance and Accounting Center
Department of the Army
Indianapolis, Indiana 46249

Dear General Hall:

This responds to your request for reconsideration of our decision in B-223372, Nov. 12, 1986, denying relief to Ms. [redacted], Deputy Director of Centralized Pay Operations, United States Army Finance and Accounting Center, for an improper payment in the amount of \$54,450, reduced by collection to \$43,312.93. Based on the additional information you submitted, we have concluded that our decision denying relief was in error since Ms. [redacted]'s account had been settled by operation of law at the time the decision was rendered.

On December 9, 1982, based upon a claimed nonreceipt of a check, Ms. [redacted] signed and forwarded to Treasury an SF-1180, Request for Stop Payment. On the basis of this request, Treasury issued a substitute check. Because of a programming error in the computer system which generated stop payment orders, the amount on the SF 1180 did not contain a decimal point and so was 100 times the proper amount. The Disbursing Division and Ms. [redacted] were aware of this error on the SF 1180 but decided not to make any corrections based upon the incorrect assumption that Treasury would verify the correct amount of replacement checks against the original issue data on magnetic tape. While Treasury did this for most checks, it did not for this "special paycheck." We declined to grant relief to Ms. [redacted] because under the appropriate relief authority, 31 U.S.C. § 3528(b), we are precluded from granting relief to a certifying officer who knows her certificate is not correct, even if we might agree that it was reasonable to make such a certificate.

Additional information supplied by the Army indicates that Ms. [redacted] account should be considered as settled because the 3-year statute of limitations on account settlement had run before the date of our decision on November 12, 1986.

See 31 U.S.C. § 3526(c). The final Army submission concerning this reconsideration suggests that the date to commence the limitations period is no later than March 1983. If the statute of limitations began running by then, the account had been settled by operation of law and our November 12, 1986 decision was of no effect.

A limitation on our account settlement authority is set forth in 31 U.S.C. § 3526(c)(2):

"The settlement of an account is conclusive on the Comptroller General after 3 years after the account is received by the Comptroller General."

We have determined that the statute of limitations period begins to run on the date when the agency's accounts are "substantially complete" and ready for audit.^{1/} B-213720, Sept. 26, 1986. This is generally when an agency has in its possession all the documents necessary to raise a charge against an account. B-226393, Apr. 29, 1988. In this case, the agency had this information at the end of the accounting period covered by the account in which the erroneous or improper payment was made.^{2/}

According to your latest submission, by February 17, 1983, the Army had in its possession all the information necessary to raise a charge against the account. In support of this conclusion the following additional clarifying information was submitted. The initial replacement check generated by the incorrect stop payment order was issued January 3, 1983, but because of some omitted information was undeliverable. Treasury reissued the erroneous \$55,000 replacement check on February 2, 1983. Also, on this date, the Army Disbursing Division received the original check for \$550 issued on September 12, 1982. The processing of this

^{1/} While a certifying officer does not technically have an account, he or she is covered by 31 U.S.C. § 3526(c) for account settlement purposes, the beginning of the time period being derived from the accounts of the disbursing officer. See 7 GAO Policy and Procedure Manual § 28.4.

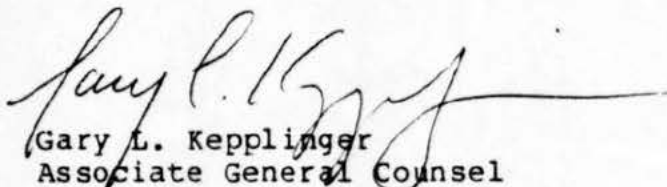
^{2/} This is not the case in all instances. In situations, for example, where a loss results from two checks having been issued and cashed, the 3-year statute of limitations begins to run from Treasury's issuance of a debit voucher to an accountable officer because it is at that point when the agency is first notified of a loss. 62 Comp. Gen. 92 (1982).

original check required pulling a copy of the stop payment order for forwarding along with the check to Treasury for appropriate action. This activity put the Army Disbursing Division on notice of the improper certification, resulting in the manual preparation of a correct stop payment order on February 17, 1983.

Reexamining this case in light of the additional information, we find that at the time the correct stop payment order was prepared the Army was aware of the improper payment and had in its possession all the documents necessary to raise a charge against the account. As a result, we conclude that the statute of limitations period began to run no later than the end of the February 1983 accounting period.

Accordingly, we find that the account was settled by operation of law prior to our decision being rendered, and that under such circumstances, our Office was without authority to either grant or deny relief. As a result, our previous decision is without effect and if any funds have been withheld from Ms. :s salary on the basis of that decision, they should be refunded to her. B-226393, supra.

Sincerely yours,


Gary L. Kepplinger
Associate General Counsel