

GAO

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

Office of the General Counsel

B-226584

April 2, 1987

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

Dear General Hall:

This responds to your request of March 17, 1987, that we relieve Captain (CPT) B.T. Tyson, DSSN 6520, Finance Corps, Finance and Accounting Officer, New Cumberland Army Depot, Cumberland, Pennsylvania, under 31 U.S.C. § 3527(c) for an improper payment of a \$225.27 check payable to Mr. [redacted]. For the reasons stated below, relief is granted.

The loss resulted when the payee negotiated both the original and a substitute check. Both checks were in the same amount. The substitute check was issued on the basis of the payee's allegation that the original check had not been received and a request for stop payment had been made. Both checks were issued by the Army under authority delegated by the Department of the Treasury. 31 C.F.R. § 245.8.

It appears that the request for stop payment and the issuance of a substitute check in this case were within the bounds of due care as established by Army Regulations. See AR 37-103, paras. 4-161, 4-162 and 4-164. There was no indication of bad faith on the part of the disbursing officers and it appears that adequate collection efforts are now being made. Accordingly, we grant relief.

Although we have granted relief to the disbursing officer in this case, we do not believe that the Army's collection procedures, taken together, meet the diligent claims collection requirement of 31 U.S.C. § 3527(c). Once the debit voucher was received from Treasury, it took Army over 19 months to refer the matter to your collection division. As we previously indicated to you,

for cases where the notice of the loss is received from Treasury after June 1, 1986, where the payee has left the Army or its employ, we will no longer grant relief if Army delays more than 3 months in forwarding the debt to your collection division. However, since the debit voucher in this case was received prior to that date, we will not deny relief here.

Sincerely yours,

Robert A. Fink

for (Mrs.) Rollee H. Efros
Associate General Counsel