

GAO

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

Office of the General Counsel

B-223740, B-223749

August 7, 1986

Mr. Clyde E. Jeffcoat
Principal Deputy Commander
U.S. Army Finance and
Accounting Center
Indianapolis, Indiana 46249

Dear Mr. Jeffcoat:

This responds to your two requests of July 11, 1986, that we relieve Lieutenant Colonel (LTC) DSSN 5009, Finance and Accounting Officer, U.S. Army Training Center and Fort Dix, Fort Dix, New Jersey, and his deputies, First Lieutenant and under 31 U.S.C. § 3527(c) for two improper payments, a \$214.92 check payable to and \$493.82 check payable to For the reasons stated below, relief is granted.

In both instances, the loss resulted when the payee negotiated both the original and a substitute check. The substitute checks were issued on the basis of each payee's allegation that the original check had not been received and a request for stop payment had been made. The substitute 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 the substitute checks in these cases 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 officers in these cases, 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 vouchers were received from Treasury, it took Army over 2 years to refer these matters to your collection division. As we previously indicated to you, for losses recorded 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 these cases occurred prior to that date, we will not deny relief here.

Sincerely yours,



(Mrs.) Rollee H. Efros
Associate General Counsel