



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-223027

June 19, 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 request of April 29, 1986, that we relieve Major (MAJ) T. Wagner, Finance Corps, Finance and Accounting Officer, U.S. Army Finance and Accounting Center, Europe, and his deputy, Sergeant First Class (SFC) W.H. Stow under 31 U.S.C. § 3527(c) for an improper payment of a \$369.06 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 and his deputy 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 15 months to refer the matter to your collection

division. As we previously indicated to you, 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 this case occurred prior to that date we will not deny relief here.

Sincerely yours,

*Rollee Efros*

(Mrs.) Rollee H. Efros  
Associate General Counsel