



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-222115

March 13, 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 February 14, 1986, that we relieve Major (MAJ) R. F. Hawley, Finance Corps, Finance and Accounting Officer, 172nd Infantry Brigade, Alaska, under 31 U.S.C. § 3527(c) for an improper payment of a \$750.35 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.

This Office has authority under 31 U.S.C. § 3527(c) to relieve a disbursing officer from liability when the record indicates that the disbursing officer acted within the bounds of due care as established by applicable regulations, that there is no evidence of bad faith on the part of the disbursing officer and that a diligent effort was made to collect the overpayment. 62 Comp. Gen. 91 (1982).

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, the Army's collection procedures taken together do not appear to meet the diligent claims collection requirement of 31 U.S.C. § 3527(c). Once notice of the loss was received from Treasury, it took MAJ G.W. Beech, MAJ Hawley's successor to the account, over four months to attempt collection action on his own and over 14 months to refer this matter to the U.S. Army Finance and Accounting Center (USAFAC). It was another four months before USAFAC finally sent the case to your collection representative. As we indicated in our letters to you, B-220836, November 29, 1985 and January 10, 1986, we will no longer grant relief if Army delays more than 3 months in processing the debit voucher for collection by the Army's collection division. However, since this case occurred prior to the time specified in our notice to you, we will not deny relief here.

Sincerely yours,

A handwritten signature in cursive script, reading "Rolley H. Efros".

(Mrs.) Rollee H. Efros  
Associate General Counsel