



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-221544, B-221575
B-221579, B-221574

January 31, 1986

Mr. Clyde E. Jeffcoat
Acting Assistant Comptroller for
Finance and Accounting
U.S. Army Finance and Accounting Center
Department of the Army
Indianapolis, Indiana 46249

Dear Mr. Jeffcoat:

This responds to four separate requests that we relieve various Army Finance and Accounting Officers under 31 U.S.C. § 3527(c) from liability for improper payments made from their accounts. We have consolidated these requests because they each involve a substantially identical fact situation--the negotiation by a payee of both an original check and a subsequently issued replacement check by the finance officer or his deputy. As discussed below, your submissions provide the necessary elements for relief, and we grant relief in each case.

Each of the improper payments in question arose in a substantially similar fact situation. In each case, a Treasury check was issued to an Army member or civilian employee. Shortly thereafter, in each case, the payee represented to Army disbursing officials that the check had not been received. A stop payment order was then placed on each check and a replacement check issued to the payee. In all cases, both the original check and the substitute check were successfully negotiated by the payee and paid by the Treasury.

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 an effort was made to collect the overpayment. 62 Comp. Gen. 91 (1982).

Two of the substitute checks here were signed by a Finance and Accounting Officer's deputies which requires that we relieve the Finance and Accounting Officer in his supervisory capacity as well as the deputy disbursing officers. We have concluded that where a substitute check is properly issued the supervisor is no more negligent than the deputy who actually signed the check, B-212576, et al., December 2, 1983.

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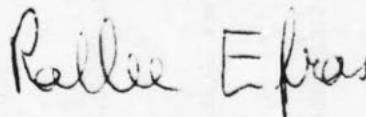
We find that in each of the cases at hand the requirements for relief have been met.

It appears that the request for stop payment and the issuance of a substitute check 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 parts of the disbursing officers and it appears that adequate collection efforts are now being made. Accordingly, we grant relief in the following cases.

<u>GAO #</u>	<u>Accountable officer</u>	<u>Dup. Payee</u>	<u>Amount of Loss</u>
B-221548	Maj. P.T. Shine	Ms. [REDACTED]	\$682.79
B-221575	Cap. W.P. Ruggia	Mr. [REDACTED]	\$365.72
B-221579	Maj. B.H. Fite	Ms. [REDACTED]	\$364.39
B-221574	Lt. Col. W.A. Mullen, Jr.	Ms. [REDACTED]	\$688.82
	Ms. J.A. Woodard (Deputy)		
	Lt. Col. W.A. Mullen, Jr.	Ms. [REDACTED]	\$712.70
	Mr. C.A. Dent (Deputy)		

Although we have granted relief to the disbursing officers in these cases, we do not think that the Army's collection procedures taken together meet the diligent claims collection requirement of 31 U.S.C. § 3527(c). In each instance it took Army over 10 months to refer the matter to your Collection Division. As we have indicated, we will no longer grant relief if Army delays more than 3 months in processing the debit voucher for collection to your Collection Division. However, since we agreed not to institute this policy for debit vouchers dated prior to April 15, 1986, we will not deny relief here.

Sincerely yours,



(Mrs.) Rollee H. Efros
Associate General Counsel