



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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OFFICE OF GENERAL COUNSEL  
B-193416

OCT 25 1979

*personal notes*

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Ms. Heather L. Ross  
Deputy Assistant Secretary  
Department of the Interior *ABC00033*

Dear Ms. Ross:

This is in response to your request for relief of ~~Alice C. Holecek, principal cashier, and Linda Billbe, subcashier,~~ for losses on two separate occasions in an imprest fund of the U.S. Bureau of Mines, Branch of Procurement, Denver, Colorado.

Ms. Holecek was assigned an imprest fund of \$3,000. She reassigned \$360 to Ms. Billbe by receipt. On August 8, 1977, Ms. Billbe opened her safe and found that \$355 was missing. An immediate audit to verify the loss was performed, and the Federal Bureau of Investigation and the Secret Service were notified.

On August 16, Ms. Holecek discovered her cash box missing from her locked safe. It was subsequently determined that \$1,181.59 had been taken. When Ms. Holecek reported to work on August 22, she found on her desk an envelope containing \$901. Because your agency is not sure which cashier's account should be credited with the returned money it is not clear that both losses are under \$500 and therefore a matter for administrative adjustment. Therefore, we will accept jurisdiction.

When an unexplained shortage or loss occurs in the account of an accountable officer, the shortage or loss itself is sufficient to raise a presumption of negligence. See, e.g., 48 Comp. Gen. 566, 567 (1969). Relief cannot be granted unless this presumption is rebutted by specific, complete and convincing evidence. B-187139, October 25, 1978. Evidence of theft can overcome the presumption, if it can also be shown that the accountable officer was not implicated in the theft and that no negligent act or omission of the accountable officer contributed to the theft. B-167126, August 28, 1978.

While there is no evidence here of forcible entry or a break-in, the disappearance of Ms. Holecek's entire cash box and its contents from a secured safe indicates that the second loss was probably due to theft. B-184028, March 2, 1976. At the time Ms. Billbe discovered her earlier loss, no explanation could be given. But the disappearance of Ms. Holecek's entire cash box just a week later indicates that Ms. Billbe's loss was probably in some way related to Ms. Holecek's loss and that it, too, was probably due to theft.

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This hypothesis is supported by the fact that the combinations to the safes were written on white cards, placed in sealed envelopes and stored in a third safe in another office. This safe is a "working safe" and is, thus, accessible to a number of employees. While laboratory tests conducted by the FBI on the tape used to seal the two envelopes did not reveal that the tape had been removed or replaced, examinations showed that the combinations could easily be read by holding the envelopes up to light. It seems reasonable to assume that the thief was able to read the combinations in this manner and therefore that this insecure method of storing the combinations was the proximate cause of the losses.

This situation raises the question of whether the cashiers were negligent in allowing the combinations to their safes to be stored in this manner. The Manual of Procedure and Instructions for Cashiers, issued by the Treasury Department, in setting forth responsibilities for funds of cashiers, says that:

"The safe combination \* \* \* should be placed in a sealed, signed, and dated envelope for retention in a secure place by the administrative officer or security officer at the station for use only in the event of an emergency." Section 0403.

Here, the combination was not kept in a secure place. It was stored in a safe to which a number of people, in addition to the officer in charge of it, had access. In addition, although the combinations were in sealed envelopes, the envelopes were not opaque.

As part of his duty to safeguard funds in his custody, a cashier is responsible for seeing that the combination to the safe in which the money is stored is secured in such a way that unauthorized persons, including the administrative officer who is holding the combination, cannot see it without opening the envelope. A prudent person would not knowingly allow the combination to be put in an envelope through which it "could be easily read."

However, we recognize that an envelope which in normal light may appear opaque can be seen through in stronger light. Assuming that the envelopes used by these accountable officers were not transparent in normal use and that their use for this purpose was acquiesced in by agency officials, we would agree that the accountable officers were not negligent.

At the same time, your Department should, if it has not already done so, provide for more secure storage of safe combinations. Use of envelopes through which the contents can be read under any conditions should not be permitted.

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Accordingly, we concur in the agency's recommendation that relief be granted. The loss may be restored by charge to the appropriate fiscal year 1980 account.

Sincerely yours,

**MILTON SOCOLAR**

Milton J. Socolar  
General Counsel