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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

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B-196804

JUN 1 1980

Mr. Wayne McKeel  
Deputy Controller  
Agency for International Development  
Washington, D. C. 20523

Dear Mr. McKeel:

Mr. John D. Blumgart, an employee of the Agency for International Development (AID), has written this Office requesting relief from liability for \$424 of Government funds that he lost in Mali on April 16, 1974, while he was traveling on official business. A copy of this letter with its attachments is enclosed. Mr. Blumgart states that since the date of the loss, he has attempted without success to resolve the relief question with AID. With a view toward the early resolution of Mr. Blumgart's request for relief, we are providing the following information regarding authority and procedures available to AID in granting or denying this request.

A threshold question involves whether or not Mr. Blumgart occupied the status of an accountable officer of Government funds at the time of the loss. This issue stems from the fact that prior to his departure in 1974 on official travel to several African countries, he requested and was given a travel advance of \$4,750, which represented funds for travel expenses and per diem as well as certain operational funds that were to be used by him to help finance major costs involved in the preparation of three livestock projects in Mauritania, Mali and Senegal. The entire amount was erroneously classified as a travel advance despite the fact that the funds requested were in excess of travel expense and per diem requirements of the travel itinerary. In such circumstances it is AID's policy to designate the employee as a subcashier for funds advanced in excess of travel and per diem requirements, which apparently through oversight was not done in this case.

Under decisions of our Office, an employee who receives a travel expense advancement under 5 U.S.C. § 5705, the statute that authorizes travel advancements, is not considered an accountable officer for such funds inasmuch as these advances are in the nature of a loan, as distinguished from Government

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funds entrusted to the employee. 54 Comp. Gen 190 (1974), B-183489, June 30, 1975 and B-178595 June 27, 1973. The risk of loss is on the employee for travel advancements just as it is for funds he has personally borrowed from a lender. On the other hand, we have recognized that an employee may be considered an accountable officer of Government funds when the travel funds advanced are greatly in excess of the employee's travel expense requirements and the employee is supposed to use the excess for an operational purpose. 54 Comp. Gen. 190, above.

On the basis of Mr. Blumgart's letter and various agency memoranda attached thereto, it seems clear that he did receive a travel advance greatly in excess of his own travel expenses and that he was expected to use the excess for an operational purpose. Accordingly, we believe that Mr. Blumgart may be considered an accountable officer for funds in excess of his expense requirements. In this connection, we have held that an accountable officer is one who by reason of his or her employment, has custody of Government funds. B-188894 September 29, 1977. It is therefore unnecessary for an employee to be officially designated with any position title, such as subcashier, before he may be considered an accountable officer. It suffices that he has custody of Government funds by reason of his employment.

The authority to relieve an accountable officer of liability for lost funds is contained in 31 U.S.C. § 82a-1. Pursuant to this authority GAO has been given discretion to relieve an accountable officer of liability where the agency head determines that the loss or deficiency occurred while the officer was acting in the discharge of his official duties and that the loss occurred without fault or negligence on the part of the employee. The General Accounting Office has delegated authority to heads of departments and agencies to administratively resolve irregularities in the accounts of accountable officers for amounts not exceeding \$500 and to grant such accountable officers relief under appropriate statutory criteria, in this case 31 U.S.C. § 82a-1, explained above. 54 Comp. Gen. 112 (1974).

Of course, the delegation of authority to agencies to resolve administrative irregularities, not to exceed \$500, is relevant only when the agency head believes the accountable

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officer should be relieved of liability. Thus your agency will have to determine conclusively that the loss was not attributable to any fault or negligence on Mr. Blumgart's part. When the agency head finds that the statutory criteria for relief has not been satisfied, thereby denying relief, this Office can not review the agency's denial determination. 59 Comp. Gen. 113 (1979).

Since the amount of funds involved is only \$424, AID has authority to grant or deny relief of liability to Mr. Blumgart without reference to this Office, upon making the appropriate determinations.

We are sending a copy of this letter to Mr. Blumgart so as to inform him of the action we have taken with regard to his request.

Sincerely yours,

Mrs. Rollee Efros  
Associate General Counsel

Enclosure