

Office of the General Counsel

B-229587

January 6, 1988

James E. Webb, Associate Deputy Chief  
Forest Service  
Department of Agriculture

Dear Mr. Webb:

This is in reply to your letter dated November 2, 1987, requesting that Geraldine Dawn Chilen, a Forest Service Collection Officer and Imprest Cashier, Sisters Ranger District, at the Deschutes National Forest, Pacific Northwest Region, Bend, Oregon, be relieved of liability for a loss of \$1,133.14 in her imprest fund account. A forest service investigation revealed that the money was taken from Ms. Chilen's safe during the course of a burglary at the Sisters Ranger District offices. For the reasons set forth below, we grant relief.

The record states that a burglary of the imprest fund of which Ms. Chilen is the cashier took place on April 10, 1987 at the Sisters Ranger District office, in Bend, Oregon. The investigation report indicates that entry to the building was made by force. Locked desk drawers were pried open and file cabinets tampered with. The investigation report also states that "During the course of the burglary several safes were opened by the use of combinations obtained while subject or subjects ransacked desk drawers throughout the office." Despite the investigation, the stolen money has not been recovered.

The combinations to all the safes were stored in the safe of Recreation Assistant, Paul Engstrom. The combination to his safe, entrusted to Ms. Chilen, and the combination to her own safe were written down and hidden by her in an unlocked desk drawer at her work station. The Forest Service believes the loss of Ms. Chilen's imprest fund was made possible by its failure to effectively promulgate regulations on safeguarding combinations, rather than any negligence on the part of Ms. Chilen.

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An accountable officer is automatically liable for the physical loss of funds entrusted to him or her. 54 Comp. Gen. 112, 114 (1974). However, GAO is authorized by 31 U.S.C. § 3527(a) to relieve an accountable officer from liability for a physical loss if GAO concurs with an administrative determination that the loss occurred while the accountable officer was acting in the discharge of official duties and that the loss occurred without fault or negligence on the part of the accountable officer. The Associate Deputy Chief has made that determination, and we concur.

Section 403.1 of the Forest Service Imprest Fund Payment Handbook instructs cashiers to place safe combinations in a sealed envelope and to retain the envelope in a "secured place" such as a locking safe, file or desk. By failing to lock the desk drawer used to store the combinations, Ms. Chilen would appear to be in violation of the agency regulation and therefore negligent. However, since the record shows that the burglar(s) pried open those desk drawers that were locked, even if Ms. Chilen had been in compliance with § 403.1 by locking her desk drawer the theft might not have been prevented. Here, the Forest Service's failure to promulgate effective procedures for safekeeping combinations appears to be the proximate cause of the loss.

The Forest Service's lapse in promulgating effective procedures for safeguarding combinations is particularly disturbing in light of our holding last year in B-222996 (October 1, 1986). There the combination to a Forest Service safe was taken out of the locked desk drawer of the District Ranger's desk at the Bradshaw Ranger District, Prescott, Arizona. In relieving the accountable officer of liability, we were informed by the Forest Service that, "Since the time of the burglary the envelopes containing the safe combinations have been and will continue to be secured in a safe off premises at the supervisor's office." (Emphasis added). From the information made available to us, that lesson seems neither to have been codified nor made known to the officers of the Sisters Ranger District. Moreover, the Forest Service appears to have overlooked Treasury Department regulations that could have prevented the mishandling of the safe combinations.

The Manual of Procedures and Instructions for Cashiers, issued by the Treasury Department in 1985 and applicable to all executive agencies, requires those agencies to establish certain guidelines for financial management. Chapter four of that manual, entitled "Safekeeping Facilities for Cash", states in part:

"The combination and a duplicate key to the cash box should be placed in a sealed envelope which should be signed and dated. This envelope should be placed in a safe controlled by an appropriate official, such as the administrative or security officer."

Had the Forest Service adopted the Treasury Department rule in its own handbook, codified its handling of safe combinations after our decision in B-222996 or brought those procedures to the attention of its cashiers in some other manner, perhaps the loss of imprest funds could have been avoided.

Accordingly, we concur in your determination and grant relief to Ms. Chilen in the amount of \$1,133.14.

Sincerely yours,

*Rollee Efros*

(Mrs.) Rollee H. Efros  
Associate General Counsel

APPROPRIATIONS/FINANCIAL MANAGEMENT

Accountable Officers

Cashiers

Relief

Physical losses

Theft