



Weisenbloom

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

OFFICE OF GENERAL COUNSEL

B-223134, B-223139

June 2, 1986

Mr. Clyde E. Jeffcoat
Principal Deputy Commander
U.S. Army Finance and Accounting Center
Department of the Army
Indianapolis, Indiana 46249

Dear Mr. Jeffcoat:

This responds to two separate requests that we relieve two Army Finance and Accounting Officers and one Officer's deputy 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. As discussed below, your submissions provide the necessary elements for relief, and we grant relief in each case.

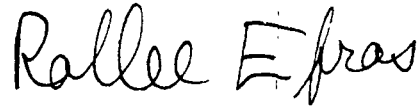
In both cases, a Treasury check was issued to an Army member or civilian employee. Shortly thereafter, in each case, the payee represented to Army disbursing officials that the check had not been received. A stop payment order was then placed on each check and a replacement check was issued to the payee.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

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-223134	MAJ W.V. Anderson CPT Anthony A. Maggio (Deputy)	Mr. Gary Q. Ponds	\$113.24
B-223139	COL L.A. Emerson	Ms. E.A. Medwedeff	\$361.67

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 one case it took Army almost 15 months and in the other case over 9 months to refer these losses to your Collection Division. As we previously indicated, to you, for debit vouchers dated after June 1, 1986, where the payee has left the Army or its employ, we will no longer grant relief if Army delays more than 3 months in forwarding the debt to your Collection Division. However, since these cases occurred prior to that date, we will not deny relief here.

Sincerely yours,

A handwritten signature in cursive script that reads "Rolley Efros". The signature is written in dark ink and is positioned above the typed name.

(Mrs.) Rollee H. Efros
Associate General Counsel