

GAO

United States General Accounting Office
Washington, DC 20548

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Office of
General Counsel

In Reply
Refer to:

B-200170

April 17, 1981

The Honorable Thomas Martin
Acting Assistant Attorney General
Civil Division
Department of Justice
Washington, D.C. 20530

Not restricted per T. Garne
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Dear Mr. Martin:

Actions taken by DOE
Enclosed is a copy of our opinion B-200170, April 1, 1981, to the Chairman of the House Committee on Energy and Commerce, concerning various actions taken by the Department of Energy, and by Paul L. Bloom, its former Special Counsel for Compliance, with regard to the distribution of over-charge refunds obtained as a result of consent orders between Energy and certain producers of petroleum products.

As you will note, at pages 12-14 of this opinion we have analyzed the distribution by Mr. Bloom of \$1 million in consent order refunds to each of four charitable organizations. We have determined that in so acting he exceeded his authority with respect to these funds, for which, in our view, he was an accountable officer. We also have determined that Energy lacked the authority to effect its attempted compromise of the charities' liability for refund of the funds they erroneously received.

We believe that under the Claims Collection Act, 31 U.S.C. § 951 et seq., Energy should attempt to collect from the four charities and Mr. Bloom the funds he improperly ordered to be disbursed by the bank, less the \$1 million refund negotiated by Energy.

We recognize that we have raised some novel issues with regard to liability, and for this reason we are referring this matter to you for your consideration in connection with any further action required. We would appreciate being informed of whatever action you decide to take in this matter.

Sincerely yours,

Harry R. Van Cleve

Harry R. Van Cleve
Acting General Counsel

Enclosure



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