Text as published on gao.gov, https://www.gao.gov/products/b-215432.3, archived 2026-08-23. GAO published no original file for this decision. Rendered by Comptroller Desk.

B-215432.3, Aug 22, 1991

Number: B-215432.3

Date: 1991-08-22

B-215432.3, Aug 22, 1991

DIGEST: On reconsideration, we grant relief to the disbursing officer under 31 U.S.C. Sec. 3527(c) due to the Army's compliance with the conditions for relief set out in our prior decision. However, we advise that the Army conduct future collection actions promptly and diligently in accordance with our established standards.

Col. Garry D. Foster:

Col. Garry D. Foster

Chief of Staff

U.S. Army Finance and Accounting Center

Col. Foster:

This responds to your request that we reconsider our decisions, B-215432 and B-215438, July 6, 1984 (previously reconsidered on January 2, 1985), in which we denied relief under 31 U.S.C. Sec. 3527(c) to Col. H. H. Gassie, Finance Corps, Finance and Accounting Center, Joint Uniform Military Pay System-Army, for two improper payments made from his account.

The 1984 relief request resulted from seven improper payments involving financial institutions as payees. In our prior decisions, we denied relief because there was no explanation of why collection action had not been taken against the banks. As a result of subsequent collection efforts, five of the seven banks have repaid their indebtedness. The two cases in which collection has been unsuccessful involve Liberty State Bank and Trust, William C. Kellaway, $450.00 (B 215432) and the City National Bank of Plano, William R. McKenzie, $430.00 (B-215438). In our 1985 decision, we stated that we would "continue to deny relief in these cases until collection action is undertaken against the financial institutions."

The record indicates that in attempting to collect from Liberty State Bank and Trust, Military Pay Operations sent three collection letters to the bank. Liberty never responded to the letters and we have no evidence of any collection efforts made subsequent to the mailing of the letters. Military Pay Operations also sent three collection letters to the City National Bank of Plano. City National did not respond to the letters and we have no evidence of any additional action taken to collect from the bank.

Due to the expiration of the period in which the Army could have judicially enforced collection against the banks, it is unlikely that further collection efforts will be fruitful. See 28 U.S.C. Sec. 2415(d). Thus, even though the Army failed to collect the improper payments, we will relieve Col. Gassie under 31 U.S.C. Sec. 3527(c) since the Army undertook collection in satisfaction of the conditions set out in our prior decision.

Nevertheless, we are concerned with the Army's efforts to collect in this instance, and we advise that it conduct its future collection actions promptly and diligently in accordance with our established standards. See B-220836, Nov. 29, 1985; GAO Policy and Procedures Manual for Guidance of Federal Agencies, tit. 7, Sec. 8.11(C) (TS No. 7 42, Feb. 12, 1990).