Text as published on gao.gov, https://www.gao.gov/products/b-220500, archived 2026-10-11. GAO published no original file for this decision. Rendered by Comptroller Desk.

[Request for Relief for Army Finance and Accounting Officer]

Number: B-220500

Date: 1985-12-16

B-220500, DEC 16, 1985

DISBURSING OFFICERS - RELIEF - ERRONEOUS PAYMENTS - NOT RESULT OF BAD FAITH OR NEGLIGENCE DIGEST: RELIEF IS GRANTED ARMY DISBURSING OFFICIAL AND HIS SUPERVISOR UNDER 31 U.S.C. SEC. 3527(C) FROM LIABILITY FOR IMPROPER PAYMENT RESULTING FROM PAYEE'S NEGOTIATION OF BOTH ORIGINAL AND SUBSTITUTE MILITARY CHECKS. PROPER PROCEDURES WERE FOLLOWED IN THE ISSUANCE OF THE SUBSTITUTE CHECK, THERE WAS NO INDICATION OF BAD FAITH ON THE PART OF THE DISBURSING OFFICIAL AND HIS SUPERIOR, AND SUBSEQUENT COLLECTION ATTEMPTS ARE BEING PURSUED. HOWEVER, IN THE FUTURE, WE WILL DENY RELIEF IF ARMY DELAYS MORE THAN 3 MONTHS IN PROCESSING THE DEBIT VOUCHER.

MR. CLYDE E. JEFFCOAT:

PRINCIPAL DEPUTY COMMANDER

U.S. ARMY FINANCE AND ACCOUNTING CENTER

INDIANAPOLIS, INDIANA 46249

THIS RESPONDS TO YOUR REQUEST OF SEPTEMBER 20, 1985, THAT WE RELIEVE CAPTAIN (CPT) W. P. RUGGIA, FINANCE CORPS, FINANCE AND ACCOUNTING OFFICER, ROCK ISLAND ARSENAL, ROCK ISLAND, ILLINOIS, UNDER 31 U.S.C. SEC. 3527(C) FOR TWO IMPROPER PAYMENT TOTALLING $468.40 PAYABLE TO MS. VADA L. SHELBY. FOR THE REASONS STATED BELOW, RELIEF IS GRANTED.

THE LOSS RESULTED WHEN THE PAYEE TWICE NEGOTIATED BOTH THE ORIGINAL AND A SUBSTITUTE CHECK. ALL OF THE CHECKS WERE IN THE SAME AMOUNT. THE SUBSTITUTE CHECKS WERE ISSUED ON THE BASIS OF THE PAYEE'S ALLEGATION THAT THE ORIGINAL CHECK HAD NOT BEEN RECEIVED AND A REQUEST FOR STOP PAYMENT HAD BEEN MADE. ALL OF THE CHECKS WERE ISSUED BY THE ARMY UNDER AUTHORITY DELEGATED BY THE DEPARTMENT OF THE TREASURY. 31 C.F.R. SEC. 245.8.

THIS OFFICE HAS AUTHORITY UNDER 31 U.S.C. SEC. 3527(C) TO RELIEVE A DISBURSING OFFICER FROM LIABILITY WHEN THE RECORD INDICATES THAT THE DISBURSING OFFICER ACTED WITHIN THE BOUNDS OF DUE CARE AS ESTABLISHED BY APPLICABLE REGULATIONS, THAT THERE IS NO EVIDENCE OF BAD FAITH ON THE PART OF THE DISBURSING OFFICER AND THAT A DILIGENT EFFORT WAS MADE TO COLLECT THE OVERPAYMENT. 62 COMP.GEN. 91 (1982).

IT APPEARS THAT THE REQUEST FOR STOP PAYMENT AND THE ISSUANCE OF THE SUBSTITUTE CHECKS IN THIS CASE 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.

ALTHOUGH WE HAVE GRANTED RELIEF TO THE DISBURSING OFFICER IN THIS CASE, THE ARMY'S COLLECTION PROCEDURES TAKEN TOGETHER DO NOT APPEAR TO MEET THE DILIGENT CLAIMS COLLECTION REQUIREMENT OF 31 U.S.C. SEC. 3527(C). ONCE NOTICE OF BOTH LOSSES WAS RECEIVED FROM TREASURY, IT TOOK ARMY OVER 2 YEARS TO REFER THE MATTER TO ITS COLLECTION DIVISION. AS WE INDICATED IN OUR LETTER TO YOU, B-220836, NOVEMBER 29, 1985, WE WILL NO LONGER GRANT RELIEF IF ARMY DELAYS MORE THAN 3 MONTHS IN PROCESSING THE DEBIT VOUCHER FOR COLLECTION BY THE ARMY'S COLLECTION DIVISION. HOWEVER, SINCE THIS CASE OCCURED PRIOR TO THE TIME SPECIFIED IN OUR NOTICE TO YOU, WE WILL NOT DENY RELIEF HERE.