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[Request for Relief for Army Finance and Accounting Officer and Cashier]

Number: B-226614

Date: 1987-05-06

B-226614, MAY 6, 1987, OFFICE OF GENERAL COUNSEL

APPROPRIATIONS/FINANCIAL MANAGEMENT - ACCOUNTABLE OFFICERS - CASHIERS - RELIEF - ILLEGAL/IMPROPER PAYMENTS - COMPUTATION ERRORS APPROPRIATIONS/FINANCIAL MANAGEMENT - ACCOUNTABLE OFFICERS - DISBURSING OFFICERS - RELIEF - ILLEGAL/IMPROPER PAYMENTS - COMPUTATION ERRORS DIGEST: RELIEF IS GRANTED TO AN ARMY FINANCE OFFICER WHERE RECORD SHOWS THAT THIS ACCOUNTABLE OFFICER MAINTAINED ADEQUATE PROCEDURES AND CONTROLS TO AVOID ERRORS AND THAT HE TOOK STEPS TO IMPLEMENT THOSE PROCEDURES. RELIEF IS GRANTED TO CASHIER WHO MADE THE IMPROPER PAYMENT WHERE RECORD SHOWS THAT SHE FOLLOWED PRESCRIBED PROCEDURES IN PAYING AN ERRONEOUSLY CALCULATED VOUCHER AND NOTHING UNUSUAL OCCURRED DURING THE TRANSACTION WHICH WOULD HAVE LED HER TO BELIEVE THAT AN IMPROPER PAYMENT WAS BEING MADE.

BRIGADIER GENERAL B. W. HALL:

THIS REPLIES TO YOUR MARCH 23, 1987, REQUEST THAT WE GRANT RELIEF TO LIEUTENANT COLONEL (LTC) N. E. M. HOLDER, DSSN 5074, FINANCE AND ACCOUNTING OFFICER, U.S. ARMY INFANTRY CENTER, FORT BENNING, GEORGIA, AND MS. JACKIE HORNE, A CASHIER UNDER LTC HOLDER'S SUPERVISION FOR AN IMPROPER PAYMENT OF $527.60. WE GRANT RELIEF TO LTC HOLDER BECAUSE HE MAINTAINED AND ENFORCED ADEQUATE PROCEDURES AND CONTROLS TO AVOID ERRORS IN MAKING CASH PAYMENTS. WE ALSO GRANT RELIEF TO MS. HORNE BECAUSE SHE COMPLIED WITH ESTABLISHED PROCEDURES IN MAKING THE PAYMENTS IN QUESTION.

THE IMPROPER PAYMENT OCCURRED ON JULY 19, 1985, WHEN SERGEANT (SGT) GARY L. WERTENBERGER PRESENTED AN IMPROPERLY CALCULATED FINAL SEPARATION VOUCHER TO MS. HORNE. THE ERROR OCCURRED WHEN MS. MARINA OGAN, A MILITARY PAY CLERK, IN PREPARING THE VOUCHER, INADVERTENTLY ADDED THE COLLECTIONS TO THE ENTITLEMENTS DUE SGT WERTENBERGER, RATHER THAN SUBTRACTING THEM. THE VOUCHER WAS CERTIFIED BY MASTER SERGEANT (MSG) NANCY C. HINKLEMAN, THE FINANCE SERVICE NON-COMMISSIONED OFFICER IN CHARGE. WHEN THE VOUCHER WAS CERTIFIED, BLOCK 43 (AMOUNT DUE) AND BLOCK 44 (AMOUNT PAID) WERE NOT FILLED IN. HOWEVER, THE VOUCHER WAS ACCOMPANIED BY AN ADDING MACHINE TAPE WHICH REFLECTED THE SUBTRACTION OF $263.80 (THE TOTAL COLLECTIONS DUE THE GOVERNMENT) AND THE CORRECT TOTAL OF $1263.75. AFTER THE VOUCHER WAS CERTIFIED, THE ERROR OCCURRED AND MS. OGAN IMPROPERLY FILLED IN BLOCKS 43 AND 44.

THE VOUCHER WAS THEN PRESENTED TO MS. HORNE WHO, ACCORDING TO PROCEDURES, CHECKED SGT WERTENBERGER'S IDENTIFICATION AND PAID THE AMOUNT APPEARING IN THE "AMOUNT PAID" BLOCK. IMMEDIATELY UPON DISCOVERY OF THE IMPROPER PAYMENT LTC HOLDER SENT A CERTIFIED LETTER TO SGT WERTENBERGER REQUESTING REPAYMENT. CORRESPONDENCE FROM SGT WERTENBERGER INDICATED THAT PAYMENT WAS NOT IMMEDIATELY

FORTHCOMING, AND THE MATTER WAS REFERRED TO THE COLLECTION DIVISION SHORTLY THEREAFTER.

IN CASES SUCH AS THIS ONE, BOTH THE PERSON WHO MADE THE IMPROPER PAYMENT AND THE PERSON IN WHOSE NAME THE ACCOUNT IS OFFICIALLY HELD ARE LIABLE AS DISBURSING OFFICIALS FOR THE AMOUNT OF AN IMPROPER PAYMENT. 62 COMP.GEN. 476, 479-80 (1983).

UNDER 31 U.S.C. SECS. 3527(C) (1982) THIS OFFICE HAS THE AUTHORITY TO RELIEVE A DISBURSING OFFICIAL FROM LIABILITY FOR AN IMPROPER PAYMENT WHEN THE PAYMENT WAS NOT THE RESULT OF BAD FAITH OR LACK OF REASONABLE CARE BY THE OFFICIAL. THE GOOD FAITH AND REASONABLE CARE OF A SUPERVISORY DISBURSING OFFICIAL IS SHOWN BY EVIDENCE THAT THE SUPERVISOR MAINTAINED ADEQUATE PROCEDURES AND AND CONTROLS TO AVOID ERRORS AND THAT THE SUPERVISOR TOOK STEPS TO IMPLEMENT THOSE CONTROLS. 62 COMP.GEN. 476, 480 (1983). THE GOOD FAITH AND REASONABLE CARE OF THE PERSON WHO MADE THE PAYMENT CAN BE SHOWN BY EVIDENCE THAT THE INDIVIDUAL COMPLIED WITH ESTABLISHED PROCEDURES AND THAT NOTHING OCCURRED WHICH SHOULD HAVE MADE THAT PERSON SUSPICIOUS OF FRAUD. B-223285, AUGUST 28, 1986.

YOUR SUBMISSION SHOWS THAT LTC HOLDER ESTABLISHED AND MAINTAINED ADEQUATE PROCEDURES AND THAT HE ENFORCED THESE PROCEDURES. LTC HOLDER ALSO TOOK ADDITIONAL STEPS IMMEDIATELY FOLLOWING THIS LOSS TO PREVENT ANY SIMILAR IMPROPER PAYMENTS. MOREOVER, AS WE HAVE PREVIOUSLY NOTED, OCCASIONAL ERRORS SUCH AS THE CLERICAL ERROR IN THIS CASE ARE INEVITABLE EVEN IN A PROPERLY ESTABLISHED AND SUPERVISED SYSTEM. B-212336, AUGUST 8, 1983.

MS. HORNE MADE THE PAYMENT IN THIS CASE BASED UPON THE DOCUMENTS PRESENTED TO HER. SHE FOLLOWED PRESCRIBED PROCEDURES IN PAYING THE VOUCHER AND NOTHING IN THE RECORD SUGGESTS THAT ANYTHING UNUSUAL OCCURRED DURING THE TRANSACTION WHICH MIGHT HAVE LED HER TO SUSPECT THAT AN IMPROPER PAYMENT WAS BEING MADE. WE THEREFORE GRANT THE REQUESTED RELIEF TO BOTH LTC HOLDER AND MS. HORNE.