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B-227714, Oct 20, 1987, Office of General Counsel

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B-227714, Oct 20, 1987, Office of General Counsel

APPROPRIATIONS/FINANCIAL MANAGEMENT - Accountable Officers - Cashiers - Relief - Physical Losses - Theft DIGEST: Relief is granted two Veterans Administration imprest fund cashiers under 31 U.S.C. Sec. 3527(a) from liability for a loss of $5,050.80. A number of people had access to the places where funds were kept in violation of Treasury standards. GAO agrees with the conclusion that the loss was the result of pervasive laxity in office procedures beyond the control of the cashiers.

Mr. Hoffman:

This is in reply to your letters dated July 10 and September 8, 1987, requesting our Office to relieve James Boyd and Rosemary Carter, cashiers, employed by the Veterans Administration, from responsibility for the loss of certain government funds. For the reasons that follow, relief is granted.

Review of the record indicates that an audit of the imprest fund in question on March 31, 1987, uncovered a shortage of $7,582.80. This was later increased to $5,050.80. Although agents of the Federal Bureau of Investigation and the Secret Service were unable to discover exactly how the loss occurred, no evidence of wrongdoing on the part of Mr. Boyd or Ms. Carter was indicated by their findings. Further investigation by the Veterans Administration cited poor security arrangements among the reasons for the loss. No fault or negligence could be attributed to any employee.

The General Accounting Office is authorized to grant relief from liability to an accountable officer upon its concurrence with determinations by the department or agency head that (1) the loss or deficiency occurred while the officer or agent was acting in the discharge of his official duties, or that it occurred by reason of act or omission of a subordinate of the officer or agent, and (2) the loss or deficiency occurred without fault or negligence on the part of the officer. U.S.C. Sec. 3527(a).

The shortage involved in this case is an unexplained loss. The disappearance of funds without an explanation gives rise to a presumption of negligence on the part of the accountable officer and the burden is on the officer to rebut the presumption with evidence to the contrary. Comp.Gen. 566 (1969).

This Office has held on numerous occasions that agency failure to provide proper security arrangements for the safekeeping of government funds may itself be the proximate cause of the loss, thereby justifying relief of accountable officers from liability. See, e.g., B-199037, Feb. 9, 1981.

A cashier should have exclusive control over the funds with which he or she is charged so that it is reasonable to hold the cashier liable when an unexplained loss occurs. In this case, however, Mr. Boyd and Ms. Carter did not have exclusive control over these funds since various part-time employees had access to the cash boxes and sometimes cash was left in open folders where all the cashiers had access to the funds. This situation precludes the definite placement of responsibility for the shortages that arose.

In addition, there is no evidence that at any time these cashiers' supervisors made it known to them that such procedures were not in accordance with official policy. Thus, there was no reason for any of these workers to believe that what they were doing (or not doing) was improper. Under the circumstances, it is reasonable to conclude that the pervasive laxity of office procedures over which Mr. Boyd and Ms. Carter had no control was the actual cause of the losses.

Accordingly, we agree with the administrative determination that the losses in question did not occur as a result of fault or negligence on the part of Mr. Boyd or Ms. Carter, and we grant them the relief as requested.