Text as published on gao.gov, https://www.gao.gov/products/b-228859, archived 2026-08-29. GAO published no original file for this decision. Rendered by Comptroller Desk.

[Request for Relief for Army Finance Officers and Cashier]

Number: B-228859

Date: 1987-09-11

B-228859, Sep 11, 1987 Office of the General Counsel

APPROPRIATIONS/FINANCIAL MANAGEMENT - Accountable Officers - Disbursing officers - Relief - Illegal/improper payments - Forgeries APPROPRIATIONS/FINANCIAL MANAGEMENT - Accountable Officers - Cashiers - Relief - Illegal/improper payments - Forgeries DIGEST: U.S. Army Finance and Accounting Officer and his Deputy are relieved of liability for improper payment made by subordinate cashier because they maintained an adequate system of procedures to prevent improper payments. The cashier is also relieved because he followed all prescribed procedures for cashing checks, notwithstanding that the payee circumvented those procedures through criminal activity. We remind the Army of the requirement to promptly report financial irregularities in order to avoid any statute of limitation period.

Brigadier General B. W. Hall:

This is in response to your request of August 11, 1987, that relief be granted under 31 U.S.C. Sec. 3527(c) for Lt. Col. B. E. Braswell, Finance Office, DSSN 5072, XVIII Airborne Corps and Fort Bragg, North Carolina, for an improper payment of $500. Relief is also requested for Deputy Finance Officer, Sfc. Joseph F. Seyer and cashier, Sp.4 Rawle Juglal. For the reasons stated below, we grant the requested relief.

The submission indicates that the loss occurred during the Gallant Eagle 84 exercise held at Camp Roberts, California. On or about September 12, 1984, Sp.4 Juglal, a cashier from Fort Bragg participating in the exercise at Camp Roberts, cashed the altered check of Reservist Sp.4 Samuel P. Ingram. The U.S. Treasury check dated August 23, 1984 was originally issued for $357 but had been altered by Sp.4 Ingram to read $857. The alteration was discovered on September 21, 1984 by a Cash Control Officer at Fort Bragg during her review of the field account of Sfc. Seyer. The Criminal Investigation Division was immediately notified, but because of Sp.4 Ingram's inactive status at the time, the case was forwarded to the Secret Service for investigation. On April 2, 1985, Sp.4 Ingram was interviewed and at that time admitted the alteration.

Relief is requested for Lt. Col. Braswell, in whose name the account is held, and Sfc. Seyer, Lt. Col. Braswell's deputy, who was responsible for all finance and accounting activities at the Gallant Eagle 84 exercise where this improper payment was actually made. As responsible finance officers both are liable for deficiencies caused by improper payments made by their subordinates. Relief is also requested for Sp.4 Juglal who made the erroneous payment. Under 31 U.S.C. Sec. 3527(c), this Office has the authority to relieve a disbursing official from liability for an improper payment when the record shows that the payment

was not the result of bad faith or lack of reasonable care. B-217114, September 24, 1986, 65 Comp.Gen. ***. In cases where subordinates of the finance officer actually disbursed the funds, we have granted relief upon a showing that the finance officer properly supervised his subordinates by maintaining an adequate system of procedures and controls to safeguard the funds and took steps to ensure the systems implementation and effectiveness. B-224832, July 2, 1987.

According to your submission and the record itself, Lt. Col. Braswell, through his Deputy, Sfc. Seyer, had established and maintained an adequate system of controls over check cashing procedures to safeguard the funds for which he was responsible. Furthermore, it is apparent that Sp.4 Juglal complied with all the procedures and controls in cashing the check for Sp.4 Ingram, but did not notice the alteration, which was described as expertly done. The improper payment in this case was largely the result of criminal activity that even a carefully established and effectively supervised system cannot always prevent. B-224079, October 28, 1986. Since there is no indication that the improper payment was the proximate result of bad faith or lack of reasonable care on their parts, relief is granted to Lt. Col. Braswell, Sfc. Seyer, and Sp.4 Juglal.

Collection action initiated by the finance officer against Sp.4 Ingram has not been successful. We acknowledge the Army's referral of this matter to the Collections Division, Centralized Pay Operations.

Finally, we note that your request for relief was submitted only 1 month before the 3 year statute of limitations period was to expire. We remind you that the GAO Policy and Procedures Manual requires prompt reports of financial irregularities, not more than 2 years after the date the agency has substantially complete accounts, in order to avoid any statue of limitation problems. 7 GAO Policy and Procedures Manual 28.14.