Text as published on gao.gov, https://www.gao.gov/products/b-229778, archived 2026-08-27. GAO published no original file for this decision. Rendered by Comptroller Desk.

B-229778, Sep 2, 1988, Office of General Counsel

Number: B-229778

Date: 1988-09-02

B-229778, Sep 2, 1988, Office of General Counsel

APPROPRIATIONS/FINANCIAL MANAGEMENT - Accountable Officers - Cashiers - Relief - Physical losses - Theft DIGEST: Relief is granted to imprest fund cashiers for apparent shortage in imprest funds discovered on May 20, 1982 at U.S. Customs Service office in Seattle, Washington. Six individuals had access to safe where locked cash boxes and their keys were kept, making it impossible to determine whether negligence on the part of any one individual caused the apparent loss. Additionally, GAO agrees with agency finding that the pervasive laxity of fund accounting and control procedures rather than negligence of imprest fund cashiers, was the proximate cause of the apparent loss. Relief is granted in the corrected amount of $1168.08.

William F. Riley, Comptroller

U.S. Customs Service

Department of the Treasury:

This is in response to your letter of November 30, 1987, requesting that the General Accounting Office grant relief to the principal and alternate cashiers and other accountable officers involved in an apparent imprest fund shortage of $1,185.00 at a U.S. Customs Service office in Seattle. For the reasons stated below, we grant relief to the cashiers.

A shortage was discovered on May 20, 1982, when the Special Agent in charge of the Seattle office asked the principal cashier to disburse $3200 in cash so that he could purchase evidence in an ongoing investigation. The cashier, Shirley H. Churchill, opened the safe, removed her cash box from the shelf, opened it and found $1,947.00. This amount reflected a shortage and apparent loss of $711.54. In the absence of Karen Zimmer, the alternate cashier, /1/ and in an attempt to produce the additional funds required by the agent, Ms. Churchill and the agent opened Ms. Zimmer's cash box, and found it contained $35.00 instead of the full correct amount of $500.00.

The amount of the apparent loss was determined by applying all recorded transactions against the fund balance on February 17, 1982, the date the funds were last counted. /2/ The lack of any sign of forced entry to the safe, and the fact that a $53,000 flash roll stored in a plastic bag elsewhere in the safe was discovered intact tends to refute the possibility of theft; however, considering the lax fund accounting procedures described in the record, it is impossible to be certain whether what was missing was the imprest fund cash or receipts documenting proper expenditures of that amount.

In this case, six employees had access to the safe where the principal and alternate cashier's locked cash boxes were kept. Four of those employees were Customs agents, who apparently often legitimately needed large amounts of cash on an immediate basis to carry out their investigatory responsibilities. The record further shows that keys to the alternate cashier's cash box were kept in a sealed dated envelope in the safe along with a number of other keys, including the principal cashier's as well. This meant that any of the six could have opened the boxes at any time to obtain funds for an investigation, just as the alternate cashier's box was opened despite her absence on May 20, 1982, the day the apparent loss was discovered.

Generally when more than one person has access to a cash box or drawer, we grant relief for any physical loss of funds because, even if the cashier had been negligent, it would not be possible to place definite responsibility for the loss on the one individual alone. B-227714, October 20, 1987; B-221962, December 10, 1985; B-226847, June 25, 1987. While we could grant relief to the cashiers on this basis, we also view this particular point as part of a larger pattern of inadequate fund control.

The Customs submission describes not only multiple access to the safe and keys, but a failure to document fund transactions by requiring a receipt for every disbursement, and infrequent verification of the amount of funds on hand. The record also suggests that sometimes there were demands for large amounts of cash on short notice.

The relief request states that Customs investigators "were unable to determine whether the combined shortage was due to embezzlement or to missing documents and errors." The submission also stated "the loss is directly attributable to failure on the part of the local office to follow proper established internal checks and controls regarding the safeguarding of funds."

This demonstrates to us that the pervasive laxity of office procedures rather than any act or omission of the cashier or the alternate cashier was the proximate cause of the apparent loss. Accordingly, we grant relief in this case to the cashiers, and the account can be restored in the corrected amount of $1168.08.

/1/ The alternate cashier was on detail in Jacksonville, Florida when the apparent loss was discovered. The record does not establish the correct status of her imprest fund at the time of her departure, nor whether any other transactions had taken place from her fund during her absence.

/2/ Ms. Churchill subsequently recalled paying a bill for $8.46 and the shortage balance was incorrectly adjusted from $711.54 to $720.00. Thus Customs Service requested relief in the amount of $1,185.00, when the figure should have been $1168.08.