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[Request for Relief for Army Disbursing Officer]

Number: B-230842

Date: 1988-04-13

B-230842, Apr 13, 1988, Office of General Counsel

APPROPRIATIONS/FINANCIAL MANAGEMENT - Accountable Officers - Certifying officers - Relief - Illegal/improper payments - Overpayments DIGEST: A supervising disbursing officer is relieved of liability upon showing that he maintained an adequate system of procedures and controls for the avoidance of errors, and that steps were taken to ensure that the system was functioning effectively. The cashier who made the improper payment was adequately trained and supervised. Therefore, the improper payments were not the result of bad faith or lack of due care on behalf of the supervisor.

Colonel John P. Barrow, Department of the Army, U.S. Army Finance and Accounting Center:

This responds to your request that relief be granted under 31 U.S.C. Sec. 3527(c) for an improper payment totaling $766.36, chargeable to the account of Lt. Col. T. K. Rehorst, Finance Corps, Disbursing Station Symbol Number 5002, 4th Infantry Division and Fort Carson, Colorado. For the reasons stated below, we grant the requested relief.

The improper payments occurred on March 23, 1987, when Mitzy W. Cantrell, a cashier at the Disbursing Office, Fort Carson, was presented with a final separation voucher by Sgt. Thomas F. Ledda, who was being discharged from the Army. Ms. Cantrell incorrectly paid the amount reflected in block number 42 of the voucher, which represented the soldier's "total collections," instead of correctly paying the "amount paid" in block number 44. This error resulted in an overpayment to Sergeant Ledda in the amount of $766.36.

Immediately after discovering the loss, Lieutenant Colonel Rehorst began collection efforts to recover the improper payment from Sergeant Ledda. His collection efforts have been unsuccessful.

Generally, a disbursing officer is liable for improper payments made by his subordinates. 62 Comp.Gen. 476, 480 (1983). Under 31 U.S.C. Sec. 3527(c), this Office is authorized to relieve a disbursing officer from liability for an improper payment when the payment was not the result of bad faith or lack of reasonable care by the official.

In cases where subordinates rather than the disbursing officer actually disburse the funds, we have granted relief upon evidence that the supervisor properly supervised his subordinates by maintaining an adequate system of procedures and controls to avoid errors and took steps to ensure implementation of these controls. 62 Comp.Gen. at 480, B-221453, June 18, 1986.

According to your letter and supporting documents, Lieutenant Colonel Rehorst had an adequate system of procedures and controls over the funds for which he was accountable.

There is, furthermore, no indication in this case of inadequate supervision since Ms. Cantrell recognized her mistake and brought it to the attention of her supervisor. See B-215737, Nov. 5, 1984.

Therefore, under the authority contained in 31 U.S.C. Sec. 3527(c), relief is hereby granted to Lieutenant Colonel Rehorst. We note that Ms. Cantrell has admitted that she "made a terrible mistake" in making the improper payment. To the extent that collection efforts against Sergeant Ledda remain unsuccessful, we concur with your decision that Ms. Cantrell is liable for the improper payment of $766.36.