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B-232253, Aug 12, 1988, Office of General Counsel

Number: B-232253

Date: 1988-08-12

B-232253, Aug 12, 1988, Office of General Counsel

APPROPRIATIONS/FINANCIAL MANAGEMENT - Accountable Officers - Relief - Physical losses - Theft DIGEST: Agent of Bureau of Alcohol, Tobacco and Firearms gave $900 to confidential informant for purpose of renting an apartment to be used in undercover operation. Informant absconded with the money. There was no negligence on part of agent. Under 61 Comp.Gen. 313 (1982), loss of this type may be treated as program expense, and there is no need to seek relief from GAO under 31 U.S.C. Sec. 3527.

Mr. Paul R. Gentille

Financial Manager

Bureau of Alcohol, Tobacco

and Firearms

Department of the Treasury

Washington, D.C. 20226:

This is in response to your letter of August 2, 1988, concerning a loss of $900 which occurred in May 1988, during a controlled undercover operation (IN #13210-88-1034L). It appears that an agent of your bureau in Jacksonville, Florida, provided the money to a confidential informant for the purpose of renting an apartment to be used in the undercover operation. The informant took the money and left the area. The record states that there was no negligence on the part of the responsible special agent.

We are enclosing for your information a copy of our decision at 61 Comp.Gen. 313 (1982), to the Department of Justice involving a very similar situation. That decision concluded that a loss of this type is not the kind of loss for which relief from liability must be sought from the General Accounting Office under 31 U.S.C. Sec. 3527. Rather, the loss is to be treated as an operating expense under the applicable program legislation.

Our 1982 decision is equally applicable to your case. Accordingly, you may treat the loss as a program expense without the need for further GAO involvement. You should, of course, attempt to recover the funds from the informant to the extent possible.