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B-246371 June 23, 1992

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Clyde E. Jeffcoat Director Defense Finance and Accounting Service Denver Center Denver, Colorado 80279-5000

Dear Mr. Jeffcoat:

This is in response to your letter requesting that Lieutenant Colonels S. Nugent, M. Stinnett, and B. Anderson, Accounting and Finance Officers at Tinker Air Force Base, Oklahoma, be relieved of liability for improper payments in the amount of $19,187.95. For the reasons given below, we grant relief.

The record reflects that the improper payments occurred from March 11, 1988 through July 21, 1989. During this period, Staff Sergeant William R. Campbell, stationed at the Army Recruiting Battalion in Oklahoma City, Oklahoma, submitted 19 fraudulent travel claims and received advance travel payments totaling $25,034. Sergeant Campbell used fraudulent travel orders citing army accounting classifications at Fort Sam Houston to obtain the advances.

The travel fraud was discovered in July 1989 when the Fort Sam Houston Finance and Accounting Office contacted the Sergeant's Recruiting Battalion concerning the large amount of unsettled delinquent travel advances for him. Fort Sam Houston's Finance Office was told that no travel orders had been authorized for Sergeant Campbell. The Finance Office immediately notified the Army Criminal Investigation Division (CID) of the suspected travel fraud. When the Accounting and Finance Office at Tinker Air Force Base received information that the Sergeant was scheduled to receive a travel advance on August 18, 1989, CID was notified. Sergeant Campbell was apprehended, tried and found guilty of embezzlement and collections totaling $5,846.05 were made from his pay through February 1990. In March 1990 he was reported absent without leave.

Under 31 U.S.C. Sec. 3527 (c) we may relieve an accountable officer from liability for an illegal or improper payment if the payment was not the result of bad faith or lack of reasonable care and there is evidence that the agency made diligent collection efforts. 62 Comp.Gen. 476, 478 (1983). The good faith and reasonable care of supervising officials is shown by evidence that the supervisor maintained adequate procedures and controls to avoid errors and that appropriate steps were taken to ensure the system was effective. B-240553, Jan. 23, 1991. In such a determination, our office typically considers the standard operating procedures in effect at the time and the statements of the personnel involved. B-228946, Jan. 15, 1988.

Your letter and supporting documents show that Lieutenant Colonels Nugent,

Stinnett, and Anderson, all had in place and maintained an adequate system of controls and supervision and that the improper payments were not the result of bad faith or lack of due care. At the time of the advances to Sergeant Campbell, internal control procedures required that travel orders be checked for validity and proper documentation be presented. If both items of documentation were provided, the advances were made. It was also standard practice to forward a copy of the advance payment voucher to the finance office whose funds were cited in addition to sending the payment voucher to the Defense Finance and Accounting Center in Denver. Procedures recently instituted now require valid travel orders, proper identification and a 24 hour waiting period while an inquiry is made to see if there are any unsettled advances in the finance office where settlement will be made to check the validity of the travel orders. This should prevent the reoccurrence of similar travel fraud being perpetrated.

Accordingly, relief is granted to Lieutenant Colonels Nugent, Stinnett, and Anderson. We note that collection action was immediately taken but no further collection action has been taken since Sergeant Campbell was reported absent without leave. Should the Sergeant be relocated additional collection action should be reinstituted.

Sincerely yours,

Gary L. Kepplinger Associate General Counsel