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B-260862 June 6, 1995

Number: B-260862

Date: 1995-06-06

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Pursuant to 31 U.S.C. Sec. 3527(a), GAO grants relief to imprest fund cashier from liability for physical loss of $3,939 missing from safe where there is no evidence of fault or negligence by cashier. We do not grant relief for $820 shortage discovered the day prior to the theft. We refer this matter back to the agency for resolution in accordance with GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, sec. 8.9 which delegates to civilian agencies the authority to relieve accountable officers for physical losses not exceeding $3,000.

Mr. Harry A. Scarr Acting Principal Associate Director and Chief Financial Officer Bureau of the Census

Dear Mr. Scarr:

This responds to your request that we relieve Cheryl Haley, imprest fund cashier, Bureau of Census, for two losses totaling $4,759. For the reasons stated below, we grant relief in the amount of $3,939 for the November 22, 1994, loss by burglary. We return for your disposition the issue of relief for Ms. Haley of the unexplained shortage she incurred in November 18, 1994.

On Friday, November 18, 1994, Ms. Haley discovered an $820 shortage while counting the cash in her cash drawer. According to Ms. Haley, she believed the shortage was a bookkeeping error and made copies of her ledgers for herself and the alternate cashier to review over the weekend. Neither cashier was able to resolve the discrepancy. On Monday morning, November 21, Ms. Haley reported the problem to her supervisor, the Budget Officer. Ms. Haley, the Budget Officer, the alternate cashier, and a fourth employee who acts infrequently as an alternate cashier spent the rest of the day trying to resolve the discrepancy. The effort was unsuccessful and at the end of the day the remaining $3,939 in cash in Ms. Haley's cash box and $1,000 in cash in the alternate cashier's cash box were returned to the safe which was then locked.

The next morning, November 22, upon entering the office, the Budget Officer found the safe open and Ms. Haley's cash box on the floor with the money missing. The alternate's cash box containing $1,000 was still locked and in the safe. A window in the corner of the office where the safe was located was open and the screen was propped against the outside wall. There were no visible signs of forced entry to either the safe or the cash box. A copy of the combination and a duplicate set of keys to the cash boxes are kept in a sealed envelope in a combination lock safe in the Office of the Division Chief. The Division Chief, the Assistant Division Chief and their secretary have access to that safe.

Neither the Division Chief's safe nor the envelope showed signs of having been opened.

The Jeffersonville, Indiana Police Department and the Federal Protective Service jointly investigated the matter and were unable to recover the money or identify a suspect. All four people having direct access to the safe (Ms. Haley, the Budget Officer, and the two alternate cashiers) successfully passed polygraph tests administered by the Indiana State Police.

When government funds are missing and there are no signs of forced entry into the safe where the funds are stored, the missing funds are classified as an unexplained physical loss. B-214080, Mar. 25, 1986. The General Accounting Office is authorized, pursuant to 31 U.S.C. Sec. 3527(a), to grant relief from liability for a physical loss to an accountable officer if it agrees with the determination by the head of the agency that the loss occurred while the officer was acting in his or her official capacity and was not the result of fault or negligence on the part of the officer. In losses involving theft, we generally grant relief if the evidence presented shows that the theft cannot be attributed to fault or negligence on the part of the accountable officer, on the ground that such evidence rebuts the presumption of negligence. 70 Comp.Gen. 12, 14 (1990).

We agree with the agency's characterization of the funds missing from the safe as theft. The forced window and removal of the screen are indications that the loss was probably due to theft. We find no evidence to implicate Ms. Haley in the loss of the $3,939. Ms. Haley stated that she was certain that the safe was locked and this statement was corroborated by the Budget Officer. Further, there is no evidence that Ms Haley violated agency fund handling procedures. We consequently agree with the agency's determination that Ms. Haley was not negligent and, accordingly, relief in the amount of $3,939 is granted. [1]

However, the unexplained shortage of $820 discovered prior to the theft is a separate issue from the subsequent theft of cash from the safe. Section 8.9 of title 7, GAO Policy and Procedures Manual for Guidance of Federal Agencies, authorizes civilian agencies to relieve accountable officers for physical losses not exceeding $3,000. See B-243749, Oct. 22, 1991. This authority is to be exercised in accordance with the statutory standards and consistent with prior decisions of this Office. Since the shortage here is below the $3,000 threshold, we refer this matter back to you for further attention.

1. Since the incident, the agency has changed the combination on the safe, installed an alarm system and taken further procedural measures to enhance the security of the fund.