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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

March 18, 1980

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The Honorable Charles H. Percy
United States Senate

Dear Senator Percy:

You asked for reconsideration of our decision B-193701, March 29, 1979, denying relief to Gary I. Chase, an Imprest Fund Cashier of the Department of Housing and Urban Development (HUD), for the loss of \$4,400. With your request you included a letter from Mr. Chase, and a memorandum by a member of your staff. Mr. Chase provides facts in his letter which were not in the record when we considered his case before. We have carefully studied Mr. Chase's case, particularly in light of the new facts he has supplied, and have decided to grant Mr. Chase relief, based upon these new facts.

Mr. Chase was responsible for the Imprest Fund under emergency conditions at the Local Disaster Relief Office (DRO) in Belfry, Kentucky where he was temporarily serving as a member of a HUD Disaster Response Team sent to provide relief following a flood. The team lived under harsh conditions and worked long hours so that Mr. Chase had to perform his duties as cashier while he was very fatigued. At the time of the loss and contrary to policy, HUD had not yet provided a safe in the DRO, so Mr. Chase kept the funds in a lockable bag during business hours. On the day he cashed the check for \$5,000, which was the day of the loss. By his own admission, he either placed the lockable bag in his briefcase, placed it in some other, similar briefcase, or misplaced it elsewhere in the office. Later, he discovered the bag was not in his briefcase.

The Assistant Secretary for Administration, HUD, then requested that we relieve Mr. Chase of responsibility for the lost funds under 31 U.S.C. § 82a-1 (1976). We denied relief because of our finding that Mr. Chase's negligence had caused the loss; under 31 U.S.C. § 82a-1(b) we can grant relief only if we agree with the determination by the accountable officer's department head "that the loss occurred without fault or negligence on the part of the officer or his subordinate."

We based our original finding of negligence upon the facts then in the record when HUD submitted its request for relief. However, the record at that time did not reflect the severity of the living and working conditions at the Belfry disaster relief site under which Mr. Chase was required to perform his duties as Imprest Fund Cashier.

"The physical factors which I experienced prior to the robbery are beyond my abilities to adequately describe. Easter weekend, 1977 (April 9 and 10) I moved my family from Indianapolis, Indiana to Bolingbrook, Illinois, a suburb of Chicago. This we did by ourselves, without benefit of a moving company or Government assistance. On Wednesday of the following week, April 13, 1977, I received a call at home, directing me to report to London, Kentucky no later than Friday, April 15, 1977. As motor vehicles were limited and air transportation difficult to confirm, employees were authorized to drive their personally owned vehicles to the disaster area. The trip from Bolingbrook to London, Kentucky took approximately twelve hours. Upon arrival, I spent several more hours in briefing sessions with Disaster Field Office staff. Saturday brought a minimum twelve-hour work day, consumed with making arrangements for office equipment, forms, supplies, vehicles, phones, staff, and attempting to understand the scope of the disaster project I had been assigned to. Sunday brought more preparations, more briefings, discussions relating to procedures and a five-hour drive over the worst roadways I have ever encountered, to Belfry, Kentucky. My arrival was heralded by a culture shock which I had never nor have since experienced. In addition, I was greeted by 90 [degrees] F heat, a 75% humidity factor, and more dirt and dust and flood mud than can be imagined. When I inquired as to a motel, I was told none were available. Staff were sleeping in a hospital in Williamson, West Virginia, or in their cars. I spent the night of April 17, 1977, sleeping on a mattress in a hospital with only a sheet and a blanket. The mattress was supported off a wet, mud-covered floor by wooden milk cartons. My second night in Belfry, April 18, was spent sleeping in my car, as my bed at the hospital was being occupied by someone else. Monday was also the day the imprest check arrived from the Treasury. Because it came in late, I held the check until Tuesday, April 19, 1977, before cashing it.

"Difficult sleeping arrangements remained a problem throughout my thirty-plus days in Belfry. Eating facilities were non-existent. After the first week, a Kroger supermarket re-opened ten miles away; later, a small grocery store in Belfry re-opened and some two weeks later, two fast food places re-opened. Initially, the only available food in the entire area came from the Red Cross and the hospital cafeteria. All food and water was either flown or trucked in. Department officials were quoted as saying that

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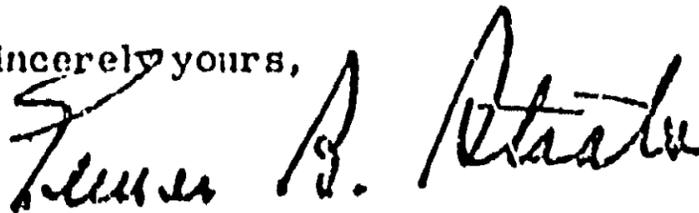
sending civilians into the Belfry situation may have been a mistake. A better choice might have been to send in the United States Army with full bivouac and mess kitchen facilities.

"The condition of the office upon my arrival was deplorable. There was no office. There was a school library containing row after row of shelves and books. A few tables and chairs occupied a small amount of open space. There were no desks, no locking files, no safes, not even a locking closet.

"In this environment, I was expected to establish a disaster field office, complete with furniture, office equipment, supplies, forms, and telephones. I was expected to determine staff needs, hire personnel to fill those positions, train locally hired staff to perform personnel and payroll functions: hire and train staff to process fiscal documents for payment and provide staff to issue purchase orders in conformance with Department procurement regulations. In addition to the above, I was designated as cashier of a \$5,000 imprest fund."

Considering Mr. Chase's case in light of this new information we now believe our previous evaluation of his conduct was too harsh. Taking into account the very difficult circumstances surrounding this loss, and the fact that Mr. Chase's exhausted state which contributed to the loss was brought about by his extreme efforts in the service of the Government, we now believe that his actions were as reasonable as could be expected of any other person in like circumstances. Therefore, we concur in HUD's determination that Mr. Chase was not negligent and accordingly grant relief.

Sincerely yours,



Comptroller General
of the United States