

DATE: July 24, 2017

---

In Re: )  
[REDACTED] ) Claims Case No. 2017-WV-060203.2  
Claimant )

---

**CLAIMS APPEALS BOARD  
RECONSIDERATION DECISION**

**DIGEST**

Under 5 U.S.C. § 5584, the Defense Office of Hearings and Appeals (DOHA) has the authority to waive a claim for repayment of erroneous payments of pay and certain allowances made to specified federal employees, if collection of the claim would be against equity and good conscience and not in the best interests of the United States, provided that there is no evidence of fraud, fault, misrepresentation or lack of good faith on the part of the employee.

**DECISION**

An employee of the U.S. Air Force requests reconsideration of the June 22, 2017, decision of the Defense Office of Hearings and Appeals (DOHA) in DOHA Claim No. 2017-WV-060203. In that decision, DOHA waived in part the collection of a debt owed by the employee. The employee seeks waiver of the remaining indebtedness.

**Background**

Effective July 13, 2015, the employee, a GS-11, step 9, with an annual salary of \$74,179.00, transferred from Missouri to England. Since the employee transferred overseas, she was no longer entitled to receive locality pay. Due to an administrative error, the *Notification of Personnel Action* (SF-50) issued on July 13, 2015, transferring the employee, erroneously reflected that she was entitled to continue to receive locality pay. As a result, the employee was overpaid \$2,580.60 during the pay period ending July 25, 2015, through October 15, 2015.

The Defense Finance and Accounting Service (DFAS) recommended that DOHA waive the claim in full. However, the DOHA adjudicator disagreed and waived \$352.80 of the \$2,580.60 indebtedness. The adjudicator based her decision on the fact that an SF-50, effective and issued on August 9, 2015, granting the employee a within-grade increase (WGI), also

deleted her locality pay. Therefore, the adjudicator determined that the employee should have questioned her pay officials regarding her salary. Since she failed to do so, waiver was not appropriate.

In her reconsideration request, the employee states that she and her Civilian Pay Office did not receive the SF-50 dated August 9, 2015, until the end of November 2015. She references emails with her Civilian Pay office in England reflecting that neither she nor her pay officials were notified that the SF-50 was issued.

### **Discussion**

Under 5 U.S.C. § 5584, we may waive a claim by the government for the erroneous payment of pay or allowances to an employee if collection would be against equity and good conscience and not in the best interests of the United States, provided there is no evidence of fraud, fault, misrepresentation, or lack of good faith on the part of the employee.

In this case, the employee's version of events is supported by the written record. The emails she references detail that neither she nor her pay officials were aware of the SF-50 issued on August 9, 2015, until late November 2015. Under the circumstances, we find that collection of the remainder of the debt in the amount of \$2,227.80 would be against equity and good conscience and not in the best interests of the United States. *See* DOHA Claims Case No. 2014-WV-060405.2 (July 30, 2015); and DOHA Claims Case No. 2013-WV-020601.2 (May 2, 2013).

### **Conclusion**

For the reasons stated above, we hereby waive \$2,227.80. In accordance with the Department of Defense Instruction 1340.23 ¶ E8.15, this is the final administrative action of the Department of Defense in this matter.

Signed: Catherine M. Engstrom

---

Catherine M. Engstrom  
Chairman, Claims Appeals Board

Signed: Natalie Lewis Bley

---

Natalie Lewis Bley  
Member, Claims Appeals Board

Signed: Charles C. Hale

---

Charles C. Hale  
Member, Claims Appeals Board