KEYWORDS: waiver of indebtedness

DIGEST: In order for a payment to be considered for waiver, it must be erroneous at the time it was made. Payments that are valid when made may not be considered for waiver under 10 U.S.C. § 2774.

CASENO: 2010-WV-122210.2

DATE: 8/09/2011

	DATE: August 9, 2011
In Re: [REDACTED]	) ) Claims Case No. 2010-WV-122210.2
Claimant	)

# CLAIMS APPEALS BOARD RECONSIDERATION DECISION

### DIGEST

In order for a payment to be considered for waiver, it must be erroneous at the time it was made. Payments that are valid when made may not be considered for waiver under 10 U.S.C. § 2774.

#### **DECISION**

A member of the Department of the Navy requests reconsideration of the June 28, 2011, decision of the Defense Office of Hearings and Appeals (DOHA), in DOHA Claim No. 2010-WV-122210. In that decision, DOHA determined that the overpayment in the amount of \$1,284.84 could not be considered for waiver.

## **Background**

The record shows that the member was issued travel separation orders from California to Florida on May 18, 2009. In connection with his separation travel, the member received a travel

advance payment in the amount of \$5,185.92, on July 1, 2009. When the member submitted his voucher for settlement, the Defense Finance and Accounting Service (DFAS) determined that his authorized expenses were \$3,901.08. Therefore, the member became indebted to the government in the amount of \$1,284.84.

In his request for reconsideration, the member states that he is requesting waiver of the debt based on an attached memorandum dated January 7, 2010, Subj: Fleet Reserve Order Modification ICO [member, name and social security number redacted]. The memorandum from Personnel Support Activity Detachment (PSAD) in California purports to change the member's Home of Selection (HOS) destination to Delaware rather than Florida. The member also contends that to deny the waiver will cause him financial hardship.

#### **Discussion**

Under the provisions of 10 U.S.C. § 2774, we have the authority to waive a member's liability for debts arising from erroneous payments of travel expenses, when collection would be against equity and good conscience and not in the best interests of the United States. This waiver authority, however, only applies to claims arising out of an "erroneous payment." Thus, before a claim can be considered for waiver it must be determined whether the claim arose from an "erroneous payment" within the scope of the waiver statute.

A travel payment is considered as merely a loan to the member, to be used for authorized expenses in accordance with his travel orders. It is not meant to represent a final determination of the amount to which a member is entitled, and members who receive such advance travel funds are on notice that they are entitled to be reimbursed only for legally authorized expenditures. A travel advance is only considered to be erroneous and subject to waiver to the extent it was made to cover expenses erroneously authorized and the member spent the advance in reliance on the erroneous authorization.

In this case, the determination that the \$1,284.84 debt for travel advances could not be considered for waiver was correct, because there was no showing that the travel orders were erroneous or that the payments were erroneous when made. *See* DOHA Claims Case No. 07012401 (January 30, 2007); DOHA Claims Case No. 04021301 (February 27, 2004); and 67 Comp. Gen. 496 (1988).

As to the member's contention that his HOS was changed, the Joint Federal Travel Regulations (JFTR) para U5012J, Vol.1, states: "Home of Selection. Once a home is selected, that selection is irrevocable if transportation-in-kind is furnished and used, or travel and transportation allowances are received after the travel is completed." The record contains travel orders and vouchers that relate only to travel from California to Florida. If the member believes he has a claim for travel to Delaware, he may pursue that separately. Finally, financial hardship does not provide a basis for waiver. *See* DOHA Claims Case No. 03100612 (December 3, 2003). The member may request DFAS reduce the size of the installments, or extend the payment period. That decision is at the discretion of DFAS.

## Conclusion

The employee's request for reconsideration is denied, and we affirm the June 28, 2011, decision that waiver cannot be considered, and the debt to the government of \$1,284.84 remains. 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.

Jean E. Smallin
Chairman, Claims Appeals Board

///Original Signature///

James E. Moody
Member, Claims Appeals Board

///Original Signature///

Natalie Lewis Bley

Member, Claims Appeals Board