



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

April 5, 2007

CBCA 600-RELO

In the Matter of BETH A. WILSON

Beth A. Wilson, Bloomingburg, OH, Claimant.

Judy Hughes, Travel Mission Area, Standards and Compliance, Defense Finance and Accounting Service, Columbus Center, Columbus, OH, appearing for Department of Defense.

GOODMAN, Board Judge.

Claimant is a civilian employee of the Department of the Army. She has requested that this Board review the agency's denial of reimbursement of certain expenses she incurred when she accomplished a permanent change of station (PCS) move.

Factual Background

On August 21, 2006, claimant was issued travel orders to accomplish a PCS move from her duty station at the Defense Finance and Accounting Service (DFAS), Dayton, Ohio, to DFAS, Columbus, Ohio. In January 2006 she and her spouse had entered into a land installment contract to purchase a house in Dayton. The contract stated that the purchase price was \$106,900; that the purchasers were to make a non-refundable down payment of \$12,900 to the seller; and that for one year thereafter they were to make interest-only payments followed by a balloon payment of the balance to the seller, or make arrangements with the seller for refinancing for another year with a balloon payment at the end of the second year. Claimant and her husband did not pay the \$12,900 down payment in full at the inception of the contract, but entered into a promissory note with the seller for this amount. According to claimant, it was her understanding that if she did not fulfill the contract, she would remain liable to the seller for the \$12,900 down payment.

DFAS, in its submission to this Board, states that:

Before accepting the transfer to Columbus, Ms. Wilson contacted the DFAS Human Resources Office to question whether she would be allowed reimbursement of the cost she would incur to break the land installment contract on the home she was purchasing. The Human Resources Office erroneously determined that although Ms. Wilson was not leasing the home, the expense would be allowed as an unexpired lease expense. Ms. Wilson accepted the transfer to Columbus in good faith reliance on the information she received, and the PCS orders were issued authorizing . . . unexpired lease expenses.

Relying upon the erroneous advice of the DFAS Human Resources Office, claimant notified the seller that she intended to vacate the house, and the seller notified her that the total costs she would incur as the result of not fulfilling her contractual obligations would be \$15,882.65.¹ Claimant transferred in August 2006 and submitted a travel voucher requesting reimbursement of \$15,882.65. The agency reimbursed claimant \$236.80² and denied reimbursement of \$15,645.85, based upon its determination that these costs were incurred neither from an unexpired lease nor from the sale of a home at the old duty station.

Discussion

When an agency transfers an employee from one permanent duty station to another, various statutes and regulations authorize the agency to reimburse the employee for relocation expenses. The statutes and regulations provide an agency shall pay an employee who transfers in the interest of the Government for expenses of the sale of the residence (or the settlement of an unexpired lease) of the employee at the old official station and the

¹ The seller stated that this amount was the sum of \$13,762.59 for “promissory note payoff” and \$2120.26 for “land contract payoff.” It appears that the first amount is the payoff for the promissory note for the \$12,900 down payment. It is not clear from the record how the second amount was computed.

² The agency interpreted Joint Travel Regulations (JTR) C5310-D.12 to authorize reimbursement of this amount as miscellaneous expenses connected with cancellation of a contract to purchase a house due to a transfer in the Government’s interest. The agency explained that this amount was the difference between the flat miscellaneous expense allowance of \$1000 for an employee with dependents, JTR C5310-B, which had been paid to claimant, and claimant’s basic salary rate for two weeks of \$1236.80, the maximum allowable amount. JTR C5310-C.

purchase of a residence at the new official station. 5 U.S.C. § 5724a(d)(1) (2000); 41 CFR 302.11-1 (2006); JTR C14000.

The costs which claimant owed the seller when she failed to fulfill the land installment contract were incurred as a down payment when she entered into the contract. She did not sell the house when she transferred; rather she relinquished her rights to the property.³ Claimant is therefore not entitled to reimbursement of these costs as a real estate transaction sale expense. As she did not enter into a lease for the home, these costs cannot be deemed costs arising from an unexpired lease as she was erroneously advised. *See, e.g., Jacqueline S. Ferguson*, GSBCA 16351-RELO, 04-1 BCA ¶ 32,618; *Samuel G. Baker*. While her travel orders authorized reimbursement of unexpired lease expenses, there were no such expenses to reimburse.

The agency admits that claimant acted in reliance on erroneous advice. Even so, such erroneous advice cannot enlarge a claimant's entitlements as defined by statute and regulation nor can it obligate the Government to make payment of monies that are not authorized by statute and regulation. *Suzanne S. Lowe*, GSBCA 16696-RELO, 06-1 BCA ¶ 33,202.⁴

Decision

The claim is denied.

ALLAN H. GOODMAN
Board Judge

³ Under a land installment contract such as claimant's, the purchaser holds equitable title to the property while legal title remains with the seller until the purchaser fulfills the obligations of the contract. *Samuel G. Baker*, GSBCA 15408-RELO, 01-1 BCA ¶ 31,276.

⁴ Claimant requests that this Board "look into the Human Resource Department practices . . . to see why they gave me the wrong information and see if they need to be trained properly on how to handle these situations." As a quasi-judicial tribunal, the Board has the authority to resolve issues of entitlement to expenses incurred during employees' travel and relocation but does not perform independent investigations with regard to cases presented to it. *Eric B. Fort*, GSBCA 16302-TRAV, 04-1 BCA ¶ 32,541 (2003).