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APPROVED
JUL 7 - 1975

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 2 1975

*Posted
7/8
J. Archibald
7/8*

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 3382 - For the relief of Raymond
Monroe
Sponsor - Rep. Winn (R) Kansas

Last Day for Action

July 9, 1975 - Wednesday

Purpose

Authorizes the U.S. Postal Service to relieve Raymond Monroe of all or part of his liability for the loss to the United States of \$5,445 resulting from his erroneous setting of a postage meter.

Agency Recommendations

Office of Management and Budget	Approval
U.S. Postal Service	Approval
Department of Justice	Defers to Postal Service

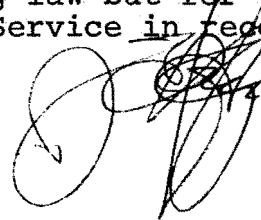
Discussion

Mr. Monroe, a postal clerk, erroneously set a postal meter in such a fashion that the user was able to obtain excess postage prepayment in the amount covered by the bill. While a suit by the United States against the user for these benefits was successful, recovery of the principal amount has not been possible, thereby placing residual liability on Mr. Monroe.

Had the error occurred after 1971, the Postal Service would have been able to relieve Mr. Monroe of his liability administratively under authority which was enacted in that year but which has no retroactive effect.



The user of the postal meter received the benefits of Mr. Monroe's error, and we do not believe that he should be penalized because recovery from the user was unsuccessful. In view of this fact and since it appears that Mr. Monroe did, in the judgment of the Postal Service, qualify for relief under the terms of existing law but for the date of his error, we concur with the Postal Service in recommending approval of H.R. 3382.

A handwritten signature in black ink, appearing to be "J. Edgar Hoover", written over the end of the text block.

Acting Assistant Director
for Legislative Reference

Enclosures


THE WHITE HOUSE

WASHINGTON

July 3, 1975

ACTION

Last Day: July 9

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON 
SUBJECT: Enrolled Bill H.R. 3382 - For the
Relief of Raymond Monroe

Attached for your consideration is H.R. 3382, sponsored by Representative Winn, which authorizes the U.S. Postal Service to relieve Raymond Monroe of all or part of his liability for the loss to the United States of \$5,445 resulting from his erroneous setting of a postage meter.

Additional information is provided in OMB's enrolled bill report.

OMB, Max Friedersdorf, Phil Buchen (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 3382 at Tab B.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 2 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 3382 - For the relief of Raymond
Monroe
Sponsor - Rep. Winn (R) Kansas

Last Day for Action

July 9, 1975 - Wednesday

Purpose

Authorizes the U.S. Postal Service to relieve Raymond Monroe of all or part of his liability for the loss to the United States of \$5,445 resulting from his erroneous setting of a postage meter.

Agency Recommendations

Office of Management and Budget	Approval
U.S. Postal Service	Approval
Department of Justice	Defers to Postal Service

Discussion

Mr. Monroe, a postal clerk, erroneously set a postal meter in such a fashion that the user was able to obtain excess postage prepayment in the amount covered by the bill. While a suit by the United States against the user for these benefits was successful, recovery of the principal amount has not been possible, thereby placing residual liability on Mr. Monroe.

Had the error occurred after 1971, the Postal Service would have been able to relieve Mr. Monroe of his liability administratively under authority which was enacted in that year but which has no retroactive effect.

To-
Cunningham
7-2-75
5:00 p.m.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 2 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 3382 - For the relief of Raymond
Monroe
Sponsor - Rep. Winn (R) Kansas

Last Day for Action

July 9, 1975 - Wednesday

Purpose

Authorizes the U.S. Postal Service to relieve Raymond Monroe of all or part of his liability for the loss to the United States of \$5,445 resulting from his erroneous setting of a postage meter.

Agency Recommendations

Office of Management and Budget	Approval
U.S. Postal Service	Approval
Department of Justice	Defers to Postal Service

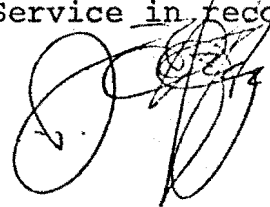
Discussion

Mr. Monroe, a postal clerk, erroneously set a postal meter in such a fashion that the user was able to obtain excess postage prepayment in the amount covered by the bill. While a suit by the United States against the user for these benefits was successful, recovery of the principal amount has not been possible, thereby placing residual liability on Mr. Monroe.

Had the error occurred after 1971, the Postal Service would have been able to relieve Mr. Monroe of his liability administratively under authority which was enacted in that year but which has no retroactive effect.

To-
J. Cunningham
7-2-75
5:00 PM

The user of the postal meter received the benefits of Mr. Monroe's error, and we do not believe that he should be penalized because recovery from the user was unsuccessful. In view of this fact and since it appears that Mr. Monroe did, in the judgment of the Postal Service, qualify for relief under the terms of existing law but for the date of his error, we concur with the Postal Service in recommending approval of H.R. 3382.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above the typed name.

Acting Assistant Director
for Legislative Reference

Enclosures

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 2

Time: 500pm

FOR ACTION: Dick Parsons *MP*
Max Friedersdorf *MP*
Ken Lazarus *K*
NBC Mr Davis

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: July 3

Time: 400pm

SUBJECT: Enrolled Bill H.R. 3382 - relief of Raymond Monree

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 2

Time: 500pm

FOR ACTION: Dick Parsons *MP*
Max Friedersdorf *MP*
Ken Lazarus *K*
NBC MP Davis

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: July 3

Time: 400pm

SUBJECT: Enrolled Bill H.R. 3382 - relief of Raymond Monree

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



LAW DEPARTMENT
Washington, DC 20260

July 1, 1975

Dear Mr. Frey:

This is in response to your request for the views of the Postal Service with respect to the enrolled bill: H. R. 3382, "For the relief of Raymond Monroe".

1) Purpose of Legislation

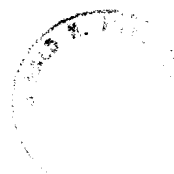
To authorize the Postal Service on such terms as it deems just to compromise, release, or discharge in whole or in part the liability of Raymond Monroe for loss resulting from his erroneous setting of a postage meter on January 3, 1964 as a clerk for the Post Office Department.

2) Position of the Postal Service

The Postal Service favors enactment of H. R. 3382. In its January 7, 1974 report on the bill to the House Committee on the Judiciary, on H. R. 11392, 93rd Congress, a predecessor bill, the Postal Service favored enactment with an amendment. H. R. 3382 will achieve the same result as H. R. 11352 except that the form of the bill has been revised to authorize the Postal Service to grant such relief as it deems just. See attached copies of House Report No. 94-78 and Senate Report No. 94-243.

3) Timing

We have no recommendation to make with respect to when the measure should be signed.



4) Cost or Savings

The legislation would authorize the foregoing of collection of up to \$5,445.00 from the Postal employee involved.

5) Recommendation of Presidential Action

Approval of H. R. 3382 is recommended.

Sincerely,



W. Allen Sanders
Assistant General Counsel
Legislative Division

Enclosures:

House Report No. 94-78
Senate Report No. 94-243

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Department of Justice
Washington, D.C. 20530

JUL 1 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D.C. 20503


Dear Mr. Lynn:

In compliance with your request, I have examined a facsimile of the enrolled bill H.R. 3382, "For the relief of Raymond Monroe."

H.R. 3382 is an act authorizing the compromise, release, or discharge in whole or in part the liability of Raymond Monroe of Overland Park, Kansas, to the United States in the amount of \$5,445, representing the loss resulting from Mr. Monroe's erroneous setting of a postage meter on January 3, 1964, while he was a clerk for the Post Office Department.

Because the Department of Justice has no information on the circumstances surrounding the initiation of this bill, nor the acts described therein, we defer to the Postal Service on the question whether H.R. 3382 should receive Executive approval.

Sincerely,


A. Mitchell McConnell, Jr.
Acting Assistant Attorney General

THE WHITE HOUSE

WASHINGTON

LOG NO.:

ACTION MEMORANDUM

Date: July 2

Time: 500pm

FOR ACTION: Dick Parsons ✓
Max Friedersdorf
Ken Lazarus

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: July 3

Time: 400pm

SUBJECT: Enrolled Bill H.R. 3382 - relief of Raymond Monroe

ACTION REQUESTED:

___ For Necessary Action

^x ___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

^x ___ For Your Comments

___ Draft Remarks

REMARKS:

No objection - rj

Please return to Judy Johnston, Ground Floor West Wing

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 47

Date: July 2

Time: 500pm

FOR ACTION: Dick Parsons
Max Friedersdorf
Ken Lazarus

cc (for information): Jim Cavanaugh
Jack Marsh

M.B.

FROM THE STAFF SECRETARY

DUE: Date: July 3

Time: 400pm

SUBJECT:

Enrolled Bill H.R. 3382 - relief of Raymond Monroe

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 2

Time: 500pm

FOR ACTION: Dick Parsons
Max Friedersdorf
Ken Lazarus ✓

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: July 3

Time: 400pm

SUBJECT:

Enrolled Bill H.R. 3382 - relief of Raymond Monroe

ACTION REQUESTED:

___ For Necessary Action

^x ___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

^x ___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus 7/3/75

Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

For the relief of Raymond Monroe.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, on such terms as it deems just, the United States Postal Service is authorized to compromise, release, or discharge in whole or in part the liability of Raymond Monroe of Overland Park, Kansas, to the United States in the amount of \$5,445, representing the loss resulting from his erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

19

June 27, 1975

Dear Mr. Director:

The following bills were received at the White House on June 27th:

S.J. Res. 98 ✓	H.R. 1421 ✓	H.R. 3382 ✓
S. 2003 ✓	H.R. 1510 ✓	H.R. 3526 ✓
H.R. 1387 ✓	H.R. 1556 ✓	H.R. 5217 ✓
H.R. 1388 ✓	H.R. 1649 ✓	H.R. 6900 ✓
H.R. 1393 ✓	H.R. 2109 ✓	H.R. 7709 ✓
H.R. 1408 ✓	H.R. 2119 ✓	H.R. 8030 ✓
H.R. 1410 ✓	H.R. 2946 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.

RAYMOND MONROE

MARCH 18, 1975.—Committed to the Committee of the Whole House and ordered to be printed

Mr. FISH, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H.R. 3382]

The Committee on the Judiciary, to whom was referred the bill (H.R. 3382) for the relief of Raymond Monroe, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of the proposed legislation, is to authorize the United States Postal Service, on such terms as it deems just, to compromise, release or discharge in whole or in part the liability of \$5,445 of Raymond Monroe to the United States for the loss resulting from his erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department.

STATEMENT

The Post Office Department in its report to the Committee on the bill stated that it favored enactment.

The bill with similar language to that contained in H.R. 3382 was favorably reported by the Committee and passed the House in the 93rd Congress.

Records in the Postal Service indicate that Mr. Monroe erroneously set the meter for \$5,500 instead of \$55. Mr. Monroe also failed to verify his entries at the time of setting, which kept him from immediately discovering his error. The company using the meter, the Hoffman Aircraft Institute, used the full \$5,500 worth of postage and the error was not discovered until the meter was returned for another setting on June 2, 1964. After unsuccessful attempts to collect the postage deficiency, the United States instituted suit against the Hoffman Aircraft

Institute. On September 1, 1967, the court rendered a final judgment in *United States v. Hoffman Aircraft Institute*, KC 2413 (D. Kans., Sept. 1, 1967), awarding the United States the sum of \$5,445, with interest at the rate of 6% per annum from January 3, 1964. On January 2, 1968, the United States received two checks for \$500 from the Hoffman Aircraft Institute. The sum of \$1,000 was applied to the interest due on that date. Efforts by the U.S. Attorney to collect further amounts on the debt by writ of execution and by the order of garnishment were unsuccessful. The Hoffman Aircraft Institute has since been permanently enjoined from doing business as a trade school because of its employment of fraud and deception in business dealings with students. It now appears that the Institute has no money or other property available to pay the judgment in favor of the United States.

On April 30, 1968, the General Accounting Office (hereinafter GAO) disallowed the \$5,445 claim for credit filed by Postmaster Paul J. O'Connell, Jr., of Shawnee Mission, Kansas. GAO held in denying the claim that the clear negligence of Mr. Monroe, together with the failure of the customer to report the obvious error, had operated as a substantial cause of the loss. The Post Office Department took the position, however, that the debt should be extinguished because of the passage of time and the original judicial finding of liability on the part of the Hoffman Aircraft Institute. Contending that it was improper to penalize a postal employee because of the Government's inability to collect from a postal customer, on October 29, 1969, the Post Office Department filed a request with GAO for reconsideration of its decision. On September 9, 1970, GAO revised its original decision, relieving Postmaster O'Connell from personal financial responsibility for the loss. However, GAO held him accountable for the collection of the \$5,445 deficiency from the patron or the clerk.

Since the deficiency is uncollectable from the company, it has now been assessed against the postal clerk, Raymond Monroe. The Postal Service noted that while the Postal Reorganization Act provides that the Postal Service may, on such terms as it deems just and expedient, relieve an employee of a claim such as that involved here, 39 U.S.C. § 2601, the Comptroller General has ruled (B-164786, B-171785, April 15, 1971) that the new authority may not be used to reopen cases decided by GAO prior to the commencement of operations of the new Postal Service on July 1, 1971. Since this case was finally determined adversely to the postal clerk before that date, relief for Mr. Monroe must initiate with Congress.

The Committee agrees that this is an appropriate matter for legislative relief. As has been noted, current law would provide for administrative relief in instances of similar occurrences under the Postal Reorganization Act. The bill contains the language recommended by the committee in the last Congress which was embodied in the bill as it passed the House in 1974. It would extend similar authority to the Postal Service as is now provided under that law. It is recommended that the amended bill be considered favorably.

U.S. POSTAL SERVICE,
LAW DEPARTMENT,
Washington, D.C., January 7, 1974.

HON. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of the Postal Service on H.R. 11392, a bill for the relief of Raymond Monroe, of Overland Park, Kansas. This measure would relieve Mr. Monroe of all liability to pay to the United States the sum of \$5,445, representing the loss resulting from his erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department at the Overland Park Branch of the Shawnee Mission, Kansas, Post Office.

Records in the Postal Service indicate that Mr. Monroe erroneously set the meter for \$5,500 instead of \$55. Mr. Monroe also failed to verify his entries at the time of setting, which kept him from immediately discovering his error. The company using the meter, the Hoffman Aircraft Institute, used the full \$5,500 worth of postage and the error was not discovered until the meter was returned for another setting on June 2, 1964. After unsuccessful attempts to collect the postage deficiency, the United States instituted suit against the Hoffman Aircraft Institute. On September 1, 1967, the court rendered a final judgment in *United States v. Hoffman Aircraft Institute*, KC 2413 (D. Kans., Sept. 1, 1967), awarding the United States the sum of \$5,445, with interest at the rate of 6% per annum from January 3, 1964. On January 2, 1968, the United States received two checks for \$500 from the Hoffman Aircraft Institute. The sum of \$1,000 was applied to the interest due on that date. Efforts by the U.S. Attorney to collect further amounts on the debt by writ of execution and by order of garnishment were unsuccessful. The Hoffman Aircraft Institute has since been permanently enjoined from doing business as a trade school because of its employment of fraud and deception in business dealings with students. It now appears that the Institute has no money or other property available to pay the judgment in favor of the United States.

On April 30, 1968, the General Accounting Office (hereinafter GAO) disallowed the \$5,445 claim for credit filed by Postmaster Paul J. O'Connell, Jr. of Shawnee Mission, Kansas. GAO held in denying the claim that the clear negligence of Mr. Monroe, together with the failure of the customer to report the obvious error, had operated as a substantial cause of the loss. The Post Office Department took the position, however, that the debt should be extinguished because of the passage of time and the original judicial finding of liability on the part of the Hoffman Aircraft Institute. Contending that it was improper to penalize a postal employee because of the Government's inability to collect from a postal customer, on October 29, 1969, the Post Office Department filed a request with GAO for reconsideration of its decision. On September 9, 1970, GAO revised its original decision, re-

lieving Postmaster O'Connell from personal financial responsibility for the loss. However, GAO held him accountable for collection of the \$5,448 deficiency from the patron or the clerk.

Since the deficiency is uncollectable from the company, it has now been assessed against the postal clerk, Raymond Monroe. While the Postal Reorganization Act provides that the Postal Service may, on such terms as it deems just and expedient, relieve an employee of a claim such as that involved here, 39 U.S.C. § 2601, the Comptroller General has ruled (B-164786, B-171785, April 15, 1971) that the new authority may not be used to reopen cases decided by GAO prior to the commencement of operations of the new Postal Service on July 1, 1971. Since this case was finally determined adversely to the postal clerk before that date, relief for Mr. Monroe must initiate with Congress.

For the above reasons, the Postal Service favors enactment of this measure. As a technical matter, since Mr. Monroe has made no payments on this indebtedness, we suggest the deletion of section 2(a) of the bill, authorizing the Secretary of the Treasury to reimburse Mr. Monroe for any amounts paid by or withheld from him on account of the loss for which he was held liable. The Postal Service will not initiate any collection action against Mr. Monroe while legislation is pending to grant him relief.

Sincerely,

W. ALLEN SANDERS,
Assistant General Counsel,
Legislative Division.

()

RAYMOND MONROE

JUNE 24 (legislative day, JUNE 6), 1975.—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary,
submitted the following

REPORT

[To accompany H.R. 3382]

The Committee on the Judiciary, to which was referred the bill (H.R. 3382) for the relief of Raymond Monroe, having considered the same, reports favorably thereon, without amendment, and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to authorize the U.S. Postal Service, on such terms as it deems just, to compromise, release, or discharge in whole or in part the liability of \$5,445 of Raymond Monroe to the United States for the loss resulting from the erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department.

STATEMENT

The facts of the case as contained in House Report No. 94-78 are as follows:

The Post Office Department in its report to the committee on the bill stated that it favored enactment.

The bill with similar language to that contained in H.R. 3382 was favorably reported by the committee and passed the House in the 93d Congress.

Records in the Postal Service indicate that Mr. Monroe erroneously set the meter for \$5,500 instead of \$55. Mr. Monroe also failed to verify his entries at the time of setting,

which kept him from immediately discovering his error. The company using the meter, the Hoffman Aircraft Institute, used the full \$5,500 worth of postage and the error was not discovered until the meter was returned for another setting on June 2, 1964. After unsuccessful attempts to collect the postage deficiency, the United States instituted suit against the Hoffman Aircraft Institute. On September 1, 1967, the court rendered a final judgment in *United States v. Hoffman Aircraft Institute*, KC 2413 (D. Kans., Sept. 1, 1967), awarding the United States the sum of \$5,445, with interest at the rate of 6 percent per annum from January 3, 1964. On January 2, 1968, the United States received two checks for \$500 from the Hoffman Aircraft Institute. The sum of \$1,000 was applied to the interest due on that date. Efforts by the U.S. attorney to collect further amounts on the debt by writ of execution and by the order of garnishment were unsuccessful. The Hoffman Aircraft Institute has since been permanently enjoined from doing business as a trade school because of its employment of fraud and deception in business dealings with students. It now appears that the institute has no money or other property available to pay the judgment in favor of the United States.

On April 30, 1968, the General Accounting Office (hereinafter GAO) disallowed the \$5,445 claim for credit filed by Postmaster Paul J. O'Connell, Jr., of Shawnee Mission, Kans. GAO held in denying the claim that the clear negligence of Mr. Monroe, together with the failure of the customer to report the obvious error, had operated as a substantial cause of the loss. The Post Office Department took the position, however, that the debt should be extinguished because of the passage of time and the original judicial finding of liability on the part of the Hoffman Aircraft Institute. Contending that it was improper to penalize a postal employee because of the Government's inability to collect from a postal customer, on October 29, 1969, the Post Office Department filed a request with GAO for reconsideration of its decision. On September 9, 1970, GAO revised its original decision, relieving Postmaster O'Connell from personal financial responsibility for the loss. However, GAO held him accountable for the collection of the \$5,445 deficiency from the patron or the clerk.

Since the deficiency is uncollectable from the company, it has now been assessed against the postal clerk, Raymond Monroe. The Postal Service noted that while the Postal Reorganization Act provides that the Postal Service may, on such terms as it deems just and expedient, relieve an employee of a claim such as that involved here, 39 U.S.C. § 2601, the Comptroller General has ruled (B-164786, B-171785, April 15, 1971) that the new authority may not be used to reopen cases decided by GAO prior to the commencement of operations of the new Postal Service on July 1, 1971. Since this case was finally determined adversely to the postal clerk before that date, relief for Mr. Monroe must initiate with Congress.

The Committee agrees that this is an appropriate matter for legislative relief. As has been noted, current law would provide for administrative relief in instances of similar occurrences under the Postal Reorganization Act, the bill contains the language recommended by the committee in the last Congress which was embodied in the bill as it passed the House in 1974. It would extend similar authority to the Postal Service as is now provided under that law. It is recommended that the amended bill be considered favorably.

In agreement with the views of the House of Representatives the committee recommends favorable consideration of H.R. 3382.

Attached to and made a part of this report is the report of the U.S. Postal Service, Law Department.

U.S. POSTAL SERVICE,
LAW DEPARTMENT,
Washington, D.C., January 7, 1974.

HON. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of the Postal Service on H.R. 11392, a bill for the relief of Raymond Monroe, of Overland Park, Kans. This measure would relieve Mr. Monroe of all liability to pay to the United States the sum of \$5,445, representing the loss resulting from his erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department at the Overland Park Branch of the Shawnee Mission, Kans., Post Office.

Records in the Postal Service indicate that Mr. Monroe erroneously set the meter for \$5,500 instead of \$55. Mr. Monroe also failed to verify his entries at the time of setting, which kept him from immediately discovering his error. The company using the meter, the Hoffman Aircraft Institute, used the full \$5,500 worth of postage and the error was not discovered until the meter was returned for another setting on June 2, 1964. After unsuccessful attempts to collect the postage deficiency, the United States instituted suit against the Hoffman Aircraft Institute. On September 1, 1967, the court rendered a final judgment in *United States v. Hoffman Aircraft Institute*, KC 2413 (D. Kans., Sept. 1, 1967), awarding the United States the sum of \$5,445, with interest at the rate of 6% per annum from January 3, 1964. On January 2, 1968, the United States received two checks for \$500 from the Hoffman Aircraft Institute. The sum of \$1,000 was applied to the interest due on that date. Efforts by the U.S. Attorney to collect further amounts on the debt by writ of execution and by order of garnishment were unsuccessful. The Hoffman Aircraft Institute has since been permanently enjoined from doing business as a trade school because of its employment of fraud and deception in business dealings with students. It now appears that the Institute has no money or other property available to pay the judgment in favor of the United States.

On April 30, 1968, the General Accounting Office (hereinafter GAO) disallowed the \$5,445 claim for credit filed by Postmaster Paul J. O'Connell, Jr. of Shawnee Mission, Kansas. GAO held in denying

the claim that the clear negligence of Mr. Monroe, together with the failure of the customer to report the obvious error, had operated as a substantial cause of the loss. The Post Office Department took the position, however, that the debt should be extinguished because of the passage of time and the original judicial finding of liability on the part of the Hoffman Aircraft Institute. Contending that it was improper to penalize a postal employee because of the Government's inability to collect from a postal customer, on October 29, 1969, the Post Office Department filed a request with GAO for reconsideration of its decision. On September 9, 1980, GAO revised its original decision, relieving Postmaster O'Connell from personal financial responsibility for the loss. However, GAO held him accountable for collection of the \$5,445 deficiency from the patron or the clerk.

Since the deficiency is uncollectable from the company, it has now been assessed against the postal clerk, Raymond Monroe. While the Postal Reorganization Act provides that the Postal Service may, on such terms as it deems just and expedient, relieve an employee of a claim such as that involved here, 39 U.S.C. § 2601, the Comptroller General has ruled (B-164786, M-171785, April 15, 1971) that the new authority may not be used to reopen cases decided by GAO prior to the commencement of operations of the new Postal Service on July 1, 1971. Since this case was finally determined adversely to the postal clerk before that date, relief for Mr. Monroe must initiate with Congress.

For the above reasons, the Postal Service favors enactment of this measure. As a technical matter, since Mr. Monroe has made no payments on this indebtedness, we suggest the deletion of section 2(a) of the bill, authorizing the Secretary of the Treasury to reimburse Mr. Monroe for any amounts paid by or withheld from him on account of the loss for which he was held liable. The Postal Service will not initiate any collection action against Mr. Monroe while legislation is pending to grant him relief.

Sincerely,

W. ALLEN SANDERS,
Assistant General Counsel, Legislative Division.

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RAYMOND MONROE

JUNE 24 (legislative day, JUNE 6), 1975.—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary,
submitted the following

REPORT

[To accompany H.R. 3382]

The Committee on the Judiciary, to which was referred the bill (H.R. 3382) for the relief of Raymond Monroe, having considered the same, reports favorably thereon, without amendment, and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to authorize the U.S. Postal Service, on such terms as it deems just, to compromise, release, or discharge in whole or in part the liability of \$5,445 of Raymond Monroe to the United States for the loss resulting from the erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department.

STATEMENT

The facts of the case as contained in House Report No. 94-78 are as follows:

The Post Office Department in its report to the committee on the bill stated that it favored enactment.

The bill with similar language to that contained in H.R. 3382 was favorably reported by the committee and passed the House in the 93d Congress.

Records in the Postal Service indicate that Mr. Monroe erroneously set the meter for \$5,500 instead of \$55. Mr. Monroe also failed to verify his entries at the time of setting,

which kept him from immediately discovering his error. The company using the meter, the Hoffman Aircraft Institute, used the full \$5,500 worth of postage and the error was not discovered until the meter was returned for another setting on June 2, 1964. After unsuccessful attempts to collect the postage deficiency, the United States instituted suit against the Hoffman Aircraft Institute. On September 1, 1967, the court rendered a final judgment in *United States v. Hoffman Aircraft Institute*, KC 2413 (D. Kans., Sept. 1, 1967), awarding the United States the sum of \$5,445, with interest at the rate of 6 percent per annum from January 3, 1964. On January 2, 1968, the United States received two checks for \$500 from the Hoffman Aircraft Institute. The sum of \$1,000 was applied to the interest due on that date. Efforts by the U.S. attorney to collect further amounts on the debt by writ of execution and by the order of garnishment were unsuccessful. The Hoffman Aircraft Institute has since been permanently enjoined from doing business as a trade school because of its employment of fraud and deception in business dealings with students. It now appears that the institute has no money or other property available to pay the judgment in favor of the United States.

On April 30, 1968, the General Accounting Office (hereinafter GAO) disallowed the \$5,445 claim for credit filed by Postmaster Paul J. O'Connell, Jr., of Shawnee Mission, Kans. GAO held in denying the claim that the clear negligence of Mr. Monroe, together with the failure of the customer to report the obvious error, had operated as a substantial cause of the loss. The Post Office Department took the position, however, that the debt should be extinguished because of the passage of time and the original judicial finding of liability on the part of the Hoffman Aircraft Institute. Contending that it was improper to penalize a postal employee because of the Government's inability to collect from a postal customer, on October 29, 1969, the Post Office Department filed a request with GAO for reconsideration of its decision. On September 9, 1970, GAO revised its original decision, relieving Postmaster O'Connell from personal financial responsibility for the loss. However, GAO held him accountable for the collection of the \$5,445 deficiency from the patron or the clerk.

Since the deficiency is uncollectable from the company, it has now been assessed against the postal clerk, Raymond Monroe. The Postal Service noted that while the Postal Reorganization Act provides that the Postal Service may, on such terms as it deems just and expedient, relieve an employee of a claim such as that involved here, 39 U.S.C. § 2601, the Comptroller General has ruled (B-164786, B-171785, April 15, 1971) that the new authority may not be used to reopen cases decided by GAO prior to the commencement of operations of the new Postal Service on July 1, 1971. Since this case was finally determined adversely to the postal clerk before that date, relief for Mr. Monroe must initiate with Congress.

The Committee agrees that this is an appropriate matter for legislative relief. As has been noted, current law would provide for administrative relief in instances of similar occurrences under the Postal Reorganization Act, the bill contains the language recommended by the committee in the last Congress which was embodied in the bill as it passed the House in 1974. It would extend similar authority to the Postal Service as is now provided under that law. It is recommended that the amended bill be considered favorably.

In agreement with the views of the House of Representatives the committee recommends favorable consideration of H.R. 3382.

Attached to and made a part of this report is the report of the U.S. Postal Service, Law Department.

U.S. POSTAL SERVICE,
LAW DEPARTMENT,
Washington, D.C., January 7, 1974.

HON. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of the Postal Service on H.R. 11392, a bill for the relief of Raymond Monroe, of Overland Park, Kans. This measure would relieve Mr. Monroe of all liability to pay to the United States the sum of \$5,445, representing the loss resulting from his erroneous setting of a postage meter on January 3, 1964, as a clerk for the Post Office Department at the Overland Park Branch of the Shawnee Mission, Kans., Post Office.

Records in the Postal Service indicate that Mr. Monroe erroneously set the meter for \$5,500 instead of \$55. Mr. Monroe also failed to verify his entries at the time of setting, which kept him from immediately discovering his error. The company using the meter, the Hoffman Aircraft Institute, used the full \$5,500 worth of postage and the error was not discovered until the meter was returned for another setting on June 2, 1964. After unsuccessful attempts to collect the postage deficiency, the United States instituted suit against the Hoffman Aircraft Institute. On September 1, 1967, the court rendered a final judgment in *United States v. Hoffman Aircraft Institute*, KC 2413 (D. Kans., Sept. 1, 1967), awarding the United States the sum of \$5,445, with interest at the rate of 6% per annum from January 3, 1964. On January 2, 1968, the United States received two checks for \$500 from the Hoffman Aircraft Institute. The sum of \$1,000 was applied to the interest due on that date. Efforts by the U.S. Attorney to collect further amounts on the debt by writ of execution and by order of garnishment were unsuccessful. The Hoffman Aircraft Institute has since been permanently enjoined from doing business as a trade school because of its employment of fraud and deception in business dealings with students. It now appears that the Institute has no money or other property available to pay the judgment in favor of the United States.

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For the above reasons, the Postal Service favors enactment of this measure. As a technical matter, since Mr. Monroe has made no payments on this indebtedness, we suggest the deletion of section 2(a) of the bill, authorizing the Secretary of the Treasury to reimburse Mr. Monroe for any amounts paid by or withheld from him on account of the loss for which he was held liable. The Postal Service will not initiate any collection action against Mr. Monroe while legislation is pending to grant him relief.

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Assistant General Counsel, Legislative Division.

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