

The original documents are located in Box 27, folder “7/8/75 HR3526 Relief of Randall L Talbot” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Exact duplicates within this folder were not digitized.

APPROVED
JUL 8 - 1975



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

JUL 3 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 3526 - For the relief of
Randall L. Talbot
Sponsor - Rep. Holt (R) Maryland

*Placed
7/9
to Archives
7/9*

Last Day for Action

July 9, 1975 - Wednesday

Purpose

Authorizes repayment of \$564.80 to Mr. Talbot, an employee of the Department of Labor, representing an amount erroneously paid to him--and then collected through payroll deductions--for expenses in connection with his sale of residence stemming from a permanent change of duty station.

Agency Recommendations

Office of Management and Budget	Approval
Department of Labor	Approval
General Services Administration	No objection

Discussion

Mr. Randall L. Talbot, a Department of Labor employee, was transferred to the Washington area and reported for duty on October 23, 1966. Under law and regulation, Federal employees who are transferred at the convenience of the Government are authorized to claim reimbursement for expenses required to be paid in connection with the sale of their residences associated with the transfer. At the time of Mr. Talbot's transfer, Bureau of the Budget Circular A-56, the governing regulation, contained a one-year time limit for completion of real estate transactions in order for the employee to be reimbursed. An extension of time was permitted only where settlement was delayed because of litigation.



The settlement date for the purchase of Mr. Talbot's new home was November 15, 1967. Accordingly, he narrowly missed the one-year deadline.

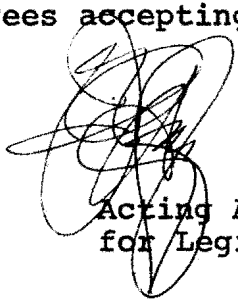
In reports to the Congress on predecessor legislation, the Labor Department stated that an official of the Department had erroneously advised Mr. Talbot that the controlling date for the one-year time limitation then in effect was the date on which he contracted to buy the new home--April 25, 1967--rather than the date on which the settlement occurred. Based on this error, the Department reimbursed Mr. Talbot \$564.80 for his closing costs on his new home, contrary to the above-cited regulations. The Department indicated that had he been accurately informed, it seems likely that Mr. Talbot could have arranged to settle prior to October 23, 1967, which was only three weeks prior to the actual closing date, and more than five months after the contract date.

In response to a claim by Mr. Talbot, GAO subsequently ruled that the payment was erroneous. Mr. Talbot agreed to repay the amount through payroll deductions, and did so, but has sought reimbursement through private relief legislation.

In a report on this legislation in the 93rd Congress, GAO indicated no objection because of the erroneous advice given to Mr. Talbot and the brief period by which he failed to meet the regulatory requirements.

Labor recommends that you sign H.R. 3526 authorizing payment to Mr. Talbot of the \$564.80 as the only means of correcting its mistake. GSA, which now has the function of regulating payments for sales of residences in connection with employee transfers, interposes no objection.

We recommend approval, consistent with our position on similar private bills where official error has created unintended problems for employees accepting payments in good faith.



Acting Assistant Director
for Legislative Reference

Enclosures

THE WHITE HOUSE

WASHINGTON

July 7, 1975

ACTION

Last Day: July 9

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON *Jane*
SUBJECT: Enrolled Bill H.R. 3526 - For the
Relief of Randall L. Talbot

Attached for your consideration is H.R. 3526, sponsored by Representative Holt, which authorizes payment of \$564.80 to Randall L. Talbot for reimbursement of costs incurred by him in connection with the purchase of a new home incident to a permanent change of duty station required by his employment with the Department of Labor.

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

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

RECOMMENDATION

That you sign H.R. 3526 at Tab B.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 3

Time: 3:19pm

FOR ACTION: Roger Semerad
Max Friedersdorf
Ken Lazarus

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: July 7

Time: noon

SUBJECT:

H.R. 3526 - For the Relief of Randall Talbot

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.

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 3

Time: 319pm

FOR ACTION: Roger Semerad
Max Friedersdorf
Ken Lazarus

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: July 7

Time: noon

SUBJECT:

H.R. 3526 - For the Relief of Randall Talbot

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

I approve

Roger Semerad
7/3/75

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 3

Time: 319pm

FOR ACTION: Roger Semerad
Max Friedersdorf
Ken Lazarus ✓

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: July 7

Time: noon

SUBJECT:

H.R. 3526 - For the Relief of Randall Talbot

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

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

6

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 3

Time: 319pm

FOR ACTION: Roger Semerad
Max Friedersdorf
Ken Lazarus
cc (for information): Jim Cavanaugh
Jack Marsh

M. G.

FROM THE STAFF SECRETARY

DUE: Date: July 7

Time: noon

SUBJECT:

H.R. 3526 - For the Relief of Randall Talbot

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

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

JUL 2 1975

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

Dear Mr. Lynn:

This is in response to your request for our views on the enrolled enactment of H.R. 3526, "For the relief of Randall L. Talbot."

We have previously expressed support for similar legislation in reports to congressional committees.

H.R. 3526 would compensate Mr. Talbot in the amount of \$564.80 as reimbursement of expenses arising from the purchase of a new home incident to a permanent change of official station as an employee of this Department.

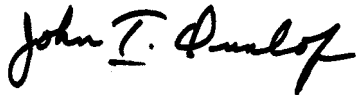
Section 4.1d of Bureau of the Budget Circular No. A-56, as revised October 12, 1966, imposed a limitation of 1 year within which reimbursement could be obtained by a Federal employee for the expenses of the sale or purchase of a residence after the date of reporting for duty at a new official station. Section 1.3d of the same Budget Circular permitted reimbursement of travel expenses which were paid within 2 years of the same change of official duty station.

Mr. Talbot reported for duty at his new official station on October 23, 1966. The settlement date for the purchase of his residence at his new official station was November 15, 1967, just 3 weeks in excess of 1 year after he reported for duty.

The Department of Labor had advised Mr. Talbot that the controlling date governing the allowability of his claim would be the date on which he contracted to buy the new home - April 25, 1967, rather than the settlement date. We reimbursed Mr. Talbot in the amount of \$564.80, under the assumption that his contract date was controlling. The United States General Accounting Office disallowed that payment. Mr. Talbot has since repaid the entire amount through payroll deductions.

In view of the misunderstanding by this Department and Mr. Talbot of the time within which Mr. Talbot could be reimbursed for the expenses incurred in purchasing a new home after a permanent change of official station, and the very brief period of 3 weeks involved, we recommend that the President sign H.R. 3526 as the only means of correcting this mistake.

Sincerely,

A handwritten signature in black ink, reading "John T. Dunlop". The signature is written in a cursive style with a prominent initial "J" and a stylized "D".

Secretary of Labor

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 3 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 3526 - For the relief of
Randall L. Talbot
Sponsor - Rep. Holt (R) Maryland

Last Day for Action

July 9, 1975 - Wednesday

Purpose

Authorizes repayment of \$564.80 to Mr. Talbot, an employee of the Department of Labor, representing an amount erroneously paid to him--and then collected through payroll deductions--for expenses in connection with his sale of residence stemming from a permanent change of duty station.

Agency Recommendations

Office of Management and Budget	Approval
Department of Labor	Approval
General Services Administration	No objection

Discussion

Mr. Randall L. Talbot, a Department of Labor employee, was transferred to the Washington area and reported for duty on October 23, 1966. Under law and regulation, Federal employees who are transferred at the convenience of the Government are authorized to claim reimbursement for expenses required to be paid in connection with the sale of their residences associated with the transfer. At the time of Mr. Talbot's transfer, Bureau of the Budget Circular A-56, the governing regulation, contained a one-year time limit for completion of real estate transactions in order for the employee to be reimbursed. An extension of time was permitted only where settlement was delayed because of litigation.



To
J. Casper
7-3-75
1:30 p.m.



The settlement date for the purchase of Mr. Talbot's new home was November 15, 1967. Accordingly, he narrowly missed the one-year deadline.

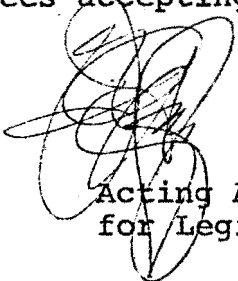
In reports to the Congress on predecessor legislation, the Labor Department stated that an official of the Department had erroneously advised Mr. Talbot that the controlling date for the one-year time limitation then in effect was the date on which he contracted to buy the new home--April 25, 1967--rather than the date on which the settlement occurred. Based on this error, the Department reimbursed Mr. Talbot \$564.80 for his closing costs on his new home, contrary to the above-cited regulations. The Department indicated that had he been accurately informed, it seems likely that Mr. Talbot could have arranged to settle prior to October 23, 1967, which was only three weeks prior to the actual closing date, and more than five months after the contract date.

In response to a claim by Mr. Talbot, GAO subsequently ruled that the payment was erroneous. Mr. Talbot agreed to repay the amount through payroll deductions, and did so, but has sought reimbursement through private relief legislation.

In a report on this legislation in the 93rd Congress, GAO indicated no objection because of the erroneous advice given to Mr. Talbot and the brief period by which he failed to meet the regulatory requirements.

Labor recommends that you sign H.R. 3526 authorizing payment to Mr. Talbot of the \$564.80 as the only means of correcting its mistake. GSA, which now has the function of regulating payments for sales of residences in connection with employee transfers, interposes no objection.

We recommend approval, consistent with our position on similar private bills where official error has created unintended problems for employees accepting payments in good faith.



Acting Assistant Director
for Legislative Reference

Enclosures

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405



JUN 27 1975

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

Dear Mr. Lynn:

By request dated June 27, 1975, the Assistant Director for Legislative Reference asked for the views of the General Services Administration on H.R. 3526, an enrolled bill "For the relief of Randall L. Talbot."

The General Services Administration is normally opposed to private relief bills. However, we would interpose no objections to Presidential approval of this enrolled bill.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "Sampson". The signature is written over a horizontal line that extends across the page.

Arthur E. Sampson
Administrator

RANDALL L. TALBOT

MARCH. 19, 1975.—Committed to the Committee of the Whole House and ordered to be printed

Mr. PATTISON of New York, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H.R. 3526]

The Committee on the Judiciary, to whom was referred the bill (H.R. 3526) for the relief of Randall L. Talbot, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, after line 9, insert:

No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

PURPOSE

The purpose of the proposed legislation, as amended, is to pay Randall L. Talbot, of Upper Marlboro, Maryland, the sum of \$564.80 in reimbursement for the costs incurred by him in connection with the purchase of a new home incident to a change of official status required by his employment with the United States Department of Labor.

STATEMENT

The Department of Labor and the General Accounting Office in their reports to the committee on an earlier bill indicated they had no objection to a bill providing for payment as is provided in H.R. 3536.

The Department of Labor states that its records show that payment of \$564.80 covering real estate expenses in the purchase of a residence,

was inadvertently made contrary to the provisions of Section 4.1d of Bureau of the Budget Circular No. A-56, revised, which stated the following:

4.1 *Conditions and requirements under which allowances may be paid.*

To the extent allowable under this provision, the Government will reimburse an employee for expenses required to be paid by him in connection with the sale of one residence at his old official station; purchase one dwelling at his new official station; or settlement of unexpired lease at his place of residence at the old official station, provided that:

d. The settlement dates for the sale and purchase or lease termination transactions for which reimbursement is requested are not later than one year after the date on which the employee reported for duty at the new official station, except that an appropriate extension of time may be authorized by the head of the Department or his designee when settlement is necessarily delayed because of litigation.

Mr. Talbot reported for duty, on October 23, 1966, as shown by his travel voucher dated November 16, 1967. The closing papers on his new home by the law firm of Conroy and Williams show that settlement was consummated on November 15, 1967, more than one year after the reporting date.

Unfortunately, the Department had erroneously advised Mr. Talbot on May 22, 1967, that the controlling date governing the allowability of his claim would be the date on which he contracted to buy the new home, April 25, 1967, rather than the date on which the purchase was settled. Mr. Talbot apparently acted in reliance of this memorandum when he agreed to a settlement date of November 16. The Department of Labor noted that had he been accurately informed, it seems likely he could have arranged to settle prior to October 23, 1967, which was only three weeks prior to the actual closing date, and more than five months after the contract date. Under these circumstances, the Department of Labor noted that it accepted responsibility for the delay and, accordingly, supports enactment of the bill.

Having been advised of the exception to his claim taken by the General Accounting Office, Mr. Talbot agreed to make refund to the Department of the entire amount of \$564.80. This was accomplished during 1969 and 1970 by payroll deductions.

As has been noted, the bill H.R. 3526, as introduced in the current session, follows the recommendation of the Department of Labor that the bill provide for payment of the amounts withheld from his pay, since the full amount was repaid to the Government in that manner. In this connection, the 1974 report stated:

Since Mr. Talbot has satisfied his liability to the Government, enactment of H.R. 10892 in its present form would not accomplish its intended purpose. We recommend that the bill be revised to provide authority for repayment to Mr. Talbot of the amounts withheld from his pay.

The committee agrees that relief is merited in the case and recommends that the bill be considered favorably.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 24, 1974.

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

DEAR MR. CHAIRMAN: This is in response to your request for our comments on H.R. 10829, a bill "For the relief of Randall L. Talbot." The bill would authorize relief for Randall L. Talbot, an employee of the Department of Labor, for certain expenses in connection with a permanent change of station. The exception to the payment was taken by the U.S. General Accounting Office as a result of a review of Mr. Talbot's voucher.

The records of the Department show that payment of \$564.80, covering real estate expenses in the purchase of a residence, was inadvertently made contrary to the provisions of Section 4.1d of Bureau of the Budget Circular No. A-56, revised, which stated the following:

4.1 *Conditions and requirements under which allowances may be paid.*

To the extent allowable under this provision, the Government will reimburse an employee for expenses required to be paid by him in connection with the sale of one residence at this old official station; purchase one dwelling at his new official station; or settlement of unexpired lease at his place of residence at the old official station, provided that:

d. The settlement dates for the sale and purchase or lease termination transactions for which reimbursement is requested are not later than one year after the date on which the employee reported for duty at the new official station, except that an appropriate extension of time may be authorized by the head of the Department or his designee when settlement is necessarily delayed because of litigation.

Mr. Talbot reported for duty on October 23, 1966, as shown by his travel voucher dated November 16, 1967. The closing papers on his new home by the law firm of Conroy and Williams show that settlement was consummated on November 15, 1967, more than one year after the reporting date.

Unfortunately, the Department had erroneously advised Mr. Talbot on May 22, 1967, that the controlling date governing the allowability of his claims would be the date on which he contracted to buy the new home, April 25, 1967, rather than the date on which the purchase was settled. Mr. Talbot apparently acted in reliance of this memorandum when he agreed to a settlement date of November 16. Had he been accurately informed, it seems likely he could have arranged to settle prior to October 23, 1967, which was only three weeks prior to the actual closing date, and more than five months after the contract date. Under these circumstances, we accept responsibility for the delay and, accordingly, support enactment of the bill.

Having been advised of the exception to his claim taken by the General Accounting Office, Mr. Talbot agreed to make refund to the

Department of the entire amount of \$564.80. This was accomplished during 1969 and 1970 by payroll deductions.

Since Mr. Talbot has satisfied his liability to the Government, enactment of H.R. 10892 in its present form would not accomplish its intended purpose. We recommend that the bill be revised to provide authority for repayment to Mr. Talbot of the amounts withheld from his pay.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., November 20, 1973.

B-165962

HON. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary,
U.S. House of Representatives.

DEAR MR. CHAIRMAN: Your letter of October 26, 1973, requests our views on H.R. 10829, 93rd Congress, a bill to relieve Randall L. Talbot, an employee of the Government, of an indebtedness of \$564.80 he incurred as the result of the erroneous reimbursement to him of certain relocation expenses authorized for payment in connection with an official transfer of duty station. The reimbursement in question was for closing costs he expended in connection with the purchase of a residence at his new station to which he was transferred effective October 23, 1966. Such costs were properly reimbursable under provisions of subsection 5724a(a)(4) of title 5, United States Code, subject, however, to compliance with the statutory regulations issued under a delegation of authority by the President to the Bureau of the Budget (BOB) in Circular No. A-56 as revised October 12, 1966. The provision of that regulation which is relevant to H.R. 10829 is Section 4 quoted in pertinent part as follows:

"4.1. *Conditions and requirements under which allowances may be paid.* To the extent allowable under this provision, the Government will reimburse an employee for expenses required to be paid by him in connection with the sale of one residence at his old official station; purchase of one dwelling at his new official station; * * * *provided that:*

"d. *The settlement dates for the sale and purchase * * * transactions for which reimbursement is requested are not later than one year after the date on which the employee reported for duty at the new official station, except that an appropriate extension of time may be authorized by the head of the department or his designee when settlement is necessarily delayed because of litigation.*" [Italics supplied.]

As noted above, the data Mr. Talbot reported for duty at his new station was October 23, 1966. In April of 1967 Mr. Talbot entered into a contract for purchase of a new house for which he signed settlement

papers on November 15, 1967, 3 weeks after the first anniversary date of his entrance on duty at the new station.

Subsequently Mr. Talbot was reimbursed by his employer, the Department of Labor, for the closing costs on the new residence in the amount of \$564.80. Exception to the payment was taken by this Office for the reason that the settlement date on the purchase transaction occurred more than 1 year after the effective date of transfer. It is pertinent to note that, as stated in a report of the Department of Labor printed in Senate Report No. 91-1458, on an identical bill, S. 1985, 91st Congress, Mr. Talbot was advised by the Department of Labor that the date of April 25, 1967, on which he contracted to buy his residence was the date controlling his entitlement to reimbursement rather than the settlement date, as required by the regulation.

As a result of the exception taken by this Office Mr. Talbot was required to arrange for repayment of his indebtedness by a biweekly payroll deduction of \$21.72 each pay period.

Ordinarily we do not favor legislation relieving an employee from repayment of indebtedness under circumstances similar to those of many other employees who have been required to make such repayment or who have been denied reimbursement initially. Such legislation is preferential since it benefits the employee on whose behalf it is introduced while others in substantially the same circumstances do not receive equivalent relief.

However, in view of the circumstances of Mr. Talbot's case, in which he received erroneous advice concerning his entitlement to reimbursement and in view of the brief period of 3 weeks by which he failed to meet the regulatory requirements, we see no objection to enactment of H.R. 10829. In passing, we note that the regulatory provision which caused Mr. Talbot to become indebted has been liberalized since the date of his transfer and, as now stated in subsection 2-6.1e of FPMR 101-7, May 1, 1973, allows, when justified by circumstances, a period of 2 years after entrance on duty at a new station within which real estate transactions may be completed.

As noted above, it was reported by the Department of Labor that Mr. Talbot was required to repay his indebtedness by biweekly payroll deductions of \$21.72. From information in our files it appears these deductions began with the first pay period starting after April 1, 1969. Assuming such deductions continued as planned, it would appear Mr. Talbot's indebtedness has long since been repaid. Presumably a report on the bill from the Department of Labor will disclose the status of the repayments.

Accordingly, if H.R. 10829 is to receive favorable consideration, we suggest it be revised to authorize repayment to Mr. Talbot of the amount deducted from his salary rather than being enacted in its present form which would relieve him of a liability possibly no longer existing.

Sincerely yours,

PAUL G. DEMBLING,
(For the Comptroller General
of the United States).

○

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 Randall L. Talbot.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Randall L. Talbot, of Upper Marlboro, Maryland, the sum of \$564.80 in reimbursement for the costs incurred by him in connection with the purchase of a new home incident to a change of official stations required by his employment with the United States Department of Labor.

No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Speaker of the House of Representatives.

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

RANDALL L. TALBOT

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. 3526]

The Committee on the Judiciary, to which was referred the bill (H.R. 3526) for the relief of Randall L. Talbot, 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 pay Randall L. Talbot, of Upper Marlboro, Md., the sum of \$564.80 in reimbursement for the costs incurred by him in connection with the purchase of a new home incident to a change of official status required by his employment with the U.S. Department of Labor.

STATEMENT

The facts of this case as contained in House Report No. 94-87 are as follows:

The Department of Labor and the General Accounting Office in their reports to the committee on an earlier bill indicated they had no objection to a bill providing for payment as is provided in H.R. 3536.

The Department of Labor states that its records show that payment of \$564.80 covering real estate expenses in the purchase of a residence, was inadvertently made contrary to the

provisions of section 4.1d of Bureau of the Budget Circular No. A-56, revised, which stated the following:

"4.1 *Conditions and requirements under which allowances may be paid.*

"To the extent allowable under this provision, the Government will reimburse an employee for expenses required to be paid by him in connection with the sale of one residence at his old official station; purchase one dwelling at his new official station; or settlement of unexpired lease at his place of residence at the old official station, provided that:

"d. The settlement dates for the sale and purchase or lease termination transactions for which reimbursement is requested are not later than one year after the date on which the employee reported for duty at the new official station, except that an appropriate extension of time may be authorized by the head of the Department or his designee when settlement is necessarily delayed because of litigation."

Mr. Talbot reported for duty on October 23, 1966, as shown by his travel voucher dated November 16, 1967. The closing papers on his new home by the law firm of Conroy & Williams show that settlement was consummated on November 15, 1967, more than 1 year after the reporting date.

Unfortunately, the Department had erroneously advised Mr. Talbot on May 22, 1967, that the controlling date governing the allowability of his claim would be the date on which he contracted to buy the new home, April 25, 1967, rather than the date on which the purchase was settled. Mr. Talbot apparently acted in reliance of this memorandum when he agreed to a settlement date of November 16. The Department of Labor noted that had he been accurately informed, it seems likely he could have arranged to settle prior to October 23, 1967, which was only three weeks prior to the actual closing date, and more than five months after the contract date. Under these circumstances, the Department of Labor noted that it accepted responsibility for the delay and, accordingly, supports enactment of the bill.

Having been advised of the exception to his claim taken by the General Accounting Office, Mr. Talbot agreed to make refund to the Department of the entire amount of \$564.80. This was accomplished during 1969 and 1970 by payroll deductions.

As has been noted, the bill H.R. 3526, as introduced in the current session, follows the recommendation of the Department of Labor that the bill provide for payment of the amounts withheld from his pay, since the full amount was repayed to the Government in that manner. In this connection, the 1974 report stated:

"Since Mr. Talbot has satisfied his liability to the Government, enactment of H.R. 10892 in its present form would not accomplish its intended purpose. We recommend that the bill be revised to provide authority for repayment to Mr. Talbot of the amounts withheld from his pay."

S.R. 244

The committee agrees that relief is merited in the case and recommends that the bill be considered favorably.

In agreement with the views of the House of Representatives the committee recommends favorable consideration of H.R. 3526.

Attached to and made a part of this report are the reports of the U.S. Department of Labor, Office of the Secretary, and the Comptroller General of the United States:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 24, 1974.

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

DEAR MR. CHAIRMAN: This is in response to your request for our comments on H.R. 10829, a bill "For the relief of Randall L. Talbot."

The bill would authorize relief for Randall L. Talbot, an employee of the Department of Labor, for certain expenses in connection with a permanent change of station. The exception to the payment was taken by the U.S. General Accounting Office as a result of a review of Mr. Talbot's voucher.

The records of the Department show that payment of \$564.80, covering real estate expenses in the purchase of a residence, was inadvertently made contrary to the provisions of Section 4.1d of Bureau of the Budget Circular No. A-56, revised, which stated the following:

"4.1 *Conditions and requirements under which allowances may be paid.*

"To the extent allowable under this provision, the Government will reimburse an employee for expenses required to be paid by him in connection with the sale of one residence at this old official station; purchase one dwelling at his new official station; or settlement of unexpired lease at his place of residence at the old official station, provided that:

"d. The settlement dates for the sale and purchase or lease termination transactions for which reimbursement is requested are not later than one year after the date on which the employee reported for duty at the new official station, except that an appropriate extension of time may be authorized by the head of the Department or his designee when settlement is necessarily delayed because of litigation."

Mr. Talbot reported for duty on October 23, 1966, as shown by his travel voucher dated November 16, 1967. The closing papers on his new home by the law firm of Conroy & Williams show that settlement was consummated on November 15, 1967, more than 1 year after the reporting date.

Unfortunately, the Department had erroneously advised Mr. Talbot on May 22, 1967, that the controlling date governing the allowability of his claims would be the date on which he contracted to buy the new home, April 25, 1967, rather than the date on which the purchase was settled. Mr. Talbot apparently acted in reliance of this memorandum when he agreed to a settlement date of November 16. Had he been accurately informed, it seems likely he could have arranged to settle prior to October 23, 1967, which was only three weeks prior to the actual closing date, and more than five months after the contract date.

S.R. 244

Under these circumstances, we accept responsibility for the delay and, accordingly, support enactment of the bill.

Having been advised of the exception to his claim taken by the General Accounting Office, Mr. Talbot agreed to make refund to the Department of the entire amount of \$564.80. This was accomplished during 1969 and 1970 by payroll deductions.

Since Mr. Talbot has satisfied his liability to the Government, enactment of H.R. 10892 in its present form would not accomplish its intended purpose. We recommend that the bill be revised to provide authority for repayment to Mr. Talbot of the amounts withheld from his pay.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., November 20, 1973.

B-165962.

HON. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary,
U.S. House of Representatives.

DEAR MR. CHAIRMAN: Your letter of October 26, 1973, requests our views on H.R. 10829, 93d Congress, a bill to relieve Randall L. Talbot, an employee of the Government, of an indebtedness of \$564.80 he incurred as the result of the erroneous reimbursement to him of certain relocation expenses authorized for payment in connection with an official transfer of duty station. The reimbursement in question was for closing costs he expended in connection with the purchase of a residence at his new station to which he was transferred effective October 23, 1966. Such costs were properly reimbursable under provisions of subsection 5727a(a)(4) of title 5, United States Code, subject, however, to compliance with the statutory regulations issued under a delegation of authority by the President to the Bureau of the Budget (BOB) in Circular No. A-56 as revised October 12, 1966. The provision of that regulation which is relevant to H.R. 10829 is Section 4 quoted in pertinent part as follows:

"4.1. *Conditions and requirements under which allowances may be paid.* To the extent allowable under this provision, the Government will reimburse an employee for expenses required to be paid by him in connection with the sale of one residence at his old official station; purchase of one dwelling at his new official station; * * * *provided that:*

* * * * *

"d. *The settlement dates for the sale and purchase * * * transactions for which reimbursement is requested are not later than one year after the date on which the employee reported for duty at the new official station, except that an appropriate extension of time may be authorized by the head of the department or his designee when settle-*

ment is necessarily delayed because of litigation." [Italics supplied.] As noted above, the date Mr. Talbot reported for duty at his new station was October 23, 1966. In April of 1967 Mr. Talbot entered into a contract for purchase of a new house for which he signed settlement papers on November 15, 1967, 3 weeks after the first anniversary date of his entrance on duty at the new station.

Subsequently Mr. Talbot was reimbursed by his employer, the Department of Labor, for the closing costs on the new residence in the amount of \$564.80. Exception to the payment was taken by this Office for the reason that the settlement date on the purchase transaction occurred more than 1 year after the effective date of transfer. It is pertinent to note that, as stated in a report of the Department of Labor printed in Senate Report No. 91-1458, on an identical bill, S. 1985, 91st Congress, Mr. Talbot was advised by the Department of Labor that the date of April 25, 1967, on which he contracted to buy his residence was the date controlling his entitlement to reimbursement rather than the settlement date, as required by the regulation.

As a result of the exception taken by this Office Mr. Talbot was required to arrange for repayment of his indebtedness by a biweekly payroll deduction of \$21.72 each pay period.

Ordinarily we do not favor legislation relieving an employee from repayment of indebtedness under circumstances similar to those of many other employees who have been required to make such repayment or who have been denied reimbursement initially. Such legislation is preferential since it benefits the employee on whose behalf it is introduced while others in substantially the same circumstances do not receive equivalent relief.

However, in view of the circumstances of Mr. Talbot's case, in which he received erroneous advice concerning his entitlement to reimbursement and in view of the brief period of 3 weeks by which he failed to meet the regulatory requirements, we see no objection to enactment of H.R. 10829. In passing, we note that the regulatory provision which caused Mr. Talbot to become indebted has been liberalized since the date of his transfer and, as now stated in subsection 2-6.1e of FPMR 101-7, May 1, 1973, allows, when justified by circumstances, a period of 2 years after entrance on duty at a new station within which real estate transactions may be completed.

As noted above, it was reported by the Department of Labor that Mr. Talbot was required to repay his indebtedness by biweekly payroll deductions of \$21.72. From information in our files it appears these deductions began with the first pay period starting after April 1, 1969. Assuming such deductions continued as planned, it would appear Mr. Talbot's indebtedness has long since been repaid. Presumably a report on the bill from the Department of Labor will disclose the status of the repayments.

Accordingly, if H.R. 10829 is to receive favorable consideration, we suggest it be revised to authorize repayment to Mr. Talbot of the amount deducted from his salary rather than being enacted in its present form which would relieve him of a liability possibly no longer existing.

Sincerely yours,

PAUL G. DEMBLING,
(For the Comptroller General
of the United States).

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.