

PART 538—MILITARY PAYMENT CERTIFICATES

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§ 538.1 Definitions.

(a) *United States dollar instruments.* For the purpose of this section, United States dollar instruments include the following:

(1) United States Treasury checks (standard dollar checks) drawn on the Treasurer of the United States by authorized finance and accounting officers.

(2) Travelers' checks issued by the American Express Company; Bank of America, National Trust and Savings Association; Mellon National Bank and Trust Company; Citibank of New York; Thomas Cook and Son (Bankers) Ltd.; and the First National Bank of Chicago, when expressed in United States dollars.

(3) United States military disbursing officers' payment orders.

(4) American Express Company money orders, when expressed in United States dollars, and United States postal money orders.

(5) Telegraphic money orders, when expressed in United States dollars.

(b) *Military Payment Certificate (MPC).* The military payment certificate is an instrument, denominated in U.S. dollars and fractions thereof, that may be used as the official medium of exchange in U.S. military establishments located in overseas areas when such areas are designated as "Military Payment Certificate Areas."

(c) *Authorized Personnel.* As used herein, the term "authorized personnel" means all individuals authorized to purchase goods, supplies and services from U.S. Government spon-

sored and controlled facilities located and operated in an MPC area.

§ 538.2 Use of military payment certificates.

(a) *Areas in which used.* Military payment certificates are to be used only in the Department of Defense by authorized personnel in designated MPC areas. A Military Payment Certificate Area is a particular foreign country(s), or a specific area within a foreign country, that has been officially authorized for designation as an MPC area.

(b) *Disbursement of military payment certificates.* Military payment certificates will be disbursed to authorized personnel for all items of pay and allowances and for all other authorized payments to individuals in and under the Department of Defense.

(c) *Facilities in which used.* Military payment certificates are the only authorized medium of exchange in the following facilities:

(1) Army, Navy, and Air Force sales and services installations and activities.

(2) Theaters and other entertainment facilities operated by Department of Defense.

(3) Officers' and enlisted personnel messes and clubs, including American Red Cross installations.

(4) Army, Navy, and Air Force postal installations for purchase of postal money orders and stamps, and cashing of postal money orders.

(5) Contribution to all authorized charitable appeals, church collections, and chaplain's funds when remittance is to be forwarded to the United States through Department of Defense channels.

(6) Payments to all travel agencies, radio, cable, telegraph, and telephone companies, and all other similar facilities when remittance is to be forwarded to the United States through Department of Defense channels.

(7) All other official agencies, quasi-official and private agencies of or working in behalf of United States Army Forces providing goods, services, and facilities to members of the United States Armed Forces.

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§ 538.3 Restrictions on possession and use.

(a) *Possession or use prohibited.* Possession or use of military payment certificates is prohibited unless acquired in accordance with §§ 538.1 through 538.4 and such additional regulations as may be issued by the major overseas commander concerned.

(b) *Not to violate directives.* Acquisition, possession, and use of military payment certificates incident to normal legitimate transactions within the Department of Defense must not violate Department of the Army or major overseas command directives or the Uniform Code of Military Justice.

(c) *Acceptance, transfer, or exchange.* Under no circumstances will military payment certificates be accepted from, transferred to, or exchanged for persons other than authorized personnel. Military payment certificates will not be accepted or exchanged after the date specified by the Secretary of the Army as the last day for their acceptance or exchange.

(d) *Transmission through mail.* Individuals are prohibited from transmitting military payment certificates through the mail to any areas other than those designated as an MPC area. Military payment certificates may be transmitted to authorized personnel or official agencies by mail within or between designated MPC areas.

§ 538.4 Convertibility of military payment certificates.

(a) *For authorized personnel.* Authorized personnel having in their possession military payment certificates that were acquired legitimately may exchange those certificates for U.S. currency, coin, or dollar instruments, including U.S. Treasury dollar checks under the following conditions:

(1) Upon departure for the United States.

(2) When traveling under competent orders to areas where military payment certificates are not designated for use.

(3) When traveling under competent orders to military payment certificate areas where finance and accounting officers, Class "B" Agent Officers, including military attache agent officers,

or exchange facilities are not readily available to the traveler.

(b) The provisions of this section will not be construed as authorizing finance and accounting officers or their agents in areas outside of military payment certificate areas to convert military payment certificates for authorized personnel returning from MPC areas. Such exchange must be made prior to departure from the MPC area.

(c) *Conversion of Military Payment Certificates suspected of being acquired illegitimately.* Military payment certificates will not be converted for any holder under circumstances where there are reasonable grounds to believe that the holder was not an authorized person at the time of acquisition or that the certificates were acquired by the holder, or by another with the holder's knowledge, from a person not authorized to possess or use them. Amounts of certificates exceeding those which the holder would normally acquire or hold under applicable circumstances as prescribed by local regulations will not be approved for conversion unless the holder shows by a preponderance of evidence that they were acquired legitimately. Where there are reasonable grounds to believe that the military payment certificates were not acquired legitimately, they will be impounded and retained pending an administrative determination as to the source of acquisition. If it is determined that the individual concerned was not an authorized person at the time of acquisition, the certificates will be confiscated and the dollar proceeds deposited in the Treasury to the General Fund (Miscellaneous) Receipt Account 211099, "Fines, penalties and forfeitures not otherwise classified." If it is determined that the individual concerned was an authorized person at the time of acquisition, or that the certificates belong to an authorized person, the certificates or their dollar value will be returned to the owner unless there are reasonable grounds to believe the certificates were acquired by the holder or another with the holder's knowledge from an unauthorized person. If it is determined that the certificates were acquired from an unauthorized person, the certificates will be

confiscated and the dollar proceeds deposited in the Treasury to the General Fund (Miscellaneous) Receipt Account 211099, "Fines, penalties and forfeitures not otherwise classified." Collection vouchers affecting these deposits will cite claimants' names and sufficient information to permit ready identification of the deposits in order to facilitate the processing of any subsequent claims for amounts so deposited.

(d) *Transactions with disbursing officers of other services.* Dollar instruments may be exchanged for military payment certificates or military payment certificates for dollar instruments in transactions with Navy and Air Force disbursing officers and their agents. Major overseas commanders may specifically authorize such transactions with other disbursing officers of the United States Government and their agents.

§ 538.5 Conversion of invalidated military payment certificates.

(a) *When converted.* Time limit on filing claims for the conversion of invalidated Series 461, 471, 472, 481, 521, 541, 591, 611, 641, 651, 661, 681, and 692 expires on 30 September 1980.

(b) *When found in effects of deceased personnel.* Invalidated series of military payment certificates in amounts not in excess of \$500, found in the effects of deceased personnel or personnel in a missing status, will be converted into a Treasury check. Such military payment certificates will be converted only if date of death or entry into missing status was prior to the date the series of military payment certificates was withdrawn from circulation.

The Treasury check will be disposed of in accordance with regulations governing disposition of effects of deceased or missing personnel. Amounts in excess of \$500 will be forwarded by the summary court officer to the U.S. Army Finance and Accounting Center for decision regarding exchange of such certificates.

(c) *Disposition when received with claim.* Under no circumstances will invalidated series of military payment certificates received with claims for conversion be taken up in the accounts of the finance and accounting officer. Such certificates will be held in safekeeping until decision is made. If the claim is disapproved, the certificates will be returned to the claimant. In the event these certificates are again received by the finance and accounting officer as undeliverable and reasonable efforts fail to locate the claimant, the certificates will be held for a period of 6 months after which time the proceeds of the certificates will be deposited in the Treasury to the General Fund (Miscellaneous) Receipt Account 211060, "Forfeitures of unclaimed money and property."

§ 538.6 Claims.

Claims for conversion of military payment certificates, as well as claims arising out of the refusal of the overseas command to convert military payment certificates, will be referred to the U.S. Army Finance and Accounting Center, ATTN: FINCY-D, Indianapolis, Indiana 46249. The U.S. Army Finance and Accounting Center will adjudicate and make final determination on all claims.