

DISBURSING OFFICERS OF ARMY, NAVY, AND MARINE
CORPS TO DESIGNATE DEPUTIES

APRIL 9, 1926.—Referred to the House Calendar and ordered to be printed

Mr. FROTHINGHAM, from the Committee on Military Affairs, submitted the following

REPORT

[To accompany H. R. 5223]

The Committee on Military Affairs, to which was referred the bill (H. R. 5223) to authorize officers of the Army, Navy, and Marine Corps to designate deputies, having considered the same, report thereon with the recommendation that it do pass with the following amendment:

Page 2, line 4, change the period to a colon and add the following:

Provided, That every deputy so designated for a disbursing officer who is bonded shall, if not already under bond, give bond as required by the head of the department concerned.

The enactment of this legislation will in effect be simply an approval of a practice which, for a number of years, has been recognized in the War Department and which has given very satisfactory results. The Comptroller General has questioned the legality of the procedure and although he appreciates the desirability of continuing the practice from the point of view of economy and efficiency, he has informed the War Department that there is no authority of law to so continue.

The Secretary of War, in a letter to the chairman of the Committee on Military Affairs, dated December 9, 1925, explains the necessity for this legislation. In his letter he says:

For a number of years it has been a recognized practice in the War Department for authorized disbursing officers to designate an alternate or deputy who has been authorized under certain restrictions to sign Government checks on the Treasury of the United States for and in the name of their principals.

The Comptroller General in a decision of October 5, 1923, addressed to the Secretary of the Treasury (A. D. 7903) held that the practice above cited was illegal, but stated that since the same appeared to have obtained for some time, no objection would be made to it in so far as payments heretofore made are concerned, if such payments are otherwise correct and proper. On October 24, 1923, this department requested the Comptroller General to continue authorization of the above-mentioned practice, as the discontinuance thereof would be

a serious disadvantage to all disbursing officers and would necessitate the immediate appointment of additional disbursing officers and the organization of groups of clerical assistants therefor. This he declined to do.

Experience has demonstrated that there are many practical advantages in the practice. It has been found an economical procedure, and no financial losses or abuses have resulted therefrom.

The Navy Department has been consulted about this matter and it favors the legislation and desires that the War Department renew efforts to secure its enactment.

The Secretary of War, in a letter to the chairman of the Committee on Military Affairs, dated April 2, 1926, recommended the amendment proposed by your committee and explains the necessity therefor. In his letter he says:

With reference to H. R. 5223, a bill to authorize officers of the Army, Navy, and Marine Corps to designate deputies, it is recommended that there be added at the end of the bill the following:

“Provided, That every deputy so designated for a disbursing officer who is bonded shall, if not already under bond, give bond as required by the head of the department concerned.”

This added provision is recommended for the reason that the Surety Association of America has expressed the opinion that the bill as now drawn is unfair to the surety companies in that they might be held liable for the acts of several individuals although receiving premium payment on but one bond.

This department was of the opinion that the provision in the bill (line 7), “and the consent of their surety or sureties, if any,” allowed the surety to decline to acquiesce to such designation and appointment for any reason that might be deemed sufficient to them. However, as it is the practice of the department to require all such deputies to give bond, the recommended proviso was suggested to the secretary of the Surety Association of America, and after conferring with his associates he has advised this department that, if the proviso in question is added, the bill will be entirely satisfactory to them.

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