



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

SUBJECT: Reporting of Government Property Lost, Damaged, Destroyed, or Stolen

Instruction 7201

APR 8 2014

(LOG)

ABSTRACT

This Instruction implements the Uniformed Services University of the Health Sciences (USUHS) program for the Reporting of Government Property Lost, Damaged, Destroyed, or Stolen (GPLDS). It provides policies and procedures, assigns duties and responsibilities, and delegates authority for the reporting of lost, damaged, destroyed, or stolen government property. It further provides the guidelines for conducting a financial liability investigation.

A. REISSUANCE AND PURPOSE.

The purpose of this Instruction is to reissue USUHS Instruction 7201, Reporting of GPLDS, and set forth the policies, procedures and changes established in DoD 7000.14-R, Volume 12, Chapter 7, Department of Defense Financial Management Regulations. This Instruction provides internal policies, guidelines, and instructions for the accounting, reporting and liability of GPLDS.

B. REFERENCES. *See Enclosure 1.*

C. APPLICABILITY.

This Instruction applies to all USUHS, Armed Forces Radiobiology Research Institute (AFRRI) personnel, and Postgraduate Dental College (PDC) personnel.

D. POLICY.

1. DoD components are accountable for government property under their control. Each individual, civilian or military, is responsible for the proper care and safeguarding of all government property. Employees who detect or suspect the loss of government property or observe damage to property should immediately report it to the appropriate hand receipt custodian, the Property Management Branch (PMO) or the Security Management Division.

2. Members of the military, DoD civilian employees, and contractors shall be assessed financial liability for GPLDS when found to be responsible for negligence or abuse.

3. Liability for GPLDS shall be based on a determination of negligence made as a result of a formal financial investigation documented on a DD Form 200, "Financial Liability Investigation of Property Loss." Guidance for preparing the DD Form 200 is provided in *Enclosure 2*.

4. Limits of Liability:

a. The full amount of any lost, damaged, destroyed, or stolen personal arms or equipment, issued to members of the Armed Forces, caused by the abuse or negligence of a member of the Armed Forces, shall be collected in accordance with U.S.C. Title 37, 1007 (e), "Deductions from Pay."

b. The full amount of damage to, or the value of, lost or damaged items of military supply shall be collected from officers of the Armed Forces in accordance with U.S.C. Title 37, 1007 (f).

5. Initiation of General Inquiries and Investigations:

a. Upon discovery of lost, damaged, destroyed, or stolen government-owned property of any value, the first line supervisor or, in the case of military, immediate supervisor within the chain of command, shall conduct an inquiry to determine if the situation warrants a more formal review, i.e., an investigation. A DD Form 200 is not required for inquiries. Loss, damage, destruction, or theft of material shall be processed in accordance with paragraph 0708 from the DoD Instruction 7000.14-R.

b. An investigation shall be conducted for all lost, damaged, destroyed, or government-owned equipment with an initial acquisition cost (value) of \$5,000 or greater; all sensitive, classified, or leased (capital lease) property regardless of initial acquisition cost; and any real property. (See also DoD Instruction 500.64, "Accountability and Management of DoD Equipment and Other Accountable Property," for more information.) Investigations may also be conducted when circumstances warrant. For example, when the loss, damage, destruction, or thefts of small amounts of property occur frequently enough to suggest a pattern of misconduct, then an investigation may be warranted.

E. RESPONSIBILITIES.

1. Approving Authority.

(a) The USUHS President is designated as the Approving Authority for all actions involving the accountability of GPLDS. However, this responsibility has been delegated to the Vice President for Finance and Administration (VPFA). The USUHS President will retain Approving Authority responsibilities for the following exceptions:

1. Any DD Form 200 totaling \$25,000 or more.
2. Any actions involving property or personnel within the areas of responsibility of the VPFA.
3. Any appeal actions.

(b) The Approving Authority will establish policies and procedures for the GPLDS Program. This individual must disqualify himself/herself when a conflict of interest is possible. The Approving Authority ensures all DD Form 200's are initiated, processed and adjudicated within 120 days of the report of GPLDS. A written explanation stating the reason for the delay is required if delays occur in the initiating or processing of a DD Form 200. Further guidance is provided in the "Approving Authority Guidelines." (See *Enclosure 3*)

2. Appointing Authority.

a. The VPFA is designated by the USUHS President as the Appointing Authority. Responsibilities include:

- (1) Appointing Financial Liability Officers (FLO), as appropriate.
- (2) Providing administrative guidance to FLO, as appropriate.
- (3) Reviewing all completed DD Form 200's for accuracy and compliance with the DoD 7000.14-R, Volume 12, Chapter 7, 070602.
- (4) Approving or disapproving recommendations of FLO.
- (5) Initiates Financial Liability Investigations of Property Loss (FLIPL) when warranted.
- (6) Additional responsibilities are outlined in *Enclosure 4*.

3. Accountable Property Officer (APO).

a. The Chief, PMO is appointed in writing by the USUHS President as the APO, based on his/her training, knowledge, and experience in property management. The APO is responsible for:

- (1) Maintaining accountability of Government property assigned to USUHS/AFRRI/PDC.
- b. Establishing and maintaining accountable property and/or financial records for USUHS/AFRRI/PDC, in connection with government property, irrespective of whether the property is in an individual's possession for use, in storage, or in the possession of another entity.
- c. Coordinating inquiries/investigations.

4. Property Management Branch (PMO). PMO is responsible for coordinating action when GPLDS is identified. Specifically, PMO:

- a. Participates in inquiry and investigation processes and provides support to all appropriate entities.
- b. Prepares and guides others in preparing applicable sections of forms and related documentation.

c. Maintains the Financial Liability Investigation Register. *(See Enclosure 5)*

d. Makes recommendations to the Appointing Authority on disposition of GPLDS items.

5. Inventory Account Managers. The Inventory Account Managers are responsible for:

a. Coordinating biennial physical property inventories and other inventories as appropriate for all USUHS/AFRRI/PDC property accounts.

b. Conducting spot checks of hand receipt custodians' inventory.

c. Providing the APO with the original copy of the Inquiry Initiation Form for accountable property items that are not found when hand receipt custodians conduct their inventory. *(See Enclosure 6).*

d. Assisting hand receipt custodians in searching for items identified as missing during the inventory.

e. Preparing applicable documentation associated with inquiries and investigations.

6. Responsible Officer (RO).

a. Each Department Chairperson and/or Activity Head is designated as the Responsible Officer (RO) for his/her area of responsibility. The RO will exercise custody, care and safekeeping over property entrusted to his/her possession or under his/her supervision, and is responsible for maintaining adequate inventory controls and accountability for assigned property.

b. The RO will appoint hand receipt custodians and ensure the hand receipt custodians are given the necessary time and resources to administer the property accountability program.

c. The RO will initiate informal investigations of GPLDS at any time when GPLDS is discovered in their area of responsibility and will be the central focal point for formal inquiries and financial liability investigations.

7. Hand Receipt Custodians.

a. Individuals appointed by the RO will accept custodial responsibility for property, typically by signing a Custody Receipt Listing (CRL). The individual is directly responsible for the physical custody of accountable property under their control within a Department/Activity for the RO.

b. A Department/Activity is required to have one primary hand receipt custodian and one alternate hand receipt custodian. Departments may have additional custodians at their discretion.

c. It is mandatory that hand receipt custodians establish and maintain current-year hand receipts (USUHS Form 5306) during the inventory year and for each time they allow employees to take

property outside of immediate departmental/activity spaces (laptops, computers, etc.).

8. Financial Liability Officer (FLO).

a. When the Appointing Authority determines that a formal investigation is required, he or she will appoint a FLO, by written memorandum, to conduct the investigation. The following situations require a formal investigation:

(1) Appointing Authority concurs with the APO's recommendation to conduct a formal investigation.

(2) Directed by higher authority.

(3) Deemed appropriate by the Appointing Authority (e.g., repetitive losses, widespread evidence of negligence or abuse, or large dollar losses).

b. All faculty and staff meeting the requirements in DoD 7000.14-R, Volume 12, Chapter 7, 070403 are eligible for selection as a FLO.

c. A roster of 10 FLO names will be provided annually to the Appointing Authority by the Assistant Vice President for Administration (AVPA).

d. Specific duties and responsibilities of the FLO are detailed in DoD 7000.14-R, Volume 12, Chapter 7, 070404.

e. The Appointing Authority will provide the FLO with guidelines to conduct a financial liability investigation (*see Enclosure 7*), and exact guidance from DoD 7000.14-R, Volume 12, Chapter 7, 070404.

9. Legal Counsel.

Legal review by the Office of General Counsel is required for all investigators where financial liability is recommended or when recommendations appear to be inconsistent with findings.

F. PROCEDURES.

Procedures for conducting inquiries and investigations are provided in *Enclosure 8*.

G. EVIDENCE OF NEGLIGENCE.

When inquiring into GPLDS, the first consideration is whether there is evidence of negligence. Negligence is defined as the failure to act as a reasonably prudent person would have acted under similar circumstances (*see Enclosure 1, Reference #1*). Guidelines to determine negligence are provided in *Enclosure 7*.

H. VOLUNTARY PAYMENTS.

1. If there is evidence of negligence, as defined above, and the individual admits pecuniary liability for GPLDS, he/she may agree to reimburse the government.

2. Individuals may voluntarily choose to pay the government for GPLDS at any time prior to involuntary collection from their pay. Individuals offering the payment, will do so on their own volition. The government does not seek any advantage or forego any right by accepting a voluntary payment. An individual cannot be coerced or threatened with adverse action if payment is not voluntarily made.

3. Individuals must be made aware of the effect of making a voluntary payment. It may not later be withdrawn and no avenue for relief will be available. Voluntary payment does not preclude other administrative or disciplinary action contemplated by the President of USUHS.

4. Maximum liability amounts are provided in Paragraph D4 of the Instruction. Individuals offering to pay in excess of these amounts must be made aware that their liability may be a lesser assessment as a result of an investigation. Voluntary payments may be made in cash to Finance or payroll deduction through Civilian Human Resources (CHR).

5. If there is evidence of negligence causing the loss, and the individual does not admit pecuniary liability, a financial liability investigation must be conducted.

I. DETERMINATION OF FINANCIAL LOSS.

1. Computation of Financial Loss.

(a) Computation of the financial loss to the government shall be made when there is evidence to indicate that the loss was proximately caused by negligence or abuse.

(b) When property is lost, damaged, destroyed, or stolen, and the property cannot be replaced, the amount of the loss shall be the fair market value of the property immediately before the loss.

(c) When a fair market value cannot readily be determined, the cost of repairs or an estimate of the repairs may be used (can be obtained from technical manuals or other sources); or the acquisition cost or standard price, adjusted for depreciation may be used (based on the specified depreciation period for such item or if such period has not been specified, based on its estimated useful life).

(d) Depreciation shall be computed using the straight-line method of depreciation as established in DoD 7000.14-R, Volume 12, Chapter 7.

2. Liability.

a. Financial liability of individuals is based on the actual loss to the government, as computed in DoD 7000.14-R, Volume 12, Chapter 7, 070210.A. When liability is limited by the individual's rate of pay, the amount of the actual loss to the government is still computed. However, in such cases, the financial liability of the individual is either the actual amount of the loss or the limitation based upon the rate of pay, whichever is less.

3. Collective Liability.

a. If more than one individual is found financially liable for GPLDS, the individuals shall be collectively liable for the loss to the government. This will be determined in accordance with

J. NOTIFICATION AND EXAMINATION.

When financial liability is recommended, the individual shall be notified and given the opportunity to examine the findings and recommendations, obtain legal representation, make a rebuttal statement, and present any mitigating factors that may have contributed to the negligence or abuse.

K. RECONSIDERATIONS AND APPEALS.

After action has been taken by the Approving or Appointing Authority on a determination of liability under the provisions of this regulation, a DD Form 200 is not reopened, corrected or altered in any manner except as provided in this Instruction. Procedures for Requests for Reconsiderations and Appeals are provided in *Enclosure 9*.

L. EFFECTIVE DATE.

This instruction is effective immediately.

A handwritten signature in black ink, appearing to read "Charles L. Rice", with a long horizontal stroke extending to the right.

Charles L. Rice, MD
President

Enclosures:

1. References
2. Preparation of DD Form 200 w/attachment
3. Approving Authority Checklist
4. Appointing Authority Guidelines
5. USUHS Financial Liability Investigation Registrar
6. Inquiry Initiation Form
7. Financial Liability Officer Investigation Guidelines
8. Procedures w/attachment
9. Reconsiderations and Appeals

REFERENCES

1. DoD Instruction 7000.14-R, Volume 12, Chapter 7, "Financial Liability for Government Property Lost, Damaged, Destroyed or Stolen," dated November 2012.
2. DoD Instruction 7000.14-R, Volume 5, Chapter 28, "Management and Collection of Individual Debt," dated November 2012.
3. United States Code: Title 37, 1007, "Deductions from Pay."
4. DoD Instruction 5000.64, "Accountability and Management of DoD Equipment and Other Accountable Property," dated May 2011.

PREPARATION OF DD FORM 200**A. PURPOSE.**

The purpose of this section is to provide instructions for the preparation of the DD Form 200 "Financial Liability Investigation of Property Loss." The DD Form 200 is used to document the financial liability process for lost, damaged, destroyed, and stolen government property. When completed, this form is the official document to support the establishment of financial liability, relief from accountability, and adjustment of accountable property records, supply system stock and financial records.

B. INSTRUCTIONS FOR PREPARATION1. Date Initiated.

- a. Self-explanatory.

2. Inquiry and/or Investigation Number.

- a. Number assigned to the inquiry and/or investigation as established by PMO.

3. Date Loss Discovered.

- a. Self-explanatory.

4. National Stock Number (NSN).

- a. Enter the NSN(s), manufacturer's part number(s), or other identification number(s), in numerical sequence. If not applicable, enter the word "none."

5. Item Description.

- a. Enter the nomenclature of the item(s) including any serial number(s), model number(s), controlled inventory item, etc. If the item is non-standard, give a brief description sufficient for identification. If only a portion of an end item is damaged, describe the end item fully, then describe the damaged parts. If additional space is needed, a continuation sheet may be used.

6. Quantity.

- a. Enter the number of units and unit of issue (e.g., 1 each, 2 dozen, 5 pair, etc).

7. Unit Cost.

- a. Enter the cost per unit shown in official catalogs, supply bulletins or accountable property records. The specific references should be indicated for audit trail purposes.

8. Total Cost.

- a. Enter the total cost of all units of each article listed (block 6 x block 7). For real property enter the estimated cost to repair/replace or if the cost to repair exceeds the part replacement value, enter the estimated cost to purchase and install the asset.

9. Circumstances Under Which Property Was Lost, Damaged, Destroyed or Stolen.

- a. Enter a complete statement of the facts, including the date and location of the incident. Include the name and grade of all persons directly involved. The statement must answer five basic questions

of who, what, when, where, and how. Identify any appropriate contract number(s), transaction number(s), control number(s), etc. Add exhibits and identify alphabetically within the block, as needed.

10. Actions Taken to Correct Circumstances Reported in Block 9 and Prevent Future Occurrences.
a. Include recommended actions by the Accountable Property Officer, Responsible Officer and Hand Receipt Custodian, and if appropriate, the Financial Liability Officer.

11. Individual Completing Blocks 1 through 10.
a. Person conducting the inquiry.

12. Responsible Officer (RO).
a. See definitions for "Responsible Officer."

13. Appointing Authority.
a. See definitions for "Appointing Authority."

14. Approving Authority.
a. See DoD Directive 7200.10-M, Chapter 3 and definition #6.

15. Findings and Recommendations of the Financial Liability Officer (FLO).
a. Enter findings of the FLO along with a recommendation regarding liability of the involved parties. These findings and recommendations may include:

b. An indication that negligence on the part of the individual has not been determined.

c. A recommendation that the investigation be continued at some future time because of extenuating circumstances.

d. A recommendation for corrective action.

e. A recommendation that the individual(s) involved in the loss, damage or theft, be relieved of responsibility for the property when negligence cannot be established.

f. State the facts on which recommendations are based. Proper conclusions shall be drawn from available facts, not opinions or suspicions. The FLO must sustain or refute the statements made in block 9 of DD Form 200 and any other statements that are part of the inquiry and/or investigation. Do not use stereotyped phrases such as "loss or damaged in manner stated." The FLO shall state in his or her own words how the loss or damage occurred based on the evidence obtained by the investigation.

g. When recommending financial liability include a computation of charges. The computation should show how depreciation was calculated and other factors used in determining the loss. Or reference should be made to the exhibit on which the computation is recorded. The results of the computation shall be entered in block 15b.

h. Describe the disposition of the property. Once released by the FLO or the Appointing Authority (when a FLO is not appointed), property considered to be “uneconomically reparable” shall be disposed of in accordance with DoD 4160.21-M, “Defense Material Disposition Manual.”

i. Recommendations shall be entered immediately after the findings. The recommendations shall include:

(1) Financial liability to be assessed or relief from responsibility and accountability. For a military member enter up to one month of basic pay. For a civilian enter up to one-twelfth of the yearly salary.

(2) Disposition instructions for any unserviceable property not previously sent to the Defense Reutilization and Marketing Service.

(3) State clearly the individual’s full name and grade, and the amount of the charge, when recommending financial liability.

(4) State if the DD Form 200 may cover the loss, damage, destruction or theft of property for which a claim is also being processed.

j. The recommendations must represent a logical and equitable decision developed from the facts cited in the evidence and findings.

k. Sign the DD Form 200 in block 15j at the end of the recommendations.

16. Individual Charged.

a. Enter in block 16d, the individual's name and rank or grade when financial liability is assessed. Enter in block 16e, that individual’s telephone number. Initiate collection action by forwarding a copy of the approved DD Form 200 by transmittal document to the servicing disbursing officer. All continuation sheets are to be included and the attachments and exhibits excluded. The approved DD Form 200 is sufficient to hold a person financially liable and establish a debt.

17. Accountable Property Officer (APO).

a. Record document numbers used to adjust property and financial records. All other blocks are self-explanatory.

Attachment: DD Form 200-Financial Liability Investigation of Property Loss

FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS							
1. DATE INITIATED (YYYYMMDD)		2. INQUIRY/INVESTIGATION NUMBER		3. DATE LOSS DISCOVERED (YYYYMMDD)			
4. NATIONAL STOCK NO.	5. ITEM DESCRIPTION		6. QUANTITY	7. UNIT COST	8. TOTAL COST		
9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS (<i>X one</i>) (Attach additional pages as necessary)			<input type="checkbox"/> Lost <input type="checkbox"/> Organization	<input type="checkbox"/> Damaged <input type="checkbox"/> Installation	<input type="checkbox"/> Destroyed <input type="checkbox"/> OCIE		
10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES (<i>Attach additional pages as necessary</i>)							
11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10							
a. ORGANIZATIONAL ADDRESS (<i>Unit Designation, Office Symbol, Base, State/Country, ZIP Code</i>)			b. TYPED NAME (<i>Last, First, Middle Initial</i>)		c. DSN NUMBER		
			d. SIGNATURE		e. DATE SIGNED		
12. (<i>X one</i>) RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS) REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)							
a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED (<i>X one</i>) <input type="checkbox"/> YES <input type="checkbox"/> NO		b. COMMENTS/RECOMMENDATIONS					
c. ORGANIZATIONAL ADDRESS (<i>Unit Designation, Office Symbol, Base, State/Country, ZIP Code</i>)			d. TYPED NAME (<i>Last, First, Middle Initial</i>)		e. DSN NUMBER		
			f. SIGNATURE		g. DATE SIGNED		
13. APPOINTING AUTHORITY							
a. RECOMMENDATION (<i>X one</i>) <input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE		b. COMMENTS/RATIONALE			c. FINANCIAL LIABILITY OFFICER APPOINTED (<i>X one</i>) <input type="checkbox"/> YES <input type="checkbox"/> NO		
d. ORGANIZATIONAL ADDRESS (<i>Unit Designation, Office Symbol, Base, State/Country, ZIP Code</i>)			e. TYPED NAME (<i>Last, First, Middle Initial</i>)		f. DSN NUMBER		
			g. SIGNATURE		h. DATE SIGNED		
14. APPROVING AUTHORITY							
a. RECOMMENDATION (<i>X one</i>) <input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE		b. COMMENTS/RATIONALE			c. LEGAL REVIEW COMPLETED IF REQUIRED (<i>X one</i>) <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A		
d. ORGANIZATIONAL ADDRESS (<i>Unit Designation, Office Symbol, Base, State/Country, ZIP Code</i>)			e. TYPED NAME (<i>Last, First, Middle Initial</i>)		f. DSN NUMBER		
			g. SIGNATURE		h. DATE SIGNED		

15. FINANCIAL LIABILITY OFFICERa. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

b. DOLLAR AMOUNT OF LOSS	c. MONTHLY BASIC PAY	d. RECOMMENDED FINANCIAL LIABILITY
e. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</i>	f. TYPED NAME <i>(Last, First, Middle Initial)</i>	g. DSN NUMBER
	h. DATE SUBMITTED TO APPOINTING AUTHORITY <i>(YYYYMMDD)</i>	i. DATE APPOINTED <i>(YYYYMMDD)</i>
	j. SIGNATURE	k. DATE SIGNED

16. INDIVIDUAL CHARGEDa. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*
☐ Submit the attached statement of objection.
 ☐ Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

c. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</i>	d. TYPED NAME <i>(Last, First, Middle Initial)</i>	e. DSN NUMBER
	f. SIGNATURE	g. DATE SIGNED

17. ACCOUNTABLE OFFICER

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

b. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</i>	c. TYPED NAME <i>(Last, First, Middle Initial)</i>	d. DSN NUMBER
	e. SIGNATURE	f. DATE SIGNED

APPROVING AUTHORITY GUIDELINES

1. There are several actions the Approving Authority is responsible for when notified of lost, damaged, destroyed or stolen government property. The actions that need to be taken depend on the type and location of the lost, damaged, destroyed, or stolen property. As the Approving Authority, the following actions are required:

a. Ensure that the Appointing Authority has initiated the Financial Liability Investigation of Property Loss (FLIPL) in a timely manner.

b. Ensure that all DD Form 200's received are accurate and complete. Evaluate each DD Form 200 and either approve recommendations to assess financial liability or relieve those involved from liability, responsibility or accountability. Personally evaluate each DD Form 200 when there is evidence of negligence or abuse.

c. Ensure that all losses which require a formal investigation are promptly and thoroughly investigated.

d. Require a written explanation of the reason for the delay and take appropriate corrective actions (if delays occur in the initiating or processing of a DD Form 200).

e. Ensure that persons held financially liable are formally notified and informed of their rights, including the right to appeal.

f. Ensure that all FLIPL's are reviewed in their entirety by the USUHS General Counsel. This applies to all cases whether or not financial liability is recommended to be assessed or when recommendations are inconsistent with findings, etc. The USUHS General Counsel will provide a written opinion on the adequacy of evidence and its relationship to the findings and recommendations. This legal review shall take into account any matters or information submitted in accordance with block 16, DD Form 200, and shall be included as part of the record with the DD Form 200, and be completed before final action is taken by the Approving Authority.

g. Ensure that corrections of any attested entries are properly initialed and documented.

h. Over-rule, when appropriate, the recommendations of the Appointing Authority and the Financial Liability Officer (FLO). When this action results in the assessment of financial liability, individuals not previously recommended for liability shall be advised of their rights, under block 16, DD Form 200. In all such cases paragraph 2e above must be complied with and the individual afforded an opportunity to exercise those rights.

i. Specific timelines include: The Appointing Authority has 15 days to assess the documentation, appoint a FLO and initiate the FLIPL, if warranted. The FLO has 30 days to conduct the investigation, which includes allowing an opportunity for the person who is potentially liable to provide a rebuttal statement. The Approving Authority has 15 days to make the

final determination. If determined to be liable, the responsible person(s) will have 30 days to initiate a formal appeal.

2. If the individual is assigned as both the Approving Authority and the Appointing Authority, he/she must follow the actions listed in the appointing authority guidelines in addition to those listed in this enclosure. (*See Enclosure 4*)

APPOINTING AUTHORITY GUIDELINES

1. The Appointing Authority has the following responsibilities:

a. Ensure that Inventory Account Managers and Hand Receipt Custodians have completed all requirements listed in Enclosure 8, Paragraph 2.

b. Ensure that an Accountable Property Officer (APO) has been appointed and has completed all requirements in Enclosure 8, Paragraph 3. The APO is responsible for conducting inquiries.

c. When the APO returns the DD Form 200, a review of the facts must be accomplished (Blocks 1-12).

(1) When there is no evidence of negligence, and it can be determined from the facts presented that no person should be held liable, then complete block 13 of DD Form 200 and forward to the Approving Authority. If you are also the Approving Authority per USUHS Instruction 7201, Paragraph E.1, then you sign block 14 of DD Form 200 instead, and forward the package to the Property Management Branch for processing and filing.

(2) If you find evidence of negligence or other reason for an investigation to be conducted, appoint a Financial Liability Officer (FLO) to conduct a Financial Liability Investigation of Property Loss (FLIPL). The FLO should be appointed as outlined in Paragraph E.8.

d. Upon completion of the FLIPL, review the following:

(1) Ensure the FLO accomplished the following during his/her investigation:

a. Scrutinized all available evidence, especially in instances of alleged theft.

b. Interviewed those witnesses whose testimony may be of value or review written statements, in establishing the cause of the lost, damaged, destroyed, or stolen item(s).

c. Obtained certifications, if they are not already attached to the DD Form 200, from the responsible person or others, setting forth all known circumstances of the case and the precautions taken by them and by those under their supervisory control.

d. Compiled evidence that substantiates or refutes the statements contained in block 9, of DD Form 200, and statements of interested persons.

e. Physically examined the listed property, if present, before it is repaired, destroyed, or otherwise disposed of, and released it for proper action when examination is completed.

f. Based recommendations on the findings of the FLO.

g. Developed findings that are supported by exhibits properly referenced and/or orally established facts (the person giving testimony must be identified and directly quoted).

h. Described the facts in his or her own words.

i. Recorded in the findings any disposition of damaged property and included a copy of the turn-in document as an exhibit.

j. Resolved any contradictory statements.

k. For Vehicle Accidents Only:

1. Are statements of the driver of the vehicle being investigated or of the driver(s) of other vehicles involved, and were any witnesses included?

2. Has an accident report been included in the file?

3. Have the operator's qualifications (state driver's license or government driver's license) been included in the file?

4. Has damage been explained or pictures used to show damage?

5. If a pecuniary charge is recommended, has the actual cost of damage or a request for an estimated cost of damage been included?

6. If the vehicle is not reparable and a pecuniary charge is being recommended, is the pecuniary charge based on the net loss to the government prepared by the installation maintenance activity or determined by a private company?

e. For Loss or Theft of Property Only:

1. Are there statements by the responsible officers as to security measures that are in force, and statements from persons showing how such security measures are enforced?

2. Are extracts of pertinent documents that show security measures in force, such as guard orders, operating instructions, etc., included?

3. Has a copy of the USUHS Security or other law enforcement investigation documentation been included, or if not completed, has the number of the investigation been indicated?

4. When a pecuniary charge is recommended by the FLO, is computation of this charge included in the findings or continuation sheets?

5. Has computation been made in compliance with DoD 7000.14-R, Volume 12, Chapter 7?

6. Have the full name, grade and the amount of the charge been included in the recommendations and has the charge been computed properly if more than one person is held liable?

7. Has the person against whom the charge is recommended been given a chance to review the findings, recommendations, and supporting exhibits; and make an additional statement, if desired; and sign block 16?

8. If the person against whom a pecuniary charge is recommended is not present to complete block 16, has a complete copy of the DD Form 200 with a copy of all exhibits been forwarded to him or her by certified mail, return receipt requested, with a letter explaining his or her rights to legal advice? Has a copy of the letter been included as an exhibit? Have at least 30 days elapsed since the certified mail notice was sent?

9. Are recommendations consistent with the findings? Do they cover responsibility, accountability, pecuniary liability, and disposition of property, as applicable?

10. Has the FLO's name, grade and signature been entered in blocks 15f and 15 j?

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES FINANCIAL LIABILITY INVESTIGATION REGISTER

PAGE NO.: _____

[illegible]

INQUIRY INITIATION FORM

INQUIRY/INVESTIGATION NUMBER _____ DATE _____

1. USUHS TAG NUMBER: _____ ROOM LOCATION: _____

2. NOMENCLATURE OF LOST ITEM: _____

3. MANUFACTURER: _____

4. SERIAL NUMBER: _____ MODEL NUMBER: _____

5. ITEM WAS LAST SCANNED: _____ WHAT ROOM: _____

DATE LAST INVENTORIED: _____

6. OLD TAG/ID NUMBER (IF APPLICABLE): _____

7. DATE OF PURCHASE: _____ USEFUL LIFE: _____

8. UNIT COST: _____ ACCUMULATED DEPRECIATION: _____
(AT TIME OF LOSS)

9. HAS TECHNICAL SERVICES BEEN CHECKED TO SEE IF THE ITEM IS IN FOR REPAIR?
(CIRCLE ONE) YES N/A

IF YES, WHAT DATE: _____

DEPARTMENT: _____ ACCOUNT NR: _____

PHONE NUMBER: _____

CUSTODIAN'S NAME: _____ DATE _____
(PRINT)

SIGNATURE OF CUSTODIAN: _____

FINANCIAL LIABILITY OFFICER INVESTIGATION GUIDELINES

1. You have been appointed to conduct a Financial Liability Investigation of Property Loss (FLIPL) for lost, damaged, destroyed, or stolen of government property. Unless operational requirements clearly dictate otherwise, your investigation is to be considered your primary duty until it is completed. It is your duty to gather all the available evidence and facts, and to make a recommendation, within 30 days, whether or not an individual(s) should be held financially liable.

2. The primary purpose of your investigation is to determine responsibility for lost, damaged, destroyed, or stolen Government property. To determine such responsibility, the facts contributing to the loss, damage, destruction, or theft must be developed by investigation.

a. The investigation may establish the fact that one or more individuals are at financially liable. You should not limit your investigation to verifying statements of interested parties. You should perform your investigation as thoroughly as required, in your opinion, to ensure that the facts are fully developed, the interests of the government are fully served, and the rights of the involved individuals are fully protected.

b. Your investigation is required to determine where responsibility and/or liability belongs without regard to the relationship of the responsible individual to the property. As an example, actions by the Accountable Property Officer (APO), Responsible Officer, or Hand Receipt Custodian should be investigated as well as actions of the users of the property.

3. Your investigation is the critical phase of the process. Determine the actual facts, not as alleged, but as they actually occurred. Recommendations shall be evaluated in succeeding reviews; therefore, the recommendations must be supported by the findings and conclusions.

4. You should be able to make a determination from the findings and conclusions as to how the loss, damage, destruction, or theft occurred and whether negligence or abuse was involved. To support a recommendation of financial liability there must be reasonable evidence that the negligence of misconduct found was the proximate cause of the loss in question.

5. After recording the findings and conclusions, make recommendations based on policies set forth in USUHS Instruction 7201. You shall recommend whether to assess financial liability.

6. One of your functions is to afford any person whose conduct or performance of duty may be subject to inquiry or who has a direct interest in the inquiry, an opportunity to have their position considered, as described in paragraph 7 below.

7. You should conduct your investigation promptly. Inform the Appointing Authority immediately of all delays experienced. In conducting the investigation, you shall personally:

a. Gather all available evidence. Evidence includes:

(1) Police, Air Force Office of Special Investigations, Criminal Investigation Department, Naval Criminal Investigative Service, and other official incident reports.

(2) Statements of witnesses - Interview witnesses and secure statements from individuals concerning:

(a) The cause of the loss or damage.

(b) The responsibility for the loss or damage. These do not have to be sworn statements, but should be dated, signed, legible, and as complete as possible. Also, interview notes taken by you are acceptable.

(3) Photographs, diagrams.

(4) Copies of applicable directives, instructions, Standard Operating Procedures.

(5) Statement(s) of person(s) sought to be held liable -It is always important to get "both sides of the story" before making a recommendation as to liability. It is not necessary to read an individual his or her rights UNLESS you suspect them of a crime. Most financial liability investigations do not involve criminal conduct. If you have questions regarding this requirement, contact the USUHS General Counsel's Office for specific advice.

b. Compile evidence substantiating or refuting any statement in block 9 of the DD Form 200.

c. Physically examine the damaged property, when applicable, and then release it for repair or disposal. This should be done on the first day of appointment. Ensure evidence of cost of repairs is obtained.

d. Ensure that the specific facts gathered are supported by the evidence and answer the questions "who, what, where, when, and how?"

e. Consult the Appointing Authority for guidance, when needed.

f. Determine the amount of damage as described in DoD Directive 7000.14-R, Volume 12, Chapter 7, 070210 (available from the APO), if the property has been damaged. This value may be the cost of repairs or an estimate of the repairs obtained from technical manuals or other reliable sources. Determine the value of the property immediately before its damage if the property is not economically repairable. The APO may be asked to assist if he or she has not been directly involved.

g. Determine Negligence, Willful Misconduct, or Deliberate Unauthorized Use. Most financial liability investigations deal with issues of negligence. When investigating the loss, damage, destruction, or theft of Government property, the final matter to be determined is whether there is evidence of negligence. ("Negligence" is defined as "the failure to act as a reasonably prudent person would have acted under similar circumstances." Some questions to be asked are:

- (1) Would a reasonably prudent individual have acted in this manner?
- (2) Were there procedures governing the use of the property, and were they followed?
- (3) What were the circumstances that existed when the loss actually occurred?
- (4) Was the individual on the job?

For example, if a dump truck is parked on an incline, a reasonable person would be expected to set the hand brake, leave the vehicle in park/gear, and use blocks under the wheels. If the individual failed to set the brake and/or use blocks under the wheels and the truck rolled down the incline and was damaged, this could be considered evidence of negligence. Normally, loss of, or damage to, government property because of inattentiveness or haste is negligence. A reasonably prudent person would be expected to take precautions. Failure to follow directives or instructions may be evidence of negligence. The most important question is whether the negligence or misconduct found was the proximate cause of the loss.

h. Ensure that action is taken to exercise control over the property if the property is recovered during the investigation.

i. Ensure that the total loss to the Government is computed correctly.

j. Coordinate actions with the claims investigating officer when the investigation may cover loss, damage, destruction, or theft of Government property that is being, has been, or shall be investigated because of attendant events by a claims investigating officer. This includes cases where military personnel or civilian employees, while driving a private vehicle, damage government property and have insurance pay for part of the loss.

k. Complete Block 15 of DD Form 200 in accordance with the instructions provided in *Enclosure 2*.

l. Adhere to the following requirements:

(1) Give any individual against whom you make a finding of financial liability a chance to examine the report of investigation after the findings and recommendations have been recorded.

(2) Give the individual being recommended for financial liability the opportunity provide a rebuttal statement. Allow them five days to do so within the 30-day investigation time frame.

(3) Inform the individual that his or her statement may be used against him or her with regard to financial liability and, if appropriate, advise that the statement may be used in other administrative or disciplinary actions.

(4) Fully consider and attach as an exhibit to the DD Form 200 any statement made by the individual(s).

(5) Ensure that the individual being recommended for possible financial liability is aware of his or her rights under DoD Instruction 7000.14-R, Volume 5, Chapter 30, "Debt Collection by Involuntary Salary and Administrative Offset" (available from the APO).

(6) Request the individual to acknowledge his or her understanding of these rights by completing block 16 of DD Form 200.

(7) If appropriate, prepare a statement that the individual recommended for liability refused to sign block 16 of DD Form 200 after being given the opportunity.

(8) If the person is not readily available, then mail a copy of the findings, recommendations, and evidence to the person against whom financial liability is recommended by certified mail with a return receipt requested. For example, the person may have been transferred or separated from the military.

(a) Include a full explanation of the person's rights. Request a reply.

(b) If the reply is not received within 30 days after the date of mailing, you should record this fact and take action to complete the DD Form 200. The record shall be included in or appended to the DD Form 200.

(c) Any reply received subsequent to the expiration of 30 days shall be forwarded through the same channels as the DD Form 200 for attachment to the original DD Form 200.

(9) Consider any new evidence received after a recommendation has been made. If the financial recommendations remain unchanged, you shall note that the added evidence was considered and shall provide a rationale for not changing the decision (e.g., the matters do not overcome the evidence supporting the original recommendations). The notation shall be on all copies of the report immediately following the original recommendation. If you make a change in the original recommendations because of new evidence, the FLO shall record such change as "Amended Recommendations." These recommendations should be recorded immediately after the original recommendations.

PROCEDURES

Conducting Inquiries and Investigations

1. Introduction. An inquiry shall be conducted for all lost, damaged, destroyed, or stolen government owned property. An investigation may be conducted based on the results of the inquiry. Criteria include:

- a. Property with an initial acquisition cost (value) of \$5,000 or greater.
- b. Leased (capital lease) property regardless of the acquisition cost.
- c. Pilferable and other items outlined in USUHS Instruction 4166 or as otherwise determined by the Accountable Property Officer (APO).
- d. All other items maintained in the Defense Medical Logistics Support System (DMLSS).
- e. Inquires/investigations can also be conducted when a circumstance warrants as determined by the APO, Approving Authority, or higher authority. At a minimum, investigations shall identify:

(1) What happened?

(2) How it happened?

(3) Where it happened?

(4) Who was involved?

(5) When it happened?

(6) Any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of the property.

2. Initial Research. When an item or items are identified as missing as a result of a formal inventory or by informal observation, the following actions must be executed:

a. Inventory Account Managers and Hand Receipt Custodians will complete a collaborative wall-to-wall search of all locations within the Hand Receipt Custodian's area of responsibility and extended areas of responsibility for the missing item.

b. If the item remains missing, Hand Receipt Custodians have 10 days to:

(1) Research their property records for paperwork pertaining to the missing item.

(2) Search for the item among all employees within their areas of responsibility, and extended areas of responsibility.

(3) Research equipment repair records in the Technical Services Branch (TSB), Logistics Division.

(4) Coordinate with the Property Management Branch (PMO), Logistics Division, and specifically their assigned Inventory Account Manager to ensure that there is no further information in their property records pertaining to the missing item.

(5) In case of suspected theft, ensure the Security Division is notified and a USUHS Incident Report Form is completed and forwarded to the Director of Security and to the APO.

c. If the item remains missing, the following actions must be taken immediately:

(1) The Inventory Account Manager and the Hand Receipt Custodian must collaboratively complete items one through nine on the Inquiry Initiation Form (*See Enclosure 6*). The Hand Receipt Custodian will sign the form.

(2) The Accountable Property Officer (APO) will serve as the Inquiry Officer. He/she must review the Inquiry Initiation Form and use it as the basis for conducting the inquiry. Only in rare cases will an inquiry not be initiated.

3. Inquiry. The APO will initiate the inquiry within five workdays. The following actions will be executed:

a. The APO will prepare a memorandum to the Responsible Officer (RO) (generally the chairperson or equivalent) of the area where the GPLDS has been identified. The memorandum will describe the issue and provide the Inquiry Initiation Form. It will request that the RO provide a description of the circumstances and recommendations for corrective action.

b. The RO has ten workdays to respond to the inquiry.

c. Once the response is received, the APO will review it and make a recommendation to either administratively remove the missing item from the accountable property records or to conduct a formal investigation.

d. The recommendation must be sent by formal memorandum within five workdays to the Appointing Authority. The memorandum will provide applicable documentation as outlined in the next section.

4. Formal Investigation. Guidelines for conducting an investigation are documented in DoD 7000.14-R, Volume 12, Chapter 7, 070404B. When a formal investigation is deemed necessary, the following actions will be executed:

a. The Inventory Account Manager will initiate a Financial Liability Investigation of Property Loss, DD Form 200 (*See Enclosure 2*) by completing blocks one through eight and forwarding it to the APO.

- b. The APO will complete blocks nine through eleven primarily based on information obtained during the inquiry, and will present DD Form 200 by formal memorandum to the appropriate RO.
 - c. The RO will complete block 12 of DD Form 200, and return it to the APO within five working days.
 - d. The APO will forward the completed DD Form 200 to the Appointing Authority.
 - e. The Appointing Authority will have 15 days to determine if the appointment of a FLO is required, following DoD 7000.14-R, Volume 12, Chapter 7, 070301B. In the event a FLO is required, the Appointing Authority will complete block 13 of the DD Form 200 and appoint a FLO.
 - f. If the inquiry identifies property defined in E.1.a, the Vice President of Finance and Administration will complete block 12 as the RO and forward the DD Form 200 to the President of USUHS for action.
5. Financial Liability Officer (FLO). Once appointed, the FLO must conduct a Financial Liability Investigation of Property Lost (FLIPL) in accordance with follow the guidelines provided in *Enclosure 7*.
6. Upon completion of the FLIPL, the FLO will forward it to the USUHS General Counsel for legal review. If there is a recommendation of financial liability, there must be a legal review of the action prior to a final determination that an individual is financially liable. Following legal review, the Approving Authority will complete block 14 of the DD Form 200. The Approving Authority must notify the affected individual by written memorandum (Notification of Pecuniary Liability).
7. The APO will maintain a Financial Liability Investigation Register (*See Enclosure 5*). Upon completion of an investigation and final determination by the Approving Authority, the APO will file and maintain the original DD Form 200 and all supporting documentation for a period of three years.
8. Disposition in Property Records. After the final determination has been made by the Approving Authority, the DD Form 200 will be returned to the APO. If deletion from the inventory is recommended, the APO will take appropriate action to delete the item(s) from the DMLSS Property System and enter the transaction number on the DD Form 200. The APO will send a copy of the completed DD Form 200 to the RO and maintain the original in the PMO files for a period of three years.
9. A copy of all documentation will be forwarded to the appropriate Inventory Account Manager and Hand Receipt Custodian for their records

RECONSIDERATIONS AND APPEALS

1. Request for Reconsideration – The Approving Authority who took action on the DD Form 200 may consider requests for reconsideration. Such action may consist of:

a. Minor Corrections – Adjustments which do not involve important changes in findings or recommendations of the Financial Liability Officer (FLO) or the action of the Approving or Appointing Authorities. These can be made in the office where the original DD Form 200 is filed. Corresponding corrections should be made on all other copies.

b. Cancellation – Cancellation of a finalized DD Form 200 that was used to adjust property records is seldom necessary or desirable. The Approving Authority who took action may, however, cancel the original financial liability investigation on file if circumstances warrant. Canceled DD Form 200's are kept for three years.

c. New Evidence – When the Approving Authority reopens or has been directed by higher authority to reopen a DD Form 200, he or she may amend the action either with or without reinvestigation. He /she may ask the Appointing Authority to appoint a FLO to conduct whatever additional investigation has been directed or is appropriate. Upon the completion of the additional investigation, the DD Form 200 is resubmitted through the original channels to the Appointing Authority who took previous action.

d. Property Recovered is Damaged – When property believed to be lost and dropped from the property records by an approved DD Form 200, is later found, but damaged, the original DD Form 200 should be canceled and a new DD Form 200 is initiated to:

- (1) Establish responsibility for the damage.
- (2) Establish financial liability, if warranted.
- (3) Establish monetary loss or cost of repair.
- (4) Dispose of unserviceable property.

2. Appeals – The Right to Appeal.

a. A person may appeal the findings of a financial liability investigation in which he or she is notified of the assessed liability. The intent to appeal must be rendered in writing to the President of USUHS within five days of notification of being held liable. The formal appeal, itself, must specifically state the alleged errors or injustices occurring during the report of investigation process. A member may seek legal assistance in preparing an appeal. (A request for reconsideration based on new evidence is processed under paragraph 1.c. and is not considered an appeal). Appeals must be submitted to the USUHS President within 30 days of the date the individual charged is originally notified of the assessed liability.

b. Actions on Appeals – If an individual submits an appeal, the DD Form 200 Appointing Authority notifies the individual's servicing financial office to suspend collection of debt. If an individual is scheduled for impending separation or resignation before an appeal can be ruled on, collection should be made. The following procedures apply when the financial liability investigation is handled at the Approving or Appointing Authority level:

(1) Appeal Granted – If the USUHS President grants the appeal, he/she notifies the individual and the individual's servicing financial office of the successful appeal. The financial office cancels the indebtedness on the individual's pay account. If collection was already made, the amount collected is refunded to the individual in the same manner as for erroneous collections. No further action is required on the appeal. Documentation will be forwarded to the Property Management Branch (PMO) to be filed.

(2) Appeal Denied - If the USUHS President denies the appeal, either in whole or in part, he or she notifies the individual and sends the complete file to the Assistant Secretary of Defense for Health Affairs, who has the authority to take final action on the appeal. If the Assistant Secretary of Defense for Health Affairs approves the appeal, the file will be returned to the President, and processed as in paragraph 2.a. If he or she denies the appeal, either in whole or in part, the file will be returned to the President, who will notify the individual and process collection via the individual's servicing financial office. This appeal action is final and no further appeal may be made.

(3) In all cases, documents will be forwarded to the PMO to be filed.

(4) A complete file consists of the following documents:

a. A transmittal letter and any attached statements, in duplicate, which contain the following:

(1) Reasons for denying/approving the appeal.

(2) Answers to each contention or allegation raised by the appellant.

(3) A statement of whether or not damaged property will be repaired. (This is needed only when liability is based on estimated repair costs and the damaged property has not been repaired).

(4) Appellant's mailing address.

(5) Any additional information that would assist the final appeal authority in ruling on the appeal.

(6) A statement of whether or not an amount was already collected from an appellant and collection and/or payroll deduction voucher number(s), if applicable

b. The appeal, in duplicate.

c. DD Form 200, Financial Liability Investigation for Lost, Damaged, Destroyed, or Stolen (FLIPL) Property, and supporting documentation, if any.

(5) Before the USUHS President determines to deny an appeal, he or she must, prior to taking final action, obtain the advice of the USUHS General Counsel or his or her designee that the financial liability investigation is legally sufficient, taking into consideration any supporting materials submitted by the appellant.