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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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OFFICE OF GENERAL COUNSEL

B-209758

January 17, 1983

The Honorable Roger W. Jepsen  
United States Senate

Dear Senator Jepsen:

This is in response to your telephone inquiry of January 13, 1983, about the proper disposition of funds recovered in the case of United States v. [REDACTED]. As you know, this case arises from the embezzlement of funds from the Federal Election Commission.

By letter of today, copy enclosed, we have informed the Justice Department attorney handling this case that recoveries are for deposit to the relevant fiscal year 1982 Commission appropriation account and may be used to liquidate obligations properly incurred before the embezzlement was discovered. In this connection, the Commission has informed us that its only outstanding unliquidated obligation is for approximately \$43,000 owed to the District of Columbia unemployment fund.

Our position, which we understand is also held by the Office of Management and Budget and the Department of the Treasury, is based on the definition of "refund" set out in Title 7 of the GAO Policies and Procedures Manual for the Guidance of Federal Agencies. That definition provides for refunds of "erroneous disbursements" to appropriation accounts.

If you or your staff wish to discuss this matter further, please call me at 275-5207.

Sincerely yours,

*Harry R. Van Cleve*  
Harry R. Van Cleve  
Acting General Counsel

Enclosure

*See B-file*