

Board of Contract Appeals
General Services Administration
Washington, D.C. 20405

March 23, 2001

GSBCA 15507-RELO

In the Matter of RICHARD W. SHARP

Richard W. Sharp, Fredericksburg, VA, Claimant.

Ann C. Ordes, Certifying Officer, National Finance Center, Department of Agriculture, New Orleans, LA, appearing for Department of Agriculture.

DeGRAFF, Board Judge.

In March 2000, the United States Department of Agriculture (USDA) transferred Richard W. Sharp from California to Washington, D.C. In connection with the transfer, USDA authorized the reimbursement of expenses Mr. Sharp incurred when he purchased a house at his new duty station. Mr. Sharp entered into a contract to purchase a house and paid \$215 for a home inspection and \$300 for an appraisal. The day before the purchase was to close, Mr. Sharp's builder refused to sign a home warranty and to complete certain agreed-upon repairs to the house. The day of closing, when it became apparent that the builder was not willing to make the repairs and provide the warranty, Mr. Sharp canceled the purchase contract. Mr. Sharp subsequently purchased a different house and USDA reimbursed him for expenses he incurred in connection with that purchase.

Mr. Sharp asked USDA to reimburse him for the \$515 he spent for the home inspection and the appraisal of the house that he did not purchase. USDA decided that it could not reimburse Mr. Sharp because he never completed the purchase of the house that was inspected and appraised. On behalf of Mr. Sharp, USDA asks us whether its decision is correct.

USDA correctly decided to deny Mr. Sharp's request for reimbursement. The authority to reimburse Mr. Sharp is found in a federal statute, 5 U.S.C. § 5724a(e) (Supp. V 1999), that allows an agency to reimburse a transferred employee for the expenses of purchasing a residence at the employee's new duty station. The regulations that implement the statute provide that an agency can reimburse an employee for expenses paid in connection with the purchase of one residence at the new duty station. 41 CFR 6.1(a) (2000). The General Accounting Office (GAO), which resolved relocation claims until mid-1996, concluded that an agency can reimburse an employee for the expenses of purchasing one

house and cannot reimburse an employee for fees and costs associated with an unconsummated purchase transaction unless the actions of the Government preclude the employee from completing the transaction. Donald C. Hazelwood, B-250070 (Mar. 11, 1993); Paul M. Foote, B-210566 (Mar. 22, 1983). We agree with GAO. The plain words of the statute and the regulations authorize USDA to reimburse Mr. Sharp for expenses he incurred in connection with the purchase of one house at his new duty station, and do not authorize USDA to reimburse him for the \$515 he spent for an inspection and appraisal of a house that he did not purchase.

MARTHA H. DeGRAFF
Board Judge