



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

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February 5, 2010

CBCA 1678-RELO

In the Matter of ERIK E. EHRENBORG

Erik E. Ehrenborg, Linwood, NC, Claimant.

Cheryl Holman, Chief, PCS Section, PCS Travel Team, Financial Services Center, Department of Veterans Affairs, Austin, TX, appearing for Department of Veterans Affairs.

**VERGILIO**, Board Judge.

On August 3, 2009, the Board received a claim from Erik E. Ehrenborg (claimant), regarding relocation as an employee of the Department of Veterans Affairs (agency). The claimant received relocation benefits, including an advance, for his transfer within the continental United States. The claimant did not fulfill the terms of his service agreement; he did not remain in Government service for one year. The agency holds the claimant liable for relocation costs expended by the agency, finding unacceptable the reasons put forward by the claimant to explain his early resignation. The claimant contends that the agency should have waived his indebtedness, putting at issue liability (not specifically the amount of recovery).

The claimant did not fulfill his service agreement obligations. The agency reasonably declined to accept the claimant's justification of reasons as a basis to forego the claimant's debt. The claimant is liable for all costs expended by the agency for his relocation. The Board denies the claim.

Background and Analysis

An employee is required to sign a service agreement when transferring between duty stations. In the written agreement, the employee commits to remaining in the service of the Government for a period of time, while accepting liabilities if the employee fails to fulfill the terms of the agreement. In particular, as specified in the agreement and regulations:

if you violate a service agreement (other than for reasons beyond your control and which must be accepted by your agency), you will have incurred a debt due to the Government and you must reimburse all costs that your agency has paid towards your relocation expenses including withholding tax allowance (WTA) and relocation income tax (RIT) allowance.

41 CFR 302-2.12, -2.13, -2.14 (2006).

In July 2006, this claimant signed a service agreement containing a one-year commitment to remain in Government service, with the acknowledgment of liability if the commitment was not fulfilled. The Government authorized the claimant to recover relocation allowances incurred in the change of his permanent duty station. He obtained an advance. The Government paid relocation expenses for the claimant and his family. The claimant reported for duty at the new duty station in August 2006. The claimant resigned his position on January 20, 2007, thereby ending his service with the Government.

The claimant has put forward reasons he claims were beyond his control which led to his resignation and which the agency should have accepted. He details the health conditions of his wife that he contends arose because of the unusual amount of pressure he was under and the living conditions at the new location. In addition to the conditions of his wife and family while at the new duty station, he describes some work conditions, notes that he and his family lacked housing upon arrival at the new duty station, and maintains that personal items were damaged or missing in the transfer. Also, he highlights that after his resignation he obtained no credit for annual or sick leave, and specifies some of the circumstances in departing the residence at the new duty station.

The agency reviewed the information provided by the claimant and determined that the justification is not acceptable. The agency pursued recovery of the debt.

The record does not demonstrate the unreasonableness of the agency's conclusion. Some of the circumstances post-date the resignation. The health conditions of claimant's wife and family in the new environment, and the circumstances as a whole, do not compellingly demonstrate that the resignation was beyond the control of the claimant or make unreasonable, much less arbitrary or capricious, the agency's decision deeming the reasons unacceptable. The claimant has not satisfied his burden to obtain relief.

The Board denies the claim.

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JOSEPH A. VERGILIO  
Board Judge