



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

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July 10, 2025

CBCA 8332-DBT

In the Matter of AYUSHI R.

Ayushi R., Petitioner.

Aaron J. Pound, Office of General Counsel, General Services Administration,  
Washington, DC, appearing for General Services Administration.

**GOODMAN**, Board Judge.

On January 30, 2025, the General Services Administration (GSA or agency) filed petitioner's request for an administrative wage garnishment (AWG) hearing (hearing request) concerning an alleged debt (the debt) owed by petitioner. Board Judge Allan H. Goodman was assigned as the hearing official pursuant to 41 CFR 105-57.002(p) (2024).

Background

Notices of Debt

Petitioner states she was a GSA employee from July 8, 2019, to September 19, 2022. Hearing Request at 8.<sup>1</sup> Petitioner received her first notice of the debt more than a year after she separated from the Government in a demand letter from GSA dated December 12, 2023, which listed the principal amount of the debt as \$3513.69 with no interest or penalty. *Id.* at 10, 18. The demand letter states, "You separated on 9/24/2022 and [were] overpaid 32 regular and 11 lump sum annual leave hours." *Id.* at 20.

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<sup>1</sup> Record citations are to the page numbers of the PDF files submitted to the Board.

GSA sent petitioner a second notice of debt dated January 16, 2024, which listed \$3513.69 as the principal amount of the debt, \$8.78 for interest, and no penalty and included the same annual leave overpayment explanation for the debt as the initial debt notice. *Id.* at 21, 23.

GSA sent petitioner a third and “[f]inal [n]otice” of the debt dated February 20, 2024, which listed \$3513.69 as the principal amount of the debt, \$17.56 for interest, a \$10 administrative charge, and no penalty and included the same annual leave overpayment explanation for the debt. *Id.* at 24, 25.

Petitioner states that she made numerous attempts “from December 2023 to March 2024 to contact the email and phone information listed on GSA’s demand letter to understand the nature of the debt and to request a hearing.” *Id.* at 8. She states further that she never received clarity on the nature of the debt, how the debt was calculated, or the validity of that calculation. *Id.*

By letter dated October 25, 2024, the Internal Revenue Service (IRS) notified petitioner that \$3161 of a tax refund due to her had been applied to the debt. *Id.* at 11 (IRS notice).

### AWG Hearing

GSA issued petitioner a notice of intent to initiate administrative wage garnishment proceedings (wage garnishment notice), dated December 27, 2024. Hearing Request at 12-16. The wage garnishment notice included a debt balance of \$861.34. *Id.* at 12.<sup>2</sup>

On January 30, 2025, GSA filed petitioner’s hearing request which initiated this proceeding. The hearing request included petitioner’s summary of her GSA employment and her disputes as to the basis for the debt. *Id.* at 8. The hearing request also alleged that, after separating from the Government, she did not receive her last paycheck from GSA. *Id.* In addition, the request included the various notices of debt described above and additional information filed by GSA detailing the basis for the debt, including a document titled “Separated Debt Package.” *Id.* at 27. This document purports to show the basis and calculation of the alleged debt, which included alleged overpayments of wages and annual

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<sup>2</sup> The wage garnishment notice did not explain how the \$861.34 balance due was calculated. As \$3161 of petitioner’s tax refund was applied to the debt, adding the \$861.34 balance due amount would yield a total debt of \$4022.34.

leave when she separated from the Government. *See id.* As detailed below, GSA alleges that three payments to petitioner included erroneous overpayments. *Id.*<sup>3</sup>

On February 13, 2025, the hearing official held a telephone conference with petitioner and agency counsel to explain the procedures for this matter and to establish a schedule for further proceedings. During the conference, petitioner stated that she did not believe she owed any portion of the alleged debt, including the amount previous collected from her tax refund. *See Board's Order on Proceedings* (Feb. 14, 2025) at 2. She also stated that she has never received sufficient documentation from the agency to explain why she owes the debt. *Id.*

On February 20, 2025, GSA filed a submission describing the alleged debt along with a series of exhibits. On March 4, 2025, petitioner filed a submission, also with exhibits, which questioned the existence and calculation of the alleged debt. On March 6, 2025, the hearing official held a telephone conference with petitioner and agency counsel and, thereafter, issued a conference memorandum and order directing GSA to file additional information. *Board's Order on Proceedings* (Mar. 7, 2025) at 2. On March 13, 2024, GSA filed its supplemental submission, which included a narrative, a calculation sheet, and two affidavits from GSA employees who revised petitioner's time cards in 2023 and determined the amount of the debt.

On March 14, 2025, the hearing official held a telephone conference with petitioner and agency counsel. GSA counsel explained the basis of the alleged debt, and petitioner raised questions as to the calculation of the alleged debt and the payments she received since leaving her government position. The hearing official requested that petitioner submit a written statement "explaining her questions as to the issues she raised and the mathematical calculations she questions, including calculation of the alleged debt in relation to the payments that she has received or that she believes she should have received." *Board's Order on Proceedings* (Mar. 14, 2025) at 1. On April 4, 2025, petitioner filed additional information as directed.

On April 14, 2025, after reviewing the prior submission of the parties, the hearing official issued an order directing the parties to respond to specific inquiries in order to complete the record. *Board's Order* (Apr. 14, 2025). After receiving responses to the inquiries, the hearing official held another telephone conference on April 28, 2024. During

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<sup>3</sup> This document does not describe or identify the additional overpayment of Old Age Survivors Disability Insurance (OASDI) and Medicare taxes, referenced in GSA Submission (Feb. 20, 2025) at 9; GSA Submission (May 16, 2025) at 2.

that conference, the hearing official directed the parties to respond to additional inquiries by May 16, 2025, and petitioner elected to have the case resolved on the written record. Board's Conference Memorandum and Order (Apr. 29, 2025) at 2. After receiving responses from the parties on May 16, 2025, the hearing officer closed the record for decision.

### Factual Background

#### Petitioner's Explanation of Final Pay Period

Petitioner states that her supervisor asked her to travel from her official duty station to Washington, D.C., for her last full week of work, which was from Monday, September 12, to Friday, September 16, 2022, as she was required to return her government-owned equipment and identification card at GSA headquarters and also submit her travel receipts. Petitioner's Submission (Mar. 4, 2025) at 3.

Petitioner further states that she submitted her final time card for the pay period ending on September 24, 2022, to reflect eighty hours—forty-eight regular hours worked (eight hours for each day from Monday, September 12, to Friday, September 16, and Monday, September 19) and thirty-two hours of annual leave (eight hours for each day from Tuesday, September 20, to Friday, September 23)<sup>4</sup> per an agreement with her manager. *Id.* at 3. Petitioner states that her "separation date" was Monday, September 19, 2022, and her "resignation date" was Saturday, September 24, 2022. *Id.* However, on her Standard Form 50, petitioner's separation date from federal employment is documented as effective September 19, 2022. Hearing Request at 12. Petitioner was not employed by GSA after that date.

#### Errors in Petitioner's Last Time Card and Origin of the Debt

In its various submissions, GSA explains how the debt arose. In GSA's February 20, 2025, submission, GSA reiterates the factual basis for the alleged debt, which was described in the document entitled "Separated Debt Package." GSA Submission (Feb. 20, 2025) at 2-3; Hearing Request at 30. On September 19, 2022, petitioner separated from GSA. For the pay period ending September 24, 2022, even though petitioner states that she worked forty-eight hours and submitted a time card for these hours plus thirty-two hours of annual leave, the initial time card processed did not reflect this. Rather, petitioner's submitted time card lists eighty regular hours worked and no annual leave. As a result, petitioner's final paycheck for

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<sup>4</sup>

September 24, 2022, was a Saturday, not a workday.

the pay period ending September 24, 2022, and paid on September 30, 2022, was erroneously calculated as if petitioner had worked regular hours on every workday of the pay period.

The debt arises from errors in three payments made to petitioner after the final time card was processed. The first payment was petitioner's final paycheck in the amount of \$3567.95,<sup>5</sup> which GSA alleges contained an overpayment of thirty-two hours of regular pay. The second payment was \$7903.39 for her accumulated annual leave, which was paid on October 14, 2022.<sup>6</sup> GSA alleges that this accumulated annual leave payment contained an overpayment of eleven hours of annual leave. The third payment to petitioner was a \$227.87 refund petitioner received on July 15, 2023, for OASDI and Medicare taxes which GSA contends was refunded in error.<sup>7</sup> GSA Submission (Feb. 20, 2025) at 9; GSA Submission (May 16, 2025) at 2.

#### Discovery of Error and Amendment of Time Card

During an audit of petitioner's time card for the pay period ending on September 24, 2022, GSA discovered the time card error, amended the time card, and identified petitioner's debt. GSA Submission (Mar. 13, 2025), Affidavit of Daniel M. Beck (Beck Affidavit) at 12-13. By amendment, the time card changed from eighty regular hours to forty-eight hours: forty regular hours (eight hours for each day from Monday, September 12, to Friday, September 16) and eight hours of annual leave for Monday, September 19, the day on which petitioner separated from Government. The audit determined that petitioner did not work on or after Tuesday, September 20, resulting in an overpayment of thirty-two regular hours (eight hours for each day from September 19 to September 23). Beck Affidavit ¶ a.

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<sup>5</sup> In her hearing request, petitioner stated that she did not receive her final paycheck from GSA. Hearing Request at 11. During these proceedings, petitioner stated that she was not referring to the paycheck itself but to payment for accumulated annual leave, which she believes was not paid in full. Petitioner Submission (Apr. 23, 2025) at 2. She acknowledged that she received a payment of \$3567.95 on September 30, 2022, which was her final paycheck for the pay period ending September 24, 2022. *Id.*; Petitioner Submission (Mar. 4, 2025) at 4.

<sup>6</sup> Petitioner also questioned why, on October 14, 2022, she only received \$7903.39 as payment for her remaining annual leave, rather than \$11,911.68. Petitioner Submission (Apr. 4, 2025) at 2. GSA provided evidence that the \$4008.29 difference reflected deductions for federal and state taxes, OASDI, and Medicare. GSA Submission (Feb. 20, 2024) at 8; GSA Submission (Apr. 23, 2025) at 2-3.

<sup>7</sup> This erroneous payment was issued after the audit described herein.

The portion of the debt for overpayment of regular time was calculated<sup>8</sup> by multiplying the thirty-two overpaid hours of regular time entered on petitioner's initial time card by her at an hourly rate of \$84.48 and then subtracting mandatory salary deductions for Medicare, OASDI, and the Federal Employees Retirement System (FERS). Hearing Request at 27. When GSA recalculated petitioner's initial time card, it removed the thirty-two regular hours on her initial time card for Tuesday through Friday, September 20 through 23, as she had separated from GSA on Monday, September 19.

Petitioner's earned annual leave balance prior to her final time card was 134 hours. As petitioner did not work on Monday, September 19, eight hours of annual leave were applied to the amended time card for the pay period ending September 24, 2022. Beck Affidavit ¶ b.

GSA asserts that an additional eleven hours of annual leave were overpaid: three unearned annual leave hours due to petitioner not being in a "leave earning status" and eight annual leave hours erroneously included in her annual leave payout. After petitioner's time card was amended for the pay period ending September 24, 2022, petitioner did not earn the seven hours of annual leave originally granted her based on working eighty regular hours during the pay period. Employees are credited with leave on a pro-rata basis for only the portion of hours worked in a "leave earning status." Due to her separation from GSA on September 19, petitioner was not in a "leave earning status" after September 19 and, thus, earned only four annual leave hours for the forty-eight hours worked, for an overpayment of three hours. In addition, the amended time card applied eight hours of annual leave to Monday, September 19, yet the \$7903.39 payment on October 14, 2022, for the remaining leave included both the three unearned annual leave hours and the eight annual leave hours used on September 19. Therefore, eleven hours of annual leave were overpaid in petitioner's October 14, 2022, lump sum annual leave payment. Beck Affidavit ¶ c.

Eight annual leave hours were applied to the amended time card for Monday, September 19 because petitioner did not work on her final day with GSA; however, the lump sum annual leave payment that was paid to petitioner included those eight hours. The amended time card for September 24, 2022, was received by GSA payroll operations using eight hours of annual leave after the payment had been made. The portion of the debt attributed to eleven overpaid annual leave hours was calculated by multiplying eleven by

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<sup>8</sup> Mr. Beck used the pay period ending July 1, 2023, "Payroll Accounting and Reporting Consolidated by Employee" report to calculate the debt. Petitioner was paid an erroneous refund of OASDI and Medicare taxes in the amount of \$277.87 in the paycheck for the pay period ending July 15, 2023. Beck Affidavit ¶ a.

petitioner's hourly rate and subtracting mandatory salary deductions (Medicare and OASDI). Beck Affidavit ¶ d.

The determination of the number of overpaid leave hours was also described by Margaret J. Doty, a GSA Accountant. GSA Submission (Mar. 13, 2025), Affidavit of Margaret J. Doty at 16. Ms. Doty explains that petitioner's leave balances in the paycheck immediately preceding her final paycheck listed 134 annual leave and thirty-one sick leave hours. *Id.* Petitioner's final paycheck originally listed seven earned annual leave hours for a total of 141 annual leave hours and four earned sick leave hours for a total of thirty-five sick leave hours. Petitioner was paid for the 141 lump sum annual leave hours in the \$11,911.68 payment (minus deductions) that she received on October 24, 2022. After the time card was amended on June 26, 2023, from eighty regular hours to forty-eight regular hours (including eight annual leave hours), the seven earned annual leave hours were pro-rated to four earned hours, resulting in a loss of three annual leave hours. Thus, petitioner was overpaid eleven annual leave hours (three hours for pro-rating accrued leave and eight for the eight annual leave hours applied to her amended last pay period). The four earned sick leave hours became two earned sick leave hours for a total of thirty-three sick leave hours. Petitioner used only eight annual leave hours for Monday, September 19 during her final pay period; thirty-two annual leave hours were not applied, nor could they be after she separated on September 19, 2022. The thirty-two annual leave hours were paid with the 141 lump sum annual leave payment for the pay period ending October 8, 2022, and eleven of those hours were an overpayment.

#### Calculation of the Debt

According to GSA, the gross amount of the debt was \$3632.64. After mandatory deductions were recovered and applied, the remaining debt balance is \$3513.69, calculated by GSA:

1) Net debt amount for overpayment of 32 regular hours = **\$2377.62**. This amount was calculated by multiplying petitioner's hourly wage (\$84.48) by 32 hours for a gross amount of \$2703.36 and then subtracting deductions (\$325.74)<sup>9</sup> to result in a net debt amount of \$2377.62.

2) Net debt amount for overpayment of 11 hours annual leave = **\$858.20**. This amount was calculated by multiplying petitioner's hourly wage (\$84.48) by 11

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<sup>9</sup> Deductions were identified as \$39.19 (Medicare), \$167.6 (OASDI), and \$118.95 (FERS).

hours for a gross amount of \$929.28 and then subtracting deductions (\$71.08)<sup>10</sup> to result in a net debt amount of \$858.20.

3) Erroneous refund of OASDI and Medicare = **\$277.87**

**Total Debt: \$2377.62 + \$858.20 + \$277.87 = \$3513.69**

See GSA Submission (Feb. 20, 2025) at 9 (Exhibit 5).

Additional Payment of Set Aside Leave to Petitioner and Satisfaction of Debt

Petitioner received a payment of \$580.57 on April 11, 2025. GSA states that on April 8, 2025:

[T]he GSA Payroll Operations Branch Manager conducted a leave audit and found that 22 hours of set aside shared leave was still due to the employee. The payment on the pay period ending April 11, 2025 was made because the GSA owed the former employee for Set Aside leave. The debt balance is now zero.

GSA Response (May 16, 2025).

According to GSA's calculations, the total amount due petitioner for this shared leave was petitioner's hourly rate (\$84.48) multiplied by twenty-two hours for a gross amount of \$1858.56, less deductions totaling \$625.40, resulting in a net due of \$1233.16. Of this amount due, \$580.57 was paid to petitioner and the remainder of \$652.69 was applied to the debt balance. This \$652.69 portion of the shared leave owed petitioner that was applied to the debt was \$208.65 less than the \$861.34 debt balance indicated in the wage garnishment notice. Even so, when the \$652.69 was applied to the debt, GSA indicated that the debt was satisfied. GSA's calculation indicates that as \$3137.28<sup>11</sup> had been previously collected from petitioner, after applying the \$652.69, the remaining debt balance was zero. *Id.* at 3. Accordingly, GSA states:

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<sup>10</sup> Deductions were identified as \$13.47 (Medicare) and \$57.61 (OASDI).

<sup>11</sup> The amount of \$3137.28 previously collected was comprised of principal (\$2861.10), interest (\$94.51), administrative charge (\$30), and penalty (\$151.57). GSA Response (May 16, 2025) at 4. This is \$23.72 less than \$3161, the amount indicated as collected in the IRS notice. See Hearing Request at 11.

In response to inquiry (2) asking if GSA is able to assure that no further payments or allegations of erroneous previous payments will be forthcoming to the debtor with regard to the alleged debt, after the hearing official, in order to issue a decision on the written record, closes the record in this case on or about Friday, June 13, 2025, GSA is able to answer yes.

*Id.* at 2.

### Discussion

GSA's wage garnishment regulations provide the "standards and procedures for GSA to collect money from a debtor's disposable pay by means of administrative wage garnishment to satisfy delinquent non-tax debt owed to the United States." 41 CFR 105-57.001(a). As permitted by the regulations, the debtor requested "a hearing in accordance with [41 CFR] 105-57.005 . . . concerning the existence and/or amount of the debt." *Id.* 105-57.004 (b)(3). GSA has the initial burden of establishing the existence and amount of the asserted debt. *Id.* 105-57.005(f)(1). Once GSA meets its initial burden, the petitioner must establish "by a preponderance of the evidence that no debt exists or that the amount of the debt is incorrect." *Id.* 105-57.005(f)(2).

The alleged debt arises because petitioner's time card submitted for her last pay period erroneously indicated that she worked eighty regular hours, resulting in three overpayments—for regular hours, annual leave, and OASDI and Medicare. As petitioner's resignation date was on the sixth workday of the pay period, she believed that her time card would be submitted to indicate that she worked six of the ten workdays (totaling forty-eight hours) and annual leave for the last four days (totaling thirty-two hours). While petitioner states that her supervisor had advised her that this would be acceptable, it was not, as she separated from Government after the sixth workday of the pay period and could no longer be on annual leave or accrue annual leave after that date.

Following an audit in June 2023, GSA adjusted petitioner's last time card and issued three notices of debt based upon the three overpayments. In October 2024, the IRS notified petitioner it had applied \$3161 of a tax refund due to petitioner against her debt. In December 2024, GSA issued petitioner a notice of intent to initiate wage garnishment proceedings, stating a remaining debt balance of \$861.34.

The Comptroller General has determined that an employee is responsible for repaying the Government for amounts they were overpaid. "It is fundamental that persons receiving money erroneously paid by a Government agency or official acquire no right to the money;

such persons are bound in equity and good conscience to make restitution.” *Edward E. Wolfe*, B-204973 (Mar. 4, 1982); *see also Frank A. Ryan*, B-218722 (Dec. 17, 1985).

GSA has met its initial burden and established the existence and amount of the debt by providing an explanation of the overpayment and a detailed calculation of the debt amount. Petitioner’s submissions do rebut the existence of the debt or prove that the amount of the debt is incorrect.

GSA has also issued an additional payment to petitioner for set aside leave and withheld a portion of that payment to pay the debt balance. The only discrepancies the hearing official has found in GSA’s calculations are: 1) the debt balance was ultimately satisfied by applying \$652.69 (a portion of the shared leave owed petitioner) to the remaining debt, but this amount was \$208.65 less than the \$861.34 debt balance indicated in the wage garnishment notice; and 2) according to GSA, \$3137.28 was previously collected from petitioner, which is \$23.72 less than \$3161, the amount indicated as collected in the IRS notice. *See* GSA Response (May 16, 2025) at 4. These discrepancies do not reduce the amount of the debt asserted.

However, petitioner is entitled to a refund of a portion of the amount previously collected. Petitioner states that the first time she was informed about an issue with her final time card was after she had received the first debt collection notice from GSA in December 2023. Petitioner states further that after she received the first notice from GSA the week of December 18, 2023, she called the contact number provided on the notice. She did not get through to anyone, left multiple voicemails, and finally received a voicemail on January 3, 2024. The voicemail provided an unclear explanation and instead focused on her two options to reimburse or to file a waiver. At that point, she asked for a hearing. She never heard back about her hearing request. Petitioner’s debt continued accruing interest and penalties. In early 2024, her paycheck was garnished as was her 2024 tax refund. In January 2025, more than a year after GSA’s initial December 2023 notice, this hearing was initiated.

Had the Government been responsive to petitioner’s initial inquiry, interest, the administrative charge, and penalty totaling \$276.08 would have been avoided. Accordingly, this amount shall be refunded to petitioner. This refund shall not, itself, bear interest. 41 CFR 105-57.013(b).

Decision

GSA has established the validity of the debt. As GSA has represented that the entire debt has been recovered, petitioner does not owe any additional amount. Petitioner is due a refund of interest, administrative charge, and penalty previously collected in the amount of \$276.08.

*Allan H. Goodman*

ALLAN H. GOODMAN

Board Judge