

Board of Contract Appeals

General Services Administration
Washington, D.C. 20405

January 19, 2006

GSBCA 16730-RELO

In the Matter of JOHNNY L. WATTS

Johnny L. Watts, Newport News, Virginia, Claimant.

Colonel R. Eric Rissling, Office of Staff Judge Advocate, Headquarters 1st Fighter Wing, Department of the Air Force, Langley Air Force Base, Virginia, appearing for Department of Defense.

DeGRAFF, Board Judge.

In May 2005, the Department of Defense (DoD) transferred Johnny L. Watts from one permanent duty station to another and authorized him to incur reimbursable real estate transaction expenses. Mr. Watts purchased a house near his new duty station and submitted a claim to DoD for some of the transaction expenses he incurred. DoD decided to reimburse Mr. Watts only in part for a recording fee, tax stamp fees, and the cost of lender's title insurance. Mr. Watts asks us to review DoD's decision.

Discussion

When an agency transfers an employee from a permanent duty station outside the United States to a duty station within the United States and certain requirements are met, federal law requires the agency to pay the employee's real estate purchase transaction expenses. 5 U.S.C. § 5724a(d) (2000). The extent of the agency's obligation is set out in the Federal Travel Regulation (FTR), which applies to all civilian employees, and the Joint Travel Regulations (JTR), which apply to civilian employees of DoD. Recording fees, tax stamp fees, and the cost of lender's title insurance are reimbursable, provided the amounts

paid by an employee do not exceed amounts customarily charged in the area. 41 CFR 302-11.200 (2005); JTR C14002.

DoD denied reimbursement in full for the costs incurred by Mr. Watts because DoD concluded the amounts he paid for the recording fee, tax stamp fees, and the cost of lender's title insurance were more than the amounts customarily paid by purchasers in the area. In its submission to us, DoD said it contacted three independent sources in order to establish ranges of amounts customarily paid in the area. DoD said it found the amounts paid by Mr. Watts fell outside the ranges of amounts customarily paid, so it did not fully reimburse him for the amounts he paid. DoD did not say when it contacted its three sources or when it developed its ranges.

According to Mr. Watts's real estate agent, the amounts Mr. Watts paid are customary charges in the area. In addition, a title company contacted by Mr. Watts said the amounts he paid for the recording fee and the tax stamp fee are set by the Commonwealth of Virginia, which means the amount charged to Mr. Watts was the amount customarily charged in the area to purchasers of similar homes. The title company also explained how it calculated the title insurance premium and said the amount Mr. Watts paid for recording fees and title insurance were in the normal range for the area.

This claim is similar to one we recently resolved involving the same agency and an employee who was transferred to the same area at approximately the same time as Mr. Watts. *Martha V. Hooks*, GSBCA 16754-RELO (Jan. 19, 2006). As we explained in *Hooks*, we do not know when DoD contacted its three independent sources or when it developed its range of amounts customarily paid in the area. Like the evidence presented by Ms. Hooks, the evidence provided by Mr. Watts is specific to his transaction and was provided by individuals knowledgeable about contemporary real estate transactions in the area. Here, as in *Hooks*, the evidence put forward by the employee regarding customary charges in the area outweighs the agency's evidence. Thus, according to the regulations, DoD should reimburse Mr. Watts in full for the recording fee, tax stamp fees, and the cost of lender's title insurance.

The claim is granted.

MARTHA H. DeGRAFF
Board Judge