

# Board of Contract Appeals

General Services Administration  
Washington, D.C. 20405

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May 26, 2006

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GSBCA 16872-RELO

In the Matter of RICHARD C. FLEGAL

Richard C. Flegal, New Stanton, PA, Claimant.

Robert Cooke, Chief, Fiscal Services Branch, Food Safety and Inspection Service, Department of Agriculture, Washington, DC, appearing for Department of Agriculture.

**PARKER**, Board Judge.

In connection with his 2006 transfer by the Department of Agriculture from San Antonio, Texas, to Pittsburgh, Pennsylvania, Richard C. Flegal was authorized, among other relocation allowances, real estate transaction expenses. Mr. Flegal purchased a home in Pennsylvania without taking out a loan and, upon settlement, claimed reimbursement of various settlement expenses he incurred. Among the claimed expenses was \$1338.75 for an owner's title insurance policy. He has asked the Board to review Agriculture's determination not to reimburse him for the title insurance.

The Federal Travel Regulation provides that, except for an owner's title insurance policy, the cost of title insurance on property being purchased by a transferred employee at a new duty station is reimbursable. 41 CFR 302-11.200(d) (2005). The cost of owner's title insurance, however, is not reimbursable unless it can be demonstrated that the purchase of this insurance was a prerequisite to financing or the transfer of property being purchased or unless the cost of the owner's policy is inseparable from the cost of other insurance which is a prerequisite to financing or transfer of the property. *Id.* 302-11.00(f)(9); *Nadab O. Bynum*, GSBCA 16715-RELO, 05-2 BCA ¶ 33,100.

Because Mr. Flegal did not finance the purchase of his home, it is obvious that the title insurance was neither a prerequisite to financing nor inseparable from the cost of other insurance that was a prerequisite to financing. Moreover, there is no evidence that the insurance was a prerequisite to transfer of the property or inseparable from the cost of insurance that was a prerequisite to transfer of the property. Accordingly, the amount Mr. Flegal paid for the owner's policy is not reimbursable.

Mr. Flegal points out that, prior to settling on the property, he faxed a copy of a "good faith estimate" that included a title insurance binder in the amount of \$1338.75 to an agency finance specialist, and that the specialist told Mr. Flegal that all of the items would be reimbursable. Unfortunately, the fact that Mr. Flegal may have received erroneous advice cannot create a right to reimbursement where statute or regulation do not authorize such a reimbursement. As we have explained, "[a]lthough the employee may have relied to his detriment on his agency's assurances, he may not be reimbursed because the law prevents the agency from honoring commitments made in its name by officials who do not have the power to make them." *Bruce Hidaka-Gordon*, GSBCA 16811-RELO, slip op. at 3 (Mar. 13, 2006) (quoting *Alexander S. Button*, GSBCA 16138-RELO, 04-1 BCA ¶ 32,452 (2003)); *Gary MacLeay*, GSBCA 15394-RELO, 01-1 BCA ¶ 31,210 (2000). The claim is thus denied.

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ROBERT W. PARKER  
Board Judge