



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

April 25, 2013

CBCA 3056-RELO

In the Matter of RICHARD M. HUDON

Richard M. Hudon, Edmonds, WA, Claimant.

James E. Hicks, Office of Chief Counsel, Drug Enforcement Administration, Department of Justice, Washington, DC, appearing for Department of Justice.

POLLACK, Board Judge.

Richard Hudon, claimant, seeks to have a debt for \$1956.88 annulled. The debt is the result of a demand for repayment of permanent change of station (PCS) transportation costs associated with his move from Seattle, Washington, to Arlington, Virginia.

Mr. Hudon was a Drug Enforcement Administration (DEA) agent from March 1987 to March 31, 2012, at which point he retired. Over his career he had made a number of transfers. On May 17, 2011, while stationed in Seattle, he received notice of PCS transfer to the DEA headquarters in Arlington as part of a management rotation. As part of the standard relocation process, an employee can secure relocation costs associated with such a move. However, under statute and regulation, reimbursement is contingent on the employee signing a service agreement and committing to one year of service at the new duty station.

On May 23, the claimant submitted an unsigned service agreement to DEA. He noted on the document that he was refusing to sign and stated that he intended to retire on June 30, 2012. On May 24, 2011, Mr. Hudon was notified by DEA that absent his signing the service agreement, PCS orders could not be issued. Then, on May 25, 2011, Mr. Hudon submitted retirement paperwork in Seattle which specified a retirement date of June 30, 2012.

Given the fact that he intended to retire within the year, Mr. Hudon requested DEA to postpone his transfer to Arlington until his retirement date of June 30, 2012. He stated that would be unable to fulfill the service agreement, i.e., meet the year in place requirement, as he was planning to retire. On June 30, 2011, Mr. Hudon advised DEA by e-mail message, “[A]s per my earlier e-mails, I will not have any relocation expenses and will not expect authorization since I will retire this spring and prefer not to pay it back.”

At some point thereafter, Mr. Hudon was notified by DEA that his request to delay his transfer was denied. He confirms that he was then told by a DEA official that he could still refuse to sign the service agreement; however, the consequence of his not signing would be that DEA would not authorize funding for his PCS. Further, he would still be obligated to report to headquarters in Virginia.

On July 7, 2011, Mr. Hudon signed the service agreement which included a one-year commitment to remain with DEA. He instructed the DEA official at that time that he would only be using limited funds for the move. Mr. Hudon completed the relocation and thereafter submitted a claim of \$1956.88 for reimbursement. In due course, he was reimbursed.

On March 31, 2012, less than a year after the transfer, Mr. Hudon retired. On September 7, 2012, he was advised of the debt he owed to DEA for failing to meet his one-year commitment. DEA sought repayment of the \$1956.88 it had paid him. In September 2012, Mr. Hudon submitted a letter disputing DEA’s demand for repayment.

Under 5 U.S.C. § 5724(i) (2006), for an employee to be eligible for relocation expenses associated with a transfer to a new duty station, the employee must agree in writing to remain in Government service for twelve months after his transfer. Mr. Hudon signed a service agreement which also contained that requirement. At the time he signed the agreement and at the time he put in for payment, he knew that it was his intention not to fulfill the one-year commitment. While the law allows for relaxation of the one-year commitment in some limited instances, where facts show that an employee is separated for reasons beyond his control, the situation in this case does not qualify. As determined in *Dale W. Shepherd*, GSBICA 16921-RELO, 06-2 BCA ¶ 33,435, an announced intention to retire does not vitiate a signed service agreement.

In this instance, Mr. Hudon proceeded on the basis that he was intending to retire prior to the passage of one year. He knew that a failure to meet the commitment would require him to repay any PCS funds provided. Based on the facts before us, the debt is valid and the claim is denied.

HOWARD A. POLLACK
Board Judge