

14 FAM 640

CLAIMS FOR PRIVATE PERSONAL PROPERTY LOSSES

(CT:LOG-41; 06-13-2007)
(Office of Origin: A/LM)

14 FAM 641 POLICY ON PRIVATE INSURANCE BY EMPLOYEES

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Employees are strongly encouraged to carry private insurance against damage to or loss of their personal property. The Department settles payable property claims based on the depreciated replacement cost of an item and not the cost you may actually have to pay to replace or repair that item. For this reason the Department strongly recommends the purchase of private insurance. Employees should purchase coverage for both loss and damage of household goods and privately owned vehicles shipped and/or stored. Since many insurance policies only reimburse in the event of outright loss or still-wet water damage, employees should confirm full coverage for loss and "breakage, rubbing and marring" or loss only before their goods are moved.

14 FAM 642 TYPES OF PROPERTY CLAIMS

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Claims settlement must be authorized by law. The form and procedure of the claims process varies by authority. This FAM subchapter focuses on property claims under the Military Personnel and Civilian Employees Act of 1964, 31 U.S.C. 3721 (also referred to as the Claims Act). Claims made under the Claims Act are for loss of or damage to personal property "incident to service." Claimants must be a member of the uniformed services or an American civilian officer or employee. The claim must be for damage to or loss of personal property. For claims involving third-party liability insurance, the claim must be filed with the insurance carrier before a claim is filed with the government. For example, the Claims Act could cover loss or damage to:
 - (1) Household goods or privately owned vehicle (POV) incident to a

- transfer of official duty station;
- (2) Household goods in storage;
 - (3) Household goods in a government provided residence by a non-resident government employee in the performance of duties; or
 - (4) Other loss/damage to personal property (e.g., acts of war, abandonment due to evacuation).
- b. The other types of property claims most frequently encountered in the Department of State are listed below, with links to the appropriate FAM chapter for authority and procedure.
- (1) **Tort Claims** (see 2 FAM 280 and 4 FAH-3 H-480). Tort claims may be made for loss or property, or personal injury or death, due to the negligent or wrongful act or omission or a Department of State employee acting within the scope of his or her employment.
 - (2) **Claims to contractors/from contractors.** Claims to contractors are made under the Contract Disputes Act of 1978, 41 U.S.C. 601 - 613, as are claims from contractors. A contract claim could be for damage to a vehicle caused by a local guard contractor employee. The Contracting Officer handles these claims on behalf of the government. Contract claims based on antecedent liability are chargeable to the appropriations current at the time the basic contract was written. Where no contract exists, quantum merit claims are chargeable to the fiscal year in which the goods or services were received. A/OPE can provide assistance and advice on claims under the Contract Disputes Act.
 - (3) **General-Average Contribution (GAC) Claims** (see 4 FAM 485 and 4 FAH-3 H-485). GAC claims can be made for government owned property or an employee's household goods lost or damaged as part of an uninsured incident at sea.

14 FAM 643 CLAIMS UNDER THE MILITARY PERSONNEL AND CIVILIAN EMPLOYEES CLAIMS ACT

14 FAM 643.1 Authority

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. The Military Personnel and Civilian Employees Claims Act of 1964 (31 U.S.C. 3721) as amended by Public Law 91-311 provides the authority for the settlement of claims for loss of, damage to, or destruction of,

property of military personnel or civilian employees incident to their service and the recovery from carriers, warehouse personnel, and other third parties responsible for such loss, damage, or destruction.

- b. The authority for waiver of the \$40,000-\$100,000 limitation on claims is found in 31 U.S.C. 3721(b)(2).

14 FAM 643.2 Scope

(CT:LOG-41; 06-13-2007)

(Uniform State/USAID)

- a. These regulations and procedures prescribe the basis for the administrative settlement of claims against the United States submitted by employees of the Department of State, the Agency for International Development (USAID) and their authorized dependents for damage to or loss of personal property incident to their service. Possession of the property must be reasonable or useful under the circumstances.
- b. The maximum amount payable for any loss or damage arising from a single incident is limited by law to \$40,000 unless the claim arises from an emergency evacuation or from extraordinary circumstances, in which case the maximum amount is \$100,000.
- c. The Secretary of State may waive these limitations for claims that arise in circumstances where there is an authorized or ordered departure from a foreign country in effect under the authority of 22 U.S.C. 4802, if the Secretary determines that there exist exceptional circumstances that warrant such a waiver.
- d. The Military Personnel and Civilian Employees Claims Act authorizes payment for personal property only. It does not provide a remedy for consequential damages or other types of loss or incidental expenses such as loss of use, interest, carrying charges, cost of lodging or food while awaiting arrival of shipment, attorney fees, telephone calls, car rental or cost of transporting claimant or family members, inconvenience and time spent in preparation of claim, or cost of insurance premiums. Claims for real estate damage will not be allowed.
- e. The Department's settlement of a claim under the Claims Act is final and conclusive.
- f. These regulations and procedures apply only to the Department of State and USAID. For other Foreign Affairs agencies, contact the appropriate office as listed below. Employees of agencies not listed should contact the claims office in their home agency.
 - (1) Commerce: USFCS/OFSHR. USFCS officers follow Departmental Administrative Order 203-17, "Personal Property Claims of Department of Commerce's Personnel" and its attached depreciation schedule.

- (2) USDA/FAS: FAS Officers should follow OAH-1 Chapter 8.
- (3) APHIS: USDA/APHIS officers follow USDA Departmental Regulation 2510-1 Claims under 31 U.S.C. 3721 (MPCE Act).

14 FAM 643.3 Definitions and Roles

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Accrual date: The date of the incident causing the loss or damage or when the loss or damage is or should have been discovered by the claimant through exercise of due diligence.

Claimant: The claimant is the employee (or his or her dependent or legal representative) who requests reimbursement for the loss, damage, and/or theft of a personal possession.

Claims: Any claim filed by an employee of the Department of State or USAID for damage to, loss, destruction, capture, or abandonment of employees' personal property incident to service.

Claims Assistance Officer (CAO) at post is responsible for assisting employees in the preparation of claims. The CAO is appointed in writing by the post management officer. Duties include, but are not limited to:

- (1) Furnishing necessary claim forms to the employee;
- (2) Informing the employee of the time frame for filing claims;
- (3) Advising the employee of the evidence required to substantiate the claim;
- (4) Assisting the employee in obtaining copies of shipping documents, etc., available at the post or by requesting copies of pertinent documents from the Department, U.S. Despatch Agent, or other posts when such documents are not available at the claimant's post; and
- (5) Informing the employee of who and what is involved and assisting the employee with procedures to follow in filing claims for recovery against the packers, shippers, insurers, etc.

Claims Investigating Officer (CIO) at post is an executive, administrative, or general services officer of the agency involved. Such officers prepare reports that are included with other documents when the claims are forwarded for adjudication to the appropriate agency. The claims investigating officer will not be the same individual functioning as the claims assistance officer unless special circumstances at the post, such as limited staff, make it absolutely necessary.

Depreciated value: The decreased value of an item or article due to age or usage.

Employee: For the purposes of this chapter, "employee" means:

- (1) At State: any direct hire (U.S. or foreign national) employee; persons engaged on a personal services agreement (PSA) basis; persons engaged on a personal services contract not to exceed December 2008.
- (2) At USAID: any direct hire (U.S. or foreign national) employee; persons engaged on a personal services agreement (PSA); USAID participating agency employees subject to the terms of the participating agency agreement; persons engaged on a PSC basis subject to the terms of the personal services contract.
- (3) Employees of contractors, universities, commercial firms, grantees, and other third-party contractors are not "employees" for the purposes of this chapter.

Fast-track claim: An accelerated process for the adjudication and processing of properly submitted claims under \$1000.

High-value item: A high value item must be worth at least \$1000, and be declared to the claims office before shipping or storage takes place. The item must be unusually valuable for its category. (For example, a \$1000 sofa does not qualify. A rare porcelain plate would qualify.)

Letter of intent (LOI): The LOI is an indication that the claimant intends to file a claim for the loss, damage, and/or theft of a personal possession or possessions. The LOI must include an itemized list of the items lost, damaged, or stolen, be received by the claims office, and bear a postmark which is within 75 days of the accrual date.

Office of Logistics Management, A/LM/OPS/TTM, is the State Department office that adjudicates claims made under the Claims Act. A/LM/OPS/TTM is also the CAO and CIO for Department of State claims filed domestically. Separate individuals within A/LM/OPS/TTM typically handle the CAO and CIO functions.

Pre-existing damage (PED): PED refers to damage, which existed prior to US Government control. Reimbursement for PED is disallowed.

Replacement Value: The acquisition cost of the item plus a factor that reflects changes in the purchase power of the U.S. dollar (as set forth in the consumer price data prepared by the Bureau of Labor Statistics, U.S. Department of Labor).

Resource Management (RM) is the office that makes payments under the Claims Act.

Settle: To consider, ascertain, adjust, determine, and dispose of any claim whether by full or partial allowance or disallowance.

USAID Travel and Transportation Division, M/AS/TT, is the USAID office that adjudicates claims made under the Claims Act. M/AS/TT is

also the CAO and CIO for USAID claims filed domestically.

14 FAM 644 CLAIMS PAYABLE

14 FAM 644.1 Types and Quantities

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Compensation will be allowed under this regulation only for such types and quantities or amounts of property as determined by the approving authority to have been reasonable, useful, or proper in the attendant circumstances at the time and place of the loss. In determining the reasonableness of property included in a claim, the approving authority will take into consideration the circumstances attending acquisition or possession of the property and the manner of damage or loss.

14 FAM 644.2 Amounts Allowable

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

A schedule of the maximum amounts allowable for specific articles and the maximum quantities allowable is found in 14 FAM Exhibit 644.2. This schedule generally will be followed in computing awards. Whenever this schedule is not followed, the approving authority will indicate why the schedule was not followed, and the basis for the quantity allowed.

14 FAM 644.3 Ownership

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Claims which are otherwise within the provision of these regulations will not be disapproved solely because the property was not in the custody of the claimant at the time of the damage, loss, or destruction, or solely because the claimant was not the legal owner of the property for which the claim was made. For example, borrowed property may be the subject of a claim if its possession was reasonable, useful, or necessary to the claimant.

14 FAM 644.4 Specific Classes of Claims

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

This section gives examples of the types of damage to or losses of personal property that may occur in the course of service. Claims should, when

possible, be accompanied by the specific and detailed evidence listed for that claim type below.

14 FAM 644.4-1 Property Losses at Quarters or Other Authorized Places

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

For property losses at quarters or other authorized places, in addition to support documentation outlined in 14 FAM 646.3, provide a statement indicating:

- (1) Geographical location;
- (2) Whether quarters were assigned or provided in kind or reimbursed by the U.S. Government;
- (3) Whether quarters are regularly occupied by the claimant;
- (4) Names of competent authority who authorized the place of storage of the property, if other than quarters; and
- (5) Measures taken to protect the property.

14 FAM 644.4-2 Theft

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. For cases of theft, provide the following documentation, as applicable, in addition to support documentation outlined in 14 FAM 646.3:
 - (1) Copy of travel authorization assigning claimant to post;
 - (2) Copy of report by post security officer, Regional Security Officer (RSO), or DS domestic office as appropriate;
 - (3) Copies of police report and results of investigations;
 - (4) A statement indicating facts and circumstances surrounding the loss, including precise location of the property prior to the loss, evidence of larceny, burglary, or housebreaking; capture of the thief, recovery of part of the stolen goods, etc.; and
 - (5) Evidence that the claimant exercised due care in protecting the property prior to the loss. Consideration will be given to the degree of care normally exercised in the locale of the loss due to any unusual risks involved.
- b. Includes damage or loss due to theft while located at:
 - (1) Quarters, wherever situated, which are assigned to the claimant or otherwise provided in kind or by reimbursement by the U.S.

Government; or

- (2) Any warehouse, office, or other place (except quarters) which has been officially authorized by competent authority (normally the senior administrative officer at the post) for the reception or storage of the property.

14 FAM 644.4-3 Transportation Losses

(CT:LOG-41; 06-13-2007)

(Uniform State/USAID)

- a. Includes damage or loss during packing, storage, and/or transportation by a U.S. Government agent or agency, or a carrier, when such packing, storage, and/or transportation has been officially authorized or in connection with travel under official orders.
- b. Transportation claims should include, in addition to support documentation outlined in 14 FAM 646.3:
 - (1) Copy of orders authorizing the travel, transportation, storage, or shipment of the property;
 - (2) Copy of all bills-of-lading, delivery receipts, and inventories of property shipped and/or stored;
 - (3) Copy of demand on carrier or insurer or, both, and replies;
 - (4) For missing property, statement indicating action taken to locate missing property, with related correspondence;
 - (5) In cases where property was turned over to the U.S. Government or a contract packer, provide:
 - (a) Names or designation of individual or company;
 - (b) Date property was turned over;
 - (c) Condition of the property when it was turned over;
 - (d) When and where property was packed and by whom;
 - (e) Date of shipment and reshipment;
 - (f) Copies of all manifests, bills-of-lading, and contracts;
 - (g) Date and place of delivery to claimant;
 - (h) Date property was unpacked;
 - (i) Statement of disinterested witnesses as to condition of property when received and delivered, or as to handling and storage;
 - (j) Information on whether the negligence of any U.S. Government employee acting within the scope of employment caused the damage or loss;

- (k) Information on whether the last common carrier or local civilian carrier was given a clear receipt;
- (l) Indication that item was listed as a high-value object, if appropriate; and
- (m) Repair estimate.

14 FAM 644.4-4 Enemy Action, Terrorism, Public Disaster, Public Service, Abandonment or Evacuations

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Includes damage or loss that results from enemy action or threat thereof, terrorism, guerrilla warfare, organized banditry or other belligerent activities whether the United States is or is not involved; or unjust confiscation by a foreign power or its nationals.
- b. Claims should include, in addition to support documentation outlined in 14 FAM 646.3:
 - (1) Privately owned vehicle (POV) registration and/or proof of ownership and proof of options on POV being claimed;
 - (2) Packing inventories to post;
 - (3) Packing inventories from bulk food orders for post commissary or for individual consumables shipments;
 - (4) Copy of claim made against insurance or certification from insurance company that loss is not covered under war clause exclusion, etc.;
 - (5) Statement of a disinterested U.S. Government employee verifying ownership of items claimed. Other ownership proofs include photographs, video tapes, etc; and
 - (6) Substantiation of amounts being claimed. Examples of substantiation of amount claimed are credit card statements, mail order statements, receipts from place of purchase, or appraisals. (Please note that the U.S. Government does not reimburse appraisal fees.)

14 FAM 644.4-5 Property Used for Benefit of or Under the Control of U.S. Government

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Includes damages or losses that occurred while personal property was being used, or held for use, for the benefit of the U.S. Government by

official direction or request.

- b. Claims must include a statement from a proper authority that the property was being used, or held for use, by official direction or request, in addition to the supporting documentation required by 14 FAM 646.3.

14 FAM 644.4-6 Losses by Fire and Natural Disaster

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Includes damage or loss due to fire, flood, winds, natural or unusual occurrences, while located at:

- (1) Quarters, wherever situated, which are assigned to the claimant or otherwise provided in kind or by reimbursement by the U.S. Government; or
- (2) Any warehouse, office, or other place (except quarters) which has been officially authorized by competent authority (normally the senior administrative officer at the post) for the reception or storage of the property.

14 FAM 644.4-7 Losses Due to Marine or Aircraft Disaster

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Includes damage to or loss of property as a consequence of perils of the sea or air or other public conveyance in connection with official travel.
- b. A copy of travel authorization or other evidence to establish the claimant's right to be, or to have property on board is required, in addition to supporting documents outlined in 14 FAM 646.3.

14 FAM 644.4-8 Losses Resulting from Official Duties

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Includes damage or loss that directly results from extraordinary risks to which the property has been subjected by the claimant's official duties, including but not limited to:

- (1) Duty in connection with civil disturbance, public disorder, or public disaster;
- (2) Claimant's efforts to save U.S. Government property or human life when claimants own property could have been saved without such action; or
- (3) Abandonment or destruction of property by reason of emergency or

by order of superior authority.

14 FAM 644.4-9 Loss Due to Negligence

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Includes damages or losses incurred when the proximate cause of the damage to or loss of property was the negligent act or omission of the U.S. Government or employees acting within the scope of their employment.

14 FAM 644.4-10 Motor Vehicle Losses

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Includes damage or loss to privately owned vehicles (POVs) that are:
 - (1) Shipped to, from, or between posts abroad at U.S. Government expense in accordance with 14 FAM 610; or
 - (2) Located at quarters, which includes garages, carports, driveways, and assigned parking spaces and lots specifically provided and used for the purpose of parking, provided that the loss or damage is caused by vandalism, fire, flood, hurricane type winds, explosion, unusual occurrence, or by theft.
- b. Claims should include, in addition to support documentation outlined in 14 FAM 646.3, the POV registration and/or proof of ownership and proof of options on POV being claimed. "Options" refers to equipment that can be included on/in a vehicle, but are not necessarily standard items on a particular model, such as CD player, special wheels/tires, trailer hitch, speakers, sunroof, etc.

14 FAM 644.4-11 Other

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

May include other meritorious claims within the scope of the Military Personnel and Civilian Employees Claims Act of 1964, as amended, which are not prohibited by these regulations.

14 FAM 645 CLAIMS NOT PAYABLE

14 FAM 645.1 Claims Not Payable

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Claims are not allowed under the Claims Act for the following personal property and/or in the following circumstances. Employees may be able to file claims with other entities such as private insurance, United States Postal System (USPS), or credit card companies, depending on the circumstances. Please note that the claims office is not available to assist employees in filing claims with other entities.
- b. Claims are not allowed:
 - (1) For property lost or damaged, when part (or all) of the loss is due to negligence on the part of the claimant or his agent. Negligence is defined as the failure to exercise that degree of care which a reasonable and prudent person would have exercised under the same or similar circumstances;
 - (2) For any damage to or loss of property at quarters, unless those quarters were assigned or provided by the U.S. Government;
 - (3) For intangible property, which is property that has no intrinsic and marketable value but is merely representative or evidence of value, such as nonnegotiable stock certificates, promissory notes, bonds, bills of lading, warehouse receipts, insurance policies, baggage checks, and bankbooks;
 - (4) For U.S. Government property;
 - (5) For articles acquired or held for sale or disposition by other commercial transactions, or for use in a private profession or business enterprise;
 - (6) For damage to or loss of property acquired, possessed, or transported in violation of the law or regulations. This does not apply to property in shipments that exceed limitations on the weight of shipments of household and personal effects. This includes property inappropriate for shipment and/or property that is inappropriate for inclusion in unaccompanied air baggage (UAB), such as furniture and major appliances that should be shipped with household and personal effects. For USAID employees: If computers, electronic equipment such as tape decks, CD players, and VCRs are shipped, all alkaline batteries shall be removed and employee shall obtain private insurance to cover any losses. The U.S. Government will not be responsible for damages incurred and requests for reimbursement from USAID shall be denied;
 - (7) For loss of money in any amount which was stored or transported in baggage or household goods;
 - (8) For loss, damage to or destruction of property stored or transported at personal expense;
 - (9) For money or currency that was not stored or transported in baggage or household goods except when lost incident to a marine,

aircraft, or other public transportation accident, or when lost by fire, flood, hurricane type winds, or theft from quarters, or while performing official duties. In theft from quarters, it must be conclusively shown that the money or currency was reasonably protected and that appropriate security measures had been taken. Reimbursement for loss of money or currency is limited to an amount that the approving authority determines to have been reasonable for the claimant to have in possession at the time of the incident;

- (10) For unserviceable property;
- (11) For losses due to theft of easily pilferable, high-value articles including, but not limited to, jewelry (including costume jewelry), watches, and rings when such articles are shipped with household goods or unaccompanied baggage. (See 14 FAM 645.2.) This prohibition does not apply when the articles are in personal baggage of the claimant or properly checked baggage, provided reasonable protection or security measures have been taken (see 14 FAM 645.1 a);
- (12) For articles intended directly or indirectly for persons other than the claimant or members of the claimant's immediate household. This prohibition includes articles acquired at the request of others and articles to be disposed of by sale;
- (13) For loss, theft or damage of articles being worn (including handbags and wallets) except under the circumstances described in 14 FAM 644.4-4, 14 FAM 644.4-7, and 14 FAM 644.4-8, which deal respectively with hostile action, public conveyance disaster, and the performance of official duties;
- (14) For theft of personal property from the person of the employee or dependent unless performing official duties, including authorized travel;
- (15) For any damage or loss to employee's privately owned motor vehicle incident to its operations;
- (16) For any losses of insurers and other subrogees;
- (17) For any losses, or any portion thereof, which have been recovered or are recoverable from an insurer, packer, warehouse personnel, carrier, or pursuant to contract; provided that, in adjudicating claims, any recoveries from the above sources shall be applied first against items of property lost or damaged which cannot be reimbursed under these regulations. Failure to make demand against the appropriate third party or contract may result in the reduction of an amount equal to that which could have been recovered from the amount otherwise allowable, except in instances where an employee's property is damaged without their fault or

negligence by security measures taken by the Department or its contractors (which will be allowable without requiring claims against the employee's insurance company);

- (18) For theft unless positive evidence clearly establishes:
 - (a) The existence of a larceny, burglary, or housebreaking; and
 - (b) That the claimant exercised due care in the protection of claimant's property;
- (19) For items purchased at unreasonably high prices. Claims for such items are allowed only on the basis of the reasonable purchase price of substitute articles of a similar functional nature, appropriate for the claimant under the particular circumstances of service and disregarding the nonintrinsic value of the item damaged or lost;
- (20) For articles lost or damaged while in transit in diplomatic pouch (see 5 FAH-10 H-521), the United States Postal System (USPS), private couriers (e.g., FedEx, UPS, DHL, etc.) or international mail systems; and
- (21) For personal property placed in a warehouse, office, safe, file cabinet, or other place for personal convenience in the absence of proper authorization (see 14 FAM 644.4-2 and 14 FAM 644.4-6).

14 FAM 645.2 High-Value Items

(CT:LOG-41; 06-13-2007)

(Uniform State/USAID)

- a. Items of extraordinary or substantial value are considered high-value items.
- b. Small high-value items are easily pilferable when shipped with household goods, unaccompanied baggage, or placed in storage. Loss usually occurs due to theft or other unexplained incidents. Nonexclusive examples of this category are cameras, cell phones, watches, jewelry, PDAs, iPods, MP3, CD or DVD players, binoculars, small radios, cigarette cases, coin collections, and stamp collections. Normally, a small item having a value of over \$50 can be considered a small high-value item. Loss of small high-value items under circumstances indicating that the loss was caused by theft in storage, in transit, or in temporary and nontemporary storage are not payable in any amount in the settlement of a claim. This prohibition does not apply when the articles are in the claimant's accompanied baggage or personal custody or are properly checked, provided reasonable protection or security measures have been taken. (See 14 FAM 645.1 a.)
- c. Items of extraordinary value: A high-value item which, because of quality of workmanship or design, quality of materials, or association with

a past event or historical figure, possesses a value far beyond the usual value of a similar item. An item that costs less than \$1,000 will generally not be considered in this category. Items of extraordinary value are normally limited to items that primarily serve an artistic or decorative purpose or are collectors' items. Even where loss of an item of extraordinary value is payable, the allowable compensation may be adjusted to the price of a reasonable substitute article of a similar type.

- d. Special requirements for shipping high-value items: Employees are urged to hand carry or make other provisions for small and easily pilferable high-value items such as cash, jewelry, and coin collections, and should pay special attention to 14 FAM Exhibit 644.2. High-value items that are not easily pilferable may be included with household goods shipments. It is most important that, regardless of the manner in which the items are shipped, employees must declare all high-value items in writing at the time of making arrangements for shipment by submitting a detailed list of such items. State employees must furnish this list to:

Transportation and Travel Management Division Claims Section
A/LM/OPS/TTM/CL (Room 4535 HST)
Department of State
Washington, D.C. 20520

NOTE: USAID employees shall furnish this list to:

USAID Travel and Transportation Division
M/AS/TT-ATTN Claims Officer
Reagan Building - Room 2.09B
1300 Pennsylvania Avenue, NW
Washington, DC 20523-0006

Unless the employee furnishes this declaration, high-value items may not be considered for payment in any amount in the settlement of a claim for loss or damage.

- e. If an employee intends to ship or store articles, the value of which will exceed both the Department's and the potential carrier's liability, the employee should strongly consider procuring sufficient insurance to cover the true value of the articles being shipped or stored. (See 14 FAM 641.)
- f. A thesis, or other similar item, is compensable only to the extent of the out-of-pocket expenses incurred by the claimant in preparing the item, such as the cost of the paper or other materials therein. Compensation is not authorized for the time spent by the claimant in the preparation thereof or for the literary value of the item.

14 FAM 646 CLAIMS PROCEDURES

14 FAM 646.1 Who May File

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. A claim may be presented by an employee, in the claimant's name by the spouse as authorized agent, or by the claimant's authorized legal representative. Claims filed by an authorized agent or legal representative must be accompanied by appropriate documentation of a power of attorney. If the employee is deceased, the claim may be presented by a survivor or the legal representative of the deceased. Claims presented by survivors will be settled in the following order regardless of whether the claim arose before, concurrently with, or after the claimant's death:
 - (1) Spouse (If separated or legally separated at the time of the employee's death, the claim should ordinarily be brought by the employee's legal representative);
 - (2) Child or children;
 - (3) Father, mother, or both; and
 - (4) Brothers, sisters, or both.
 - (5) In-laws are allowed to file only if the claimant is deceased and the in-law is probating the estate of the deceased employee.
- b. Tandem couples are cautioned to consider shipping their personal property separately. The maximum amount payable by law and the Table of Maximum Amounts Allowable in 14 FAM Exhibit 644.2 apply to each employee and the personal property shipped in accordance with her or his individual travel authorization. Tandem couples may reduce the total amounts allowable under such limits if the property of both employees is shipped under the travel orders of only one employee.

14 FAM 646.2 Time Prescribed for Filing

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. The statutory limitation in which a claim may be presented is two calendar years. The time of accrual begins at the time of the incident causing the loss or damage or when the loss or damage was or should have been discovered by the claimant through exercise of due diligence.
- b. Within 75 days of incurring the loss, the claimant must either have submitted a letter of intent (LOI) to file a claim or have submitted the completed claim (see 14 FAM 646.3 What to File). A claimant may file a delivery receipt noting damaged or lost goods in lieu of the letter of intent. Damage to a personally owned vehicle (POV) must be noted on

the delivery receipt at the time of delivery. The exception to this requirement is for internal damages. Barring extenuating circumstances, concealed damages to a POV, (i.e., frame damage, suspension damage, and engine damage) as a result of transportation, etc. will only be allowed when written notification is given to the Claims Office or to the Post Claims Officer within 72 hours after delivery.

c. Critical Time Frames

- (1) 75 Days from the date of delivery to turn in a letter of intent or Form DS-1620-E itemizing damages or missing items.
- (2) Two years from the date of delivery (accrual date) to file a written claim with the Claims Office or Post.
- (3) Six months from the date of settlement or denial of a claim to file a request for reconsideration.

d. Delay in Filing

If a claim accrues in time of war or armed conflict in which an armed force of the United States is engaged, or if such a war or armed conflict intervenes within two years after the claim accrues, and if good cause is shown, the claim may be presented not later than two calendar years after the war or armed conflict is terminated. If good cause for delay in filing is not established, the intervention of war or armed conflict in itself will not permit payment of a claim presented later than two calendar years after accrual. For purposes of this paragraph, an armed conflict begins and ends as stated in a concurrent resolution of Congress or a decision of the President (see 31 U.S.C. 3721(g)).

14 FAM 646.3 What To File

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Within 75 days of delivery the claimant must file with the appropriate GSO (overseas) or with the A/LM/OPS/TTM Claims office (domestic), a copy of the original shipping inventory **and** at least **one** of the following documents noting damage by the carrier:
 - (1) Delivery receipt with the loss or damage noted;
 - (2) An itemized letter of intent to file a claim (by e-mail, fax or hand delivery);
 - (3) Form DS-1620-E Notice of Loss or Damage; or
 - (4) Form DS-1620-D Joint Statement of Loss or Damage at Delivery;
- b. Within two years of delivery, the claimant must file with the same official:
 - (1) **One** of the following:

- (a) For claims of \$1,000 and over, DS-1620 Claims for Private Personal Property Against the United States; or
 - (b) For claims under \$1,000, a DS-1620-F Fast Track Claim for Private Personal Property Against the United States;
- (2) **And all** of the following:
- (a) DS-1620-C Schedule of Property for all claims, except ITGBL Claims. (See 14 FAM 614.5-5 for information on filing an ITGBL claim);
 - (b) DS-1620-A Claims Investigating Officer's Report (filed by Claims Investigating Officer (GSO), Overseas only);
 - (c) DS-1620-B Demand on Carrier/Contractor (filed by claimant);
 - (d) Travel authorization;
 - (e) Delivery Receipts (provided by the movers at time of delivery);
 - (f) Government Bill of Lading (available through the Transportation Division);
 - (g) Claim Made Against Insurance, or written certification of claimant's lack of insurance. See #4 on Form DS-1620 or DS-1620-F;
 - (h) Claim Made Against Carrier(s). Check promptly with the carrier as time limits may apply;
 - (i) Written Estimates for repairs. For low value items (\$50 or less) and items for which repair is unlikely (consumables, clothing, some furniture) do not submit an estimate for repairs. For higher value items (pianos, furniture, paintings, gold-leaf picture frames, etc.) an estimate for repairs is needed;
 - (j) Paid Receipts (for repairs or original purchase);
 - (k) Pre-Condition Report for POV. The company picking up a claimant's car should have the necessary forms;
 - (l) Photographs (Digital photographs are preferred) or videotape where it will support the claim;
- (3) **Plus** any additional documentation listed for a specific type of claim incident in 14 FAM 644.4.
- c. **Fast Track Claims.** Completely documented claims that are under \$1,000 can be submitted as Fast Track claims for expedited processing. Claims against an insurer must be settled prior to being filed under the fast-track process. All settlements will be made by Electronic Funds Transfer (EFT) or by U.S. Treasury check.

- d. **Intent to file:** In situations where household effects and/or air freight are turned over to an employee by the U.S. Government or a contract packer and/or moving or storage company and a complete claim cannot be filed within 75 calendar days, a claimant must submit a letter or memorandum stating the claimant's intent to file such a claim. All potential losses and/or damages must be itemized in a letter of intent (LOI). The LOI is sent to the Claims Office and must bear a postmark, which is within 75 calendar days of the accrual date.

NOTE: Any damage to a privately owned vehicle (POV) must be noted on the delivery receipt immediately upon delivery. The 75-calendar daytime limitation does not apply in the case of a damaged POV.

14 FAM 646.4 Where To File

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. **State employees:** All overseas claims should, if practicable, be submitted to the appropriate officer of the post where the claimant was assigned at the time the claim accrued. If in the United States, or if submission at post is impracticable, the claim may be submitted directly to:

Transportation and Travel Management Division Claims Section
A/LM/OPS/TTM/CL (Room 4535 HST)
Department of State
Washington, DC 20520

- b. **USAID employees:** All claims covered by these regulations should, if practicable, be submitted to the USAID executive officer of the post where the claimant was assigned at the time the claim accrued. If in the United States or if submission at post is impracticable, the claim may be submitted directly to:

USAID Travel and Transportation Division
M/AS/TT-ATTN Claims Officer
Room 2.09B - Reagan Building
1300 Pennsylvania Avenue, NW
Washington, DC 20523-0006

14 FAM 646.5 Claims Investigation

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. All claims accruing and filed at posts abroad must be investigated by a claims investigating officer (CIO) at post. If the CIO is the claimant, an alternate CIO must be designated by post management.

- b. The CIO conducts an appropriate investigation and submits Form DS-1620-A Claims Investigating Officers Report, which includes an assessment of the credibility of statements by the claimant and corroborating witnesses and recommendations as to the reasonableness of the claim.
- c. All claims and related correspondence regarding claims should include in the subject line, Subject: APER, followed by the name of the claimant.
- d. Once all reports and information are received, the file is forwarded for adjudication by the agency claims office listed in 14 FAM 646.4.
- e. On request, an appropriate officer at post may perform the duties of claims investigating officer for an employee of an agency not covered by these regulations.

14 FAM 647 PROCESSING CLAIMS

14 FAM 647.1 Adjudicating Claims

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. **State:** The Personal Property Claims Office (A/LM/OPS/TTM/CL), Department of State, considers, adjusts, and makes advisory determinations on claims authorized under these regulations, including recommendations as to the amount of reimbursement to be paid.
- b. **USAID:** USAID Travel and Transportation Division, M/AS/TT, directly administers claims.

14 FAM 647.2 Factors In Determining Compensation

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

Compensation allowable for an item of personal property should not exceed the actual value of the item at the time of its loss, damage, or destruction. Value will normally be determined according to one of the following general principles, whichever appears most appropriate:

- (1) To arrive at the replacement value of an item, the rate of inflation as determined by the Bureau of Labor Statistics, U.S. Department of Labor, will be used. Annually, the claims office will update the inflation table based upon the Commodities Less Food Index to determine the rate of inflation for the previous year;
- (2) In most cases, the value at the time of loss, damage, or destruction

should be the acquisition cost of the item plus a factor that reflects changes in the purchase power of the U.S. dollar;

- (3) Depreciation in value of an item is determined by considering the type of article involved, its condition when lost or damaged, and the time elapsed between the date of acquisition and the claim's accrual date. Rate of depreciation is applied to the allowable replacement value, but:
 - (a) In determining the appropriate claims payment for items such as audio and video equipment and jewelry, whose prices over time have varied significantly from the Consumer Price Index, claims adjudicators will consider current replacement cost of similar "in-kind" items, adjusted accordingly within established depreciation procedures;
 - (b) No depreciation is to be charged against hard-type goods during periods of storage authorized by the Department of State, or USAID;
 - (c) Depreciation at one half the normal rate will be applied to "soft-type" goods during periods of storage authorized by the Department of State or USAID. "Soft goods" are goods that are not durable, especially textile products (clothing, bedding, curtains); "hard goods" are durable goods, which are used repeatedly over a period of years (large household appliances, televisions, furniture);
 - (d) No depreciation is to be taken in excess of 75 percent of the value of an item at the time of its acquisition;
 - (e) No depreciation will be taken on a firearm if it is of a type that would normally increase in value;
 - (f) No depreciation will be taken on antique furniture or solid wood furniture, such as cherry, walnut, teak, rosewood, oak, etc., except for replacement of fabric;
 - (g) No depreciation will be taken on sterling silver items;
 - (h) No depreciation will be taken for jewelry made substantially of gold, silver, or other precious metals or gems; and
 - (i) No depreciation will be taken on wedding albums;
- (4) A destroyed item is one which cannot actually be repaired at any cost or one for which the cost of necessary repairs exceeds the value of the item at the time of damage. The compensation normally allowable for a destroyed item is the actual value of the item at the time of destruction. However, if an item has not been totally destroyed and any part thereof remains useful and has a salvage value, and the claimants will retain that part, the allowance

- for that item will be the value at the time of destruction less the ascertained value of the salvaged part;
- (5) No allowance will be made for appreciation in the value of property;
- (6) Allowance for damaged property:
- (a) The compensation normally allowable for damaged property is the cost of the repairs necessary to restore the property to its condition prior to the damage. Cost of repair of preexisting damage is not provided;
 - (b) Allowance for repair or replacement of a component part, which normally requires replacement during the useful life of the item involved, will be the actual replacement cost of the part involved less any depreciation on the part being replaced;
 - (c) In the event partial damage to an item or any part thereof necessitates the repair of the entire item, allowance is permitted for repairing the entire item less any depreciation applicable;
 - (d) Evidence to substantiate cost of repairs such as an itemized receipt bill of repair for damaged property which has been repaired, or at least one written estimate of the cost of repairs from a competent bidder, merchant, commercial outlet, etc., if the property is economically repairable and had not been repaired;
- (7) Motor vehicle claims:
- (a) The allowable compensation for a lost or destroyed privately owned vehicle normally will be its actual value at the time of a loss, less salvage, if any. That value is normally the market price of the vehicle at the time of loss. The value will be determined from the National Automotive Dealer Association (NADA) Used Car Guide for the East Coast. **For USAID:** If the car was purchased abroad, compensation is based on the market value in the country of purchase at the time of loss, NADA Used car equivalent or the resale value in country of assignment where the car was stolen, destroyed or damaged. This refers to vehicles originally purchased abroad that are foreign made;
 - (b) Compensation for property left in a privately owned vehicle when that vehicle is shipped at U.S. Government expense and the property is lost, damaged, or destroyed is limited to normal vehicular tools, defined as those necessary to perform minor automotive repairs.

14 FAM 647.3 Waiver Of Required Evidence

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

All or any of the evidence specified in 14 FAM 644 and 14 FAM 646 may be waived in instances where the claim appears otherwise reasonable and proper and the obtaining and submission of such evidence would be unduly costly or time-consuming in relation to the amount of the claim, and where the waiver is approved by the relevant claims office and by the Chief, Travel and Transportation Management Division A/LM/OPS/TTM (Department of State) or M/AS (USAID).

14 FAM 648 PAYMENT OF CLAIMS

14 FAM 648.1 Advance Payment Of Claim

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. In unusual instances where the approving authority of the agency concerned determines that substantial personal hardship is involved and a preliminary review of the claim indicates that it appears just and reasonable, an advance payment of up to 75 percent of the estimated value of the loss may be made upon receipt of a statement from the claimant agreeing to refund any or all of the advance payment as may be required to conform with the final settlement of the claim. If the personal property is recovered within one year of the declared loss, the claimant is required to take possession of all items and repay the U.S. Government the full amount paid for the claim.
- b. If personal property is recovered after one year of the declared loss, as established by the bureau the claimant was associated with when the loss occurred, the claimant has the following options:
 - (1) Claimant may determine that they wish to take possession of some of the items and will repay the specific amounts paid out in the claim for those items. The U.S. Government will absorb the cost of shipping personal property to the employee once the employee has repaid the amount paid out in the claim; or
 - (2) Claimant may determine that they do not wish to take possession of the personal property and the U.S. Government will assess the value of the property for disposal by the General Services Administration (GSA).

14 FAM 648.2 Final Approval and Payment

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. On completion of action by the relevant claims office, claims are submitted to the approving authority designated by the head of the agency concerned for final approval or disapproval.
- b. State and USAID employees' fast-track claims: Completely documented claims that are under \$1,000.00 will be adjudicated and processed for approval within five (5) working days. Claims against an insurer must be settled prior to being filed under the fast-track process. All settlements will be made by electronic funds transfer (EFT) or by U.S. Treasury check.

14 FAM 649 RECONSIDERATION OF CLAIMS

(CT:LOG-41; 06-13-2007)
(Uniform State/USAID)

- a. Settlement of a claim by a full or partial allowance, or by a disallowance, by the approving authority designated by the head of the agency concerned is final and conclusive. However, any claimant may request reconsideration of the adjustment or determination of a claim upon establishing error in the settlement or presenting new evidence not available to the claimant at the time of settlement through the exercise of due diligence. Such request for reconsideration for State employees must be made in writing and must be submitted within six months from the date the claimant receives notice of the disposition. Submit request to:

Transportation and Travel Management Division Claims Section
A/LM/OPS/TTM/CL (Room 4535 HST)
Department of State
Washington, DC 20520

For USAID employees, requests shall be submitted to:

Travel and Transportation Division
M/AS/TT ATTN: Claims Officer
Reagan Building - Room 4.8A
1300 Pennsylvania Avenue, NW
Washington, DC 20523-0006

- b. The respective claims office will forward the request to the approving authority of the agency concerned.

14 FAM EXHIBIT 644.2

TABLE OF MAXIMUM AMOUNTS ALLOWABLE

(CT:LOG-41; 06-13-2007)

For evacuation losses which occurred on or after April 7, 1997, and for all other claims effective May 15, 2001.

Antiques*	\$ 5,000 per claim (includes furniture)	No depreciation of antiques or solid wood furniture
Audio/tapes/CDs/ Records	\$ 3,000 per claim	
Binoculars	\$ 350 per item \$ 1,500 per claim	
Boats/motor skis	\$ 2,500 per claim \$15,000 per claim in shipment	
Boating equipment and supplies	\$ 500 per claim	
Books	\$ 3,000 per claim	
Camping equipment	\$ 2,500 per claim	
Ceramic animals	\$ 250 per item \$ 750 per claim	
China	\$ 3,000 per claim	
Clocks	\$ 750 per item \$ 3,000 per claim	
Grandfather/ grandmother clocks	\$ 1,500 per item	
Clothing: 0 through 14 years 15 and older	\$ 1,500 per person \$ 3,500 per person	
Christening outfit	\$ 150 per item \$ 300 per claim	
Collections/hobbies	\$ 4,000 per claim	

Computers: desktop	\$ 1,500 per claim	
laptop	\$ 4,000 per claim	
software	\$ 1,000 per claim	
Crystal	\$ 4,000 per claim	
Dolls: if collection or hobby	\$ 500 per item	
if not collection	\$ 1,500 per claim	
Firearms	\$ 2,000 per claim	No depreciation if the firearm is of a type which would normally increase in value
Foodstuffs	\$ 500 per claim (nonperishables)	
Furniture including antiques	\$ 3,000 per item \$ 4,000 sectional sofa	No depreciation of antiques or solid wood furniture
Furs	\$ 1,500 per item \$ 3,000 per claim	
Game equipment	\$ 500 per claim	
Jewelry	\$ 1,000 per item \$ 4,000 per claim	Jewelry made substantially of gold, silver or other precious metals or gems and should not be depreciated
Costume jewelry	\$ 750 per claim	
Lamps	\$ 500 per item	
Memorabilia	\$ 1,000 per claim	
Musical instruments: piano/organ	\$ 5,000 per claim	
Other musical instruments	\$ 1,500 per claim	
Objects of art	\$ 1,000 per item \$ 4,000 per claim	
Paintings and	\$ 1,000 per item	No depreciation on

pictures	\$ 4,000 per claim	paintings having an acquisition value in excess of \$1,000
Posters	\$ 250 per item \$ 1,000 per claim	
Photographic equipment	\$ 2,000 per claim	
Rugs	\$ 2,000 per item \$ 4,000 per claim	
Silver-plated items SS flatware SS serving pieces	\$ 2,000 per claim \$ 75 per item max \$ 200 per item max \$ 5,000 per claim	No depreciation
Sporting equipment	\$ 2,500 per claim	
Stereo items	\$ 1,000 per item \$ 4,000 per claim	
Manual tools	\$ 1,500 per claim	
Power tools	\$ 1,500 per claim	
Tool chest	\$ 500 per claim	
Emergency tools: POV	\$ 200 per claim	
Toys	\$ 1,500 per claim	
Video recordings laser disks/DVDs	\$ 3,000 per claim	
Watch(es)	\$ 500 per item	
Wedding albums	\$ 750 per claim	No depreciation
Wedding gowns	\$ 1,000 per claim	
Wigs	\$ 500 per claim	

***NOTE:** In order to qualify prima facie as an antique, according to U.S. Customs, an item must be at least 100 years old. Unassailable evidence of the same must be presented to justify payment. An item newer than that will be considered antique only where substantial independent evidence is presented that the item so qualifies. In such instances, the claimant will be required to prove that the item

possesses a demonstrable inherent value regardless of the purchase price, the place where it was purchased, or the prestige of the label it bears. The fact that an isolated appraiser might be found who could assign a value to the item in excess of its purchase price does not meet this burden of proof. In the absence of credible evidence of value, reimbursement would be limited to out-of-pocket loss, or the reasonable replacement price of a substantially similar substitute item.