

Headquarters  
United States Army Europe  
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Army in Europe  
Regulation 690-62\*

Headquarters  
United States Army Installation Management Command,  
Europe  
Sembach, Germany

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## Civilian Personnel

# Damage Claims of the United States Forces in Germany Against Local National Employees

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\*This regulation supersedes AE Regulation 690-62, 6 December 2013.

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By Order of the Commander:

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**Summary.** This regulation establishes policy and procedures for local national (LN) employee liability in cases of damage, destruction, or loss of U.S. Forces property.

**Summary of Change.** This revision incorporates administrative changes throughout.

**Applicability.** This regulation applies to LN personnel—

- Employed by the U.S. Forces in Germany under the *Tarifvertrag vom 16. Dezember 1966 für die Arbeitnehmer bei den US-Stationierungstreitkräften im Gebiet der Bundesrepublik Deutschland* (Collective Tariff Agreement), except for personnel employed by the United States Air Forces in Europe/United States Air Forces in Africa and its tenant activities. For the purpose of this regulation, the term “U.S. Forces” includes all activities serviced by the United States Army Civilian Human Resources Agency, Northeast/Europe Region, or by the Army and Air Force Exchange Service, Europe and Southwest Asia (AAFES-Eur).
- Paid from appropriated or nonappropriated funds.
- Assigned to civilian support organizations in Germany.

**NOTE:** The term “civilian personnel advisory center” used in this regulation does not apply to AAFES-Eur. Except where AAFES-Eur is specifically mentioned in this regulation, the Commander, AAFES-Eur, may use internal forms and establish internal systems and procedures for meeting the intent of this regulation, including all policy requirements.

**Records Management.** Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are available on the Army Records Information Management System website at <https://www.arims.army.mil>.

**Supplementation.** Organizations will not supplement this regulation without approval of the Civilian Personnel Directorate (CPD), Office of the Deputy Chief of Staff, G1, HQ USAREUR.

**Suggested Improvements.** The proponent of this regulation is the CPD (mil 537-1536). Users may suggest improvements to this regulation by sending DA Form 2028 to the CPD at USAREUR G1 (AEPE-C), Unit 29351, APO AE 09014-9351. The subject of the message should include the words “Damage Claim (LN).”

**Distribution.** This regulation is available only electronically in the Army in Europe Library & Publishing System at <http://www.aepubs.eur.army.mil/>.

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### Glossary

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## 1. PURPOSE

This regulation provides policy and procedures for determining liability of local national (LN) employees for reported damage, destruction, or loss of U.S. Forces property caused by them.

## 2. REFERENCES

- a. *Bundespersönalvertretungsgesetz* (German Personnel Representation Law).
- b. Supplementary Agreement to the NATO Status of Forces Agreement.
- c. AR 25-400-2, The Army Records Information Management System (ARIMS).
- d. [AE Pamphlet 690-60](#), Tariff Agreements That Apply to Persons Employed by the U.S. Forces in Germany (English Translation).

## 3. EXPLANATION OF ABBREVIATIONS AND TERMS

The [glossary](#) defines abbreviations and terms used in this regulation.

## 4. RESPONSIBILITIES

- a. Commanders or activity chiefs will—
  - (1) Initiate investigations to determine if LN employees are liable for causing damage to or destruction or loss of U.S. Forces property.
  - (2) Inform LN employees of their entitlement to seek assistance from the local works council.
  - (3) Inform LN employees of the results of liability investigations.
- b. The report of survey (ROS) officer will—
  - (1) Investigate an LN employee's liability.
  - (2) Make recommendations to the commander or agency chief.
  - (3) Provide a copy of the ROS to the servicing civilian personnel advisory center (CPAC) and the staff judge advocate.

## 5. GENERAL PRINCIPLES OF EMPLOYEE LIABILITY

- a. If, during the performance of official duties, an LN employee causes damage to or destruction or loss of U.S. Forces property, the U.S. Forces may claim reimbursement if both of the following are true:
  - (1) The employee acted in breach of duty, unlawfully, and culpably.
  - (2) The action on the part of the employee caused the damage, destruction, or loss of the property.
- b. The employer must prove (in detail) that the employee was negligent. "Negligence" is defined as failure to exercise the degree of care required in the performance of official duty (for example, if a reasonable and prudent employee under similar circumstances would not have committed the act or failure to act). The employee is obligated to demonstrate that the damage, destruction, or loss was caused during the performance of official duties.

c. An employee is considered to have acted unlawfully if grounds for justifying his or her action do not exist.

d. Whether or not an employee has acted culpably will be reviewed and determined based on the definitions above.

## **6. LIMITATION ON LIABILITY**

When an employee is performing official duty, liability is limited as follows:

a. If the employee is responsible for damage, destruction, or loss because of intent or gross negligence, the employee is fully liable. In case of risk-prone work, this provision will apply only if damage was caused intentionally or by major negligence. Intent may be assumed only if the employee anticipated the dereliction of duty and the damage, destruction, or loss of U.S. Forces property and accepted such damage, destruction, or loss or intended to cause it. Intentional violation of instructions is insufficient evidence to charge the employee liable if an intent to cause damage, destruction, or loss is not verifiable.

b. Gross negligence may be assumed for a severe and inexcusable act or omission of duty and if the employee, in applying diligence, has not thought of the simplest and most obvious considerations. In the event of gross negligence, a reduction of liability may occur (for example, if an employee was entrusted with expensive equipment, which was damaged so severely during an accident that the full liability replacement cost would have ruinous consequences for the employee based on the employee's monthly salary).

c. If damage, destruction, or loss occurs because of moderate negligence, the settlement will normally be split between the employer and the employee.

(1) Pro-rata liability does not automatically mean that the employee is 50-percent liable. Employers and employees will be liable for a percentage of the claim settlement based on the circumstances that caused the damage, destruction, or loss.

(2) In pro-rata cases, employers must consider the cause of the damage, destruction, or loss by applying the principles of ethics and reasonableness to determine the amount of compensation the employee must pay. Employers should use the following factors to determine liability:

- (a) Type of work.
- (b) Degree to which work is risk-prone.
- (c) Degree of fault.
- (d) Cost of damage, destruction, or loss.
- (e) Employee's monthly income.
- (f) Employee's position in the organization.
- (g) Employee's length of service.

- (h) Employee's age.
- (i) Employee's work history and conduct.
- (j) Employee's Family situation.
- (k) Heavy workload.
- (l) Work under heavy time pressure.

d. The employer alone will bear the costs of damage, destruction, or loss in cases of ordinary or simple negligence. "Ordinary negligence" is defined as an employee's minor or easily excusable neglect of duty that can occur during day-to-day business operations.

e. Although German law does not prescribe a limit, the financial reimbursement from LN employees to the U.S. Forces is limited to 1 month's gross salary. This limit, however, is not applicable if the employee willfully caused damage to or destruction or loss of U.S. property through a criminal act.

## 7. PROCEDURES

a. If evidence proves that the employee caused the damage, destruction, or loss by at least a moderate level of negligence, the commander or agency chief will—

- (1) Inform the employee of the preliminary results of the investigation (fig 1).
- (2) Use the daily exchange rate to establish the cost of the damage, destruction, or loss in euros and dollars.
- (3) Give the employee the opportunity to comment on the investigation.
- (4) Determine if the employee acknowledges fault and agrees to pay the repair or replacement cost. The employee's decision must not be influenced by supervisory pressure of any kind.
- (5) Inform the employee of the right to seek the involvement of the local works council and, if applicable, the severely-handicapped-employee representatives group.

b. If the employee does not acknowledge liability and refuses to voluntarily pay a settlement, the commander or agency chief will—

- (1) Immediately initiate preparation of an ROS.
- (2) Prepare a memorandum informing the employee in writing of the ROS investigation and of the right to seek assistance from the works council and, if applicable, the severely-handicapped-employee representatives group (fig 2). The commander or agency chief will send a copy of the memorandum to the local works council and, if applicable, the severely-handicapped-employee representatives group.

c. If the ROS officer concludes that the employee is responsible for the damage, destruction, or loss of U.S. Forces property and should be held liable because of dereliction of duty, the commander or agency chief will—

(1) Send the ROS to the servicing CPAC and staff judge advocate to review German labor law concerning a damage, destruction, or loss claim against the LN employee.

(2) Inform the employee in writing of the investigation results (fig 3).

## 8. COLLECTION OF MONEY

The *Lohnstelle ausländische Streitkräfte (LaS)* (Foreign Forces Payroll Office) will withhold the money claimed by the U.S. Forces from the employee's salary in monthly payroll deductions within legal limits according to the following provisions:

a. If the employee voluntarily accepts the financial obligation, the employing organization must send the employee's written approval to the *LaS*. This statement will serve as the authorization to collect the money.

(1) If the employee requests to pay by installments, the payment amount must be calculated so that the settlement period does not exceed 1 year.

(2) To allow the employee to pay by installments, the approval must include the condition that if the employee is terminated for any reason before the claim is settled, the employee must immediately pay the remainder of the settlement before processing out of the organization.

b. If the employee disagrees with paying the settlement and the employer's decision to hold the employee liable is based only on the results of the ROS, the employing organization must—

(1) Send written approval for the collection of money to the *LaS*. The approval must include a reference to the ROS and a description of the facts and circumstances as rationale for collecting the money.

(2) Provide the *LaS* information about the employee to help the *LaS* collect the money.

c. If employment has already ended and collecting the money by payroll deduction is not possible, the employing organization, in coordination with the CPAC, will request that the *LaS* initiate a writ of execution against the employee. The request must not be made if the—

(1) Unpaid amount of the claim is less than €600.

(2) Employee no longer lives in Germany.

(3) Location of the employee is unknown.

## 9. PRECLUSIVE TIME LIMITS

a. Collection of money against an employee's will is not possible if—

(1) Three months have passed since the commander or agency chief learned the facts of the incident.

(2) An ROS was not initiated.

(3) The employee was not informed of liability.

b. If the employee requested the assistance of the local works council, the commander or agency chief must initiate the codetermination procedure in accordance with sections 69 and 76(2)9 of the *Bundespersonalvertretungsgesetz* (German Personnel Representation Law) before the 3-month period (a(1) above) expires. In these situations—

(1) The 3-month time limit will be suspended, but the U.S. Forces entitlement to compensation will not be forfeited.

(2) The commander or agency chief must immediately inform the employee of the final decision and, if applicable, initiate collection of the settlement at the conclusion of the codetermination procedure.

## **10. RELIEF FROM LIABILITY**

The commander or agency chief may decide not to hold the employee liable for damage, destruction, or loss at any time during the process of identifying liability. To relieve the employee of liability, the commander or agency chief will send a written notification to the employee and the local works council if the employee requested works council assistance.

## **11. ADMONISHMENTS AND DISCIPLINARY ACTIONS**

The provisions and procedures of this regulation neither suspend nor prevent the processing of admonishments or disciplinary actions against the employee who caused damage to or destruction or loss of U.S. Forces property.

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**(Agency Letterhead)**

(office symbol)

(date)

MEMORANDUM FOR (name of employee)

SUBJECT: (title of damage, destruction, or loss)

1. This memorandum is to notify you that an investigation of the damage, destruction, or loss incident that occurred on (date) has been conducted. The investigation results are as follows:

- a.
- b.
- c.

2. It has been determined that you are responsible for the damage, destruction, or loss because of a dereliction of duty. Therefore, we intend to hold you liable for the repayment of € (amount).

3. Please inform the POC (para 4) within the next 5 workdays whether you agree with this determination and how you intend to settle the payment. You may pay the settlement in a maximum of 12 monthly installments. You also have the right to ask the local works council to take part in the process under the codetermination procedure to protect your interests in this matter.

4. The POC is (name, mil XXX-XXXX, e-mail: xxx.xxx@mail.mil, or fax mil XXX-XXXX).

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(signature of supervisor)

Receipt acknowledged.

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(signature of employee and date signed)

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**Figure 1. Format for a Memorandum Informing an Employee of Preliminary Investigation Results**



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**(Agency Letterhead)**

(office symbol)

(date)

MEMORANDUM FOR (name of employee)

SUBJECT: Damage, Destruction, or Loss Claim

1. There is reason to believe that you are responsible for the damage, destruction, or loss of (list property) on (date) because of a dereliction of duty. You have already rejected a settlement by mutual consent in the form of a voluntary payment to settle the damage, destruction, or loss.
2. Based on the above, a report of survey investigation will be initiated. After the report is completed and reviewed, the agency chief will determine whether and to what amount you will be held liable for the damage, destruction, or loss. You will be sent a written explanation of the findings.
3. You have the right to request the local works council to take part in the process under the codetermination procedure to protect your interests in this matter. Please inform this agency within the next 5 workdays whether or not you will exercise this right. If you do, the preclusive time limit of 3 months for the implementation of the damage, destruction, or loss claim will be suspended for the duration of the codetermination procedure.
4. The POC is (name, mil XXX-XXXX, e-mail: xxx.xxx@mail.mil, or fax mil XXX-XXXX).

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(signature of agency chief)

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**Figure 2. Format for a Memorandum Informing an Employee of a Report of Survey Investigation**

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**(Agency Letterhead)**

(office symbol)

(date)

MEMORANDUM FOR (name of employee)

SUBJECT: Damage, Destruction, or Loss Claim—Report of Survey

1. The investigation of the circumstances leading to the damage, destruction, or loss of (*list property*) on (*date*) revealed that you caused the damage, destruction, or loss because of a dereliction of duties. The investigation results are as follows:

a.

b.

c.

2. The damage, destruction, or loss claim of the U.S. Forces amounts to a total of € (*amount*). The *Lohnstelle ausländische Streitkräfte* (Foreign Forces Payroll Office) will deduct this amount from your pay. If you would rather pay by installments, please notify the POC (para 3) within 5 workdays after you receive this memorandum.

3. The POC is (*name, mil XXX-XXXX, e-mail: xxx.xxx@mail.mil, or fax mil XXX-XXXX*).

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(signature agency chief)

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**Figure 3. Format for a Memorandum Informing an Employee of a Determination of Pecuniary Liability**

## GLOSSARY

### SECTION I ABBREVIATIONS

AAFES-Eur	Army and Air Force Exchange Service, Europe
AE	Army in Europe
AR	Army regulation
ARIMS	Army Records Information Management System
CPAC	civilian personnel advisory center
CPD	Civilian Personnel Directorate, Office of the Deputy Chief of Staff, G1, HQ USAREUR
DA	Department of the Army
fig	figure
HQ USAREUR	Headquarters, United States Army Europe
<i>LaS</i>	<i>Lohnstelle ausländische Streitkräfte</i> (Foreign Forces Payroll Office)
LN	local national
mil	military
NATO	North Atlantic Treaty Organization
ROS	report of survey
U.S.	United States
USAREUR	United States Army Europe

### SECTION II TERMS

#### **agency chief**

A management representative responsible for managing an agency, regardless of whether or not he or she has delegated personnel authority

#### **local national employee**

A person employed under German labor laws as modified by the Supplementary Agreement to the NATO Status of Forces Agreement, Article 56

#### **report of survey**

An investigation conducted by the U.S. Forces in case of damage, destruction, or loss of U.S. property