

The office of personnel management, petitioner v. charles richmond

[Business](#), [Management](#)



**ASSIGN
BUSTER**

The respondent, Charles Richmond undertook the employment as a part time driver, after taking disability retirement from Navy for vision impairment. During the period of 1982-85, his earning was under the 80% for continued annuity payments. But in 1986, he earned extra money by working overtime. Regarding this earning Richmond sought a clarification from the Navy Public Works Center's Civilian Personnel Department, about the extra amount that he can earn above the 80% limit.

An incorrect advice was given by the specialist to the respondent on the basis of the repealed pre-1982 statute; under which respondent could retain the annuity unless his income exceeded the 80% limit in two consecutive years. (Charles Tiefer, William A Shook, 2004, p. 15). Relying upon this specialist advice, the respondent reached a conclusion that he could take on the extra work as a part time driver in 1986 while still receiving full disability benefits for impaired vision so long as he kept his income for the previous and following years below the limit fixed as per the statute.

But the disability annuity of the respondent was discontinued by the office of the personal management for a period of six month from June 1987 by citing the reason that he exceeded the statutory earning limit. An appeal was filed by the respondent to the Merit Systems Protection Board (MSPB) and he argued that thee erroneous information from the employee caused him to reach a wrong conclusion (Charles Tiefer, William A Shook, 2004, p. 15).

But the MSPB rejected his argument, and held that the OPM cannot be estopped from enforcing a requirement as per the statute. But the contention of the respondent was accepted by a divided court of appeal by

citing the case as an extra ordinary one. The holding of the court of appeals was reversed by the Supreme Court. Issue: Appropriateness of estoppel against the government was the main issue in this case. The respondent, Richmond, was advised erroneously by personnel of the Navy employee relations. He relied upon the information received from the personnel.

The main issue in the case is regarding the entitlement of the claimant to a monetary payment which is not otherwise permitted by the law, but merely on the basis of erroneous oral and written advice given by a government employee. The respondent's argument was for estoppel against the Government. Holding: The Supreme Court held that Payments of money from the Federal Treasury are limited to those authorized by statute, and erroneous advice given by a Government employee to a benefit's claimant cannot estop the Government from denying benefits not otherwise permitted by law.

((Charles Tiefer, William A Shook, 2004, p. 14). Court's reasoning: While giving a ruling against the arguments of the respondent, the Supreme Court emphasized the principle of preventing fraud and corruption. While taking this decision the Supreme Court upheld the policy that claims for estoppel cannot be entertained in the cases where public money is at stake. The court also pointed out that the effect of appropriation clause will be nullified, if estoppel is operated, against government in the context of payment of money from the Treasury,.

Moreover the court reasoned that the ruling in favor of estoppel against government, in such cases will violate the provisions of the constitution

((Charles Tiefer, William A Shook, 2004p. 19). Reference: (Charles Tiefer, William A Shook, 2004: U. S. Supreme Court Government Contracting Doctrines “ The Office of Personnel Management, Petitioner v. Charles Richmond, 496 U. S. 414 (1990),” p. 14-19).