

used a civilian ID card with their own SSN as identification and the check becomes dishonored.

(b) Sponsors who wish to disclaim responsibility for dishonored checks written by family members may do so by filing a letter of disclaimer with the ICCO. (See fig. 2-1 for a sample letter.) This letter announces a sponsor's voluntary withdrawal of responsibility for acts of family members. It will be updated annually. Absence of a disclaimer does not prove agency relationship between sponsor and family members.

(c) Some facilities may deny check-cashing privileges to family members of sponsors who have filed a letter of disclaimer. The sponsor will inform family members of this denial.

SECTION II—OFFENSES AND PENALTIES

§ 527.23 Offense and related offense.

(a) *Offense.* An offense has been committed when an individual does not redeem a dishonored check or redeems 3 or more checks within the grace period.

(b) *Related offense.* An individual may write several dishonored checks which are related. For example one error in the checkbook could cause several dishonored checks. All of these dishonored checks are considered related to each other and if not redeemed will be considered as a single offense. The individual must prove to the ICCO that the dishonored checks are related. If proof is not provided, each dishonored check will be considered an offense if not redeemed within the grace period. Related checks normally occur within a 10 day period.

§ 527.24 Bank or other excusable error.

If an individual can prove bank or other excusable error, dishonored checks resulting from these errors will not be considered offenses. The checkwriter's name will not be added to any list or central file.

§ 527.25 First offense.

(a) An individual who writes a check which later becomes dishonored and does not redeem it within the grace period has committed a first offense.

(b) An individual who writes 3 dishonored checks which are unrelated to each other and redeems them all within the grace period has committed a first offense.

(c) The penalty for a first offense is required attendance at remedial training and suspension of check-cashing privileges for 6 months from date of suspension letter. The ID card may be over stamped.

(d) The individual may be removed from the dishonored checklist prior to the end of the suspension period if the check has been redeemed, all charges have been paid, remedial training has been completed, the individual has passed the installation checkbook maintenance test, and the unit commander (for soldiers and family members) or first line supervisor (for civilians) approves.

§ 527.26 Second offense.

(a) An individual who writes a second dishonored check, unrelated to the first dishonored check, and does not redeem it within the grace period has committed a second offense.

(b) An individual who writes 4 dishonored checks which are unrelated to each other and redeems them all within the grace period has committed a second offense.

(c) The penalty for a second offense is required attendance at remedial training and suspension of check-cashing privileges for 12 months from date of suspension letter if checkwriter is not currently on the dishonored checklist. If the checkwriter is currently on the dishonored checklist, the suspension period will be increased by 12 months. The ID card may be over stamped.

(d) The individual may be removed from the dishonored checklist prior to the end of the suspension period if the check has been redeemed, all charges have been paid, remedial training has been completed, the individual passed the installation checkbook maintenance test, and the individual appointed by the installation commander (§ 527.10(f)) so approves.

§ 527.27 Third offense.

(a) An individual who writes a third dishonored check, unrelated to the previous dishonored checks, and does not

redeem it within the grace period has committed a third offense.

(b) An individual who writes 5 dishonored checks which are unrelated to each other and redeems them all within the grace period has committed a third offense.

(c) The penalty for a third offense is required attendance at remedial training, overstriking of the ID card, and suspension of check-cashing privileges for 18 months from date of suspension letter if the checkwriter is not currently on the dishonored checklist. If the checkwriter is currently on the dishonored checklist, the suspension period will be increased by 18 months.

(d) The individual may be removed from the dishonored checklist prior to the end of the suspension period if the check has been redeemed, all charges have been paid, remedial training has been completed, the individual passed the installation checkbook maintenance test, and the individual appointed by the installation commander (§ 527.10(c)) so approves.

§ 527.28 Fourth or greater offense.

(a) An individual who writes a fourth dishonored check, unrelated to the previous checks, and does not redeem it within the grace period has committed a fourth offense.

(b) An individual who writes 6 dishonored checks which are unrelated to each other and redeems them all within the grace period has committed a fourth offense.

(c) The penalty for a fourth offense is required attendance at remedial training, overstriking of the ID card, and suspension of check-cashing privileges indefinitely from the date of suspension letter.

(d) The individual may be removed from the dishonored checklist if the check has been redeemed, all charges have been paid, remedial training has been completed, the individual passed the installation checkbook maintenance test, and the installation commander (§ 527.10(d)) so approves.

Subpart C—Procedures

§ 527.29 Check-cashing facility.

In addition to the requirements of its proponent agency, the head of the fa-

cility to which a check is returned unpaid will do the following:

(a) Notify the checkwriter through the checkwriter's unit commander (for soldier or family member) or checkwriter's supervisor (for civilian) of the dishonored check. See figure 3-1 for a sample notification letter. A copy of the notification will be furnished to the ICCO. Sufficient copies will be sent to the commander or supervisor so a copy can be returned to the ICCO acknowledging receipt and indicating action to be taken. Notices will include, but are not limited to, the following:

(1) Name of checkwriter (or endorser, if a two party check).

(2) Date and amount of check.

(3) SSN of checkwriter.

(4) Status (active duty, retired, Reserve, National Guard, family member, civilian employee, etc.) and service (Army, Navy, Air Force, Marine Corps, or Coast Guard).

(5) Name, grade, SSN, and duty station of sponsor, if applicable.

(6) Home address and telephone number.

(7) Clear instructions covering—

(i) Method of redemption.

(ii) Time allowed in which redemption must be made.

(iii) Administrative/service charges.

(iv) Appeal rights.

(b) Notify the ICCO as soon as—

(1) The check is redeemed. Provide date of redemption.

(2) Written evidence is furnished proving a bank or other error clearing the checkwriter of fault.

(3) The checkwriter fails to redeem the check within the grace period.

(4) The check is written off.

(c) Begin action for collection from pay when authorized, if all efforts at direct collection fail. (See AR 37-108, AR 37-104-3, and AR 37-104-10.)

§ 527.30 Unit commander.

On receipt of notice that a soldier or a soldier's family member of a commander's unit has written a dishonored check or has been placed on the dishonored checklist, the unit commander will (Some of these actions may be done by the PAC where PACs exist.)—