



U.S. Department  
of Transportation

**Federal Aviation  
Administration**

# Memorandum

Subject: **ACTION**: Pay-off Initiative for Delinquencies

Date: JUL 6 2004

From: Administrator

Reply to  
Attn. of:

To: Management Board

In my March 26, 2004 memo, I discussed looking at additional actions that we can take to address travel charge card delinquencies. After careful consideration, I approved a Pay-off Initiative for Delinquencies (PAID) related to travel charge cards. PAID will allow employees to pay off their delinquent debt without fear of discipline. I believe this will help reduce our delinquency by the end of this fiscal year.

PAID will run from **July 15 through September 15, 2004**. Employees with delinquent accounts over 60 days past due, including charged-off accounts, are eligible to participate. Employees will be allowed to pay off their debt regardless of how they incurred the delinquency. Please take immediate action to notify your employees of their debt level (provided by the Office of Financial Management), the PAID timeframe, the maximum payment flexibility, and most importantly, the consequences for not taking advantage of this one-time opportunity.

To make this effort a success, I would like you to notify cardholders' first-level supervisors that they are responsible for ensuring that delinquent cardholders receive and read a copy of the attached employee letter template. They must ensure that cardholders fully understand the provisions of PAID, its timeframe, payment flexibilities and the consequences for non-payment. After the PAID timeframe is over, supervisors who neglect to take appropriate administrative action on cardholders who misuse their cards will also be subject to discipline. Attached is a list of questions and answers to assist in responding to employee concerns and issues related to PAID.

Consistent with this focused effort to resolve the travel charge card issue, you must appoint someone with sufficient authority to oversee PAID's day-to-day activity. The Office of Human Resource Management and Office of Financial Services are working collaboratively to help reduce our delinquency rate and to hold managers and employees accountable for travel charge card misuse.

The Office of Financial Services has issued a separate notice to you regarding reporting requirements to the Department's Office of Financial Management on travel charge card delinquencies. This information is also used for the Department's quarterly Office of Management and Budget Travel Card Report.

Please encourage delinquent cardholders to seek assistance from our Employee Assistance Program (EAP). The EAP is a free, voluntary, and confidential service designed to help all of us effectively handle the challenges we might face. They may contact the EAP through their servicing Human Resource Management Division or call 1-800-234-1237, which is open 24/7.

I expect supervisors to hold all delinquent cardholders accountable. Specifically, supervisors must take immediate steps to pursue cardholders. AHR can provide assistance in taking appropriate disciplinary action when it is warranted.

To ensure sufficient publicity of the PAID, please augment the corporate campaign announcing the PAID initiative with a concentrated communication strategy within your respective organization.

I appreciate your support and commitment.

A handwritten signature in black ink that reads "Marion Blakey". The signature is written in a cursive, flowing style with a long, sweeping underline that extends to the right.

Marion C. Blakey

Attachments

- (1) Delinquent Citibank Travel Card Account
- (2) PAID Questions and Answers



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of Transportation  
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# Memorandum

SAMPLE EMPLOYEE LETTER

subject: ACTION: Delinquent Citibank Travel Card  
Account

Date:

From: Head of LOB/SO

Reply to  
Attn. of:

To: Mr/s. Employee

A review of our monthly activity charge card reports indicates that a number of our Citibank travel credit card holders have accounts that are over 60 days past due.

The agreement you made with Citibank requires that all outstanding charges be paid upon receipt of your monthly statement. If you fail to pay your outstanding balance on time and/or misuse the card (i.e., personal expenses such as clothing, gifts, personal travel, etc.), you are subject to disciplinary action.

FAA's Citibank travel credit card program has reached an unacceptable delinquency rate. To help meet the agency's goal of reducing delinquency by the end of the fiscal year, the agency has approved an effort called Pay-off Initiative for Delinquencies (PAID) to allow employees to pay off their delinquent debt without fear of discipline. During the period, **July 15 through September 15, 2004**, you can pay off your delinquent account – no questions asked – and not be subject to disciplinary action for failure to pay the outstanding balance on time and/or misuse of the card.

If your card is lost or stolen or there are transactions under dispute, your account will indicate the status and you will be responsible only for the undisputed charges. To avoid disciplinary action, you must pay all undisputed charges directly to Citibank in full by midnight on Thursday, September 15, 2004. You will continue to be responsible for any charges incurred during the PAID timeframe and are expected to make payment by the billing due date.

I would like to remind you of your responsibilities for using the Citibank travel charge card. When you participate in the travel charge card program, you must use the charge card to pay for expenses connected with official government travel (e.g. lodging, meals, and automobile rentals). You must use the card only for authorized travel expenses on agency business. You cannot use the charge card to pay for travel expenses or for any other purpose, which is not related to your authorized official government business.

If you are having financial problems or any issues that are contributing to your current credit card indebtedness, I encourage you to seek assistance from the agency Employee Assistance Program (EAP). The EAP is a free, confidential service to help all of us effectively handle the challenges we might face. You may contact EAP through your servicing Human Resource Management Division or calling 1-800-234-1237, which is open 24/7.

I strongly encourage you to take advantage of this one-time opportunity to pay off your delinquent account without fear of discipline. If you have paid off this delinquent account, please provide acceptable evidence to your immediate supervisor the debt has been paid in full. Should you have any questions regarding your account, contact your travel charge card coordinator.

Head of LOB/SO

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## **Questions & Answers**

### **Pay-off Initiative for Delinquencies (PAID)**

### **Related to Travel Charge Cards**

**Q What is PAID?**

**A** PAID is a one-time FAA opportunity that allows employees to pay outstanding travel charge card debt without being subject to disciplinary action, regarding of how the debt was incurred.

**Q Who is covered by PAID?**

**A** Employees who have outstanding balances owed beyond 60 days, including charged off accounts. However, if the debt was discharged through bankruptcy, the employee is no longer responsible for repayment of the delinquent account.

**Q What is a charged-off account?**

**A** A charged-off account is a delinquent account that is over 180 days past due and Citibank has referred the account to a collection agency to pursue recovery of the debt.

**Q What are the benefits of PAID?**

**A** Employees will get a chance to "come clean" and to avoid discipline for delinquency and/or misuse, up to and including removal, if the debt is paid by September 15, 2004.

**Q When does PAID start and how long will it last?**

**A** PAID starts Thursday, July 15, 2004 and ends midnight Wednesday, September 15, 2004. Repayment of amount past due must be posted to the account by midnight, September 15, 2004. Therefore, employees must allow for mailing time and the posting of funds to their account.

**Q Who is the point of contact for PAID in my Line of Business or Staff Office?**

**A** Contact your immediate supervisor for any questions you may have.

**Q What is the PAID-covered employee's responsibility?**

**A** The PAID-covered employee's responsibility is to take timely action to find out how much they owe Citibank that is over 60 days past due and to make sure this debt is paid off by midnight September 15, 2004.

**Q How does the employee pay?**

**A** This is a personal decision by the employee. Employees can send a check or money order, pay by another credit card, or use the speed pay option. The speed pay option is a quick way to post payment to the Citibank account. You can call Citibank on 800-790-7206 to use the speed pay option. There is an additional, non-reimbursable charge of \$7.95 for this service.

The past due amount may be paid all at once or in part. The most important thing to keep in mind is to have the overdue balance paid off by midnight, September 15, 2004, to avoid being disciplined.

**Q What is the responsibility of supervisors who have PAID-covered employees?**

**A** The supervisor must ensure his or her cardholders fully understand the provisions of PAID, its timeframe, and the consequences for failing to pay off his or her debt.

**Q What if the PAID-covered employee already has an official agreement with Citibank or a collection agency to pay off his or her past due balance?**

**A** All past due balances must be paid by midnight September 15, 2004, regardless of any payment agreement with Citibank or a collection agency to avoid discipline. At the end of the PAID timeframe, employees who have honored their previous agreement with Citibank or a collection agency, but have not paid the balance in full, will be evaluated on a case-by-case basis for appropriate disciplinary action.

**Q What if the employee has paid the delinquent debt in full, but remains on the delinquency report?**

**A** The employee must show acceptable evidence to their supervisor the debt has been paid in full.

- Q What if the PAID-covered employee uses the Government contractor-issued travel charge card for personal use during PAID?**
- A** The employee will be subject to discipline, regardless of PAID, even if the balance is paid off. Personal use of the Government-issued travel charge card is not authorized.
- Q What will happen to PAID-covered employees after the PAID period ends and they still have not paid off their debt?**
- A** Employees will be aggressively pursued and appropriately disciplined, up to and including removal from the Federal service, where necessary.
- Q Will PAID-covered employees who had their travel charge card cancelled and their debt paid off have their card reinstated?**
- A** When the travel charge card has been canceled because of delinquent payments, the card will not be reinstated.
- Q What impact does a delinquent account have on an employee?**
- A** At 121 days, the delinquent account information is passed on to credit bureaus or similar entities by Citibank, referred to an outside collection agency, and could have a detrimental impact on future financial matters, such as obtaining a home loan.
- Q Where can employees find information about the FAA's travel charge card policies?**
- A** Employees can visit the Assistant Administrator for Financial Services website at [http://www.faa.gov/aba/html\\_fm/html\\_tc/index.html](http://www.faa.gov/aba/html_fm/html_tc/index.html)