

CONFIDENTIAL

10 SEP 1976

MEMORANDUM FOR: Deputy Director for Administration

FROM : Thomas B. Yale  
Director of Finance

SUBJECT : Waiver of Provision [redacted] Travel on American Airlines for Employees [redacted] Prior to June 1975 25X1A  
25X1A

REFERENCE : (a) Memo for DDA fm D/F dtd 27 Apr 76, Same Subj  
(b) OGC 76-4498 dtd 16 Aug 76, Same General Subj

25X1A 1. Action Requested: It is requested that you approve the recommendation in paragraph 3 to forego the effort to identify possible claims against employees [redacted] who may have used foreign airlines for R&R travel prior to 17 June 1975 in circumstances where [redacted] required use of American Airlines. 25X1A

2. Basic Data:

25X1A a. Reference (a) detailed the circumstances under which there may have been unauthorized use of foreign airlines for R&R travel prior to 17 June 1975 by employees [redacted] and recommended your approval for waiver of the regulatory provision that required use of American airlines.

b. Reference (b) took legal exception to the above recommendation but suggested we examine standards promulgated by the Attorney General and the Comptroller General (quoted in 4 FAM 488, Tab A attached) for settlement of claims under the provisions of the Federal Claims and Collection Act of 1966.

c. Under those standards, the head of an Agency may terminate collection action and consider a case closed for several reason, including:

(1) when it appears that the cost of collection action will exceed the amount to be recovered (4 FAM 488.1-4c) and

(2) the evidence necessary to prove the claim cannot be produced (4 FAM 488.1.4e).

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SUBJECT: Waiver of Provision [REDACTED] Travel on American Airlines  
25X1A for Employees [REDACTED] Prior to June 1975

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d. An effort to identify all potential claims would require research of all R&R travel [REDACTED] between October 1963 when Agency foreign airline policy was first published and June 1975 (when Station policy was corrected). The research at the minimum would require (a) identification of each R&R trip to an alternate R&R destination, (b) examination of the travel voucher to determine if foreign airlines were used (c) examination of an American airline guide for the time period of the travel to determine the extent to which American airlines could have been used and (d) analysis to determine the pecuniary liability if American airlines should have been used in the circumstances of the particular trip. Collection efforts would require the development of a full explanation for the basis of each claim and correspondence with the individual; in cases where the employee is no longer with the Agency it would be necessary to determine current status and location before deciding upon and commencing collection effort.

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e. It seems apparent that the direct and indirect costs of the cumulative efforts necessary to pursue the above research and collection program would exceed potential recoveries. We have no estimate of the number of potential claims that might surface but it is estimated the maximum claim per traveler would be \$500 (the current cost of [REDACTED]). There is also a good possibility we would lack all of the evidence necessary in some cases to prove claims. In these circumstances it seems consistent with the intent of the Tab A guidelines to forego the efforts that would be required to effect collection of the potential claims described above.

f. DIRLINT 11424, copy attached as Tab B, provided guidance on the resolution of individual cases involving travel commenced prior to 17 June 1975. It is believed only equitable that the Station be authorized to settle these cases in accordance with the prior Station policy if you approve termination of further collection effort on identification of possible claims.

3. It is recommended that you approve termination of further collection effort on possible claims including those cited in Tab B that the Government may have for the use of foreign airlines which

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25X1A SUBJECT: Waiver of Provision of [REDACTED] Travel on American Airlines  
25X1A for Employees [REDACTED] Prior to June 1975

25X1A was in accordance with Station policy prior to 17 June 1975, but in violation of [REDACTED] because it is expected (a) the aggregate cost of identification and collection would exceed aggregate recoveries and (b) full documentation to prove claims may not be available in cases.

(signed) Thomas B. Yale

Thomas B. Yale

Att

APPROVED: /s/ John F. Blake 20 SEP 1976  
Deputy Director for Administration Date

DISAPPROVED: \_\_\_\_\_ Date  
Deputy Director for Administration

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