

B-256401

DIGEST

General Counsel, Railroad Retirement Board, is advised, in response to suggestion that its employees be allowed to use mileage credits earned through both personal and official use for personal use when United Airlines issues certificates at 20,000 miles, that we cannot agree based on the longstanding rule that mileage credits earned for official travel remain the property of the federal government, and employees who use both personal and government mileage credits for their own use are responsible for the full value of the credits used. United Airlines has announced that it will no longer issue its "AwardCheques" automatically at 20,000 miles, effective February 1, 1995. The miles remain in the members account until the member is ready to claim an award or until the miles expire. However, this Office is considering the general commingling issue in decision B-257525, and will furnish General Counsel with a copy when it is released.



Office of the General Counsel
B-256401

July 29, 1994

Catherine C. Cook
General Counsel
Railroad Retirement Board
844 North Rush Street
Chicago, Illinois 60611-2092

Dear Ms. Cook:

We refer to your letter of February 4, 1994, in which you request our advice concerning the use by federal employees of frequent flyer mileage credits. In particular, you refer to the problem encountered in encouraging employees to deposit mileage credits earned on official travel in their frequent traveler accounts since most airlines permit individuals to maintain only one account. Thus, frequent flyer mileage credits obtained through both personal and official travel are commingled.

As an example, you mention United Airlines, which has advised that an individual may have only one frequent flyer account. In an effort to comply with the Federal Travel Regulation (FTR), 41 C.F.R. § 301-1.103(f)(2) (1993), and to maximize the agency's travel budget, many of your employees have allowed frequent flyer mileage credits earned for official travel to be deposited in their personal frequent flyer accounts. The problem arises because United Airlines issues a voucher or certificate for airline travel when an employee/member accrues a certain number of miles, generally 20,000. If the member has both personal and business credits adding to 20,000 miles, both types of miles are used to generate the voucher or certificate.

You say that, if our previous advice means that each voucher based on a combination of personal and business miles is considered to be the property of the government, then employees using United Airlines for business and accruing mileage credits will, in all likelihood, never be able to make personal use of mileage credits attributable to personal travel. You conclude that such a result will force employees to forgo frequent flyer credits on official travel and increase the government's travel expenses.

To avoid that result, you suggest that employees who cannot maintain separate accounts be required to keep good records

so that when an employee makes the required mileage plateau in personal miles, the next voucher issued would be considered to be personal property (the first voucher having been turned in to the government).

As you recognize, the longstanding rule is that mileage credits earned for official travel are the property of the federal government and that, if an employee receives a bonus coupon as a result of both personal and government mileage credits, the coupon is the property of the government. 41 C.F.R. § 301-1.103(f)(1) (1993). See John D. McLaurin, 63 Comp. Gen. 233 (1984); Abraham Frydman, B-212559, Feb. 24, 1984. If the employee uses the coupon for personal travel he or she is responsible for the full value of the credits used. See Department of Energy, B-233388, Mar. 23, 1990. We note, however, that United Airlines has announced that starting February 1, 1995, its "AwardCheques" will no longer be issued automatically when an account balance reaches 20,000 miles. The miles remain in a member's account until he/she is ready to claim an award or until the miles expire. Therefore, after February 1, 1995, the specific issue you have raised will no longer be a problem.

We agree with you however, that the general issue of commingling of personal and official mileage credits presents a continuing problem to employees who wish to participate in an agency's frequent flyer mileage program. In fact, this Office has been asked by the Administrator, Panama Canal Commission, for a decision concerning the issue of commingling of accounts (file B-257525). Accordingly, we are consulting with the General Services Administration (GSA) and expect that a decision concerning commingling should be made in the near future.

We will provide you with a copy of our decision to the Panama Canal Commission as soon as it is issued.

Sincerely yours,



Robert P. Murphy
Acting General Counsel