



UNITED STATES  
CIVILIAN BOARD OF CONTRACT APPEALS

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June 10, 2021

CBCA 6823-TRAV

In the Matter of KEVAN L. MULLINS

Kevan L. Mullins, San Rafael, CA, Claimant.

Ashley S. Silberhorn, Office of Chief Counsel, Internal Revenue Service, Department of the Treasury, Washington, DC, appearing for Department of the Treasury.

**RUSSELL**, Board Judge.

Claimant, Kevan L. Mullins, an Internal Revenue Service (IRS) employee, has filed a motion for reconsideration of the Board's decision, *Kevan L. Mullins*, CBCA 6823-TRAV, 20-1 BCA ¶ 37,740, denying his request for reimbursement of expenses related to two temporary duty (TDY) assignments taken in April 2018. Specifically, his motion for reconsideration asks the Board to compel the IRS to pay interest and late fees related to the amount conceded by the agency for reimbursement. For reasons set forth below, we deny claimant's request for reconsideration.

Background

Prior to the Board's decision in CBCA 6823-TRAV, the agency conceded that it owed claimant reimbursement for certain travel expenses in the amount of \$515.36, related to TDY taken in April 2018. *Kevan L. Mullins*. In October 2020, the agency issued claimant a payment of \$62.19 in interest and late fees associated with the expenses. In responding to claimant's request for reconsideration, the agency determined that it erred in its calculation of outstanding late fees and interest, resulting in a balance owed to claimant of \$5.43. Since the filing of the request for reconsideration, and according to the agency, all amounts owed to claimant have been paid. However, claimant argues that he is entitled to additional

interest and late fee payments under Federal Travel Regulation (FTR) sections 301-52.20(a) and (c). 41 CFR 301-52.20(a), (c) (2017).

### 1. Interest Calculation

Claimant first argues that the agency erred in its calculation of interest owed under FTR 301-52.20(a). Claimant does not dispute the method that the agency used to calculate the outstanding interest payment. Under FTR 301-52.20(a), an agency must “[c]alculate late payment fees using the prevailing Prompt Payment Act Interest Rate beginning on the 31st day after submission of a proper travel claim, and ending on the date on which payment is made.” Accordingly, interest began to accrue on the outstanding payment of \$515.36 on June 3, 2018, which is thirty-one days after claimant submitted his claim to the agency. The interest ceased accrual on May 28, 2020, when the agency issued the full amount owed to claimant. In performing its calculation, the agency utilized a monthly compounding interest rate calculator, including the applicable Prompt Payment Act Interest Rate of 2.625%. The agency ultimately determined that claimant was entitled to \$27.99 in interest. As previously noted, however, the agency initially underpaid claimant by \$5.43. Since the filing of the request for reconsideration, the agency asserts that it has paid claimant in full. As a result, the record demonstrates that claimant has been reimbursed the correct amount of outstanding interest. Thus, claimant’s request for additional interest is denied.

### 2. Late Fees

There is nothing in the record that demonstrates that claimant has incurred the requested amount in late fees. Claimant argues that the agency erred in calculating the late fees owed to him under FTR 301-52.20(c). Claimant states that the agency should have used a flat monthly fee of \$29 that CitiBank could have charged him, rather than the 2.5% late fee that the agency used in calculating the amount owed. Specifically, claimant argues that he is entitled to \$783 in late fees relating to TDY expenses for the late-payment billing period of October 2018 (the late fee start date according to claimant ) through the December 2020 billing cycle.

Under FTR 301-52.20(c), along with an interest payment, the agency is required to pay “any late payment charge that the card contractor would have been able to charge” had the bill not otherwise been paid. Here, the card contractor, CitiBank, uses its own SmartPay2 Cardholder Agreement to determine the rates imposed when charging late fees against federal civilian employees. In calculating the amount owed to claimant, the agency used a late fee of 2.5% in accordance with CitiBank’s SmartPay2 Cardholder Agreement. Under the agreement, CitiBank would apply late fees beginning 126 days after the closing date of the account statement in which the initial charge appeared. CitiBank would have ceased applying late fees 211 days after the closing date in which the initial charge appeared. At this

time, the account would be considered “charged off” under the agreement. The agency calculated the sum owed by applying the 2.5% late fee to the outstanding amount for the months of October, November, and December of 2018. This is the requisite three-month period in which claimant would have incurred late fees against the account. The agency repeated this formula for each month, accounting for the additional 2.5% increase in the individual monthly total. In using this calculation, the agency determined that claimant was entitled to \$39.63 in late fees. We find the agency’s calculation to be in accordance with FTR provisions, as well as the applicable CitiBank user agreement.

Finally, in further support of his argument, claimant submits an excerpt from a CitiBank Government Travel Card Program agreement. The agreement states that the bank could impose a \$29 late fee when full payment is not received “within two billing cycles plus 15 days past the statement closing date on the statement of account in which the charge first appeared.” The excerpt goes on to state that the \$29 late fee would be imposed on a monthly basis, until payment is received in full. Claimant utilizes this formula in calculating the \$783 sum to which he claims entitlement. However, a reading of the excerpt in its entirety shows that the referenced travel card program agreement is applicable to Department of Defense personnel, as opposed to employees of federal civilian agencies. Therefore, the \$29 monthly fee that claimant argues should apply to his account is not relevant to an employee of the IRS.

### Decision

Claimant’s request for reconsideration is denied.

*Beverly M. Russell*  
BEVERLY M. RUSSELL  
Board Judge