April 28, 2003

COMPTROLLER'S MEMORANDUM NO. 2003-13

TO: Heads of Departments

ATTN: Personnel/Payroll Offices

SUBJECT: Salary Overpayment Write-Off Procedures

This memorandum supplements the "Write-Off Procedures" issued by former Governor Cayetano on December 23, 1996 for salary overpayment delinquent accounts of former State employees that are at least two years old. To simplify the write-off procedures, we are modifying an existing form and creating a new form for accounts below $500.

The existing multi-page form for accounts over $500 has been modified to allow the Civil Recoveries Division (CRD) deputy attorney general to respond to the department's request by: (1) approving the write-off of the account; (2) returning the account for further action/correction; or (3) initiating CRD collection efforts.

To ensure uniformity in completing the form, please use the following guidelines:

1. On the "Debtor" line, specify the appropriation symbol and means of financing of the former employee. If your department uses a collection agency to recover delinquent accounts, please specify the collection agency.

2. Fill "Acct. No." column with the former employee's social security number.

3. Fill "Type of Debt" column with the phrase "salary overpayment".

4. Do not complete Items 13 through 17.

A new simplified single page form for accounts under $500 has been created to expedite the write-off of these accounts.
Because CRD will rely on information provided on the form and will do no further investigation, keep all documentation supporting the delinquent account computations and contacts with the debtor in a secure file. Send the original form to the CRD and retain a copy in a departmental pending file. To prevent unnecessary delays in the CRD review process, fully complete all forms prior to submittal.

With your help, we will be able to eliminate salary overpayment balances that are over two years old from your department's accounts thereby relieving your department of its responsibility for these old overpayments. If there are any questions concerning the completion of the form, please call the AG's Civil Recoveries Division at 586-1100. For all other questions on salary overpayments, please call the DAGS' Pre-Audit Branch at 586-0650.

RUSS K. SAITO
State Comptroller

Attachments:
(1) Delinquent Account(s) Write-Off Checklist
(2) Delinquent Account Write-Off for Accounts Less Than $500
DELINQUENT ACCOUNT(S) WRITE-OFF CHECKLIST
(for accounts over $500.00)

Dept./Div./Branch/Unit: __________________________ Program: __________________________

Contact Person/Title: ____________________________ Tel: ____________________________

Debtor(s): ____________________________ Guarantor(s) and others who may be liable (ex. parental liability) (hereinafter collectively “debtor”)

Acct. No(s). Type of debt (salary overpayment, loan, services, lease rent, etc.) Amount

__________________________ ____________________________

__________________________ ____________________________

__________________________ ____________________________

(attach additional sheets if necessary)

TOTAL ____________________________

1. Is/Are account(s) delinquent for at least 2 years? (§40-82, HRS; 90 days for federal low
   rent public housing projects, §356-39, HRS; other statutes or rules may apply) Y N UNK

2. Is debtor known? Y N UNK

3. Is debtor within the State? Y N UNK

4. Can debtor be located? Y N UNK

5. Has debtor filed bankruptcy? Y N UNK
   a. If yes, has Proof of Claim been filed? Y N UNK

ATTACHMENT LS/XVII

April 2003
b. Status:

6. Is debtor deceased? Y N UNK
   a. Has claim been timely filed with the estate (§560:3-803, HRS)? Y N UNK
   b. Status:

7. Is this account deemed by you to be uneconomical or impractical to collect? Y N
   If yes, why?

8. Has debtor been placed on tax intercept pursuant to §235.51 et. seq., HRS? Y N
   a. If yes, result:
   b. If no, why not?

9. Is debtor a State employee? Y N UNK
10. Is debtor a former State employee? Y N UNK
11. Is debtor a retired State or County employee? Y N UNK
12. If debtor is a State employee, has debtor been placed on §78-12, HRS, salary withholding? Y N UNK
a. If yes, result:

__________________________________________________________________________

__________________________________________________________________________

b. If no, why not?

__________________________________________________________________________

__________________________________________________________________________

13. Is debtor a corporation?

a. If yes, list the officers, their addresses and telephone numbers:

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>Office(s) Held</th>
<th>Address(es)</th>
<th>Phone No.(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. If debtor is a corporation, is the corporation dissolved or being liquidated? Y N UNK

a. When was the corporation dissolved or liquidated?

__________________________________________________________________________

b. What remedies under §415-105 or §415-000 HRS have been pursued? If none, why not?

__________________________________________________________________________

__________________________________________________________________________

15. Is debtor a partnership (Chap. 425 HRS)? Y N UNK

a. If yes, list the partners, their addresses and telephone numbers:

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>General or Limited</th>
<th>Address(es)</th>
<th>Phone No.(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

April 2003
16. If partnership dissolved?  
   Y  N  UNK
   
   a. If yes, when? ______________________________________________________
   
   b. Under §125-136, HRS ___________________ does not ___________________ discharge the debt.  
      What efforts have been made to collect?  
      ______________________________________________________
      ______________________________________________________
      ______________________________________________________

17. Are there others who may be liable for the debt (herein collectively "debtor", ex. piercing the corporate veil; guarantor(s); parents; guardians, etc.)?  
   a. If yes, list names, their address and telephone:
      
      | Name(s) | Relationship | Address(es) | Phone No.(s) |
      |---------|-------------|-------------|--------------|
      |         |             |             |              |
      |         |             |             |              |
      |         |             |             |              |
      |         |             |             |              |

18. Have you attempted to contact debtor by telephone and mail?  
   Y  N  UNK
   
   a. If yes, who and the response or statements?  
      ______________________________________________________
      ______________________________________________________

   b. If not, why not?  
      ______________________________________________________
      ______________________________________________________

19. Have you attempted to negotiate settlement or payment plan?  
   Y  N  UNK
   
   a. If yes, results:
      ______________________________________________________
      ______________________________________________________
b. If not, why not?

_________________________________________________________

_________________________________________________________

20. Have you referred the account(s) to a collection agency? Y N UNK

a. If yes, results:

_________________________________________________________

_________________________________________________________

_________________________________________________________

b. If not, why not?

_________________________________________________________

_________________________________________________________

21. What other efforts have been made to collect?

_________________________________________________________

_________________________________________________________

_________________________________________________________

22. Is debtor receiving other State benefits (money, loans, leases, permits, contracts, retirement)? Y N UNK

If yes, what?

_________________________________________________________

_________________________________________________________

23. Is debtor sitting on any State or county boards or commissions? Y N UNK

If yes, what?

_________________________________________________________

_________________________________________________________

_________________________________________________________
24. Does debtor have any miscellaneous cases pending (ex: workers' compensation, criminal or civil lawsuits)?

Y N UNK

If yes, please provide explanation:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

25. How can your department improve its collection efforts?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

26. Additional comments, if any:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
DELIBUENT ACCOUNT WRITE-OFF
FOR ACCOUNTS LESS THAN $500

Dept./Div./Branch/Unit: 

Contact Person/Title: 

Telephone No.: 

Debtor: 

Account No. or Social Security No.: 

Debtor's Address: 

Type of Debt: 

Salary overpayment, loan, lease rent, services, etc. 

Date of Debt: 

Amount of Debt: 

Is the account delinquent for at least two years? 

YES 

NO 

UNKNOWN 

Have you attempted to contact the debtor? 

YES 

NO 

UNKNOWN 

If so, how and result? 

______________________________ 

______________________________ 

______________________________ 

Is this account deemed by you to be uneconomical or impractical to collect? 

YES 

NO 

UNKNOWN 

If so, why? 

______________________________ 

(death, cannot locate, bankruptcy, etc.) 

Is debtor still a state employee? 

YES 

NO 

UNKNOWN 

Has the account been referred to a collection agency? 

YES 

NO 

UNKNOWN 

Have you attempted to negotiate settlement or a payment plan? 

YES 

NO 

UNKNOWN 

APPROVED FOR WRITEOFF: 

Deputy Attorney General 

Date