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## **EPA Needs to Strengthen Oversight of Its Travel Program Authorization and Voucher Approval Processes**

Report No. 21-P-0265

September 30, 2021



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<b>Abbreviations:</b>	EPA	U.S. Environmental Protection Agency
	FTR	Federal Travel Regulation
	GSA	U.S. General Services Administration
	OCFO	Office of the Chief Financial Officer
	OIG	Office of Inspector General
	RMDS	Resource Management Directive System

**Cover Image:** Airplane in flight. (EPA image)

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# Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

21-P-0265  
September 30, 2021

## Why We Did This Audit

The U.S. Environmental Protection Agency's Office of Inspector General conducted this audit to (1) evaluate the EPA's internal controls over travel cards and (2) determine the risk of illegal, improper, or erroneous use of travel cards.

The Government Charge Card Abuse Prevention Act of 2012 requires the inspector general of each executive agency with card spending of more than \$10 million in travel to conduct periodic audits or reviews of travel card programs to analyze the risk of illegal, improper, or erroneous purchases and payments.

### **This audit supports EPA mission-related efforts:**

- *Compliance with the law.*
- *Operating efficiently and effectively.*

### **This audit addresses a top EPA management challenge:**

- *Complying with key internal control requirements (policies and procedures).*

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## ***EPA Needs to Strengthen Oversight of Its Travel Program Authorization and Voucher Approval Processes***

### **What We Found**

EPA policy and procedures were not always effective in ensuring sufficient oversight of travel card use. We found that EPA staff did not consistently comply with travel policy requirements. Out of our sample of 31 travel transactions, 29, or about 94 percent, had deviations from policy in travel card use. EPA staff approved authorizations without sufficient justification of travel policy deviations, processed late vouchers, and reimbursed vouchers for costs that lacked required documentation. These issues occurred because of (1) travelers' and approvers' unfamiliarity with travel policies, (2) monitoring weaknesses within the EPA team responsible for overseeing travel approvals, and (3) vague travel procedures in some instances. As a result, the Agency continues to be at risk from travel payments that could result in the mismanagement or waste of taxpayer funds.

**The Agency did not consistently comply with travel program requirements, which can lead to mismanagement of the EPA's annual travel expenses, which totaled \$52.7 million in fiscal year 2019.**

### **Recommendations and Planned Corrective Actions**

We recommend that the chief financial officer assess the feasibility of modifying Concur, the EPA's travel system, to restrict individuals from bypassing authorization justifications or required voucher receipts; reemphasize, through training or other methods, the requirement for justifications and documentation; require annual training for all approvers and travelers to certify that they are knowledgeable about the Federal Travel Regulation and EPA policies; and identify system-monitoring reports for oversight. We also recommend that the chief financial officer issue policy addendums to (1) require approvers to estimate and compare the total cost of temporary change of station versus extended temporary duty travel and authorize the one that is most advantageous for the Agency, cost and other factors considered, and (2) set a predetermined number of days for the travel card cancellation and closeout process.

The EPA agreed with our recommendation to require annual training for approvers and travelers and initiated the corrective action on January 5, 2021, by implementing an annual training requirement. We consider this recommendation resolved. The remaining recommendations are unresolved.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

September 30, 2021

**MEMORANDUM**

**SUBJECT:** EPA Needs to Strengthen Oversight of Its Travel Program Authorization and Voucher Approval Processes  
Report No. 21-P-0265

**FROM:** Sean W. O'Donnell

A handwritten signature in blue ink that reads "Sean W O'Donnell".

**TO:** Faisal Amin, Chief Financial Officer

This is our report on the subject audit conducted by the Office of Inspector General of the U.S. Environmental Protection Agency. The project number for this audit was [OA&E-FY20-0097](#). This report contains findings that describe the problems the OIG has identified and the corrective action the OIG recommends. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The Office of the Chief Financial Officer has the primary responsibility for the issues discussed in this report.

In accordance with EPA Manual 2750, your office provided a written response to the findings and the OIG recommendations. Your office provided an acceptable corrective action for Recommendation 2. This recommendation is resolved.

**Action Required**

Recommendations 1, 3, and 4 are unresolved. The resolution process, as described in the EPA's Audit Management Procedures, begins immediately with the issuance of this report. Furthermore, we request a written response to the final report within 60 days of this memorandum. Your response will be posted on the OIG's website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification

We will post this report to our website at [www.epa.gov/oig](http://www.epa.gov/oig).

# Table of Contents

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## Chapters

<b>1</b>	<b>Introduction .....</b>	<b>1</b>
	Purpose.....	1
	Background.....	1
	Responsible Office .....	4
	Scope and Methodology.....	4
	Prior Audit Coverage .....	5
<b>2</b>	<b>EPA Staff Approved or Paid Travel Costs Without Sufficient Justification or Documentation.....</b>	<b>7</b>
	EPA Travel Policy Requires Timely Justification and Documentation Prior to Approval.....	7
	EPA Staff Did Not Consistently Comply with Travel Authorization and Voucher Approval Requirements.....	8
	Insufficient or Unclear Policy and Procedures Hindered Travel Policy Compliance .....	11
	Insufficient Internal Controls Increase Risk.....	13
	Recommendations.....	13
	Agency Response and OIG Assessment.....	14
	<b>Status of Recommendations.....</b>	<b>16</b>

## Appendixes

<b>A</b>	<b>Travel Audit Sample .....</b>	<b>17</b>
<b>B</b>	<b>Travel Audit Sample Attributes Tested .....</b>	<b>18</b>
<b>C</b>	<b>Agency Response to Draft Report .....</b>	<b>21</b>
<b>D</b>	<b>Distribution .....</b>	<b>27</b>

# Chapter 1

## Introduction

### Purpose

The U.S. Environmental Protection Agency's Office of Inspector General [initiated](#) this audit to (1) evaluate the EPA's internal controls over travel cards and (2) determine the risk of illegal, improper, or erroneous use of travel cards.

#### Top Management Challenge Addressed

This audit addresses the following top management challenge for the Agency, as identified in OIG Report No. [20-N-0231](#), *EPA's FYs 2020–2021 Top Management Challenges*, issued July 21, 2020:

- Complying with key internal control requirements (policies and procedures).

### Background

The SmartPay Program of the U.S. General Services Administration, or GSA, provides charge cards to federal government employees for official government travel. The following regulations, guidance, and policy directives provide criteria for governing the EPA's Travel Card Program:

- **Government Charge Card Abuse Prevention Act of 2012.** This Act states that the OIG is to conduct periodic audits or reviews of travel card programs with more than \$10 million in travel card spending to analyze the risk of illegal, improper, or erroneous purchases and payments. In addition, the OIG is required to report to the Office of Management and Budget on the implementation of recommendations. The Federal Travel Regulation, or FTR, issued by the GSA, is codified in 41 C.F.R. Chapters 300–304. The FTR implements statutory requirements and executive branch policies for travel by federal civilian employees and others traveling at the government's expense.
- **Office of Management and Budget Circular [A-123](#), *Management's Responsibility for Enterprise Risk Management and Internal Control*, Appendix B, "A Risk Management Framework for Government Charge Card Programs," dated August 27, 2019.** This circular appendix consolidates all governmentwide charge card program-management requirements and guidance and establishes standard minimum requirements and best practices.
- **Resource Management Directive System, or RMDS, 2550B, *Official Travel*, dated April 27, 2018.** This directive discusses EPA-specific policies for official government travel in line with the FTR.<sup>1</sup>
- ***EPA Travel Charge Card Management Plan*, dated January 20, 2020.** This plan "outlines the policies and procedures within the United States Environmental Protection Agency that are critical to the management of the charge card program, in order to ensure that a system of internal controls is followed and to mitigate the potential for fraud, misuse, and delinquency."

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<sup>1</sup> RMDS 2550B was revised effective January 31, 2020. We used the 2018 directive because it was the version in effect at the beginning of our audit work.

As a general principle, any item that is not listed as an allowable expense, as established in the applicable criteria, requires justification. For example, EPA policy and the FTR require justifications for other-than-coach air travel, any other-than-compact vehicle rental rate, and any per diem entitlement other than the one applicable to the travel location. Travel criteria requiring justification include the Government Charge Card Abuse Prevention Act of 2012, the FTR, GSA and Office of Management and Budget guidance, and EPA policy.

### ***GSA Directs Many Elements of U.S. Government Travel***

The GSA promulgated the FTR to interpret statutory and policy requirements and to communicate them to agencies and employees. The GSA is also responsible for several travel contracts, to include the:

- **GSA SmartPay Program contract with Citibank.** The GSA SmartPay Program provides charge cards to U.S. government agencies, as well as tribal governments, through master contracts with multiple banks. More than 560 federal agencies, organizations, and Native American tribal governments participate in the program, spending over \$32 billion in fiscal year 2019 on more than three million cards.
- **GSA E-Gov Travel Service contract with Concur E-Gov Travel Service.** The E-Gov Travel Service enables the government to:
  - Consolidate travel services.
  - Leverage government travel spending.
  - Reduce waste.
  - Increase transparency for improved accountability.
- **GSA City Pair Program.** The GSA solicits annual contract competitions for scheduled airline passenger transportation services, which, collectively, are known as the City Pair Program. The City Pair Program exists “to provide discounted air passenger transportation services to federal government travelers.”

The GSA’s SmartPay Program website provides training and extensive travel information and resources.

### ***EPA’s Travel Approval Process***

Travel cards provide employees with the ability to finance work-related travel. In addition, the travel card program gives the EPA the ability to manage travel expenses and to oversee travel activity for mission-critical assignments.

All work-related travel requires approval from the proper designated officials, which include first-line supervisors and funding-control officers. Authorizations for domestic travel under \$5,000 require one level of supervisory approval. An authorization for domestic travel over \$5,000 requires an additional approval from a senior resource official. In addition, all international travel requires approval by the Office of International and Tribal Affairs. This office only approves international travel if an international plan that documents the necessity of the travel is attached to the travel authorization request.

After travel is complete, vouchers require two approvals. The first approval comes from the first-line supervisor. The second approval comes from the Cincinnati Finance Center’s Travel Team, which is responsible for paying proper travel claims and allowable voucher expenses. The EPA follows the same process for domestic travel vouchers below the \$5,000 threshold and high-cost travel vouchers over



\$5,000. In addition, regardless of the amount and funding source, a senior resource official must approve vouchers for international travel expenses.

### ***EPA's Travel Spending***

During fiscal year 2019, the EPA spent \$52.7 million on travel expenses (Table 1). The travel expenses included:

- Temporary duty, to include foreign nontaxable extended duty.
- Invitational domestic.
- Invitational foreign.
- Permanent change of station.
- Local travel expenses outside of travel card purchases.
- Administration costs.

**Table 1: EPA's fiscal year 2019 travel card statistics**

Quarter	Actual dollars spent
1	\$15,135,498.35
2	7,244,783.47
3	15,505,860.35
4	14,815,949.42
<b>Total</b>	<b>*\$52,702,091.59</b>

Source: OIG analysis of Compass Data Warehouse data. (EPA OIG table)

\* While this table reflects all travel expenses in fiscal year 2019, the EPA reported only \$36,765,969.87 in travel card expenses to the GSA. The GSA-reported number was not required to reflect dollars spent on all travel expenses outside of travel card purchases.

### ***EPA Recently Assessed Its Travel Card Program Risk***

In 2018, the EPA conducted an assessment of its travel card program to comply with the Improper Payments Elimination and Recovery Act. In that assessment, the EPA documented the following control activities for its travel card program:

- Authorizers review vouchers prior to submission.
- Prior to payment, 100 percent of travel vouchers are audited.
- Transactions without associated travel authorizations are monitored on a monthly basis.
- Travelers are notified of delinquent account balances and payroll offsets over 90 days old.
- On a monthly basis, the EPA statistically samples paid vouchers to identify improper payments.

According to the EPA, control activities mitigate risk because payment for travel expenses must be approved by a supervisor prior to travel and must be authorized a second time at the voucher stage. At the voucher stage, expenses are matched to valid receipts, when required, and the payment office examines the travel expenses a third time before payment.



The EPA's [FY 2019 Agency Financial Report](#) stated that the EPA had \$19,000 in improper travel overpayments. However, it also stated that:

Travel is not susceptible to significant improper payments. For travel, improper payments can include ineligible expenses and insufficient or missing supporting documentation. When an overpayment is identified for travel, the Agency establishes a receivable, and existing procedures are followed to ensure prompt recovery.

According to the EPA, all \$19,000 in improper travel overpayments were eventually recovered.

## Responsible Office

The Office of the Chief Financial Officer is responsible for the oversight and implementation of the EPA's travel card program. Within the OCFO, the:

- Office of the Controller issues policies and procedures for official EPA travel and provides guidance to program offices and regions.
- Cincinnati Finance Center's Travel Team manages the EPA's travel help desk and approves payment of approved travel claims.

In addition, during our audit, we identified that travelers and approving officials work in program and regional offices that are not under the OCFO's purview.

## Scope and Methodology

We conducted this performance audit from December 2019 through July 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed the internal controls necessary to satisfy our audit objectives.<sup>2</sup> In particular, we assessed the internal control components and underlying principles—as outlined in the U.S. Government Accountability Office's GAO-14-704G, *Standards for Internal Control in the Federal Government*, which is also known as the Green Book—significant to our audit objectives. Any internal control deficiencies we found are discussed in this report.

We reviewed regulations; Office of Management and Budget guidance; and EPA policy, procedures, and plans that pertain to travel and travel cards to determine the specific control activity requirements needed to ensure proper, efficient, and effective management of the travel card program. We interviewed members of EPA management responsible for travel to obtain an understanding of the

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<sup>2</sup> An entity designs, implements, and operates internal controls to achieve its objectives related to operations, reporting, and compliance. The Government Accountability Office sets internal control standards for federal entities in the Green Book.

EPA's travel card program, including internal controls and new program information since the OIG's 2019 risk assessment of the EPA's travel card program.

To determine the effectiveness of the EPA's control activities over the management of travel and travel cards and to determine the risk of illegal, improper, or erroneous use of travel cards, the audit team judgmentally chose three categories—high cost, air travel other than coach, and management travel—and randomly selected a sample of transactions within those categories (Table 2).

The sample consisted of 31, or about 5 percent, of the universe of 586 travel transactions made from July through December 2019 (Appendix A). The three categories we chose were selected based on the highest number or dollar value of transactions within them. Our results cannot be projected over all Agency travel card transactions; however, we believe our sample was sufficient to identify weaknesses in the EPA's system because we focused on higher cost travel transactions that we would expect to receive sufficient review and approval because of their dollar amounts.

**Table 2: Travel audit sample**

Category	Universe	Sample
High cost	132	14
Air travel other than coach	233	12
Management travel	221	5
<b>Total</b>	<b>586</b>	<b>31</b>

Source: OIG sample selection. (EPA OIG table)

Within the three categories we chose, we identified 21 attributes to test that related to approval and reimbursement, as shown in Appendix B. The attributes focused on verifying whether allowances and approvals were in compliance with EPA travel policy, regulations, and guidance.

## Prior Audit Coverage

Since 2012, the EPA OIG has issued risk assessments and audits that focused on travel card administration and travel management. Several reports identified findings and made recommendations that the EPA has implemented. Below are the most relevant reports to this audit:

- EPA OIG Report No. [19-P-0155](#), *Actions Needed to Strengthen Controls over the EPA Administrator's and Associated Staff's Travel*, dated May 16, 2019, which found that not all applicable provisions of the FTR or EPA travel policy were followed. The OIG identified:
  - Improper granting of first- or business-class exceptions.
  - Unjustified use of noncontract air carriers.
  - Improper approval of lodging costs above per diem.
  - Missing detailed support for trips with stops in Tulsa, Oklahoma.
  - Improper approval of international business-class travel.
  - Inaccurate and incomplete international trip reports.

The EPA OIG made 14 recommendations. Recommendations 1, 2, 12, and 14, which related to travelers' and approvers' unfamiliarity with travel policies, travel team monitoring weaknesses, and vague travel policies, are unresolved as of September 16, 2021. Resolution efforts are ongoing.

- EPA OIG Report No. [15-P-0294](#), *EPA Needs Better Management Controls for Approval of Employee Travel*, dated September 22, 2015, which recommended that the EPA evaluate the effectiveness of its executive approval framework after one year, require the review of quarterly reports for frequent travelers who travel to the same location, and submit irregularities to the designated position within the OCFO. Corrective actions were completed.

## Chapter 2

### EPA Staff Approved or Paid Travel Costs Without Sufficient Justification or Documentation

EPA policy and procedures were not always effective in ensuring sufficient oversight of travel card use. EPA policy requires approving officials or their designees to approve travel with appropriate justification for travel policy deviations before employees conduct official travel or incur any costs associated with travel. Further, EPA policy requires that travelers submit vouchers in a timely manner, that is, within five business days of the conclusion of travel. In addition, EPA policy requires receipts for any expense over \$75 and for lodging, hotel, and common carrier transportation costs, regardless of the amount. We found that EPA staff did not consistently comply with these requirements. We found deviations from policy for 29, or about 94 percent, of the 31 instances in our sample. Specifically, EPA staff approved travel authorizations without sufficient justification of travel policy deviations, processed late vouchers, and reimbursed travelers for voucher costs that lacked required documentation. These issues occurred because of:

- Travelers' and approvers' unfamiliarity with travel policies.
- Cincinnati Finance Center's Travel Team monitoring weaknesses.
- Vague travel procedures in some instances.

As a result, the Agency continues to be at risk of travel payments that could result in the mismanagement or waste of taxpayer funds.

### EPA Travel Policy Requires Timely Justification and Documentation Prior to Approval

RMDS 2550B contains the primary policy and procedures that the EPA follows to comply with the FTR and specifies that all EPA employees and travel authorizing officials shall know the FTR and EPA travel policies and procedures. It also states that the FTR is the first source of reference.

Per RMDS 2550B, authorizing officials should approve travel authorizations before the traveler incurs travel-related expenses. In addition, receipts are required, and employees must upload those receipts into the EPA E-Gov Travel Service System for:

- Lodging or hotel, common carrier, and rental car expenses, regardless of the amount.
- Registration fees, regardless of the amount.
- Any other expense over \$75.

If no receipt is supplied, the voucher must contain a justification for the missing receipt.

RMDS 2550B requires that travel vouchers be submitted—meaning the voucher must be stamped “SIGNED” by the traveler—within five business days of the completion of travel and be routed electronically using the EPA E-Gov Travel Service System. This time frame allows for additional reviews and for submission to the Cincinnati Finance Center for prompt payment to the travel card company and

for Agency eligibility to receive travel card rebates. In addition, employees on continuous travel status must prepare travel vouchers every 30 days.

## EPA Staff Did Not Consistently Comply with Travel Authorization and Voucher Approval Requirements

Our analysis of the sample transactions revealed deviations in both the authorization and voucher phases. Out of our sample of 31 travel transactions, we identified 29, or about 94 percent, with missing justifications, late submissions, or lack of required documentation (Table 3). We found deviations in all sample categories we selected.

**Table 3: Travel audit sample deviations**

Category	Sample	With deviations
High cost	14	14
Air travel other than coach	12	10
Management travel	5	5
<b>Total</b>	<b>31</b>	<b>29</b>

Source: OIG analysis of supporting documentation. (EPA OIG table)

We found that, in the authorization phase, the Concur travel system provided a warning to the traveler for issues, such as justifications for the use of noncontract carriers or for larger rental car sizes, that were nonetheless not sufficiently addressed before authorizations were approved. In the voucher phase, expenses over \$75 either lacked receipts or vouchers or were submitted late without notation of the reason for the late submission. In both phases, neither the approvers nor the Travel Team caught the deviations before costs were incurred and paid.

The deviations we identified are quantified by each sample transaction category in Tables 4, 5, and 6 in the below subsections. Transactions in our sample may have more than one deviation from policy.

### *High-Cost Travel*

Our sample analysis included 14 trips that each cost over \$5,000. We found 95 deviations in this category (Table 4). The majority of the deviations in this category occurred during the authorization phase. Of the 95 deviations, 57, or 60 percent, had missing justifications for proposed travel expenses. In many cases, the expenses produced an audit warning in the Concur travel system, but first-level supervisor approvers and second-level approvers—in these cases senior resource officials or Office of International and Tribal Affairs staff members because the expenses were in high-cost or international travel categories—ignored the audit warnings and approved the authorizations. The remaining 38, or 40 percent, of the 95 deviations were in the voucher phase. The majority of the vouchers were approved without sufficient receipts for costs incurred. The other vouchers were approved despite being submitted late or having discrepancies between labor time reported and the travel itinerary.

**Table 4: High-cost travel deviations**

Description of deviation	Deviations
<b>Authorization phase</b>	
Improper, unsupported, or incorrect travel allowances or information.	57
<b>Voucher phase</b>	
Improper, unsupported, or incorrect travel reimbursements.	31
Late submission of travel vouchers.	5
Labor time reported inconsistently with travel plan.	2
<b>Total</b>	<b>95</b>

Source: OIG sample analysis results. (EPA OIG table)

The following examples illustrate some deviations from the high-cost travel sample:

- Extended temporary duty travel.** A traveler was selected for a six-month detail costing \$33,469 to provide technical assistance in support of the EPA’s hurricane recovery efforts. We examined two separate extended temporary travel 30-day periods. We found that, when approving the authorization, there was no documented support in the EPA’s Concur travel system showing any consideration of the costs of conducting this travel as extended temporary travel versus temporary change of station to reduce EPA travel expenses. In addition, in the voucher phase, the travel approvers improperly reimbursed an apartment rental security deposit and such unsupported travel expenses as monthly parking fees and privately owned vehicle mileage compensation.
- Foreign travel.** A staff member traveled to Mexico to meet with scientific and academic community partners and nongovernment entities to provide and exchange technical expertise. The travel authorization did not show supervisory approval for trip expenses before the traveler sought reimbursement. Some of the costs identified in the travel receipts were associated with another traveler. We then reviewed the second traveler’s voucher. In the vouchers for these two travelers, we found unsupported travel expenses, such as kayak and boat rental payments. The expenses for boat and kayak rentals were not preapproved and were ultimately added during the voucher phase without justifications. We also found unjustified or unsupported travel expenses, such as inaccurate per diem rates for the travel location, automatic teller machine fee reimbursements for personal bank cards, and kayak and boat rental payments. We also found a handwritten receipt that lacked sufficient detail and was not captured on the travel card statement. While foreign travel per diem rates can be modified by the traveler, the modification is required to be justified. The EPA spent a total of \$10,152 for both travel vouchers.

### ***Air Travel Other Than Coach***

Our sample included 12 trips comprising air travel that was other than coach class. We found 12 deviations in the transactions for these trips (Table 5). Seven, or about 58 percent, of these transactions had deviations during the voucher phase with either late submissions or missing receipts for transactions over \$75. Three, or 25 percent, of the 12 transactions had missing justifications in their authorizations.

**Table 5: Air travel other-than-coach-class deviations**

Description of deviation	Deviations
<b>Authorization phase</b>	
Travel authorizations without sufficient justifications for travel decisions that allowed other-than-coach-class travel.	3
<b>Voucher phase</b>	
Late submission of travel vouchers.	7
Missing receipts for travel expenses over \$75 or common carrier rail.	2
<b>Total</b>	<b>12</b>

Source: OIG analysis of 12 air travel other-than-coach-class transactions. (EPA OIG table)

The following example illustrates a deviation in the air travel other-than-coach-class category: A traveler did not provide a receipt in a voucher to support a \$30 railway ticket expense in the common carrier category, as required by policy. In addition, the voucher was not submitted within the five business days after the trip concluded, as required by policy.

### *Management Travel*

Our sample included five trips involving management. We found 12 deviations in the transactions for these trips (Table 6). Five, or roughly 42 percent, of these 12 deviations involved missing justifications in the authorizations. In addition, four, or about 33 percent, involved deviations during the voucher phase with either late submissions or missing receipts for transactions over \$75. This category also had other issues with balance delinquencies that were flagged in the Citibank system and unauthorized leave in conjunction with travel.

**Table 6: Management travel deviations**

Description of deviation	Deviations
<b>Authorization phase</b>	
Missing or insufficient justifications for noncontract carrier; lodging over 150 percent of allowance; or premium car rental or change in mode of transportation.	5
<b>Voucher phase</b>	
Late submission of travel vouchers.	3
Missing receipts for travel expenses over \$75 or common carrier.	1
<b>Other</b>	
Travelers' accounts showed delinquency balances.	2
Leave in conjunction with official travel.	1
<b>Total</b>	<b>12</b>

Source: OIG analysis of five management travel transactions. (EPA OIG table)

For example, a traveler did not provide a voucher receipt for an Uber fare that was over \$75, as required by the FTR. As a result of our audit, the traveler admitted that the claim was a mistake, that the Uber ride did not take place, and that the traveler forgot to delete it from the voucher expenses. The traveler is reimbursing the Agency for the claimed Uber fare. During this same trip, the traveler was approved for using a noncontract airline and opted for a premium fare without sufficient justification in either the authorization or voucher. It is notable that this traveler is also a travel approver.





Source: GSA image.

## **Insufficient or Unclear Policy and Procedures Hindered Travel Policy Compliance**

We identified three weaknesses that contributed to the deviations identified in the approval and payment of travel card expenses:

- Travelers' and approvers' unfamiliarity with travel policies.
- Cincinnati Finance Center's Travel Team's monitoring control weaknesses.
- Vague travel procedures that were in place in some instances.

### ***Travelers' and Approvers' Unfamiliarity with Travel Policies***

Travelers and approvers lacked relevant knowledge of travel requirements. The main reason for this lack of knowledge was that training was infrequent and provided limited opportunities for travelers and approvers to become familiar with and to review policies. According to an OCFO branch chief, approvers were not aware of all the nuances of the FTR, despite the requirement that all travel cardholders complete training once every three years.

We found examples of this during our audit. Specifically:

- One traveler did not obtain senior resource official approval in advance, as required for travel greater than \$5,000, because the traveler was unaware of the requirement for this approval.
- Another traveler included a separate hotel tax allowance for travel at a foreign location, in violation of the FTR, because the traveler was unaware of the requirements for foreign travel hotel tax allowances.

Personnel's lack of familiarity with travel policy and procedures was exacerbated by three other factors. First, some approvers did not perform travel authorization and voucher approvals regularly enough to exercise their knowledge of the FTR and EPA policies. Second, the authorization process is often the responsibility of approvers in the program or regional offices, but the primary role of these approvers is the implementation of environmental programs, not the application of administrative policy. Third, while the Concur travel system issues audit warnings for missing justifications, travelers can easily bypass these warnings and proceed without any consequences.

## Cincinnati Finance Center's Travel Team Monitoring Weaknesses

The Cincinnati Finance Center's Travel Team responsible for managing the EPA travel program is required to monitor program effectiveness and EPA compliance with travel regulations and policy. However, the Travel Team only becomes involved in the voucher process **after** the completion of travel. In the authorization process, there is no additional level of approval from the Travel Team. Members of the Travel Team serve as the subject-matter experts on travel regulations, but the Concur travel system was not designed to route authorizations to the Travel Team. An additional level of approval from a subject-matter expert would allow for more scrutiny concerning sufficient and appropriate justifications, particularly for unique or unusual travel circumstances, such as high-cost travel, foreign travel, and extended temporary duty. An additional level of approval from the Travel Team would also reduce the risk of noncompliance with regulations and policies.

In an interview, Travel Team management told us that the Travel Team's review process is limited to verifying that required expense receipts are included in the Concur travel system and is primarily focused on matching all receipts to travel voucher claims. However, we found that the matching of vouchers, receipts, and claims was not always taking place, and policy deviations were not always caught. For example, although EPA policy requires all receipts over \$75 to be included with vouchers, travelers did not always include receipts for taxi fares or rail common carrier expenses that met this threshold, but vouchers were still paid by the Travel Team. The Travel Team did not catch some of these missing receipts because it did not match all receipts to voucher claims.

According to the Travel Team, its decreased monitoring occurred largely because of staffing shortages in the Travel Branch. Staffing declined from 14 full-time equivalents in 2012–2013 to nine full-time equivalents in 2020. When the Travel Team found deviations or encountered flawed justifications during the voucher receipt review, it did not disallow the costs claimed. The Travel Team did not believe it had the authority to do so, especially when the receipt matched the expense. The Travel Team branch chief explained that, if the Travel Team were to disallow noncontract fares because of a lack of justification, the disallowance would not be supported by the Civilian Board of Contract Appeals because the travel was already approved, and the travelers were under the assumption that they would be reimbursed.<sup>3</sup>

EPA travel card systems provide more opportunities to identify erroneous transactions with travel cards. There are 50 management reports available in its three systems—Compass Data Warehouse, CitiManager, and Concur—to oversee the program. The Travel Team routinely uses three reports to monitor atypical transactions and delinquencies with travel requirements. However, we found that the Travel Team underuses these reports.

We analyzed some of these underused reports and determined two areas in which these reports would be of use:

- **Adverse Personnel Actions.** Out of two adverse personnel actions we examined, one traveler's adverse action was delayed because of the traveler's management position.

### Adverse Personnel Action

An adverse personnel action is a disciplinary action, resulting from not complying with travel card policy, such as removal, suspension, furlough, or reduction in grade or pay.

U.S. Office of Personnel Management  
*Personnel Action Glossary*

<sup>3</sup> According to its website, "[t]he Civilian Board of Contract Appeals is an Article I court that was established under the Contract Disputes Act of 1978 as an independent tribunal to hear and decide contract disputes between Government contractors and the General Services Administration and other civilian Executive agencies of the United States."

- **Card Cancellation for Former Employees.** Five accounts were not closed in a timely manner. In addition, we found one employee with two accounts.

### ***Vague Travel Procedures***

RMDS 2550B outlines procedures for addressing adverse actions, extended temporary duties, and card account closures. However, these outlined procedures are not specific enough to effectively address unusual situations or travel requirement complexities. For example:

- A supervisor approved two travel authorizations in Concur without documentation showing that the EPA had assessed and determined that extended temporary duty travel was the most advantageous alternative for the Agency. However, FTR § 302-3.502, which is about determining whether extended temporary duty travel or temporary change of station is appropriate, states that agencies “should estimate the total cost of each alternative and authorize the one that is most advantageous for the agency, cost and other factors considered.” RMDS 2550B has procedures for extended temporary travel, but it lacks specific guidance to assist in determining whether the cost of extended travel is most advantageous to the EPA.
- Cardholders who left the EPA did not comply with procedures for contacting the Travel Team prior to their departures. Some of these cardholders had delinquent balances. RMDS 2550B has procedures for closing accounts, but there are no consequences if personnel do not follow the procedures. In addition, the Travel Team did not pursue reimbursements from the former employees. It viewed delayed card cancellations as low risk because the former cardholders would be liable for any charges.

## **Insufficient Internal Controls Increase Risk**

Travel cards are designed to streamline and monitor payments of official government business. When oversight is insufficient, the misuse of travel cards could ultimately put tens of millions of dollars of taxpayer funds at an increased risk of mismanagement or waste each year.

## **Recommendations**

We recommend that the chief financial officer:

1. Ensure that individuals do not bypass justifications for travel policy deviations and documentation requirements by:
  - a. Assessing the feasibility of modifying Concur to restrict individuals from bypassing authorization justifications or required voucher receipts.
  - b. Reemphasizing, through training or other methods, the requirement for justifications and documentation.

2. Require annual training for all approvers and travelers to certify that they are knowledgeable about the Federal Travel Regulation and Resource Management Directive System 2550B travel policy.
3. Increase the rate of capturing deviations found in this audit by identifying monitoring reports in the travel system that can assist with targeted-deviation monitoring efforts, and use the system-monitoring reports for oversight.
4. Issue addendums to the Resource Management Directive System 2550B travel policy or equivalent to:
  - a. Require approvers to estimate and compare the total cost of temporary change of station versus extended temporary duty travel and authorize the one that is most advantageous for the Agency, cost and other factors considered.
  - b. Require the travel card cancellation and closeout process to occur within a predetermined number of days.

## **Agency Response and OIG Assessment**

The Agency provided a response to our draft report on June 17, 2021 (Appendix C). The OIG met with the OCFO on August 17, 2021, to discuss our report findings and recommendations. Based on that meeting and our analysis of the Agency response, we deleted draft report Recommendation 1 and revised draft Recommendations 2, 3, 4, and 5 as explained below.

In response to draft Recommendation 1, the OCFO stated that, while it agrees there could be more training related to senior resource official approvals, including an assessment of allowability of costs, the travel team does not have the authority to determine whether an EPA employee's travel is prudent or necessary. Providing more training could assist senior resource officials in enhancing oversight of high-cost and international travel. Therefore, we deleted draft Recommendation 1 as this issue will be addressed when EPA completes final Recommendation 2 (previously draft Recommendation 3).

In response to draft Recommendation 2 (now final Recommendation 1), the OCFO stated that the Concur travel system is not able to review justifications for validity or match receipts to expenses automatically. However, the OCFO did not provide evidence of a feasibility assessment. Therefore, we maintain our position, but we revised the recommendation to stress the need to conduct a feasibility assessment (Recommendation 1.a) and added the need to reemphasize the requirement of documentation through training or other methods (Recommendation 1.b). The final Recommendation 1 is unresolved.

The OCFO agreed with draft Recommendation 3 (now final Recommendation 2) and in January 2021 implemented the corrective action to require annual training that must be completed by September 30 of each year. Therefore, the final Recommendation 2 is resolved. We will verify that the 2021 training was completed after the deadline.

In response to draft Recommendation 4 (now final Recommendation 3), OCFO staff stated that the travel reports used by the Travel Team are sufficient and that it is not worth the money for it to add extra tasks or expend additional resources in this area. However, we maintain that using three out of

50 available reports is not an optimal use of the available systems' reporting capabilities. Specifically, the Travel Team underuses the EPA's three travel systems—Compass Data Warehouse, CitiManager, and Concur—that would enhance oversight capabilities of the travel card program. For example, if the Agency used additional management reports that are available in Concur, it could have identified the exceptions we found related to high-cost and management travel, use of airfare ticket cost versus lowest logical airfare, trips flagged with policy exceptions, and lodging expenses that exceed per diem rate reports. CitiManager provides various reports that the EPA could use to monitor the card activity, expenses, and transactions of individual travelers by querying employee names. The Compass Data Warehouse provides reports related to atypical transactions, such as charges that are rarely used during travel and unliquidated travel. The final Recommendation 3 is therefore unresolved.

In response to draft Recommendation 5 (now final Recommendation 4), the OCFO stated that elevation of adverse actions is a supervisory or human resources issue that could be addressed through training. Thus, we removed that part of the recommendation as this issue will be addressed when EPA completes final Recommendation 2. In addition, in response to a technical comment, we revised Part A of this recommendation to be consistent with FTR § 302-3.502, which requires agencies to consider cost and other factors that are most advantageous to the government. The final Recommendation 4 is unresolved.

The OCFO noted in its overall response to our draft report that the deficiencies identified in this report represent small dollar amounts. While this is true in some cases, we remain concerned about the increased risk of mismanagement of the travel card program if the frequency of errors that we identified continues. Our sample consisted of 31, or about 5 percent, of 586 travel transactions made from July through December 2019 (Appendix A). Out of our sample of 31 travel transactions, we identified 29, or about 94 percent, with missing justifications, late submissions, or lack of required documentation. Furthermore, the deviations we identified spanned several program offices, indicating a widespread problem. The OCFO also stated that the issues cited in this report are a reflection of the OIG's misunderstanding of regulation or policy. However, we cite the specific applicable guidance for all authorization and voucher transaction deficiencies that we identified in the report.

# Status of Recommendations

## RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date
1	13	Ensure that individuals do not bypass justifications for travel policy deviations and documentation requirements by: <ul style="list-style-type: none"> <li>a. Assessing the feasibility of modifying Concur to restrict individuals from bypassing authorization justifications or required voucher receipts.</li> <li>b. Reemphasizing, through training or other methods, the requirement for justifications and documentation.</li> </ul>	U	Chief Financial Officer	
2	14	Require annual training for all approvers and travelers to certify that they are knowledgeable about the Federal Travel Regulation and Resource Management Directive System 2550B travel policy.	R	Chief Financial Officer	9/30/21
3	14	Increase the rate of capturing deviations found in this audit by identifying monitoring reports in the travel system that can assist with targeted-deviation monitoring efforts, and use the system-monitoring reports for oversight.	U	Chief Financial Officer	
4	14	Issue addendums to the Resource Management Directive System 2550B travel policy or equivalent to: <ul style="list-style-type: none"> <li>a. Require approvers to estimate and compare the total cost of temporary change of station versus extended temporary duty travel and authorize the one that is most advantageous for the Agency, cost and other factors considered.</li> <li>b. Require the travel card cancellation and closeout process to occur within a predetermined number of days.</li> </ul>	U	Chief Financial Officer	

<sup>1</sup> C = Corrective action completed.

R = Recommendation resolved with corrective action pending.

U = Recommendation unresolved with resolution efforts in progress.

## *Travel Audit Sample*

#	Category	Travel authorization number	Begin	End	Total amount	Destination
1	High cost	TAA07COL	7/4/19	8/4/19	\$8,619.46	Fort Buchanan, Puerto Rico
2	High cost	TAA07GXD	8/8/19	8/23/19	6,250.73	Pago Pago, American Samoa
3	High cost	TAA079N0	8/10/19	8/19/19	5,254.99	Ensenada, Mexico
4	High cost	TAA07BSK	9/1/19	10/1/19	5,300.50	Washington, D.C.
5	High cost	TAA07M17	9/2/19	9/15/19	5,822.13	Guam
6	High cost	TAA070YU	9/5/19	9/15/19	8,039.76	Koror, Palau
7	High cost	TAA07NZ4	10/7/19	10/18/19	8,319.78	Beijing, China
8	High cost	TAA07RKO	10/28/19	11/8/19	5,019.33	San Juan, Puerto Rico
9	High cost	TAA07TQN	11/3/19	11/16/19	5,109.19	San Francisco, CA
10	High cost	TAA07PKC	11/7/19	12/7/19	8,175.37	San Juan, Puerto Rico
11	High cost	TAA07PQT	11/10/19	11/16/19	5,126.32	Geneva, Switzerland
12	High cost	TAA07LSR	11/15/19	11/23/19	5,370.75	Guam
13	High cost	TAA07VXV	11/22/19	11/30/19	5,651.43	Geneva, Switzerland
14	High cost	TAA07ZJJ	12/8/19	12/13/19	5,045.72	Beijing, China
15	Management	TAA07F2Z	8/5/19	8/7/19	1329.81	Dallas, TX
16	Management	TAA07PE2	9/23/19	9/26/19	2309.16	San Francisco, CA
17	Management	TAA07HMC	8/7/19	8/8/19	743.10	Chicago, IL
18	Management	TAA7E17	8/4/19	8/9/19	1739.71	Dallas, TX
19	Management	TAA07NO3	9/19/19	10/1/19	3746.22	Oakland, CA
20	Air travel other than coach	TAA07QJI	10/19/19	10/26/19	202.30	Washington, D.C.
21	Air travel other than coach	TAA07GXN	8/14/19	8/16/19	637.60	San Francisco, CA
22	Air travel other than coach	TAA07MMP	10/6/19	10/11/19	2,279.60	Chicago, IL
23	Air travel other than coach	TAA07FYK	8/21/19	8/23/19	125.30	Dallas, TX
24	Air travel other than coach	TAA07V1R	11/13/19	11/15/19	392.30	Oakland, CA
25	Air travel other than coach	TAA07BRB	7/31/19	8/2/19	899.30	Dallas, TX
26	Air travel other than coach	TAA07LXF	11/3/19	11/9/19	486.60	San Francisco, CA
27	Air travel other than coach	TAA07OBE	11/15/19	11/21/19	8,185.06	Chicago, IL
28	Air travel other than coach	TAA07NJ3	9/4/19	9/5/19	1,418.60	Dallas, TX
29	Air travel other than coach	TAA07AC8	7/22/19	7/23/19	188.60	Oakland, CA
30	Air travel other than coach	TAA07F0Q	7/28/19	8/3/19	256.60	Gila County, AZ
31	Air travel other than coach	TAA07F1A	8/6/19	8/8/19	\$405.60	Cincinnati, OH

Source: OIG summary of EPA travel authorizations. (EPA OIG table)



## ***Travel Audit Sample Attributes Tested***

#	Attribute tested	Answer for each category tested:		
		High cost	Air travel other than coach	Management
1	Was there an itinerary (location) for travel provided in both the authorization and voucher documentation?	Yes	Yes	Yes
2	Were the dates of travel consistent in both the authorization and the voucher?	Yes	Yes	Yes
3	Did travelers leave dates coincide with travel dates?	Yes	No	Yes
4	Did the approval dates comply with the traveler's authorization request?	Yes	No	No
5	Was nontemporary duty activity status reported on the travel authorization and voucher? If not, was there appropriate and sufficient documentation included in the travel authorization for the analysis and approved costs if the trip involved extended dutytravel?	Yes	No	No
6	Did the project trip codes documented comply with applicable categories?	No	No	No
7	a. Was a clear description provided in regard to the purpose of the travel, and did it support why the assignment could not be accomplished through remote methods (such as a reason for travel)?	Yes	Yes	Yes
	b. Was the mode of travel the most advantageous method for the government?	Yes	No	Yes
	c. Did the authorization include noncontract fare information?	Yes	Yes	Yes
	d. Did the voucher include other-than-coach-class travel?	No	Yes	Yes
8	Was the per diem rate equivalent to the rate for the travel cardholder's temporary duty location, or did it exceed the allowable limits set in the meals and incidentals expenses criteria?	Yes	No	Yes
9	Was leave claimed in the traveler's timesheet for the travel period? If yes, does the following apply: a. Official travel was necessary? b. Purpose of the travel was stated on the travel authorization as government related? c. Requested leave was coincidental? d. Leave taken would not delay any official business. e. Per diem allowance were not received while in leave status?	Yes	No	Yes
10	a. Did the lodging rate exceed the allowable limits set based on the actual travel guidance lodging multiplier criteria?	Yes	No	Yes
	b. If lodging was over per diem, was there justification provided to support the cost escalation based on the following: (a) Travel was required because of extraordinary or special events? (b) Lodging and meals were higher than allowable per diem rate for location? (c) Commuting costs were higher than allowable per diem rates because of a presidentially declared disaster or because the Agency mission required specific justification and approval?	Yes	No	Yes
	c. Were there any other lodging situations, such as: (a) Government quarters? (b) Lodging with friends or family (payment if host can substantiate and Agency considers reasonable)? (c) Nonconventional (boarding homes, college dormitories, and so on) other types of facilities offered commercially? (d) Recreational vehicle (lodging costs associated with options like parking, utilities, and so on)?	No	No	No

#	Attribute tested	Answer for each category tested:		
		High cost	Air travel other than coach	Management
11	If trip included multiple locations, did the lodging and per diem expenses comply with allowable costs per each location?	Yes	No	Yes
12	a. Were there any automatic-teller-machine withdrawals associated with for this trip?	Yes	No	No
	b. Did the automatic teller machine-approved fees include any transportation expenses that were less than \$100?	Yes	No	No
13	a. Did the expenses based on receipts comply with applicable travel requirements?	Yes	No	Yes
	b. Were personal phone expenses for domestic travel less than \$6 per day and for international travel less than \$12 per day?	No	No	No
	c. Were supplies, to the extent possible, approved prior to travel?	No	No	No
	d. Were registration fees paid by bank card?	No	No	No
	e. Were baggage expenses reported above allowable rates?	Yes	No	No
	f. Was the lodging tax paid limited to Agency authorized amount? Were any prohibited separate claims for foreign lodging tax identified?	Yes	No	No
	g. Was laundry, cleaning, or pressing of clothing required for this travel? Were any prohibited separate claims for these types of expenses identified?	No	No	No
	h. Did travel documents include any energy surcharge and lodging resort fees when such fees were not optional?	No	No	No
	i. Was the travel advance for noncash transaction expenses?	Yes	No	Yes
	j. Did car rental expenses include justification and receipts for navigational systems and gasoline, if applicable?	Yes	No	Yes
	k. Did voucher document include reimbursable expenses?	Yes	No	No
	l. Did voucher include any duplicate expenses or variances of expenses?	Yes	Yes	Yes
	m. Did credit card activity for travel expenses incurred during the travel period support travel authorization and voucher documentation?	No	No	Yes
14	a. Were there differences from what was reported in the travel authorization from the information provided with voucher receipts?	Yes	Yes	Yes
	b. Did the voucher include receipts for lodging, airfare, rental car, and all expenses over \$75?	Yes	Yes	Yes
	c. Were receipts attached clear and matched expense category and description on travel authorizations and travel vouchers?	Yes	Yes	Yes
15	For vouchers that involved International travel, was a complete and approved international trip plan provided through the Fast-International Approval of Travel System?	No	No	No
16	Was the payment method reported on voucher documented accurately?	No	No	No
17	Were comments on both the vouchers and authorizations forms addressed?	Yes	Yes	Yes
18	a. Did the approvers meet the requirements to approve the document? If lodging is over per diem, are you an eligible approver?	Yes	No	Yes
	b. Did travel authorization include additional authorization for special exception circumstances or issues requiring uncommon or nontypical types of travel?	Yes	No	Yes
	c. If documentation is missing, are the remarks or comments reasonable and do they justify the requirement?	Yes	Yes	Yes
19	Was the voucher submitted in a timely manner—within five days of travel?	Yes	Yes	Yes

#	Attribute tested	Answer for each category tested:		
		High cost	Air travel other than coach	Management
20	Did the voucher trip totals (sum of all reimbursable and nonreimbursable costs) reconcile against the total estimated cost on the corresponding authorization or travel-related documents?	No	Yes	Yes
21	Did the voucher receipt for the airfare indicate other than coach class? If other-than-coach class fare was issued, was authorization support provided prior to travel?	No	Yes	No

Source: OIG summary of attributes tested. (EPA OIG table)

## Agency Response to Draft Report



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF THE  
CHIEF FINANCIAL OFFICER

June 17, 2021

### **MEMORANDUM**

**SUBJECT:** Response to the Office of Inspector General Draft Report, Project No. OAE-FY20-0097, *"EPA Needs to Strengthen Oversight of Its Travel Program Authorization and Voucher Approval Processes,"* dated May 19, 2021

**FROM:** *for* David A. Bloom, Acting  
Chief Financial OfficerOffice of  
the Chief Financial Officer

CAROL  
TERRIS

Digitally signed by  
CAROL TERRIS  
Date: 2021.06.17  
13:52:46 -04'00'

**TO:** Khadija E. Walker, Director  
Contract and Assistance  
Agreement Directorate  
Office of Audit

Thank you for the opportunity to respond to the issues and recommendations in the subject draft report. The following is a summary of the U.S. Environmental Protection Agency's overall position, along with its position on the report's recommendations.

### **AGENCY'S OVERALL POSITION**

The Office of the Chief Financial Officer agrees with the Office of the Inspector General's recommendation number 3; however, we do not agree with the remaining recommendations. Responses to specific recommendations are outlined in the table below. The report cites issues that are actually not non-compliance; several items listed reflect a misunderstanding of regulation/policy by the investigator. In addition, a number of the review gaps mentioned were caught in the routine follow up internal control processes established by my office in Fiscal Year 2018. Though the report does accurately identify two expenses paid without receipts that total less than \$50, the EPA feels this represents a small margin of error. However, receipts will continue to be a focus of monthly, quarterly and annual reviews conducted internally. The report's inaccuracies are discussed in more detail below:

### ***High Cost Travel***

The OIG draft report cites an extended Temporary Duty voucher and lists it as an exception because no cost comparison was prepared to identify the potential for reduced agency cost. In this case, it would involve reviewing the allowable expenses under two types or categories of travel, the “Temporary Duty” status approach and the “Temporary Change of Station” approach. However, neither the Federal Travel Regulations nor EPA’s Travel Policy Resources Management Directive System 2550B require such a comparison. Further, TCS is a much more disruptive process for the employee as it requires the employee to move. Citing this as an exception to policy is not accurate.

On the same voucher, the report cites unsupported travel expenses such as Privately-Owned Vehicle and parking. The authorization contained comments that POV mileage would need to be claimed as part of the necessary duties to respond to Hurricane Maria. Though some documentation was not included in the vouchers, the EPA’s subsequent reviews found all costs were justified.

### ***Foreign Travel***

The OIG cited that the Senior Resource Official’s approval was not provided prior to the trip, however, the SRO memorandum in the voucher is signed and dated July 25, 2019, for a trip that departed on August 10, 2019. The OIG report also cited a receipt with another traveler’s name included. This receipt was added to show the traveler shared the expense for that room with another traveler on those dates, as is allowed in FTR section 301-11.13. The cost on the reviewed voucher reflected the split. In addition, for the per diem and lodging, all nights above 150 percent were flagged and authorization was provided in the SRO approval memorandum. Both the kayak and boat rentals cited were in line with the travel mission as it was related to water quality and sampling. The OCFO agrees the ATM fee expensed for this trip was personal and should not have been paid. The traveler will be billed \$15.92.

### ***Temporary Duty Travel Claims***

The OIG draft report indicated that most of the travel exceptions they reviewed were due to late submission. The Cincinnati Finance Center Travel Team must pay valid travel claims regardless of when they are submitted. The CFC Travel Team can only deny claims as outlined in FTR 301-52.8:

#### ***§301-52.8 - May my agency disallow payment of a claimed item?***

*Yes, if you do not:*

*Provide proper itemization of an expense;*

*Provide receipt or other documentation required to support your claim; and Claim an expense which is not authorized.*

In addition, the EPA has agencywide metrics that report monthly on late travel voucher submissions that are distributed by office. Submission of travel vouchers within five business days of return to the office is required by the FTR. The EPA’s monthly reporting allows offices to see frequent offender and supervisors to counsel employees on timely submission.

### ***Travel Team Monitoring Weakness***

The OIG draft report indicated that the CFC Travel Team is not matching all receipts to expenses during their review. The CFC Travel Team audits 100 percent of all vouchers before payment, however, any manual process is susceptible to human error and some items may be missed. To mitigate this, the CFC Travel Team has additional internal control processes and performs monthly, quarterly, semi-annual, and annual reviews of paid vouchers. During these reviews, mistakes are identified and billed to the traveler if necessary. The OIG's review of their sampled documents only produced three missing receipts. In two of the three cases, the missing documentation had already been revealed in the one of the previous voucher reviews. Documentation for these occurrences were provided or the expense was billed to the traveler and collected.

The OIG draft report mentions staff interviews revealed that decreased monitoring was due to staff shortages. The OIG's statement is a misinterpretation of what was communicated. The CFC Travel Team has not decreased any monitoring of travel documents due to staffing. 100 percent of all vouchers are reviewed prior to payment and the team still monitors travel card reports for delinquency and atypical use. The CFC Travel Team frequently disallows claims in its review of documents. In keeping with the FTR, valid claims must be paid and the penalty for non-compliance is limited to costs above the allowance. Per the FTR, the entire amount is not disallowed, only the difference. This is true with non- contract fares and lodging as outlined in FTR 301-10.8 and 301.50-5:

***§301-10.8 - What is my liability if, for personal convenience, I travel by an indirect route or interrupt travel by a direct route?***

*Your reimbursement will be limited to the cost of travel by a direct route or on an uninterrupted basis. You will be responsible for any additional costs.*

***§301-50.5 - What is my liability if I do not use my agency's TMS or the E-Gov Travel Service, and an exception has not been approved?***

*If you do not have an approved exception under §301-50.4 or §301-73.104 of this chapter, you are responsible for any additional costs resulting from the failure to use the TMS or E-Gov Travel Service, including service fees, cancellation penalties, or other additional costs (e.g., higher airfares, rental car charges, or hotel rates). In addition, your agency may take appropriate disciplinary action.*

The CFC Travel Team will limit expenses to the appropriate rate if applicable approvals are missing, as full denial is not allowed under the FTR.

## **RESPONSE TO RECOMMENDATIONS**

### **Agreements**

<b>No.</b>	<b>Recommendation</b>	<b>High-Level Intended Corrective Action(s)</b>	<b>Estimated Completion Date</b>
3	Require annual training for all approvers and travelers to certify that they are knowledgeable of the Federal Travel Regulation and EPA policies.	On January 5, 2021, the OCFO implemented annual training through FedTalent for all travel cardholders and travel authorizing officials. This annual training must be completed by September 30 of each year. Currently, 27 percent of travel cardholders and travel authorizing officials have completed the training for 2021. Travel cardholders who do not complete training on time will have their cards suspended and approving officials will be removed from routing for approvals.	January 5, 2021

### **Disagreements**

<b>No.</b>	<b>Recommendation</b>	<b>High-Level Intended Corrective Action(s)</b>	<b>Estimated Completion Date</b>
1	Require Travel Team approval for all authorizations above \$5,000 and for all international travel.	The EPA has an existing requirement for SRO approval of any travel above \$5,000. The EPA's travel system, Concur, has designated routing for foreign travel to be approved by the appropriate Travel Authorizing Official, which is determined and authorized by Delegation 1-17B, <i>International Travel</i> . The CFC Travel Team is not comprised of individuals who have been delegated or redelegated the authority to determine whether an EPA employee's travel is prudent or necessary. In addition, in FY 2020 and FY 2021, Internal Control reviews performed in accordance with the Office of Management and Budget's Circular A-123 found there were no travel exceptions above \$5,000 where approvals were not included.	N/A
	Implement a system control that does not allow individuals to bypass missing authorization justifications or required voucher receipts.	The EPA uses the governmentwide travel system, Concur, which currently has all available system checks in place for authorization justification and noting when receipts are required. The system is not able to review justifications for validity or match receipts to expenses automatically. The CFC Travel Team performs monthly, quarterly, and annual audits on justification validity, which includes matching receipts to expenses.	N/A



		<p>The OCFO's review of the documentation cited by the OIG revealed:</p> <p><b><i>Justification for Higher Rental Car Not in the Travel Authorization or Travel Voucher</i></b>  1 Occurrence cited by report  This justification was sent by email to the travel team prior to payment.</p> <p><b><i>Expenses Paid Without a Receipt Attached</i></b>  2 Occurrences cited by report  One of the 2 occurrences were already billed and collected prior to the issuance of this report.</p> <p><b><i>Non-Contract Flight Without Justification</i></b>  Several Occurrences cited by report  In each case, reimbursement is limited to the cost of the contract fare as is consistent with FTR section 301-10.109. The use of non-contract fares did not increase costs to the agency.</p>	
4	Identify monitoring reports in the travel system of use to the Travel Team to develop targeted deviation monitoring efforts.	<p>This is already in place. The EPA monitors use that does not align with travel authorizations and card delinquency on a monthly basis. The EPA also runs the list of active cards against the active vendor list in Concur on a bi-weekly basis to close accounts of departed employees. The report cites one card holder with two accounts, however that cardholder applied with two different last names and this was the sole example. It also cites five cards that were closed more than a month after the cardholder departed the agency, but again these examples are few. These controls are consistent with the 2017 IG designation of low risk. Further since 2018, with more than \$223 million in spend, less than \$5,000 has been written off due to cardholder misuse or failure to pay.</p>	N/A
5	<p>Issue addendums to the Resource Management Directive System 2550B travel policy or equivalent to:</p> <p>a. Require cost-benefit assessments to compare temporary change of station versus extended temporary duty travel.</p>	<p>Neither the FTR nor the EPA travel policy RMDS 2550B requires a cost-benefit assessment or a cost comparison to be performed for a temporary change of station versus extended temporary duty travel. The CFC Travel Team did a full audit of all vouchers for this detail and found all lodging costs were accurately paid. Although some documentation was not initially included in the vouchers, the CFC Travel Team's subsequent review found all costs were justified. In addition, a temporary change of station would be counterproductive as it is a much more disruptive</p>	N/A

	<p>b. Revise the travel card cancellation and closeout process to occur within a predetermined number of days.</p> <p>c. Require clear guidance on adverse personnel action.</p>	<p>process for an employee, requiring the employee to move, which generates additional costs for the employee and for the agency to process the change of official duty station. Citing this as an exception implies a cost-benefit assessment or cost comparison is a requirement for a temporary change of station, which is not accurate.</p> <p>The EPA currently has an automated review in place to compare active cards against active Compass vendor codes on a bi-weekly basis to ensure cards of separated employees are closed or cancelled.</p> <p>The OCFO addresses the misuse of EPA issued travel cards in the agency's travel policy, RMDS 2550B – Official Travel, <i>Section V. Prudent Travel Management – Travel Card Abuse/Misuse and Appendix A</i>. In this policy, employees are informed of the potential repercussions of misusing their government issued travel card. The CFC reserves the rights to suspend any traveler's card that violates agency policy.</p>	
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### **CONTACT INFORMATION**

If you have any questions regarding this response, please contact the OCFO's Audit Follow-up Coordinator, Andrew LeBlanc, at [Leblanc.Andrew@epa.gov](mailto:Leblanc.Andrew@epa.gov) or (202) 564-1761.

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