



November 2015

DOJ CIVIL RIGHTS DIVISION TRAVEL

Division Strengthened Controls over Travel, but Additional Areas for Improvement Identified

Accessible Version

GAO Highlights

Highlights of [GAO-16-58](#), a report to the Chairman, Committee on the Judiciary, U.S. Senate

Why GAO Did This Study

The sensitive nature of taxpayer-funded travel necessitates that federal agencies have strong internal controls in place to help ensure that travel complies with rules and regulations.

GAO was asked to review the Division's travel controls. This report examines the extent to which the Division effectively implemented internal controls and complied with travel policy in key areas, including appropriate (1) authorization and reimbursement of travel and (2) use of travel charge cards.

GAO analyzed Division travel data for all trips associated with investigations resulting in a court case and completed investigations not resulting in a court case ("closed investigations"), and travel charge card use from October 2011 through June 2013, the most recent data available at the time of GAO's data request. GAO did not analyze travel data associated with ongoing investigations. GAO also analyzed a generalizable sample of travel documents for 105 of the 3,157 trips within the period of its review. GAO also reviewed relevant federal and agency-specific travel rules and interviewed officials.

What GAO Recommends

GAO recommends, among other things, that the Division strengthen controls related to prior authorization of travel and timely submission of vouchers, evaluate whether new controls for noncontract airfares are functioning properly, and improve how it documents oversight of delinquent travel card accounts. The agency concurred with GAO's recommendations.

View [GAO-16-58](#). For more information, contact Seto Bagdoyan at (202) 512-6722 or bagdoyans@gao.gov.

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What GAO Found

GAO tested the implementation of internal controls and compliance with key policies in nine areas of the Department of Justice's (DOJ) Civil Rights Division (Division) travel authorization and reimbursement process for the period from October 2011 through June 2013 and found indications that controls functioned effectively in four of those areas. Weaknesses existed in the remaining five areas. Two of these weaknesses should be addressed by the design of a new travel system the Division began using in August 2013. Although the new travel system was in use during GAO's review, the Division had used the new system for too few trips for GAO to analyze its data. The four areas of travel in which the Division complied with policy and controls were generally functioning effectively included appropriate levels of per diem reimbursement, presence of required receipts, prior approval of higher-than-per-diem lodging, and appropriate length of trip for certain oversight activities (related to ensuring compliance with fair-housing laws). GAO identified weaknesses in three areas including the following:

- GAO found that 16 percent of travel authorizations did not include documentation of approval prior to travel, contrary to DOJ policy, which could hinder the effective management of travel funds. Although unanticipated travel may require flexibility for travelers, strengthening controls to promote prior written authorization could help the Division better ensure that travel is necessary and funds are available.
- GAO estimated that 14 percent of Division airfares were on noncontract carriers, and none of the eight highest cost vouchers in GAO's sample had documentation of prior approvals as required by DOJ policy. The new DOJ travel system has controls designed to document approval of noncontract airfares but not if travelers book flights outside the system. The department has not yet evaluated whether this is occurring, yet doing so would confirm whether the new configuration of controls are functioning as intended.
- GAO estimated that 42 percent of Division travel vouchers were not submitted within required time frames per DOJ policy, which could result in difficulties in managing travel funds.

Most Division travel charge card use appeared appropriate indicating effectively functioning controls and compliance with certain travel policies—for instance, more than 97 percent of purchases on Division travel cards aligned with evidence of official travel and appeared appropriate. GAO found three weaknesses related to travel card controls. First, cash advance transactions did not always comply with travel policies, as 19 percent of transactions did not align with evidence of official travel. Second, travel cards were not closed timely in 29 percent of cases reviewed. The Division has implemented new procedures since the start of GAO's audit, implementing new controls whose design should address these two issues. Third, the Division did not maintain documentation of communication with delinquent cardholders, a key component in addressing delinquent accounts. Without this documentation, the Division will not be able to determine whether staff are implementing this control, and thus, if delinquencies persist, it will be hindered in determining if the underlying cause is lack of implementation of this control or the need to strengthen controls or implement different processes.

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Abbreviations

Division	Civil Rights Division
DOJ	Department of Justice
FHTS	Fair Housing Testing System

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FMIS	Financial Management Information System
FTR	Federal Travel Regulation
GSA	General Services Administration
M&IE	Meals and Incidental Expenses



November 12, 2015

The Honorable Charles Grassley
Chairman
Committee on the Judiciary
United States Senate

Dear Mr. Chairman:

The serious fiscal challenges facing our nation today as well as the sensitive nature of taxpayer-funded travel necessitates that federal agencies have strong internal controls in place to help ensure that travel complies with rules and regulations, and that travel spending is prudent and in line with agency mission needs. Moreover, travel improprieties can significantly damage the credibility of government agencies. For example, controversy around a 2010 General Services Administration (GSA) conference garnered significant media attention and resulted in increased scrutiny of government travel. To help safeguard taxpayers' money, federal regulations state that agencies are to conduct all travel in the most economical and effective manner. For their part, travelers are told to exercise the same standard of care in incurring expenses that a prudent person would exercise if traveling on personal business.

You requested that we review the Department of Justice (DOJ) Civil Rights Division (Division) travel program's compliance with travel policy and internal controls in place to help ensure compliance with travel rules. This report thus examines the extent to which the Division effectively implemented internal controls and complied with travel policy in key areas, including appropriate (1) authorization and reimbursement of travel and (2) use of travel charge cards.

To achieve these objectives, we reviewed Division travel data from October 2011 through June 2013 (the most recent travel data available when we began our examination) that included all trips associated with investigations resulting in a court case (which we refer to as "cases" in this report) and completed investigations not resulting in a court case (which we refer to as "closed investigations"). We excluded travel information related to ongoing investigations that could result in ongoing litigation. We estimate that the travel vouchers associated with cases and closed investigations represented approximately 61 percent of Division travel. After identifying federal travel regulations and DOJ travel policies, we tested the implementation of policies and controls over travel by

analyzing data that indicated whether the policy or control had been implemented. In some cases, the data we analyzed directly indicated whether the control had been implemented, such as through compliance with policy, and we report on those outcomes. Where we found that Division travel complied with policy, we did not conduct further testing of related controls. In other cases, the data pointed to a control weakness that required additional testing. If we identified a weakness in the implementation of controls that may have been addressed through a change in DOJ's travel system subsequent to the time frames of the data we tested, we evaluated the design of any related new control as a way of assessing whether the control weakness we identified could be mitigated.¹ To do so, we consulted with GAO travel experts familiar with the new travel system the Division put in place and reviewed the Division's documentation of controls related to that system.

For the first objective, we evaluated the implementation of nine policies and control activities to determine the extent to which travel authorization and reimbursement processes complied with relevant requirements, such as requirements to properly authorize and document travel. To this end, we drew a stratified random probability sample of 105 Division trips, generalizable to the population of 3,157 Division trips in the scope of our review, and examined that sample to determine the extent to which travel was approved prior to the trip, whether travel documents were approved by an appropriate-level official, and whether travel vouchers were submitted timely and included all required receipts to justify reimbursement, in line with travel rules. We also analyzed all travel authorization and voucher data within the period of our review from the Division's financial system of records, the Financial Management Information System (FMIS), to review the extent to which the Division utilized premium airfares, utilized noncontract airfares, or paid per diem above the GSA authorized rates.² Where we identified potential premium airfares, noncontract airfares, or per diem above authorized rates, we reviewed travel documents to identify the extent to which Division employees provided justifications and obtained approvals as required by DOJ policy. We also compared travel by fair-housing testers to dates of

¹In August 2013, the Division implemented the new DOJ travel system called E2.

²The GSA sets and publishes rates for per diem and lodging up to a set daily rate that varies by location and, for some locations, by time of year.

testing work activities to review the extent to which travel aligned with official testing dates.³

For the second objective, we reviewed travel card transactions occurring from October 2011 through June 2013 to test the implementation of the Division's policies and controls that were designed to help ensure appropriate use of travel charge cards. For example, this included controls to prevent potentially inappropriate transactions or personal use and oversight processes to monitor for potential misuse of travel cards. To this end, we reviewed travel data to determine the extent that transactions appeared appropriate for travel, such as charges for hotels and airfare, and aligned with official travel dates.⁴ We also reviewed Division controls related to management of travel cards including timely closure of accounts and oversight of delinquent accounts. We performed data-reliability assessments of all travel data reviewed. These assessments included analyzing related documentation, interviewing knowledgeable officials on how the data are compiled, electronically testing data fields for completeness, evaluating control totals, and comparing records in the file against agency totals for travel vouchers and charge card transactions. All of the data included in this report were assessed and determined to be sufficiently reliable for the purposes of this report. Appendix I contains additional details regarding our scope and methodology.

We conducted this performance audit from November 2014 through November 2015 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 we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

³As discussed later in the report, fair-housing testing involves sending individuals who pose as prospective buyers or renters of real estate to gather information that can indicate whether a housing provider is complying with fair-housing laws or may be discriminating based on race, national origin, disability, or familial status.

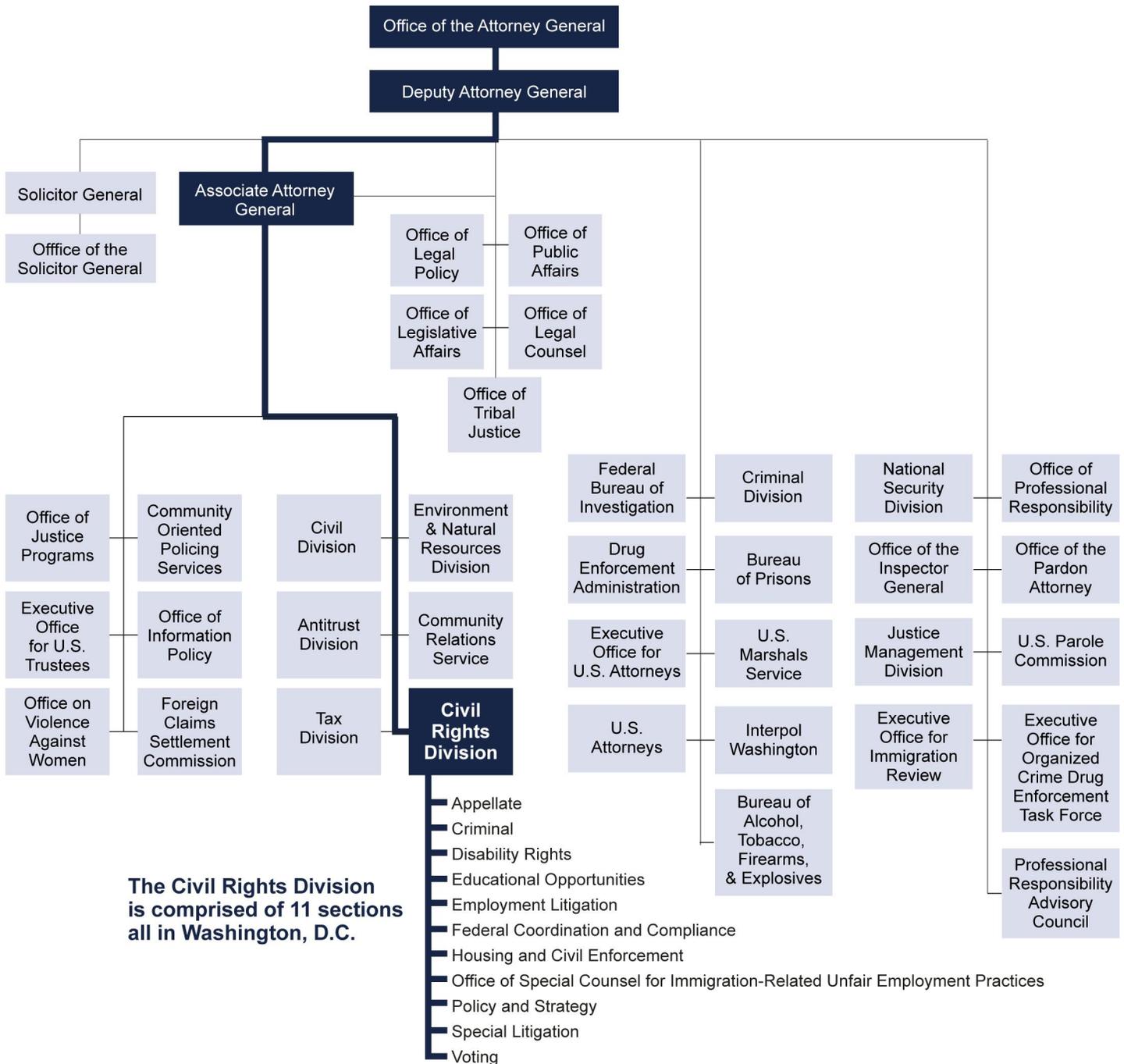
⁴Our methodology considered airfare, hotels, rental cars, taxis, restaurants, and small-dollar sundry purchases, as appropriate. We flagged purchases or patterns of purchases as potentially abnormal for travel for a number of reasons. For example, large-dollar purchases at retailers would be suspicious. Also, repeated purchases around the cardholder's home city with no indications of travel would also be considered suspicious according to the methodology that we used.

Background

DOJ Civil Rights Division

DOJ's Civil Rights Division (Division) was established in 1957 to enforce federal statutes prohibiting discrimination on the basis of race, sex, gender preference, disability, religion, and national origin. The Division's enforcement responsibilities include enforcing antidiscrimination protections in education, employment, credit, housing, public accommodations and facilities, voting, and certain federally funded and conducted programs. The Division has three significant goals: (1) to fulfill the promise of basic civil-rights protections through effective and vigorous enforcement of the law; (2) to deter and remedy discriminatory and illegal conduct through the successful prosecution of these federal laws; and (3) to promote voluntary compliance and civil-rights protection through a variety of educational, technical-assistance, and outreach programs. To fulfill these goals, Division employees are required to travel to investigate potential discrimination, and pursue litigation in court where appropriate. Division employees also travel to engage in community outreach and education, and for training, conference, or administrative purposes. The Division comprises 11 sections, as shown in figure 1 below, all of which are stationed in Washington, D.C. Because of this, nearly all Division attorneys and, occasionally, some nonattorney personnel are required to travel since litigation activities occur in all parts of the United States.

Figure 1: Department of Justice (DOJ) Civil Rights Division (Division) Organization



Source: Department of Justice organizational information. | GAO-16-58

The Division spent a combined total of \$6 million on travel in fiscal year 2012 and fiscal year 2013 as shown in table 1 below. Travel made up approximately 2 percent of the Division budget in fiscal year 2012 and fiscal year 2013.

Table 1: Department of Justice (DOJ) Civil Rights Division (Division) Budget and Staffing Information

	Fiscal year 2012	Fiscal year 2013
Total DOJ budget (dollars in millions)	26,821	25,229
Total Division budget (dollars in millions)	144.5	136.3
Division travel expenses (dollars in millions)	3.090	2.946
Travel as percentage of total division budget (percent)	2.14	2.16
Staff (full-time equivalents)	677	636

Source: GAO analysis of DOJ and Division Budget Request data and Division Performance Budget data. | GAO-16-58

Fair-Housing Testing Program

In 1991, the Division established a fair-housing testing program within its Housing and Civil Enforcement Section and commenced testing in 1992. Housing testing involves sending individuals who pose as prospective buyers or renters of real estate to gather information that can indicate whether a housing provider is complying with fair-housing laws. The primary focus of the section's fair-housing testing program has been to identify housing discrimination based on race, national origin, disability, or familial status. Under the Fair Housing Act,⁵ DOJ may initiate a lawsuit where it has reason to believe that a person or entity is engaged in a "pattern or practice" of discrimination or where a denial of rights to a group of persons raises an issue of general public importance.⁶ The section employs various means to accomplish testing in local communities, including contracts with private fair-housing organizations, contracts with individuals, and by using nonattorney DOJ employees throughout the country. The majority of fair-housing testing cases filed in

⁵Pub. L. No. 90-284, Title VIII, § 801, 82 Stat. 73, 81 (Apr. 11, 1968), codified as amended at 42 U.S.C. §§ 3601–3631. The Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, familial status, or disability by housing providers, such as landlords and real-estate companies, as well as other entities, such as municipalities or lending institutions.

⁶42 U.S.C. § 3614(a).

court are based on testing evidence that involved allegations of agents⁷ misrepresenting the availability of rental units or offering different terms and conditions based on race, national origin, familial status, or disability. DOJ also uses the testing program to test for discrimination in lending and public accommodations.

Division Travel Process

Most federal government travel is regulated by the Federal Travel Regulation (FTR)⁸ issued by GSA. The FTR implements statutory requirements and executive branch policies that applicable federal entities must follow, including the general principle that employees traveling on official government business exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business. In addition to the FTR, DOJ has issued its own travel policies, supplements, and bulletins to further describe and implement the specific travel requirements for the agency. Division employees are issued government travel charge cards through J.P. Morgan Chase and are to use them for all costs associated with government travel, including airfare, hotel rooms, food, and other miscellaneous expenses. The travel charge cards are issued directly to employees, and the cardholder holds all liability for any charges made to the travel card. Employees are expected to pay the card balance in full at the time it is due. There is no interest assessed on unpaid balances but cardholders may be charged a late fee.

According to the travel authorization process the Division had in place at the time of our review (see fig. 2), prior to travel, generally the traveler or a travel arranger was to complete an authorization form. The authorization form would then be routed to the appropriate travel authorization-approving official within the section. According to Division officials, approving officials are generally the Section Chief, Deputy Section Chief, or Special Counsel. According to Division travel officials, the authorization must also be signed by a funds certifier, indicating that funds are available to cover travel expenses. Once the authorization form has been signed by the appropriate approving official, the forms are then either e-mailed or faxed to the Division's finance group, which is

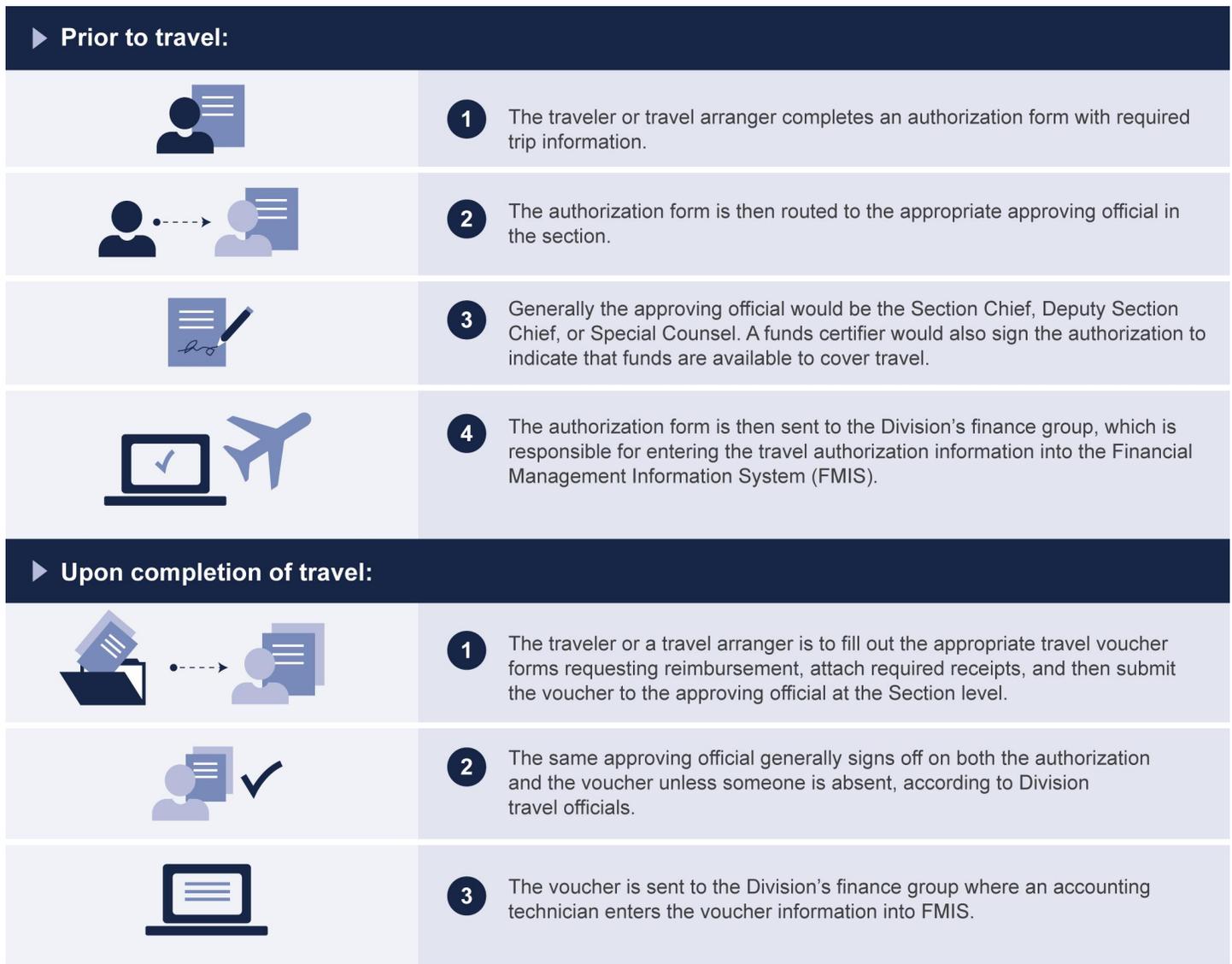
⁷Agents include persons offering housing for rent, such as real-estate agents, building managers, or others.

⁸41 C.F.R. §§ 300-1.1 et seq.

responsible for entering the travel authorization information into the Financial Management Information System (FMIS). FMIS is the financial system of record that contains data on travel authorizations and vouchers for the Division.

Upon completion of travel, Division employees are to submit a travel voucher document requesting reimbursement for travel expenses, per DOJ policy. In preparing and submitting voucher documents, Division employees are to follow a similar process to the authorization process. According to DOJ policy, the traveler or a travel arranger is to fill out the appropriate travel voucher forms, attach required receipts, and then submit the voucher to the travel voucher-approving official at the section level. The traveler must sign the voucher before the travel voucher-approving official signs the approval. According to Division officials, the same approving official generally signs off on both the authorization and the voucher unless the official is absent. After that, the voucher is to be sent to the Division's finance group where an accounting technician enters the voucher information into FMIS. At the time of our review, all copies of travel authorization and voucher documents were maintained in a separate data system called Web Docs.

Figure 2: Department of Justice (DOJ) Civil Rights Division (Division) Travel Process



Source: GAO summary of Division travel policies and procedures. | GAO-16-58

The Division implemented the department's new travel system called E2 in August 2013, shortly after the period covered by our review. E2 is a web-based, end-to-end travel-management application used for travel authorizations; booking of flights, rooms, and cars; and vouchering for reimbursement. E2 is intended to streamline travel management and enable real-time visibility into the buying choices of travelers, as well as

assist in optimizing travel budgets while saving taxpayers' money. According to DOJ financial management officials, this new travel system automates certain tasks compared to the process in place during the period of this review. For example, the E2 system allows travelers to submit and obtain approval for travel requests electronically. The new system directly interfaces with FMIS so that travel authorization and voucher information is automatically entered into the financial system. We did not analyze data from E2 because at the time of our review there was not a sufficient number of trips made and processed through E2 for valid analysis. Instead, after identifying weaknesses in the Division's existing system, we consulted with GAO travel experts familiar with E2 and reviewed the Division's documentation of E2 controls to determine whether these controls were designed in a manner that could address these weaknesses.

Weaknesses in Controls Identified, Some of Which Should Be Addressed by the Department's New Travel System, but Others May Remain

We tested the outcomes of compliance with key travel policies and implementation of related internal controls in nine areas and found indications that controls functioned effectively in four areas but that weaknesses existed in five other areas. Two of these weaknesses should be addressed by the design of the new travel system. In three other areas our testing indicated that the control did not always function as intended and these weaknesses may remain unaddressed by the design of new or existing controls. Table 2 summarizes the travel policies and controls we tested and whether E2 is designed to address any weaknesses we identified.

Table 2: Summary of Travel Testing

Category Tested	Travel area tested	Indicates controls are functioning effectively	Weaknesses identified	
			Weakness should be addressed by new system design	Weakness may remain in new system
Key policy tested	Meals and incidental expenses reimbursed appropriately	YES	NO	NO
	Required receipts provided to justify reimbursement	YES	NO	NO
	Timely submission of vouchers		NO	YES
	Length of travel for fair-housing testing was consistent with testing activities	YES	NO	NO
Control tested	Appropriate authority of officials approving travel authorizations and vouchers	NO	YES	NO
	Prior approval of premium airfare	NO	YES	NO
	Prior authorization of travel	NO	NO	YES
	Prior approval of noncontract airfares	NO	NO	YES
	Prior approval of lodging costs higher than standard per diem	YES	NO	NO

Source: GAO analysis of Department of Justice (DOJ) data. | GAO-16-58

Areas in Which Outcomes Indicated That the Division Complied with Policy or Implemented Controls That Functioned Effectively

For four areas of travel that we tested, we found the outcomes indicated the Division complied with policy and that controls were effectively implemented and functioning to help ensure that travel complied with applicable rules. Because the outcomes of the related policy testing in three of these areas indicated effectively functioning systems, we did not conduct additional analysis of the underlying control mechanisms in those areas.⁹

- Meals and Incidental Expenses (M&IE) Reimbursed Appropriately.** Federal employees on official travel are reimbursed for lodging and for M&IE up to a set daily rate that varies by location and, for some locations, by time of year. These rates are published

⁹The three areas of related travel policy tested referred to in this section include: meals and incidental expenses (M&IE) being reimbursed appropriately, required receipts were provided to justify reimbursement, and length of travel for fair-housing testing was consistent with testing activities.

annually by the GSA.¹⁰ To examine the extent to which Division M&IE reimbursements complied with standard rates, we analyzed all Division travel for which we had location information from October 2011 through June 2013, by comparing the M&IE reimbursements from FMIS travel data to the standard rates.¹¹ In almost all cases, the traveler's reimbursement for M&IE was the amount it should have been or lower.¹² Out of the 2,494 travel vouchers included in this analysis, we identified 13 instances where a higher amount was reimbursed, but the aggregate amount of potential overpayment was \$159.50, and in all 13 cases the amount was \$18.75 or less per case. Given the small number of cases identified and small dollar amounts potentially reimbursed above standard rates, we did not conduct further review of the associated travel documents for these trips.

- **Required Receipts Provided to Justify Reimbursement.** The FTR requires travelers to include receipts for lodging and any single expense over \$75 when filing a travel voucher.¹³ DOJ policy states that travelers should submit all receipts for expenses over \$75, and also specifies that the official approving the voucher should verify that all required receipts are included in the voucher documents. We analyzed travel documents for a generalizable sample of 105 Division trips covering travel from October 2011 through June 2013 to determine the extent to which Division travel complied with DOJ policy regarding the inclusion of required receipts to justify reimbursement. We estimate that approximately 95 percent¹⁴ of all travel vouchers included required receipts. Our sample data were not designed to

¹⁰The GSA sets per diem rates in the continental United States, while the Department of State sets rates in foreign countries, and the Department of Defense sets rates for certain nonforeign areas outside the continental United States.

¹¹This analysis covered all travel related to cases that resulted in charges being filed in court. We did not receive location information for closed investigations that did not result in charges and therefore excluded travel for closed investigations from this analysis. We calculated appropriate M&IE reimbursement amounts based on location information and GSA authorized rates, and compared our calculations to the reimbursed amounts.

¹²Travelers are required to reduce the amount of M&IE reimbursement claimed under certain circumstances, such as when meals are provided as part of a conference.

¹³41 C.F.R. § 301-52.4.

¹⁴All estimates from our sample are subject to sampling error. We are 95 percent confident that the percentage of vouchers that include all required receipts is between 88 percent and 98 percent.

estimate the dollar value of expenses without receipt for all Division travel, but through our review of trips in our sample we identified a total of \$2,023 in travel expenses for four trips that lacked required receipts to justify reimbursement. For example, one voucher did not include a required receipt for \$271.60 in airfare and another voucher included partial airfare receipts for \$498.20 in airfare. Given the high level of compliance documenting expenses and that E2 currently offers a centralized way for travelers to capture receipts, we did not conduct tests of controls related to ensuring compliance with this policy.

- **Prior Approval of Lodging Costs Higher Than Standard Per Diem.** The FTR permits agencies to reimburse travelers above the per diem rate in specific, limited circumstances.¹⁵ The FTR states that travelers should request authorization for reimbursement above per diem rates in advance of travel.¹⁶ DOJ policy requires travelers to provide written justification for requesting lodging above the standard per diem rate and this justification should be on or attached to the travel authorization form for approval prior to traveling. We tested the extent to which this control was in place during the period of our review. Specifically, we analyzed FMIS travel data including all trips occurring from October 2011 through June 2013 where the traveler was reimbursed for lodging and we received location information for the trip.¹⁷ Through this analysis, we identified a small proportion of Division travel including reimbursement for hotel stays above the standard per diem rate, and found that most travelers obtained approval for hotel stays above per diem prior to travel. Specifically, we found that 111 of 2,099 trips with hotel stays, or about 5.3 percent of these trips, were potentially reimbursed above standard per diem rates, including about 1.6 percent of trips with hotel stays that cost \$100 or more above the expected amount for the total stay. The total amount of lodging reimbursements above standard per diem rates is less than \$22,000, or 3.4 percent of Division lodging reimbursements.

¹⁵41 C.F.R. § 301-11.300. Federal travel regulations state that such reimbursements may not exceed 300 percent of the per diem rate. 41 C.F.R. § 301-11.303.

¹⁶An agency may grant after-the-fact approval if supported by an explanation acceptable to the agency. 41 C.F.R. § 301-11.302.

¹⁷This analysis covered all travel related to cases that resulted in charges being filed in court. We did not receive location information for closed investigations that did not result in charges and therefore excluded travel for closed investigations from this analysis.

Out of the 111 trips that we identified with lodging potentially greater than standard per diem, we reviewed supporting documentation for all trips where Division hotel reimbursement was \$100 or more above per diem, which occurred on a total of 25 trips. The documents showed evidence of prior approval in 23 of 25 cases, and this approval was generally obtained through an e-mail from the traveler to the Division travel group that was included with the travel documents.¹⁸ According to Division officials, the traveler was expected to include the e-mail with the authorization document. The new E2 travel system is designed to automatically route any lodging over per diem for proper justification and approval at the time of travel authorization.

- **Length of Travel for Fair-Housing Testing Was Consistent with Testing Activities.** To determine whether travel for fair-housing testing was an appropriate length for the days in which testing occurred, we compared vouchers for travel associated with testing to testing data documenting activities. According to the FTR, only those travel expenses essential to the transaction of official business should be paid. DOJ policy states that travelers are only to be reimbursed for travel expenses related to official business. Based on our review of fair-housing tests that occurred from October 2011 through June 2013, travel for housing testing that we reviewed appeared consistent with fair-housing testing activities.¹⁹ All of the testing dates the Division provided matched to corresponding travel vouchers. In general, the length of travel conducted for fair-housing testing was consistent with the test dates provided. For example, a trip that included 3 consecutive days of testing should take no more than 5 days—the 3 days of testing and a travel day at the beginning and end of the trip. This is what we observed in 54 of the 56 testing trips in our data.²⁰ The two other trips were 1 day longer than expected. On one trip, the traveler was unable to complete any tests on one day of the

¹⁸In the two cases lacking prior approval, the travelers obtained approval for the higher reimbursement rate after the trip occurred, which is allowed under the FTR.

¹⁹Our analysis included all fair-housing tests occurring in the period of our review and considered closed by the Division. We did not receive fair-housing test data related to open or ongoing investigations.

²⁰This figure includes all travel data for fair-housing testing dates that we received except for those related to ongoing investigations, as we excluded them from our scope, as discussed earlier in this report. We also did not evaluate fair-housing testing dates where the Division used as a tester a DOJ employee stationed in the local area of the test, as no travel results from such tests.

trip but did perform testing on the other days. According to officials in the Division's Housing and Civil Enforcement section, they do not record dates in the testing database when testers are not able to complete a housing test. This can occur, for instance, when a tester arrives in town but is unable to reach a property manager. In regard to the second trip, the traveler was the testing coordinator and performed testing on one day of the trip. Officials explained that the traveler would not have conducted testing on all travel days as the testing coordinator's main role is to oversee and coordinate the work of other testers during the trip.

Areas in Which Control Weaknesses Should Be Addressed by New Travel System Controls

We found weaknesses in two control activities we tested but determined that the design of the controls in the new E2 travel system should address these weaknesses.

- **Appropriate Authority of Officials Approving Travel Authorizations and Vouchers.** DOJ policy generally requires that travel authorizations be approved by an individual at a higher level than the traveler, and that travel vouchers be approved by an official at a higher level than the traveler or a senior financial manager. To test the extent to which this control was functioning during the period of our review, we analyzed a generalizable sample of 105 travel vouchers for trips from October 2011 through June 2013 and estimated that 94 percent²¹ of travel authorization documents and 76 percent²² of travel voucher documents were approved by an official with the authority to do so. In some cases, it was unclear whether the control functioned as intended. Specifically, we could not match the signature we observed on authorizations and vouchers to the signature form of individuals with the authority to approve travel—we estimate this occurred in 5 percent of travel authorizations and 7 percent of travel vouchers. Also, we estimate that approximately 1 percent of travel authorizations and 17 percent of travel vouchers were approved by an official who did not have authority to approve travel vouchers according to documents provided by the Division. Division officials stated that this official, a financial management specialist, was authorized to approve travel but officials did not

²¹We are 95 percent confident that the percentage of travel authorizations approved by an official with the authority to do so is between 87 percent and 98 percent.

²²We are 95 percent confident that the percentage of travel vouchers approved by an official with the authority to do so is between 66 percent and 84 percent.

provide sufficient evidence to support this position. Despite these limitations, our review of documentation and consultation with GAO experts familiar with the E2 travel system showed that E2 is designed to enhance this control. Specifically, approvals are designed to be captured and recorded electronically in the system, and travel is to be automatically routed to the proper officials according to system rules that specify the officials who are authorized to approve a traveler's authorization and voucher documents.

- **Prior Approval of Premium Airfare.** Federal regulations require that agencies must specifically authorize and approve other than coach-class airfare and set forth allowable circumstances in which noncoach airfare may be used. DOJ travel policy requires specific justifications for using travel above coach class. We found that Division travelers rarely used premium-class travel during the period of our review. To test the extent to which controls over premium-class travel were functioning from October 2011 through June 2013, we reviewed selected travel vouchers we identified as potentially including premium travel based on high transportation expenses or airfare tickets potentially above standard contract fares. Out of the 40 travel vouchers we reviewed with potential premium travel, we found two instances where the trip included airfare above coach class. In one case, the traveler flew to Seattle, Washington, from Washington, D.C., in February 2012 and took first-class flights on two of the three legs of the trip. The traveler was a manager in the Division and his travel voucher documents did not include evidence of prior approval for the premium class travel or explanation for the need for first class tickets. When asked about this trip, Division officials reported that this was a no-cost upgrade to first class using the traveler's frequent flier miles, which is why the authorization document did not designate the trip as including premium travel. However, travel documents showed that the cost of the airfare was \$1,043 whereas the contract rate for a roundtrip flight from Washington, D.C., to Seattle in fiscal year 2012 was \$464—indicating that the government paid an additional \$579 for the airfare. In the other instance of premium travel, the traveler tried to obtain approval for a first-class airfare from the Division travel group and reported that the tickets were obtained due to a mix up with travel dates that necessitated a last-minute change to the tickets. The traveler reported that the first-class tickets were the cheapest available at the time of the ticket change. However, the traveler did not obtain approval for the first-class tickets prior to the flight. In

addition, for 3 of the 40 trips we reviewed, the travel voucher documents had missing or illegible receipts making it impractical to determine whether premium travel occurred.²³ Division travel officials stated that the travel process in place at the time of our review relied on the traveler reporting any premium travel, and reported that their new travel system has the ability to identify premium travel by automatically retrieving airfare information from the reservation and entering it into the authorization. Travelers may also manually select premium travel in E2. Selection of premium travel in E2 is designed to result in special routing for authorization approval. Our review of documentation and consultation with GAO travel experts familiar with the E2 travel system corroborated Division officials' observations.

Areas in Which Outcomes Indicated That the Division Did Not Always Comply with Policy or Controls Did Not Always Function as Intended

We identified weaknesses in two controls and one area of policy that, absent the attention of management or compensating controls, may remain even under the new travel system.

Prior Authorization of Travel

Prior authorization of travel is a key control to ensure that travel is necessary and that travel funds are available. The FTR advises travelers to obtain prior authorization to travel except when it is not practical or possible.²⁴ DOJ travel policy states that the approving official should sign the travel authorization form to document approval permitting travel and obligate estimated expenses for the trip. On the basis of our review of a generalizable random sample of 105 Division trips occurring from October 2011 through June 2013, we estimate that 16 percent of travel did not include documentation that travel was authorized in advance.²⁵ Specifically, the travel authorization documents for these trips indicated that approving officials authorized the trips after travel had already

²³For one of these three trips lacking transportation receipts, analysis of additional travel data indicates that the traveler likely took a train for the trip and did not have airfare.

²⁴41 C.F.R. § 301.2-1.

²⁵We are 95 percent confident that the percentage of authorizations without documentation of approval prior to travel is between 9 percent and 25 percent.

started, based on the date the approving official signed the authorization form.

According to Division officials, all travel is to be authorized in advance, but in some cases the approver may have given verbal approval for travel, and the travel authorization form may be completed after travel has already begun. Although travelers may, under unanticipated circumstances, need such flexibility, lack of formal, documented authorization could compromise the management of fiscal-year travel funds given that the signed travel authorization form also obligates funds for the trip and, without that form, the Division may not be aware that additional funds are needed. For example, we identified a trip where a Division official did not obtain prior authorization to cover travel costs for a speaker at a September 2012 training event and submitted a travel authorization 3 months after the travel, in the next fiscal year. Travel documentation related to the trip included an e-mail from the Division Comptroller expressing concerns about availability of funds to reimburse the traveler for the trip given the lack of prior authorization. While Division officials reported that there was ultimately no issue with availability of funds, this example illustrates potential difficulties imposed in managing travel funds when written approval for travel prior to a trip is not obtained.

E2 provides an electronic authorization process that should ensure that the documentation of approvals is maintained, but E2 itself cannot ensure that travelers access and submit travel authorizations in advance. Thus, strengthening controls to promote prior authorization of travel in accordance with Division policies even when travel needs occur at the last minute—such as requiring an e-mail to be sent to one’s supervisor in advance of the travel rather than obtaining verbal approval—could help the Division better ensure that travel is necessary and that travel funds are available to cover the trip.

Prior Approval of Noncontract Airfares

We reviewed travel documents for eight selected travel vouchers to test whether there was documentation of prior approval for use of noncontract airfares (a control), as required by travel rules, and found that none of the Division travel vouchers we analyzed included such approvals. The FTR generally requires travelers to purchase airfare in coach class from a

contract carrier unless an exception applies.²⁶ For instance, noncontract tickets that are less expensive than the contract price can save tax dollars but can also carry additional risk as they are sometimes nonrefundable if travel plans change. DOJ policy encourages the use of noncontract airfares available to the general public when there is a high degree of certainty that travel will occur as planned and noncontract fares are available below the contract fare. In addition, noncontract fares can be appropriate if tickets on the contract carrier are unavailable or impractical based on the needs of the travel—for instance, if no flights are available at an appropriate time to correspond with mission needs. The FTR requires travelers to have an approved authorization for the use of a noncontract carrier before purchasing a noncontract ticket.²⁷ DOJ policy also requires that authorizing officials approve noncontract airfares in advance.

About 14 percent of Division airfares covering single-destination travel from October 2011 through June 2013 were for tickets on noncontract carriers.²⁸ Of these fares, we found that in about 65 percent of cases (111 of 171 noncontract tickets), the cost of the ticket was below the corresponding contract fare. However, in the remaining 60 cases, the noncontract ticket cost more than the contract fare, including 41 cases where the noncontract ticket cost \$100 or more above the contract fare.²⁹ The total amount we identified that was spent on noncontract airfare above contract fares was approximately \$12,000 from October 2011 through June 2013.

We reviewed eight travel vouchers with noncontract airfares that were the greatest amount over the contract rate to review the extent to which controls over noncontract airfares were functioning during this same time

²⁶41 C.F.R. §§ 301-10.106 and 301-10.122. Exceptions to using a contract carrier include when space is unavailable on the contract carrier and when a lower fare is offered to the general public. 41 C.F.R. § 301-10.107.

²⁷41 C.F.R. § 301-10.108.

²⁸We restricted this analysis to single-destination trips in which the traveler used a nonstop ticket. The travel data available for our review contained information on the airline and airport only for the first segment of each airline ticket. As a result, we did not have data on specific flight itineraries for trips that contained connecting flights or trips that included multiple destinations.

²⁹The remaining 19 of 60 cases cost between \$1 and \$99 more than the contract fare.

frame. None of the selected vouchers contained documentation of approval for the airfares or the reason why a noncontract carrier was used. Officials reported that the travel system in place at the time of our review did not enable travel approvers and managers to easily identify whether a flight was a noncontract airfare, and they relied on either the traveler or travel preparer to self-report and manually document any use of noncontract airfares. Without effective controls on travelers using noncontract carriers, the Division does not have reasonable assurance that noncontract tickets were allowable and were selected for appropriate reasons and risks paying excessive amounts for airfare.

E2 has the potential to improve management insight into use of noncontract airfares compared to the system in place at the time of our audit, but it is unclear whether the new system fully addresses the control weaknesses we identified. Specifically, E2 can be configured to document the use of noncontract fares automatically when the airfare is booked through its system, and officials provided documentation that the Divisions system had been configured in this fashion. However, officials reported that it is possible for a traveler to book an airfare outside the system, in which case the traveler would have to manually self-report and document that a noncontract fare was purchased—a process that is similar to the self-reporting mechanism in place at the time of our review. Officials believe that this type of airfare purchase would be uncommon, though they had not tested this assertion and therefore cannot be sure to what extent travelers will use this option and properly document noncontract airfare use. As a result, it is unclear to what extent the new system fully addresses control weaknesses identified by our review unless airfare data in E2 is evaluated for compliance with travel rules related to noncontract airfares. According to internal-control standards, evaluations of controls can be helpful to determine the effectiveness of a control when risks are identified, and these evaluations may include review of the control design and direct testing of the control.³⁰ Given the challenges the Division faced under the previous system that relied on self-reporting by travelers, evaluating this aspect of the new travel system would confirm whether the new configuration and controls are functioning as intended or whether additional actions are needed.

³⁰GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

Timely Submission of Travel Vouchers

Travel rules generally require travelers to submit travel vouchers within 5 working days after travel ends, and this requirement is also reflected in DOJ travel policy.³¹ We reviewed the extent to which Division travel complied with this policy from October 2011 through June 2013 and found that Division travelers did not consistently submit vouchers within the required time frame. From our review of a generalizable sample of 105 travel vouchers for Division travel occurring during this time frame, we estimate that approximately 42 percent of all vouchers were not submitted within 5 working days, thus not complying with DOJ policy.³² Although most late vouchers were estimated to be submitted within a month after travel, we estimate approximately 5 percent³³ of vouchers were not submitted until more than a month after travel ended. According to Division officials, oversight mechanisms included a monthly report of late vouchers provided to all Division sections, and vouchers over 30 days late would result in a notification to the Section Chief. In addition, officials said the Division conducted a quarterly review of open obligations that included reviewing travel authorizations that lack a corresponding voucher, and outstanding obligations would be reviewed with the appropriate section. However, these controls take place after a voucher is likely already late. When asked about controls to ensure timely submission of travel vouchers, Division officials did not identify any controls aimed at proactively improving the timeliness with which travelers submit vouchers. However, the Division reported that it provides policy training regarding timely voucher submission.

Delayed submissions of vouchers can make managing travel funds difficult and may lead to travel card delinquencies that could affect an employee's ability to travel and thus meet the Division's mission needs. Specifically, while Division travel cardholders are expected to pay the balances on their cards whether they have been reimbursed for travel or not, we identified two cases in which travelers who did not submit timely vouchers became delinquent on their travel cards. For example, one traveler, a manager, did not submit a voucher for more than 6 months after an overseas trip. According to officials, control mechanisms related

³¹41 C.F.R. § 301-52.7. In cases of extended travel, travelers are required to submit vouchers every 30 days.

³²We are 95 percent confident that the percentage of vouchers submitted late is between 32 percent and 52 percent.

³³This estimate has a 95 percent confidence interval of 1.8 to 11.8 percent.

to late voucher monitoring have not changed since the start of our review. Controls aimed at preventing late voucher submission could help the Division reduce the amount of travel vouchers that are submitted late and better position it to manage travel funds.

Most Travel Card Purchases Indicated Controls Functioned Effectively, but Implementation of Delinquent Account Controls Was Not Documented

Most purchases made on Division travel cards aligned with evidence of official travel and appeared appropriate for travel, indicating that the Division complied with key policies we tested and that controls related to travel card use were effective, but we found one area of weakness that may remain (see table 3). Specifically, we found that the Division lacked documentation that a key control regarding the oversight of delinquent accounts was being implemented.

Table 3: Summary of Travel Card Testing

Category Tested	Travel area tested	Indicates controls are functioning effectively	Weaknesses identified	
			Weakness should be addressed by new procedures	Weakness may remain in new system
Key policy tested	Compliance with policy that cards are used during official travel and for travel-related purposes	YES	NO	NO
	Compliance with cash advance policies	NO	YES	NO
	Timely closure of travel cards for individuals no longer employed by the Division	NO	YES	NO
Control tested	Oversight of delinquent travel card accounts	NO	NO	YES

Source: GAO analysis of Department of Justice (DOJ) data. | GAO-16-58

Most Travel Card Purchases Appeared Appropriate for Government Travel

FTR and DOJ travel policies state that travel cards can only be used while an individual is on official travel and can only be used for purchases associated with travel such as hotel costs, airline baggage fees, and rental car costs, among other items. Thus transactions made on dates outside of official travel or for items that would not be associated with

travel needs can indicate inappropriate personal use of the travel card. To test the Division's compliance with its policy regarding appropriate use of travel cards, we reviewed all purchases that appeared on Division employee travel charge card records from October 2011 through June 2013 and matched approximately 97 percent of travel card purchases to evidence of official travel, and almost all purchases appeared appropriate for government travel.³⁴ We could not match 3 percent of purchase transactions corresponding to 1,488 transactions to evidence of official travel. Therefore we reviewed additional detailed documentation related to these transactions and found that the majority of the 1,488 transactions appeared appropriate for official travel but that 64 transactions totaling \$2,956 contained evidence of improper use of the travel card, and we referred these cases to DOJ for additional review. These 64 transactions included the following:

- A Division cardholder who made a \$600 purchase at a car dealership in Rockville, Maryland, near the cardholder's duty station. This purchase did not align with evidence of official travel.
- A Division cardholder made a \$93 purchase at a large retail store that did not align with evidence of official travel and the purchase occurred near the cardholder's duty station.
- Lastly, we identified a Division employee who made dozens of purchases in the Washington, D.C., area (the employee's duty station) that do not align with official travel dates, a suspicious pattern that could indicate personal use of the travel card. For example, in January 2012, the cardholder made a total of 14 purchases, all at restaurants, stores, or gas stations in Washington, D.C., or Arlington, Virginia (a suburb of Washington, D.C.), including four purchases at the same fast-food restaurant in Arlington. Also, this person's account was suspended due to delinquency twice during the time frame included in our review from October 2011 through June 2013.

³⁴Our analysis of purchases excludes cash advance transactions, which were analyzed separately and are discussed below. Our methodology considered airfare, hotels, rental cars, taxis, restaurants, and small-dollar sundry purchases, as appropriate. We flagged purchases or patterns of purchases as potentially abnormal for travel for a number of reasons. For example, large-dollar purchases at retailers would be suspicious. Also, repeated purchases around the cardholders home city with no indications of travel would also be considered suspicious, according to the methodology that we used.

Given that all Division offices are in Washington, D.C., local purchases that do not align with dates of official travel, such as those described above, may be unrelated to official travel. When we provided the Division with information on these purchases, they reported that the dealership purchase had been a mistake on the part of the cardholder and that shortly after the purchase the cardholder reported the issue to the Division and paid the bill. Also, officials stated that the Division had already identified the other cardholder who had numerous suspicious transactions in the Washington, D.C., area prior to our review, and taken appropriate disciplinary action. Division officials reported that they were continuing to look into the purchase at a large retail store described above based on the information we provided.

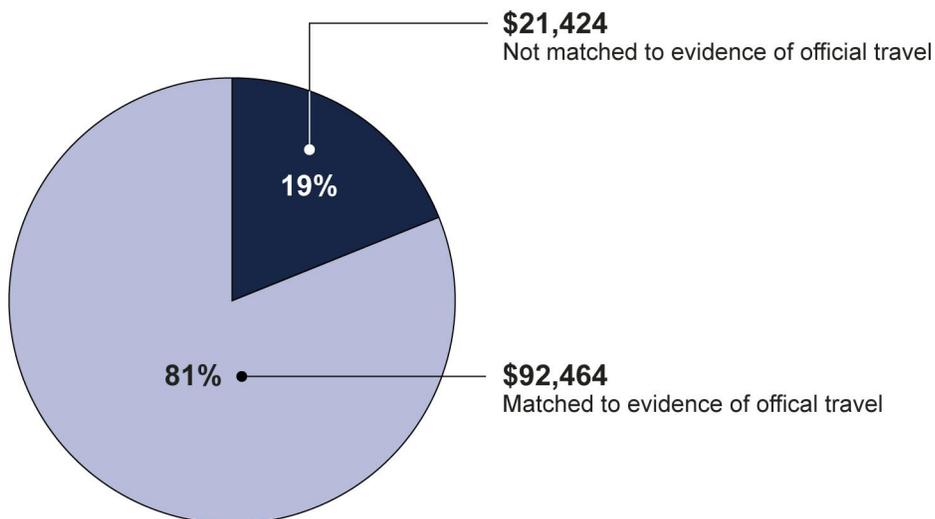
High-Risk Cash Advances Could Be Identified by Controls Recently Adopted by the Division

In addition to analyzing purchase transactions, we also analyzed all cash advance transactions occurring on Division employee travel cards from October 2011 through June 2013, and found potential personal use of travel cards related to cash advance transactions. DOJ policy requires that cash advances align with official travel and do not exceed \$40 per day unless justification for a higher amount and prior approval were provided. Overall, most travel cardholders did not make any cash advance transactions during the period of our review—only 19 percent of active cardholders made any cash advance transactions during this time. However, of those who made cash advance transactions, over 60 percent (61 of 98 cardholders) may not have followed DOJ travel policy, either making cash withdrawals that do not align with evidence of official travel or withdrawing cash above normally allowed amounts without documented approval.

We identified 123 cash advance transactions totaling \$21,424 associated with these cardholders that do not match to evidence of official travel in travel voucher data or travel card data, as shown in figure 3 below. There were 39 cardholders (of 61) who made cash advance transactions that did not match evidence of official travel. Three of these cardholders took out over \$1,000 in cash advances with no evidence of travel, with one person withdrawing over \$8,000 in cash during the period of our review

with no evidence of official travel.³⁵ Eleven of these cardholders also had accounts that were suspended due to delinquency during the period of our review.

Figure 3: Travel Card Cash Advance Transaction Amounts Matched with Evidence of Official Travel, October 2011 through June 2013



Source: GAO analysis of Department of Justice (DOJ) data. | GAO-16-58

In addition, out of the 335 trips in which cardholders took cash advances, we identified 174 trips where cash advances exceeded the allowed amount per DOJ policy. As noted, according to DOJ policy in place from October 2011 through June 2013, travelers were normally allowed to withdraw up to \$40 per day of travel. If employees needed more cash than \$40 per day, they were required to obtain approval from a component executive officer or equivalent official and justify the need for the additional cash. We matched cash advance transactions to official travel dates from travel voucher data we received, and then compared the total cash withdrawn to the normally allowed amount for the length of the trip. Overall, 43 cardholders withdrew a total of \$12,705 above the allowed cash advance amounts. We reviewed all 11 travel voucher

³⁵The individual identified with the \$8,000 in cash advance transactions not associated with evidence of official travel is the same person identified above with the numerous suspicious purchases in the Washington, D.C., area. As stated previously, Division officials reported identifying and taking appropriate disciplinary action against this cardholder for misuse of the travel charge card, prior to our review.

documents for trips exceeding cash limits by \$200 or more and did not find evidence of approvals for cash advances above the allowed amount.³⁶ For example, one traveler took out cash advances totaling \$1,316 over the course of three trips to Chicago, exceeding the normal cash limits by approximately \$676. One of those trips was 3 days long, and the traveler took a cash advance of \$345 for the trip. Travel documents for the three trips did not include an explanation for why the traveler required more cash than the allowed amounts, and there was no evidence of approval for the additional cash advances.

Federal regulation and DOJ policy state that, while employees are required to use government travel cards during official travel, personal use of the card is prohibited and abuse or misuse of the card may result in disciplinary action. While responsibility for paying off any travel card transactions ultimately falls to the Division employee who was issued the card, lack of conformity with travel card rules may indicate increased risk of waste, fraud, or abuse. For example, personal use of travel charge cards could indicate that an employee is having financial problems and brings into question his or her suitability to hold a position of public trust. Also, according to the Association of Certified Fraud Examiners—a professional organization that sets fraud-examiner standards and provides antifraud training—a common travel card fraud scheme involves withdrawing cash for personal or inappropriate expenses and then adding seemingly appropriate but false cash expenses to a travel voucher for reimbursement. To help illustrate how this fraud scheme would work, a traveler could withdraw \$200 cash from a travel card and spend it on personal items not related to official travel, and then include claims on a travel voucher for several fictitious taxi fares under \$75 to obtain reimbursement for the cash withdrawal without having to provide receipts for those transactions. Our analysis identified three trips where a traveler's transactions and voucher fit this risk profile. Specifically, one Division employee took out cash advances totaling \$1,512 over the course of three trips, exceeding allowed cash limits by over \$1,000. For these three trips, the traveler was reimbursed \$893 for taxi fares. No

³⁶We reviewed a selection of travel vouchers in which travelers took out larger cash advances than the allowed amount. We limited our review to those trips where cash advances were at least \$200 above the allowed amount in order to manage the number of travel vouchers for review and the amount of documents requested from the Division. Overall, we reviewed 11 travel vouchers where cash advances exceeded allowed amounts.

receipts were provided for these taxi fares and they were all under the \$75 limit requiring a receipt. Also, the travel documents did not include a justification for why cash over the allowed limits was needed or documentation of approval for such cash. While these expenses may have been legitimate, it illustrates how lack of conformance with policy—specifically the requirement for approval of excess cash advances—may put the Division at increased risk for waste or abuse of travel resources.

We provided the Division with examples of potential travel card misuse we identified through our analysis of cash advances. Out of the four examples we provided, the Division had identified three of the cases prior to our review and pursued appropriate disciplinary action, according to an official speaking on behalf of the Division. As a result of our work, this Division official reported that the Division is currently looking into the fourth case to determine whether disciplinary action against the remaining employee is appropriate. In general, officials stated that they pursue disciplinary action against employees who misuse their travel charge card, and that employees found guilty of misuse or abuse are generally suspended without pay for up to 2 weeks. The employees are also required to repay any funds that could be owed to the agency.

Division officials reported that at the time of our review, there was one employee—the Travel Card Coordinator—who was responsible for oversight of travel charge cards and associated transactions, and this individual's time was split among a range of travel-related duties. Officials reported that the coordinator conducted oversight through reviews of various reports produced by the travel charge card contractor, such as a cash advance report, as well as an overall review of transactions. The Travel Card Coordinator was expected to flag any potential misuse of the travel charge card and report it to human resources and section officials, according to Division officials. However, given the range of duties of this individual and because there was only one person to oversee hundreds of travel cards, officials report that oversight may have been less frequent and thorough than would be desirable.

The Division has increased oversight of travel charge cards since the start of our audit to better ensure appropriate use of the travel cards. The Division issued a new standard operating procedure on travel charge card oversight specifying that, in addition to reviews by Division accounting staff, employees at the section level are to review travel charge card transactions. The new procedure, issued in February 2014, also calls for monthly audits of all transactions to identify local transactions that may not be related to official travel, transactions in resort destinations, and

cash withdrawals that are outside of policy. The new travel card procedure also specifies that 20 percent of all transactions should be randomly sampled each month and reviewed to determine whether the transaction occurred during official travel.³⁷ Furthermore, the procedure calls for maintenance of records to document the results of the monthly reviews, and reporting of results to the Division Comptroller. If effectively implemented, these new controls may improve travel charge card oversight and address issues we identified related to potentially inappropriate travel card purchases and cash advance transactions.

Division Strengthened Controls for Timely Closure of Travel Card Accounts

According to DOJ travel policy, the Travel Card Coordinator was responsible for closing the travel card account when an employee terminated employment with DOJ and was to review monthly reports from the travel card system to determine that cards are canceled for separated employees. Our review identified travel card accounts that were not closed in a timely manner upon employee separation from employment, but we did not find evidence of travel card use after employee separation. Our review of travel card accounts that were closed from October 2011 through June 2013 found that about 29 percent (25 of 87) were not closed in a timely manner upon employee separation from DOJ, contrary to its policy. In 6 cases, cards were closed over 100 days after employees had separated from the Division. The Division has taken steps to improve controls over travel charge card account closure. According to officials, the late closure of travel card accounts was due to an inefficient exit process as, in the past, the Travel Card Coordinator relied on notification from the human resources office to find out an employee had left the Division or agency, and the Travel Card Coordinator was not always notified of employee departures. Officials reported that they have implemented a new exit process that incorporates notifications to the Travel Card Coordinator. Also, a new standard operating procedure issued by the Division in February 2014 calls for monthly reviews of travel charge card accounts to ensure that all employees are current, and maintenance of records that the review occurred. In addition, in May 2015 DOJ implemented a policy in which finance staff review travel card accounts quarterly to identify any open accounts associated with employees that have separated from the Department. The new controls

³⁷Review excludes common-carrier transactions, such as purchases of airfare, train, bus, or other transportation-related purchases.

the Division introduced, if effectively implemented, could address the limitations we observed.

Division Lacks Documentation on the Implementation of Controls to Address Account Delinquency

Per DOJ policy, employees are required to pay their balances in full by the due date on their billing statement. Delinquency in payment of travel cards may result in disciplinary action and could affect the employee's security clearance. According to DOJ policy, as a control to ensure that travel cardholders respond if they become delinquent, the travel card manager is to send delinquency notices to the supervisors of cardholders who are late paying their bill. In addition, per DOJ policy, it is expected that supervisors will talk to the employee about paying the balance on the travel card. According to Division officials, at the time of our audit the Travel Card Coordinator was responsible for sending out delinquency notifications and sent these notices to the section management team for the cardholder.

Division officials could not provide evidence that these communications were consistently implemented for delinquent travel charge card accounts from October 2011 through June 2013. During the period of our review, Division travel card accounts were suspended due to delinquency 61 times. A total of 49 cardholders had accounts suspended due to delinquency at some point during the period of our review, with 11 cardholders facing account suspension multiple times. Furthermore, 4 of the 49 cardholders with suspended accounts were managers in the Division. We requested all delinquency notifications for delinquent accounts that were suspended from October 2011 through June 2013. Officials provided delinquent travel card account notices for about 38 percent of the suspensions due to delinquency that we identified. Also, the documentation provided included evidence that the delinquency was discussed with the cardholder in approximately 20 percent of the cases we identified. In one example, the Division cardholder who had the largest amount of cash advance transactions that could not be matched to evidence of official travel—over \$8,000 during the period of our review—also had the account suspended twice due to delinquency. The Division could not provide evidence of delinquency notifications for this cardholder.³⁸ Officials reported that the reason delinquent account

³⁸While the Division could not provide delinquency notifications for this cardholder, Division officials reported that they had previously identified and taken disciplinary action against the cardholder for misuse of the cardholder's travel charge card, prior to our review.

notification documents were missing was because notifications were sent by e-mail and documentation was not maintained by the Division Travel Card Coordinator.

Delinquency in payment can be an indicator of financial distress that could put the individual at greater risk of abusing his or her travel card—for instance, as noted earlier by padding a travel voucher for expenses never incurred—or other behaviors that could put Division resources, information, or reputation at risk. Also, DOJ receives a quarterly refund payment from the travel charge card contractor based on sales volume and speed of payment. If a travel charge card account becomes delinquent, the amount of refund payment that DOJ receives from the travel card contractor may be reduced.

The Division has taken steps to strengthen oversight of delinquent travel card accounts since the period of our audit. Division officials report that they have implemented a new process requiring sections to review delinquent account information and report to the Division Comptroller and human resources office if any potential misuse is identified, and the Division pursues disciplinary action in cases of delinquent accounts that remain unpaid. Also, a new operating procedure issued in 2014 calls for monthly distribution of delinquency reports to each section, and historical maintenance of the distributed reports. However, the new procedure does not call for maintenance of documentation of communications with the cardholder, a key component of delinquent-account oversight. If the Division does not maintain evidence of communications with the cardholder, it will not have an institutional record to determine whether staff are implementing this key control, and therefore, if delinquencies persist, it will not be able to determine whether the underlying cause is lack of implementation of this control or whether additional adjustments are needed, such as strengthening controls or different processes.

Conclusions

Waste, fraud, or abuse of official government travel can significantly affect the reputation of an agency and undermine public confidence in the integrity of federal employees, even where travel budgets are relatively small compared to overall federal spending, as is the case with the Division. While most Division travel we reviewed followed applicable rules and policies, we identified weaknesses in compliance with certain policies and related controls that could lead to travel waste or abuse. Deficiencies in documenting prior authorization of travel may compromise the management of fiscal-year travel funds and increase the risk that travel is not prudent. Also, late travel voucher submissions make managing travel

funds difficult. Overall, travel rules surrounding authorization and reimbursement of trips are intended to help ensure that official travel is carried out in a responsible manner, and are a key component of the internal control system to help safeguard assets and prevent and detect errors and fraud. Furthermore, while the Division's new travel system includes additional controls over proper justification and approval of noncontract airfares, the Division has not evaluated whether the new controls are effective, which would provide the Division with additional assurance that the controls are functioning as intended or indicate whether additional actions are needed. In addition, the Division has implemented new controls to improve oversight of travel charge cards, including improved oversight of delinquent travel card accounts. However, without documentation of communications with delinquent account holders, the Division does not have an institutional record to determine whether staff are implementing this key control, and therefore, if delinquencies continue, the Division will not be able to readily identify whether the underlying cause is lack of implementation of this control or whether there is a need to strengthen controls or implement different processes.

Recommendations for Executive Action

To strengthen controls over Division travel, the Attorney General should direct the Assistant Attorney General for the Division to take the following three actions:

1. To better ensure that travel authorization and reimbursement comply with rules and regulations, strengthen existing or implement new internal controls over
 - documenting that travel is authorized in advance and
 - submitting travel vouchers in the required time frame.
2. To help ensure that noncontract airfare use is properly authorized and justified in accordance with travel rules, the Division should evaluate whether the configuration of its new travel system has implemented controls to address previous shortcomings in obtaining and documenting required approvals, and that travelers booking airfares outside of the system are documenting this decision.
3. To better document oversight of delinquent travel charge card accounts in accordance with DOJ policy, take steps to maintain documentation of communications with delinquent travel cardholders.

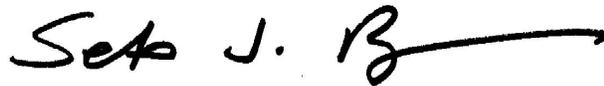
Agency Comments and Our Evaluation

We provided a draft of our report to the Attorney General for review and comment. We received written comments from the DOJ Civil Rights Division's (Division) Acting Chief of Staff, which are reproduced in appendix II. The Acting Chief of Staff concurred with our recommendations, stating that the Division is committed to the effective and prudent stewardship of funds, and to continuous improvements in financial management in support of the Division's mission. In response to our first recommendation to strengthen existing or implement new internal controls over documentation of travel authorization, the Division stated that it is implementing a new policy in December 2015 requiring written approval for all travel including cases of urgent travel where authorization through the travel system is not feasible. If implemented effectively, this new process should address our recommendation. In response to the second part of the first recommendation to strengthen existing or implement new controls over timely submission of travel vouchers, the Division reported that in late fiscal year 2013 it started distributing monthly reports to section management with all completed trips that had not been vouchered, and stated that the Division requires section management to take action to ensure travelers submit vouchers in a timely manner. In addition, the Division stated that leadership receives a monthly report with average number of days that a section's vouchers are outstanding, for the purpose of identifying patterns of noncompliance. These new processes focus on identifying travel vouchers that are likely already late; however, it is possible that the new processes could improve timely voucher submission if problem areas are identified and action is taken to enforce more timely submission among groups that have issues with late vouchers. In response to our second recommendation regarding controls to ensure that noncontract airfares are properly authorized and justified, the Division responded that in cases where flight reservations are made outside the travel system and cannot be recorded in E2, it will require travelers to document in E2 whether a purchased flight was a contract or noncontract fare and to provide evidence of advance approval of any noncontract fares. If implemented effectively, this new process should address our recommendation. Lastly, in response to our third recommendation related to maintaining documentation of communication with employees with delinquent travel card accounts, the Division stated that it plans to provide instructions requiring management to document communications and actions taken with delinquent account holders, and provide the documentation to the Division's Comptroller. If implemented effectively, this new process should address our recommendation. The Division and DOJ's Justice Management Division also provided technical comments, which we have incorporated as appropriate.

We are sending copies of this report to relevant congressional committees, the Attorney General, the Assistant Attorney General for the Division, and other relevant parties. This report will also be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-6722 or bagdoyans@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink that reads "Seto J. Bagdoyan". The signature is written in a cursive style with a long horizontal stroke extending to the right from the end of the name.

Seto J. Bagdoyan
Director
Forensic Audits and Investigative Service

Appendix I: Objectives, Scope, and Methodology

This report examines the extent to which the Department of Justice (DOJ) Civil Rights Division (Division) implemented internal controls and complied with travel policy in key areas: (1) authorization and reimbursement of travel and (2) use of travel charge cards. To this end, we interviewed DOJ officials and reviewed travel regulations and policies. We also analyzed Division travel data from October 2011 through June 2013—the most recent data available when we made our request—including official authorization and voucher data from the Division’s Financial Management Information System (FMIS), travel card data from the J.P. Morgan Chase PaymentNet data system, and fair-housing testing data from the Fair Housing Testing System (FHTS). The data we analyzed included all trips associated with investigations resulting in a court case (which we refer to as “cases” in this report) and completed investigations not resulting in a court case (which we refer to as “closed investigations”). We estimate that the travel vouchers associated with cases and closed investigations represented approximately 61 percent of Division travel. We developed a methodology to test whether the Division effectively implemented internal controls and complied with policy in key areas. We excluded travel information related to ongoing investigations that could result in ongoing litigation.

After identifying important travel controls and requirements as indicated in federal travel regulations and DOJ travel policies, we tested the implementation of controls and compliance with key travel policies by analyzing travel data, reviewing policy documents, interviewing officials, and comparing findings to criteria from GAO’s *Standards for Internal Control in the Federal Government*. We tested the implementation of controls by analyzing data that indicated whether the control had been implemented. In some cases, the data we analyzed directly indicated whether the control had been implemented, such as through compliance with policy, and we report on those outcomes. Where we found that Division travel complied with policy, we did not conduct further testing of related controls. In other cases, the data pointed to a weakness that required additional testing. If we identified a weakness in the implementation of controls that may have been addressed through a change in DOJ’s travel system subsequent to our analysis, we evaluated the design of any related new control as a way of assessing whether the control weakness had been mitigated.

We performed data-reliability assessments on the FMIS authorization and voucher data, the PaymentNet travel charge card data, and the FHTS fair-housing test data. Data-reliability assessments included reviewing related documentation, interviewing knowledgeable DOJ and J.P. Morgan

Chase officials on how the data are compiled, using control totals, and comparing records in the file against agency totals for travel vouchers and charge card transactions. We also performed electronic testing for completeness and accuracy of data. Overall, our assessment found the data to be sufficiently reliable for the purposes of this report.

We conducted this performance audit from November 2014 through November 2015 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.

Assessing Internal Controls over Travel Authorization and Reimbursement

To address the first objective of the report, we reviewed travel authorization and voucher data, as well as travel charge card data from October 2011 through June 2013—the most recent data available at the time of our request. DOJ implemented a new travel system in August 2013, and at the time of our request there were not a sufficient number of trips to evaluate the implementation of controls in the new system. Our review included travel conducted by Division employees as well as travel conducted by other DOJ employees who performed work for the Division and were authorized and reimbursed by the Division.

We reviewed the implementation of internal controls and compliance with policy over the travel authorization and voucher process through a number of analyses. When we identified instances in which the implementation of controls was not effective, and if the data on implementation did not directly identify why the controls did not work as intended, we took additional steps as appropriate to make this determination. As part of our review, we drew a stratified, random probability sample of 105 trips generalizable to the 3,157 Division trips in the scope of this review. We used this sample to analyze the extent to which officials approving travel were authorized to do so by comparing the approving signature with a list of individuals authorized to provide such approvals. Using this sample we also determined the extent to which authorization was provided in advance of travel by examining the date of approval and comparing that to the dates of travel. We used this sample to review approval information for vouchers, including the position of the approver and whether the position was authorized to approve travel by comparing the signature to a list of individuals authorized to approve vouchers. We reviewed whether these vouchers were submitted timely in

accordance with Division policy by looking at the submission date and determining whether it was within 5 days of completion of travel. We also determined whether vouchers included all required receipts needed to justify reimbursement by reviewing this documentation and comparing it to the requirements of travel policy.

As stated above, our generalizable sample included a total of 105 trips from the 3,157 trips in the scope of this review (travel within the time frame of October 1, 2011, through June 30, 2013). The population of trips was divided into a certainty stratum with the 10 most expensive trips based on total voucher amount, and a noncertainty stratum with all remaining trips. The sample comprised all 10 trips in the certainty stratum and a generalizable random probability sample of 95 trips from the noncertainty stratum. Each sample element was subsequently weighted in the analysis to account statistically for all the trips in the population, including those that were not selected. Because we followed a probability procedure based on random selections, our sample is only one of a large number of samples that we might have drawn. Since each sample could have provided different estimates, we express our confidence in the precision of our particular sample's results as a 95 percent confidence interval. All percentage estimates from this sample review have 95 percent confidence intervals of plus or minus 10 percentage points or less, unless otherwise noted. This is the interval that would be expected to contain the actual population value for about 95 percent of the samples we could have drawn.

We also examined travel associated with the Fair Housing Testing program to determine the extent to which fair-housing testing activities aligned with official travel. We reviewed data from the Fair Housing Testing System (FHTS) to include fair-housing tests that occurred from October 2011 through June 2013, and were considered closed by the Division. As with the travel data, we excluded data related to ongoing investigations (in this case fair-housing tests) from our review. We matched fair-housing test dates from FHTS to official travel voucher dates, and reviewed the length of travel to identify any trips that appeared longer than necessary given that housing tests normally last 1 day. For trips that appeared longer than normal, we followed up with the Division to determine the reason for the longer trip.

As part of our first reporting objective, we also reviewed the extent to which Division travel included premium airfare—business- or first-class airfare—and whether premium airfare was authorized and reimbursed in compliance with travel rules. We identified potential premium travel

through several methods. First, we used the data field “VT_CLASS” in the FMIS travel voucher data to identify trips categorized as including premium travel. We reviewed travel documents for a selection of 11 trips identified in FMIS as including premium airfare to check the extent to which any premium airfare was properly authorized. The 11 trips were selected because the transportation costs associated with the trips were greater than the contract rate for airfare to the destination or there was no established contract rate. In addition, we used travel charge card transaction data to identify airfare purchases and compared the cost of the airfare to General Services Administration (GSA) contract rates for the travel destination. We identified cases where the airfare purchase appeared more expensive than the standard contract rate, and we selected the 10 trips where the difference between the contract rate and the actual airfare costs were greatest for further review. We reviewed these 10 travel vouchers and their associated travel documents to confirm whether the trip included premium airfare, whether the premium airfare was properly authorized, and what justification was provided for premium travel. In addition, we also selected the 10 travel vouchers with highest transportation costs, which would normally indicate cost of airfare, to review for any premium travel. We also used the travel charge card transaction data to identify airfare purchases that were on airlines other than the contract airline for a travel destination, also called noncontract airfares. We reviewed the 9 vouchers identified as including noncontract airfares that were the greatest amount above the contract rate. We also reviewed travel documents for these trips to determine whether the use of noncontract airfares was properly authorized and justified.

We reviewed travel voucher data and compared reimbursed lodging rates and meals and incidental expenses (M&IE) rates to the standard GSA rates for a trip location. We identified all cases where M&IE was greater than the standard GSA rate using the travel data provided. We also identified cases where lodging potentially exceeded the standard GSA rate for the location, and requested and reviewed travel documents for trips that exceeded the standard lodging rate by \$100 or more. We identified a total of 25 trips where lodging exceeded standard rates by \$100 or more, and examined whether travelers obtained approval to exceed the standard rate, and the reasons given for the higher rate.

Travel Charge Card Controls Review

To address the second objective of this report, we reviewed travel charge card information from the J.P. Morgan Chase PaymentNet system covering all Division travel cardholders from October 2011 through June 2013—the most recent data available at the time of our request. We

received all transactions data for the period, and information on all Division cardholders, such as dates accounts were opened or closed. We reviewed the extent to which Division travel card transactions aligned with official travel by comparing PaymentNet charge card transactions to travel voucher travel dates. Because we did not have official travel vouchers for travel associated with ongoing investigations, we used hotel stays appearing in the charge card data to identify additional evidence of official travel. For those purchases that did not align with any signs of official travel, either in travel vouchers or hotel-stay data, we reviewed the data for any unusual transactions, such as large-dollar retail transactions, large-dollar transactions in the Washington, D.C., area, or a number of purchases in the area of the employee's duty station in Washington, D.C. We also reviewed all transactions for any indications of potentially inappropriate purchases by reviewing the merchant categories of all purchases and reviewing any individual transactions for those merchants that appeared unusual for official travel.

In addition to reviewing purchases, we reviewed whether cash advance transactions aligned with evidence of official travel, and whether cash advance transactions followed policy rules. We used PaymentNet transaction data to identify cash advance transactions, and then compared the timing of these transactions to travel voucher data from FMIS. For cash advances that could be matched to an official travel voucher, we compared the amount of cash withdrawn to normally allowed amounts under DOJ policy—\$40 per travel day—to determine whether the cardholder took out more cash than is normally allowed. We requested and reviewed travel documents for 11 trips where cash advances exceeded the normally allowed amounts by \$200 or more, and we reviewed whether the excess cash was authorized. We also identified cash advance transactions that did not align with evidence of official travel in FMIS travel voucher data or hotel-stay data in PaymentNet and reviewed the extent that certain cardholders took cash advances that do not align with evidence of official travel.

We also took several steps to assess the extent to which travel charge cards were managed in line with DOJ policy. To review controls over closure of travel card accounts upon employee separation from the Division, we used PaymentNet travel charge card account data to determine all persons with accounts that closed from October 2011 through June 2013. We then provided the Division with a list of these account holders, and requested that they identify accounts that closed because of separation from the agency, and provide the date of separation. We compared the separation date to the account closure date

to determine the extent to which accounts were closed promptly. Lastly, to review evidence of delinquent account oversight, we requested and reviewed delinquency notifications for travel cardholders who had accounts suspended due to delinquency during the period of our review, October 2011 to June 2013.

Appendix II: Comments from the Department of Justice Civil Rights Division



U.S. Department of Justice

Civil Rights Division

Office of the Assistant Attorney General

Washington, D.C. 20530

OCT 30 2015

Mr. Seto Bagdoyan
Director
Forensic Audits and Investigative Services

Dear Mr. Bagdoyan:

The Civil Rights Division appreciates the opportunity to review the final draft of the Government Accountability Office (GAO) report entitled *DOJ Civil Rights Division Travel: Division Strengthened Controls over Travel but Additional Areas for Improvement Identified (GAO-16-58)*.

The mission of the Division requires that Division attorneys and other staff travel frequently across the country and sometimes across the world as they investigate and enforce the civil rights laws that protect all Americans. The Division's employees and their management pride themselves on their dedication to ensuring that Division travel provides the utmost in taxpayer value by seeking out the most economical and efficient arrangements possible. As provided in the report, the results of the review show the Division is reimbursing its employees in amounts that are within Federal Travel Regulation (FTR) and Department travel policy limits. In addition, the review found that 97% of all of the purchases made by employees on their government travel cards were found to be appropriate under their official travel authorizations.

The Division thanks GAO for recognition of the efforts the Division has made and continues to make to improve its internal controls over travel, including the establishment of comprehensive standard operating procedures and the transition to an electronic travel system. Although these efforts have mitigated much of the risk in the Division's travel management program, the goal is always to be at the forefront of best practices and the Division concurs with the recommendations made.

Recommendation #1: To better ensure that travel authorization and reimbursement complies with rules and regulations, strengthen existing or implement new internal controls over:

- documenting that travel is authorized in advance and
- submitting travel vouchers in the required timeframe.

Comments: The Division agrees with this recommendation. To better ensure that travel authorizations are provided in advance of an employee's official travel departure date, a new Division policy will go into effect on December 1, 2015 which requires that evidence of advance approval be attached to every travel authorization submitted for processing. Although it is within both FTR and Department guidelines to allow for verbal travel approvals in urgent situations, the Division's policy standard will be to require approvals through email or other written documentation when the urgency of the departure does not allow for approvals to be made in the travel system.

To better ensure that travel vouchers are submitted within the required timeframe, in late FY 2013 the Division began distributing monthly reports to each Section's management which list all completed trips

Appendix II: Comments from the Department of Justice Civil Rights Division

which have not yet been vouchered. Section management is required to take action to ensure that their travelers are complying with FTR and Department policy for submitting a proper voucher within five business days of return from travel. Additionally, Division leadership receives a monthly report of the average number of days that a Section's vouchers are outstanding. This report is used to inform leadership of possible patterns of noncompliance so they appropriate action can be taken.

Recommendation #2: To help ensure that noncontract airfare is properly authorized and justified in accordance with travel rules, the Division should evaluate whether the configuration of its new travel system has implemented controls to address previous shortcomings in obtaining and documenting required approvals, and that travelers booking airfares outside of the system are documenting this decision.

Comments: The Department agrees with this recommendation. The Department's current travel system, E2, requires a justification when a traveler selects a noncontract fare. Subsequently, when the travel authorizing official (AO) reviews the travel authorization, the AO will see the justification for the use of a noncontract fare, and can approve or disapprove it, as appropriate. Additionally, E2 includes a Travel Policy Justification section (see figures below) that alerts the AO to the noncontract fare. The E2 travel system in use by the Division is controlled at the configuration management level by the Department of Justice, and system attributes and functionality are configured to maintain consistency across multiple components of the Department.

In cases when a traveler does not use the Department's online booking engine, the Division will require the traveler to retrieve the agent-assisted reservation into E2, when practical. This will ensure that the authorization includes a traveler's justification and an AO approval or disapproval.

When it is not practical for the traveler to retrieve the reservation, the Division will strengthen its internal control for noncontract airfare purchases by introducing new policy on December 1, 2015, which will require travelers in this situation to document within E2 whether the flight purchased was a contract or noncontract fare, and to provide evidence that noncontract fare received advance approval as required by FTR and Department policy.

Traveler Justification Section

Out of Policy * = Required

⚠ You selected one or more non-contract fares within your itinerary. Please make certain that you read the Fare Rules for each fare before finalizing your reservation. If any one or more fares you have selected is non-refundable, all segments within your itinerary will be ticketed as a non-refundable ticket. You are responsible for determining if the ticket is refundable or non-refundable. Please select a reason for selecting a non-contract fare from the drop down list below in order to finalize your reservation.

Some of your choices were designated Out of Policy for the following reason(s):

- A government contract fare is available for another flight option.

* Please designate why you did not choose an in-policy option.

Select a Reason:

Select a Reason:

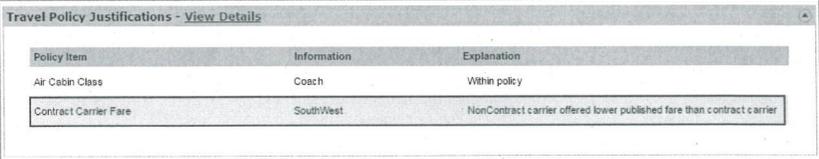
- Space or a scheduled contract flight is not available in time (C1)
- Contract Carrier Outside Normal Work Hours (C2)
- Non-Contract Carrier Offers A Lower Fare Available To The General Public (C3)
- Traveler declined contract carrier (C7)
- Smoking Permitted On The Contract (C11)
- No contract carrier in the market (C2)

with Reservation

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**Appendix II: Comments from the Department
of Justice Civil Rights Division**

Travel Authorizing Official Section



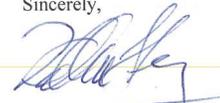
Policy Item	Information	Explanation
Air Cabin Class	Coach	Within policy
Contract Carrier Fare	SouthWest	NonContract carrier offered lower published fare than contract carrier

Recommendation #3: To better document oversight of delinquent travel charge card accounts in accordance with DOJ policy, take steps to maintain documentation of communications with delinquent cardholders.

Comments: The Division agrees with this recommendation. Prior to the report's issuance, the Division revised its practice for addressing travel card delinquencies and suspected card misuse. Each month, the Comptroller's staff sends reports listing travel card delinquencies to Section management with instructions that Section management must take action to ensure that delinquent employees promptly pay all undisputed charges. The Division will further modify those instructions to make clear that management must document such actions, either with an e-mail to the delinquent employee with a copy to the Comptroller, or via e-mail to the Comptroller summarizing the actions taken. The Division will provide suggested standard e-mail language for Section management to send to delinquent employees to minimize the burden on management. The Comptroller will maintain the e-mails received from Section management as documentation of actions taken to address delinquencies. In addition, the Division's Employment Counsel and the Office of the Assistant Attorney General will receive monthly reports of delinquencies to ensure that appropriate action is taken by Section management to ensure prompt payment and, where appropriate, disciplinary action.

The Division appreciates the efforts of the GAO staff and their thorough review of the Division's travel controls. The Division is committed to the effective and prudent stewardship of the funds entrusted to its programs and to continuous improvements in financial management in support of the Division's vital mission.

Sincerely,



Kathleen Toomey
Acting Chief of Staff

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Seto J. Bagdoyan, 202-512-6722 or bagdoyans@gao.gov

Staff Acknowledgments

In addition to the contact mentioned above, the following staff members made significant contributions to this report: Joah Iannotta and Phil Reiff, Assistant Directors; Celina Davidson, Analyst-in-Charge; Tracy Abdo; Melinda Cordero; Colin Fallon; Grant Mallie; Erin McLaughlin; Maria McMullen; James Murphy; Sonya Vartivarian; Shana Wallace; and Chris Zbrozek.

Appendix IV: Accessible Data

Agency Comment Letter

Text of Appendix II:
Comments from the
Department of Justice Civil
Rights Division

Page 1

Mr. Seto Bagdoyan Director

Forensic Audits and Investigative Services

Dear Mr. Bagdoyan:

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The mission of the Division requires that Division attorneys and other staff travel frequently across the country and sometimes across the world as they investigate and enforce the civil rights laws that protect all Americans. The Division's employees and their management pride themselves on their dedication to ensuring that Division travel provides the utmost in taxpayer value by seeking out the most economical and efficient arrangements possible. As provided in the report, the results of the review show the Division is reimbursing its employees in amounts that are within Federal Travel Regulation (FTR) and Department travel policy limits. In addition, the review found that 97% of all of the purchases made by employees on their government travel cards were found to be appropriate under their official travel authorizations.

The Division thanks GAO for recognition of the efforts the Division has made and continues to make to improve its internal controls over travel, including the establishment of comprehensive standard operating procedures and the transition to an electronic travel system. Although these efforts have mitigated much of the risk in the Division's travel management program, the goal is always to be at the forefront of best practices and the Division concurs with the recommendations made.

Recommendation #1:

To better ensure that travel authorization and reimbursement complies with rules and regulations, strengthen existing or implement new internal controls over:

- documenting that travel is authorized in advance and
- submitting travel vouchers in the required timeframe.

Comments: The Division agrees with this recommendation. To better ensure that travel authorizations are provided in advance of an employee's official travel departure date, a new Division policy will go into effect on December 1, 2015 which requires that evidence of advance approval be attached to every travel authorization submitted for processing. Although it is within both FTR and Department guidelines to allow for verbal travel approvals in urgent situations, the Division's policy standard will be to require approvals through email or other written documentation when the urgency of the departure does not allow for approvals to be made in the travel system.

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Page 2

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Recommendation #2:

To help ensure that noncontract airfare is properly authorized and justified in accordance with travel rules, the Division should evaluate whether the configuration of its new travel system has implemented controls to address previous shortcomings in obtaining and documenting

required approvals, and that travelers booking airfares outside of the system are documenting this decision.

Comments: The Department agrees with this recommendation. The Department's current travel system, E2, requires a justification when a traveler selects a noncontract fare. Subsequently, when the travel authorizing official (AO) reviews the travel authorization, the AO will see the justification for the use of a noncontract fare, and can approve or disapprove it, as appropriate. Additionally, E2 includes a Travel Policy Justification section (see figures below) that alerts the AO to the noncontract fare. The E2 travel system in use by the Division is controlled at the configuration management level by the Department of Justice, and system attributes and functionality are configured to maintain consistency across multiple components of the Department.

In cases when a traveler does not use the Department's online booking engine, the Division will require the traveler to retrieve the agent-assisted reservation into E2, when practical. This will ensure that the authorization includes a traveler's justification and an AO approval or disapproval.

When it is not practical for the traveler to retrieve the reservation, the Division will strengthen its internal control for noncontract airfare purchases by introducing new policy on December 1, 2015, which will require travelers in this situation to document within E2 whether the flight purchased was a contract or noncontract fare, and to provide evidence that noncontract fare received advance approval as required by FTR and Department policy.

Traveler Justification Section

The screenshot shows a web interface titled "Out of Policy". At the top right, it says "* = Required". A warning icon is followed by the text: "You selected one or more non-contract fares within your itinerary. Please make certain that you read the Fare Rules for each fare before finalizing your reservation. If any one or more fares you have selected is non-refundable, all segments within your itinerary will be ticketed as a non-refundable ticket. You are responsible for determining if the ticket is refundable or non-refundable. Please select a reason for selecting a non-contract fare from the drop down list below in order to finalize your reservation." Below this, it says "Some of your choices were designated Out of Policy for the following reason(s):" followed by a bullet point: "• A government contract fare is available for another flight option." Below that, it says "* Please designate why you did not choose an in-policy option." There is a dropdown menu labeled "Select a Reason:" with a list of options: "Space or a scheduled contract flight is not available in time (C1)", "Contract Carrier Outside Normal Work Hours (C2)", "Non-Contract Carrier Offers A Lower Fare Available To The General Public (C3)", "Traveler declined contract carrier (C7)", "Smoking Permitted On The Contract (C11)", and "No contract carrier in the market (D2)". To the right of the dropdown is a button labeled "with Reservation". At the bottom right, there is a small copyright notice: "© 1995-2015 GetThere L.P. · Privacy Policy · All rights res".

Travel Authorizing Official Section

Policy Item	Information	Explanation
Air Cabin Class	Coach	Within policy
Contract Carrier Fare	SouthWest	NonContract carrier offered lower published fare than contract carrier

Recommendation #3:

To better document oversight of delinquent travel charge card accounts in accordance with DOJ policy , take steps to maintain documentation of communications with delinquent cardholders.

Comments: The Division agrees with this recommendation. Prior to the report's issuance, the Division revised its practice for addressing travel card delinquencies and suspected card misuse. Each month, the Comptroller's staff sends reports listing travel card delinquencies to Section management with instructions that Section management must take action to ensure that delinquent employees promptly pay all undisputed charges. The Division will further modify those instructions to make clear that management must document such actions, either with an e-mail to the delinquent employee with a copy to the Comptroller, or via e-mail to the Comptroller summarizing the actions taken. The Division will provide suggested standard e-mail language for Section management to send to delinquent employees to minimize the burden on management. The Comptroller will maintain the e-mails received from Section management as documentation of actions taken to address delinquencies. In addition, the Division's Employment Counsel and the Office of the Assistant Attorney General will receive monthly reports of delinquencies to ensure that appropriate action is taken by Section management to ensure prompt payment and, where appropriate, disciplinary action.

The Division appreciates the efforts of the GAO staff and their thorough review of the Division's travel controls. The Division is committed to the effective and prudent stewardship of the funds entrusted to its programs and to continuous improvements in financial management in support of the Division's vital mission.

Kathleen Toomey

Acting Chief of Staff

Data Tables

Data Table for Figure 3: Travel Card Cash Advance Transaction Amounts Matched with Evidence of Official Travel, October 2011 through June 2013

	Percentage	Amount
Not matched to evidence of official travel	19%	\$21,424
Matched to evidence of official travel	81%	\$92,464

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