



U.S. ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment

Hotline Report

Review of Hotline Complaint 2010-282

Report No. 10-P-0165

July 15, 2010

Report Contributors:

Bram Hass
Eric Lewis

Abbreviations

EPA	U.S. Environmental Protection Agency
FLETC	Federal Law Enforcement Training Center
FTR	Federal Travel Regulations
IAG	Interagency Agreement
OIG	Office of Inspector General
OPE	Office of Program Evaluation



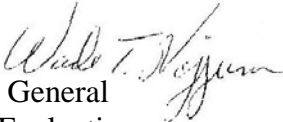
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

July 15, 2010

MEMORANDUM

SUBJECT: Review of Hotline Complaint 2010-282
Report No. 10-P-0165

FROM: Wade T. Najjum 
Assistant Inspector General
Office of Program Evaluation

TO: Arthur A. Elkins, Jr.
Inspector General

This is a final Hotline report on the subject evaluation conducted by the Office of Program Evaluation (OPE), Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems OPE has identified and corrective actions OPE recommends. This report represents the opinion of OPE and does not necessarily represent the final OIG position. Final determination on matters in this report will be made by the Inspector General in accordance with established audit resolution procedures. The Inspector General provided comments to our draft report. OPE evaluated these comments and, where appropriate, made necessary changes in this report. We have included the response in Appendix A.

The estimated cost of this report – calculated by multiplying the project's staff days by the applicable daily full cost billing rates in effect at the time – is \$74,077.

Action Required

In accordance with EPA Manual 2750, *EPA's Audit Management Process*, you are required to provide a written response to this report within 90 calendar days. OIG's response should include a corrective action plan and planned completion dates for the Recommendations. Your response will be posted on the OIG's public Website, along with our comments on your response. Your response should be provided in an Adobe PDF file that complies with the accessibility requirements of section 508 of the Rehabilitation Act of 1973, as amended. If your response contains data that you do not want to be released to the public, you should identify the data for redaction. We have no objection to the further release of this report to the public. This report will be available at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact me at (202) 566-0832 or najjum.wade@epa.gov, or Eric Lewis at (202) 566-2664 or lewis.eric@epa.gov.

Allegation

The OIG reviewed an anonymous Hotline allegation that an EPA OIG employee was defrauding the government by staying in a hotel instead of using less expensive and available accommodations at a government training location. The complainant stated that the employee said he received a waiver for personal reasons. The complainant stated that others have to use the most reasonable accommodations for the government and questioned why other OIG employees have to stay on site when the employee in question did not.

Finding

We could not substantiate the allegation of fraud; however, the actions of the employee and his supervisor were contrary to existing travel policies and were unnecessarily costly. This was a waste of government funds. The employee traveled to the training located at a government facility, the Federal Law Enforcement Training Center (FLETC). Training program costs at FLETC include tuition, lodging, and meals. The employee in question opted not to use government-furnished lodging and meals at the facility for personal reasons. The supervisor authorized commercial lodging and per diem for meals for his subordinate, even though the government would not benefit from the increased lodging and meal costs. The employee submitted and the supervisor approved a travel voucher totaling \$2,003.

Criteria

The Federal Travel Regulations (FTR) emphasizes that agencies may only pay expenses that are essential to the transaction of official business. The FTR provides for reduced reimbursement when meals are furnished by the government. EPA's Resources Management Directive 2550B (Travel Manual) describes the responsibilities of the traveler and supervisor. Travelers are responsible for:

- Becoming familiar with the FTR and EPA's travel policies so they can properly claim reimbursement for authorized travel.
- Seeking clarification from supervisors or financial staff when needed.
- Exercising prudence and economy when incurring expenses on official travel.
- Paying for additional expenses resulting from scheduling travel for personal convenience.

Supervisors are responsible for:

- Providing employees access to the Travel Manual and other travel regulations, as well as giving them an opportunity to review these requirements before traveling.

- Ensuring sound financial management of all aspects of official travel, and ensuring that travel is in the best interest of the government.
- Applying the standards of the travel regulations when authorizing, reviewing, and approving travel documents.

The Interagency Agreement (IAG) that sets up a reimbursable agreement between EPA OIG and FLETC lists projected costs for a number of training courses. The estimated per-student cost for each course at FLETC's Glynco, Georgia, location includes lodging and meals. FLETC policy is to provide lodging to all students unless a waiver is granted by the student's agency representative. The lodging is located either on FLETC's campus or in contracted hotels or apartments nearby. Reporting instructions e-mailed to students have a link to the online Student Bulletin, which states that:

“If a student uses housing other than assigned by FLETC, the costs incurred for the accommodations will be the responsibility of the student and not reimbursable by their agency. The student will be notified to utilize the housing assigned by FLETC.”

FLETC Manual 72-01.A, *Housing Policies*, states that all students must use FLETC housing. The housing manual also states that both basic and advanced students requesting housing not covered by the manual must obtain a written waiver from their agency representative, who should route the written request to the housing office. The manual does not specify who must approve the waiver. Additionally, as stated in the Student Bulletin, the student's agency will not reimburse the student when the student stays in other than FLETC assigned housing.

Background

FLETC is one of the OIG's key training providers, offering many advanced courses in addition to basic-level training. FLETC provides interagency law enforcement training to about 90 federal agencies. It is headquartered in Glynco, Georgia. The OIG's 2010 Fiscal Year IAG with FLETC lists 15 courses that include lodging and meals, including the one attended by the student in this case.

Scope and Methodology

We conducted our review from February 2010 to May 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform our review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

To accomplish our objectives, we reviewed the FTR, the Agency's Travel Manual, and relevant FLETC policy. We conducted interviews with and obtained information from OIG employees involved with the travel arrangements and course. We also obtained and reviewed the OIG's current IAG with FLETC listing the courses and anticipated costs for fiscal 2010 and billing information for the course in question.

Results

We found that the OIG employee attended the training course at FLETC and did not lodge or eat meals at FLETC. Tuition for the course the employee attended at FLETC included government-furnished lodging (\$427) and meals (\$171) totaling \$598. The estimated total cost to OIG for tuition, lodging, and meals should have been \$1,091. The employee's travel voucher was submitted and paid for \$2,003, which included \$1,840 in additional expenses consisting of:

- \$1,188 for lodging,
- \$510 for meals and incidental expenses, and
- \$142 for hotel tax.

FLETC e-mailed the OIG employee notifying him that he had been accepted into the class. The e-mail included a link to the FLETC Student Bulletin. The employee contacted an OIG resident agent assigned to FLETC and notified him in an e-mail message that he had finalized details for the trip, was staying off base, and would not need FLETC lodging. The OIG resident agent sent an e-mail to the FLETC Housing Program Manager as a waiver under the FLETC policy. The OIG resident agent stated that this e-mail met the FLETC policy's requirement for a written waiver. Further, the OIG resident agent stated that immediately after contacting the housing office he sent the employee an e-mail informing him that advanced students normally stay in FLETC-provided housing because it is considerably less expensive. He also told the student that FLETC policy requires agency management approval, which he assumed was obtained, based on the student's e-mail and telephone message. The OIG employee told us that:

- When he learned that he was going to training at FLETC, he was not initially aware there was a requirement to stay on base as part of the training. His supervisor authorized staying off site.
- He had not seen the notification memo until days before he was scheduled to depart because he had limited access to his e-mail while on travel status.
- He was told by the FLETC registrar that if he stayed off site, FLETC would credit EPA OIG for the usual lodging and meal charges.
- He believed it did not make sense to require someone his age to obtain a waiver to stay off site instead of in the barracks and that for any future training, he would be willing to pay out of his own pocket for off-site lodging.

It is apparent that the employee had received notification prior to beginning the travel that students were required to stay in government-furnished lodging that is less costly for the government. The OIG resident agent specifically informed the employee that not using government-furnished quarters required agency approval and a waiver provided to FLETC. Based on the student's assertions, the OIG resident agent notified FLETC that an exemption was needed. Although FLETC does not require a formal written letter or memo from the student's supervisor or upper management, we believe the resident agent should have verified the student's assertions with EPA OIG management in light of the expected additional cost that would result. We believe that granting the waiver without verification was a mistake. Since the OIG resident mistakenly notified FLETC that there was an agency waiver, FLETC will not bill EPA OIG for the \$598 cost of government-furnished lodging and meals.

Although the employee's supervisor approved the travel orders, the supervisor stated he was unaware that using the government lodging at the training center was mandatory for advanced training. He instructed the employee to stay at a hotel because a hotel was authorized and approved for the supervisor when he attended FLETC in 2008 and on other occasions. The employee's supervisor said he was not aware that other OIG agents attending advanced training stayed on campus.¹ The supervisor believes that the employee may have shared with him what the OIG resident agent at FLETC told him about the requirement to use government-furnished lodging and about the waiver, but did not recall the specifics. He did not initiate any process to issue the agent a waiver to stay off campus because a waiver had never been required for the supervisor to stay off campus. He considered the separate hotel accommodations acceptable based on his own past experience. He said he did not realize that off-campus lodging and meals contradicted any aspect of the government's best interest.

Conclusion

In our opinion, the employee's and supervisor's actions resulted in wasted public funds. Travel choices were not in accordance with the FTR and the EPA Travel Manual. The travel was not conducted in the best interest of the government and was unnecessarily expensive. The EPA Travel manual states that travelers have the responsibility to become familiar with the FTR, minimize the cost to the government, seek advice from supervisors or financial personnel, and bear the additional expense for personal travel. The employee, even after being cautioned by the OIG resident agent, decided not to use government-furnished lodging and meals for strictly personal reasons. Both the supervisor and the employee contend that their actions were consistent with their past practices. Neither could provide other than personal justifications. Both failed to exercise fiscal responsibility, making travel choices that were contrary to existing travel policies and resulted in additional costs. The OIG should issue policy guidance stating

¹ FLETC policy requires basic students to stay in FLETC facilities on campus; it also requires advanced students to obtain lodging through FLETC. Those accommodations may be on the FLETC campus itself or in facilities contracted by FLETC. Those costs are included in the cost of the course.

that OIG policy is to use government lodging and meals at FLETC and will only be waived with approval of the cognizant AIG.

Recommendations

We recommend that the Inspector General:

1. Take appropriate administrative actions against the individuals involved.
2. Direct the employee and his supervisor to obtain appropriate federal travel training.
3. Issue policy guidance stating that OIG policy is to use government lodging and meals at FLETC and will only be waived with approval of the cognizant AIG.

Comments on Draft Report and OPE Evaluation

The Inspector General generally agreed with our findings, conclusions, and recommendations but proposed several changes. We agreed with those changes and incorporated them into this final report.

He believed that the central issue described was the additional cost to the government, which could be better characterized as waste instead of abuse. He believed that one of the draft conclusions and the related recommendation (requiring travelers to get waivers from the OIG Planning, Analysis, and Results staff with their supervisor's permission), was too broad. He suggested and we agreed that the recommendation should require a policy setting the ability to grant waivers of the requirement to use FLETC-furnished lodging at the AIG level.

On the first draft recommendation, the Inspector General believed that the proposed corrective action (to direct the Planning, Analysis, and Results staff to obtain reimbursement of the excess funds paid to the employee) was too narrowly worded. Instead, he suggested and we adopted the current recommendation, to take appropriate administrative actions against the individuals involved.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Claimed Amount	Agreed To Amount
1	5	Take appropriate administrative actions against the individuals involved.	O	Inspector General			
2	5	Direct the employee and his supervisor to obtain appropriate federal travel training.	O	Inspector General			
3	5	Issue policy guidance stating that OIG policy is to use government lodging and meals at FLETC and will only be waived with approval of the cognizant AIG.	O	Inspector General			

- ¹ O = recommendation is open with agreed-to corrective actions pending
 C = recommendation is closed with all agreed-to actions completed
 U = recommendation is undecided with resolution efforts in progress

Appendix A

Formal Response to Draft Report

July 9, 2010

MEMORANDUM

SUBJECT: Formal Response to Draft Report on Hotline
Complaint 2010-282
Project No. OPE-FY 10-0013

TO: Wade T. Najjum
Assistant Inspector General
Office of Program Evaluation

This is the formal response to the subject review by the Office of Program Evaluation. I agree with the factual presentation, conclusion and recommendations made in the report as amended by my formal comments.

Comment 1: Finding

OIG agrees with the finding, but suggests that the central issue is the additional cost to the government of this travel. That condition could be characterized as waste rather than abuse.

Comment 2: Conclusion:

OIG agrees with the conclusion, but believes the recommendation, as stated, is too broad for the conditions described in the report. OIG suggests a policy requiring the use of government furnished quarters and lodging at the FLETC facility. The policy should establish that waiver of that requirement may only be granted by the cognizant Assistant Inspector General.

Comment 3: Recommendation 1

OIG believes the corrective action is too narrowly worded. OIG suggests an alternative recommendation: Inspector General to take the appropriate administrative actions against individuals involved.

Comment 4: Recommendation 3

As discussed in the conclusions OIG suggests an alternate recommendation: Issue policy guidance stating that OIG policy is to use government lodging and meals at FLETC and will only be waived with approval of the cognizant AIG.

Arthur A. Elkins, Jr. //s//

cc: Bill Roderick, Deputy Inspector General
Mark Bialek, Counsel, OIG
Eric Lewis, Director for Program Evaluation, Special Reviews