

January 2005

ARMY NATIONAL GUARD

Inefficient, Error-Prone Process Results in Travel Reimbursement Problems for Mobilized Soldiers



G A O

Accountability * Integrity * Reliability



Highlights of [GAO-05-79](#), a report to congressional requesters

Why GAO Did This Study

GAO was asked to determine (1) the impact of the recent increased operational tempo on the process used to reimburse Army Guard soldiers for travel expenses and the effect that travel reimbursement problems have had on soldiers and their families; (2) the adequacy of the overall design of controls over the processes, human capital, and automated systems relied on for Army Guard travel reimbursements; and (3) whether the Department of Defense's (DOD) current efforts to automate its travel reimbursement process will resolve the problems identified. GAO selected and audited 10 case study units that were identified in a preliminary assessment as having a variety of travel reimbursement problems.

What GAO Recommends

GAO makes 23 recommendations to address Army Guard travel reimbursement weaknesses in the areas of process, human capital, and systems. GAO also recommends that DOD ensure that its longer term system improvement efforts include complete and lasting solutions to the identified weaknesses.

DOD concurred with 21 recommendations and described actions to correct noted deficiencies. DOD partially concurred with 2 recommendations regarding meal cost authorizations and requirements to pay soldiers interest on late travel and meal cost reimbursements.

www.gao.gov/cgi-bin/getrpt?GAO-05-79.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory D. Kutz at (202) 512-9095 or kutzg@gao.gov.

ARMY NATIONAL GUARD

Inefficient, Error-Prone Process Results in Travel Reimbursement Problems for Mobilized Soldiers

What GAO Found

Mobilized Army Guard soldiers have experienced significant problems getting accurate, timely, and consistent reimbursements for out-of-pocket travel expenses. These weaknesses were more glaring in light of the sustained increase in mobilized Guard soldiers following the terrorist attacks of September 11, 2001. To its credit, the Defense Finance and Accounting Service (DFAS) hired over 200 new personnel to address travel voucher processing backlogs and recently upgraded their training. However, Guard soldiers in our case study units reported a number of problems they and their families endured due to delayed or unpaid travel reimbursements, including debts on their personal credit cards, trouble paying their monthly bills, and inability to make child support payments.

Examples of Problems Encountered by Case Study Units

Army Guard unit	Number of affected soldiers in unit	Problems encountered and status
Maryland 115th Military Police	107 of 107	Soldiers housed off-post were denied per diem authorization. Some paid for meals out of pocket while others hitchhiked and rode bicycles 3.5 miles to post dining facility. Unpaid.
Mississippi 20th Special Forces	75 of 75	Soldiers were erroneously required to pay to eat government provided meals at mess hall. Partially paid.
Mississippi 114th Military Police	76 of 76	Soldiers were denied authorization for proportional meal rate for meal expenses that we estimated to be about \$6,000 each. Unpaid.
Pennsylvania 876th Engineer Battalion	36 of 37	Despite filing identical monthly vouchers, soldiers were paid amounts ranging from \$0 to \$1,718. Adjustments caused overpayments of \$200 to about \$1,350, resulting in debts to soldiers.

Source: GAO.

The soldier bears primary responsibility for travel voucher preparation, including obtaining paper copies of various types of authorizations. DFAS data indicate that it rejected and asked soldiers to resubmit about 18 percent of vouchers during fiscal year 2004—a churning process that added to delays and frustration. Also, existing guidance did not clearly address the sometimes complex travel situations of mobilized Army Guard soldiers, who were often housed off-post due to overcrowding on military installations. Further, DOD continued to be noncompliant with a law that requires payment of late payment interest and fees when soldiers' travel reimbursements are not timely. With respect to human capital, GAO found a lack of oversight and accountability and inadequate training. Automated systems problems, such as nonintegration of key systems involved in authorizing and paying travel expenses and failure to automate key processes, also contributed to the inefficient, error-prone process. DOD has been developing and implementing the Defense Travel System (DTS) to resolve travel-related deficiencies. However, DTS will not address some of the key systems flaws. For example, DTS is currently not able to process mobilized soldier travel authorizations and vouchers and identify and calculate late payment interest and fees.

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January 31, 2005

Congressional Requesters

Since the September 11, 2001, terrorist attacks, the operational tempo for the military services has greatly increased, with corresponding increases in the basic administrative tasks necessary to keep soldiers paid, fed, and housed. Over 186,500 Army National Guard (Army Guard) soldiers¹ were mobilized from September 14, 2001, through September 30, 2004, to serve in Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. Some mobilized Army Guard soldiers have incurred significant travel expenses in conjunction with their roles in carrying out critical national security missions. Army Guard soldiers called to active service are entitled to be reimbursed for authorized travel expenses incurred. The Department of Defense (DOD) is to provide a Guard soldier traveling on official business with transportation, lodging, and food, or to reimburse the soldier for reasonable and necessary authorized expenses if the soldier purchases them.² In short, the soldier is to be made whole for authorized out-of-pocket expenses, with timely and accurate reimbursements for travel expenses.

Within the United States, Army Guard soldiers have guarded the Pentagon, airports, nuclear power plants, and domestic water supplies as part of the homeland security effort. Overseas, they continue to perform highly dangerous peacekeeping missions and force protection operations in Iraq, Afghanistan, and other countries. When government-provided meals and housing were not available to some Guard soldiers, they lived off the local economy—purchased food at restaurants and groceries, and housing at hotels—and later submitted requests to the Army for reimbursement of their out-of-pocket expenses.

In October 2002, we reported³ that the Defense Finance and Accounting Service (DFAS) did not have systems in place to identify late travel reimbursements and therefore could not identify the soldiers who were not

¹Total numbers include Army Guard soldiers mobilized more than once.

²Joint Federal Travel Regulation (JFTR)/Joint Travel Regulation (JTR), app. O, para. T4020.B.2, change 203/457, November 1, 2003.

³GAO, *Travel Cards: Control Weaknesses Leave Army Vulnerable to Potential Fraud and Abuse*, GAO-03-169 (Washington, D.C.: Oct. 11, 2002).

paid within 30 days of submission of an approved travel voucher and who therefore should have been paid late payment interest and fees required pursuant to Section 2 of the Travel and Transportation Reform Act of 1998 (TTRA).⁴ This affected numerous soldiers whose vouchers were paid late. For example, at one California National Guard unit, we estimated that about 60 percent of travel vouchers were not paid within 30 days of submission to an approving official. In March 2003, the DFAS Headquarters Internal Review Office also reported⁵ concern over management's inability to properly measure the timeliness of travel voucher reimbursements. According to the DFAS report, 39 percent of approximately 1 million travel vouchers paid during the period May 2002 through October 2002 did not have the date the voucher was received or the date the voucher was approved recorded in an automated system, both of which are key dates for determining payment timeliness. The report also stated that available data showed 18 percent of the vouchers were not paid within 35 calendar days of the completion of travel. Further, during our audits of Army Guard and Army Reserve military payroll controls,⁶ soldiers told us about problems with delayed and inaccurate travel cost reimbursements and meal cost authorizations and entitlements.

You asked us to determine (1) the impact of the recent increased operational tempo on the effectiveness of the process used to reimburse Army Guard soldiers for travel expenses and the effect that travel reimbursement problems have had on soldiers and their families and (2) the adequacy of the overall design of controls over the processes, human capital, and automated systems relied on to provide timely travel cost reimbursements and accurate meal authorizations and entitlements to mobilized⁷ Army Guard soldiers. Finally, in the systems area, you asked us to assess whether DOD's current efforts to automate its travel reimbursement process will resolve the problems identified.

⁴Pub. L. No. 105-264, 112 Stat. 2350 (Oct. 19, 1998).

⁵Defense Finance and Accounting Service Internal Review, *Army Travel Pay Services Performance Review*, DE03PAP003DFAS (Arlington, Va.: Mar. 27, 2003).

⁶GAO, *Military Pay: Army National Guard Personnel Mobilized to Active Duty Experienced Significant Pay Problems*, [GAO-04-89](#) (Washington, D.C.: Nov. 13, 2003), and *Military Pay: Army Reserve Soldiers Mobilized to Active Duty Experienced Significant Pay Problems*, [GAO-04-911](#) (Washington, D.C.: Aug. 20, 2004).

⁷In this report, the terms "mobilized" or "mobilized to active service" refer to soldiers called to duty under the authority of Title 10 or Title 32, *United States Code*.

Because our preliminary assessment determined that current authorization, request, review, and approval processes used to pay travel reimbursements to active service Army Guard soldiers relied extensively on paper-intensive, nonintegrated systems, and error-prone manual transaction entry that did not provide an adequate audit trail or a reliable population of transactions, we could not effectively statistically test current processes and controls. The lack of accurate and complete centralized data on Army Guard travel also precluded statistical testing of related transactions. Instead, we systematically assessed the effectiveness of the overall design of controls at work in the key areas of processes, people (human capital), and automated systems. Further, we used case studies and individual voucher data mining to identify Army Guard units with a variety of travel reimbursement problems, including disputes over authorizations for meal reimbursements, and individual soldiers who had been reimbursed late. We used this approach to provide a more detailed perspective on the design of controls and the nature of deficiencies in the three phases of the travel and reimbursement process: (1) authorization; (2) travel voucher preparation, unit review, and transmission; and (3) computation office review and payment.

Specifically, we gathered available data and analyzed the travel reimbursement experiences of 10 selected Army Guard units mobilized to active service in support of Operations Iraqi Freedom, Noble Eagle, and Enduring Freedom during the period from October 2001 through November 2003. We selected four military police and four special forces units, which we determined from a preliminary assessment were experiencing travel reimbursement problems. The remaining two were selected based on our review of complaints to United States senators and representatives. We also audited a nonrepresentative selection of individual travel vouchers that were paid 120 days or more from the date the travel ended and travel vouchers selected from the unit case studies. We conducted our audit work from November 2003 through September 2004 in accordance with U.S. generally accepted government auditing standards, and we performed our investigative work in accordance with standards prescribed by the President's Council on Integrity and Efficiency. Further details on our scope and methodology are included in appendix I. DOD's written comments on a draft of this report have been reprinted as appendix II.

Results in Brief

The current inefficient, paper-intensive, error-prone process has resulted in inaccurate, delayed, and denied travel reimbursements for mobilized Army Guard soldiers. The overall design of controls relied on to reimburse Army

Guard soldiers for travel expenses was marked by weaknesses in the critical areas of processes, human capital, and automated systems. These weaknesses were more glaring in light of the sustained increase in mobilizations for Army Guard soldiers over the last 3 years. Our case study units experienced a broad range of travel reimbursement problems, including disputed amounts for meals that remained unpaid by the end of our review, vouchers that were submitted five or more times before being paid, and thousands of dollars in debts levied on soldiers when the approval for the meal component of their per diem reimbursement was rescinded after the vouchers had been paid.

One of the primary causes for these problems is rooted in the paper-intensive process used by DOD to reimburse Army Guard soldiers for their travel expenses. The major responsibility for ensuring a travel voucher is properly prepared rests with the soldier, who is responsible for obtaining paper documents that include various authorizations and receipts for all expenses \$75 and over, in addition to a properly prepared and signed travel voucher. DFAS data show that problems in assembling a complete travel voucher package for payment resulted in 18 percent of vouchers being rejected and returned to the soldier for correction or additional documentation during fiscal year 2004—a churning process that added to delays and frustration. Further, this cumbersome process was not designed to handle the steep and sustained increase in travel vouchers since the terrorist attacks of September 11, 2001, and the subsequent military activity. The increased operational tempo resulted in backlogs in travel voucher processing as the DFAS Contingency Travel Operations Office (CTO) struggled to keep up with both the increased volume and complexity of the travel vouchers submitted. For example, the monthly volume of travel vouchers being submitted to the DFAS CTO increased from less than 3,200 in October 2001 to over 50,000 in July 2003. To its credit, DFAS increased its staffing by over 200 new personnel to address backlogs and increased voucher volume and reported an average processing time of 8 days for its part of the process in September 2004. However, our case studies of selected units and data mining of individual vouchers identified numerous soldiers who experienced significant problems getting accurate, timely, and consistent reimbursements for travel expenses. Guard soldiers reported a number of problems they and their families endured due to delayed or unpaid travel reimbursements, including debts on their personal credit cards, trouble paying their monthly bills, and inability to make child support payments.

The lack of clear, complete, and accurate policies and procedures—the foundation of the process for authorizing travel entitlements and reimbursements—contributed to inaccurate, delayed, and denied travel reimbursements. Specifically, existing guidance did not clearly address the sometimes complex travel situations of Army Guard soldiers who have been called from their civilian lives to military service since the September 11, 2001, terrorist attacks. For example, as military activity increased for Operation Iraqi Freedom, and Army Guard, Army Reserve, and active Army soldiers were preparing for duty, some of the installations to which Army Guard soldiers were assigned did not have available government housing. As a result, the soldiers were housed off-post in commercial hotels or apartments. This created novel situations that were not specifically addressed in regulations. Further, inappropriate policy and guidance on how to identify and pay soldiers entitled to late payment interest and fees because of late travel reimbursement meant that DOD continued to be noncompliant with TTRA. As a result, although DOD paid no late payment interest or fees to Army Guard soldiers through April 2004, we found a number of cases in which soldiers should have been paid interest and indications that thousands more may be entitled to TTRA payments.

With respect to human capital, we found weaknesses, including (1) a lack of leadership and oversight and (2) a lack of adequate training provided to Army Guard soldiers and DFAS CTO voucher examiners. First, the lack of leadership and oversight over the travel reimbursement process precluded the development of strong overarching internal controls. Specifically, the Army is not using performance metrics to gain agencywide insight into the nature and extent of the delays, to measure performance, and to identify and correct systemic problems. For example, DFAS data indicate that it rejected 104,000 of 609,000 vouchers during the period July 2003 through September 2004, with missing travel authorizations accounting for over half of the rejected vouchers. While this churning process appeared to be a primary factor in payment delays and soldier frustration, DFAS CTO, Army, or Army Guard offices had not performed additional research to determine the root cause of this and other voucher deficiencies. Second, the Army Guard soldiers with whom we spoke told us that they had received either inadequate or no training on travel voucher preparation and review. DFAS officials told us that during early 2003, subsequent to the mobilization surge, the newly hired voucher examiners received on-the-job training that proved to be inadequate to respond to the number and complexity of the travel vouchers submitted during this period. To its credit, during fiscal

year 2004, DFAS CTO enhanced its training program for voucher examiners.

System problems also hampered oversight and service to soldiers in the travel reimbursement process. The key DOD systems involved in authorizing and reimbursing travel expenses to mobilized Army Guard soldiers are not integrated, resulting in an inefficient, error-prone process. These problems are also a major factor in the churning issue discussed previously—the thousands of vouchers that are rejected and returned for missing documentation. Specifically, the Army does not have automated systems for some critical travel process functions for the Army Guard, such as preparation of travel vouchers, statements of non-availability (SNA), and temporary change of station orders, which preclude the electronic sharing of data by the various travel computation offices. Integration and automation of the authorization and reimbursement systems would eliminate the need for the soldier to accumulate numerous paper documents, increasing the efficiency and timeliness of the process.

DOD recognizes it needs to improve the paper-intensive, manual travel and reimbursement process and has been developing and implementing the Defense Travel System (DTS) to resolve these deficiencies. However, deployment of DTS will not resolve all of the problems we found in reimbursement of travel expenses to mobilized Army Guard soldiers. For example, DTS is currently not able to process travel authorizations and vouchers for mobilized Army Guard soldiers and calculate late payment interest and fees. Given that the effort has been under way for about 8 years and will not address key issues specific to mobilized Army Guard soldiers, it is likely that the department will be relying on the existing paper-intensive, manual, error-prone system for the foreseeable future.

We are making 23 recommendations to address the Army Guard travel reimbursement weaknesses we identified in the areas of process, human capital, and systems. While DOD and the Army should take a number of immediate actions to address these problems, we are also recommending that DOD ensure that its longer term reengineering and system improvement efforts include complete and lasting solutions to the weaknesses identified. In its comments on a draft of this report, DOD agreed with 21 of our 23 recommendations and outlined its actions to address the deficiencies noted in our report. DOD partially concurred with 2 recommendations regarding the need for an automated, centralized system for SNA per diem authorizations and the need for DTS to include capabilities to identify, calculate, and pay late payment interest and fees

required pursuant to TTRA. Due to the financial burdens on the affected soldiers documented in this report, we continue to believe that DOD should implement measures to resolve these matters both on an interim and long-term basis.

Background

The Army Guard is the oldest component of any of the uniformed services. It traces its roots to the colonial militia and claims a “birth” of 1636. Today, the Army Guard exists in 54 locations that include all 50 states, the District of Columbia, and three territories: Guam, the Virgin Islands, and Puerto Rico. There are Army Guard facilities in more than 2,800 communities and over 350,000 Army Guard members. During peacetime, each Army Guard unit reports to the adjutant general of its state or territory, or in the case of the District of Columbia, to the Commanding General. Each adjutant general reports to the governor of the state or territory, or in the case of the District of Columbia, to the mayor.

At the state level, the governors have the ability, under the Constitution of the United States, to call up members of the Army Guard in times of domestic emergency or need. The Army Guard’s state mission is perhaps the most visible and well known. Army Guard units battle fires or help communities deal with floods, tornadoes, hurricanes, snowstorms, or other emergency situations. In times of civil unrest, the citizens of a state rely on the Army Guard to respond, if needed. During national emergencies, the President has the authority to activate the Army Guard, putting them in federal duty status. When ordered to federal active duty by the President in accordance with the provisions of Title 10, *United States Code*, the units answer to the Combatant Commander of the theatre in which they are operating and, ultimately, to the President. When called to perform duty in accordance with the provisions of Title 32, *United States Code*, units answer to the adjutant generals and ultimately to the governors. When Army Guard units are performing duty under Title 10 or Title 32, the federal government provides funds for reimbursement of authorized travel expenses.

The Army Guard is a partner with the active Army and the Army Reserve in fulfilling the country’s military needs. The National Guard Bureau (NGB), which assists the Army Guard in the partnership, is a joint bureau of the Departments of the Army and the Air Force and is charged with overseeing the federal functions of the Army Guard and the Air National Guard (Air Guard). In this capacity, NGB helps the Army Guard and the Air Guard

procure funding and administer polices. NGB also acts as a liaison between the Departments of the Army and Air Force and the states.

All Army forces are integrated under DOD's "total force" concept. DOD's total force concept is based on the premise that it is not feasible to maintain active duty forces sufficient to meet all possible war contingencies. Consequently, DOD's active and reserve components are to be blended into a cohesive total force to meet a given mission.

DOD reported that over 186,500 Army Guard soldiers and 111,800 Army Reserve soldiers⁸ were mobilized from September 14, 2001, through September 30, 2004, for Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. As of September 30, 2004, Army Guard soldiers accounted for over 40 percent of the total reserve components⁹ mobilized in response to the terrorist attacks on September 11, 2001.

The federal missions established in response to the September 2001 national emergency were categorized into three operations: Operation Enduring Freedom, Operation Noble Eagle, and Operation Iraqi Freedom. In general, missions to fight terrorism and direct combat outside the United States were categorized under Operation Enduring Freedom and Operation Iraqi Freedom, while missions to provide domestic defense were categorized as Operation Noble Eagle. For example, Army Guard soldiers participated in antiterrorist and direct combat activities in Afghanistan and Iraq under Operation Enduring Freedom and Operation Iraqi Freedom, respectively. Additionally, in support of Operation Enduring Freedom, Army Guard soldiers provided enhanced security in other countries. U.S. homeland security missions, such as guarding the Pentagon, airports, nuclear power plants, domestic water supplies, bridges, tunnels, and other military assets, were conducted under Operation Noble Eagle.

⁸Total numbers include Army Guard and Army Reserve soldiers mobilized more than once.

⁹Reserve components include the Army National Guard of the United States, Army Reserve, Air National Guard of the United States, Air Force Reserve, Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve. 10 U.S.C. § 10101.

Army Guard soldiers called to active service are entitled to be reimbursed for authorized travel expenses incurred. DOD provides a soldier traveling on official business with transportation, lodging, and food, or reimburses the soldier for reasonable and necessary authorized expenses if the soldier purchases them.¹⁰

In October 2001, the Army issued personnel policy guidance (PPG) for Operation Noble Eagle. In September 2002, consolidated PPG was issued covering both Operations Noble Eagle and Enduring Freedom. This guidance, which is revised on an ongoing basis, ultimately was expanded to include Operation Iraqi Freedom and now applies generally to all active service personnel who are mobilized and/or deployed in support of contingency operations.¹¹ The PPG guidance covers topics ranging from general mobilization guidance to specific travel entitlements.

The two primary sources of guidance used by both Army Guard soldiers and travel computation office personnel for information on travel entitlements were the Army's PPG and DOD's *Joint Federal Travel Regulation* (JFTR).

Per Diem

The term per diem allowance refers to a daily payment instead of reimbursement for actual expenses for (1) lodging, (2) meals, and (3) related incidental expenses.¹²

There are many factors that go into the per diem authorization and calculation, including the availability of government quarters and meal facilities. Generally, soldiers mobilized for Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom must use government meal facilities to the maximum extent practicable when they are sent to government

¹⁰JFTR/JTR, app. O, para. T4020.B.2, change 203/457, November 1, 2003.

¹¹The term "contingency operation" means a military operation that is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force or results in the call or order to, or retention on, active duty of members of the uniformed services under section 688, 12301(a), 12302, 12304, 12305, or 12406 of Title 10 of the *United States Code* or any other provision of law during a war or during a national emergency declared by the President or Congress. 10 U.S.C. § 101(a)(13).

¹²JFTR, app. A, p. A-16, change 199, July 1, 2003.

installations with dining facilities.¹³ Because they incur no actual expenses while living in government housing and eating in government facilities, they are not authorized the meal and lodging components of the per diem allowance. However, they are entitled to receive the incidental component of per diem. The daily government incidental expense allowance for fiscal year 2004 was \$3.00 within the continental United States (CONUS) and \$3.50 outside the continental United States (OCONUS).

When the installation commander determines that government lodging and/or mess facilities are not available, the PPG directs that Army Guard soldiers be provided with SNAs to authorize the lodging and/or meal components of per diem in addition to the incidental expense component of per diem.¹⁴ DOD regulations further provide that when government lodging and mess facilities are generally available, but an authorizing official determines that soldiers must occasionally miss meals due to mission requirements, proportional per diem is authorized.¹⁵

Table 1 shows the various components of CONUS¹⁶ and OCONUS¹⁷ per diem and the fiscal year 2004 range of dollar amounts an Army Guard soldier may be entitled to receive under the PPG and the JFTR.

¹³Personnel Policy Guidance of Operations Iraqi Freedom (OIF), Enduring Freedom (OEF), and Noble Eagle (ONE), at <http://www.odcsper.army.mil/militarypersonnel/policy.asp> (last visited Apr. 28, 2004).

¹⁴PPG, para. 8-2.a.(5) and (6)(c) (reformatted April 2004).

¹⁵JFTR, para. U4149.C (change 194) (Feb. 1, 2003).

¹⁶CONUS per diem rates are published annually or as necessary by the General Services Administration and apply within the 48 contiguous United States. DOD publishes separate locality per diem rates (not included in table 1) for the noncontiguous U.S. states (Alaska and Hawaii), plus Puerto Rico, the Northern Mariana Islands, and territories and possessions of the United States.

¹⁷OCONUS per diem rates are published monthly by the Department of State and apply to travel in all foreign areas, including the Trust Territory of the Pacific Islands.

Table 1: Range of Allowable Per Diem Rates

#	Per diem scenario		Allowable reimbursement		
	Housing facilities	Meal facilities	Per diem lodging component	Per diem meal component	Per diem incidental component
1	Government housing on post or government-contracted housing available	Government meal facilities available to the soldier for 3 meals per day ^a	None	None	\$3.00 CONUS \$3.50 OCONUS
2	Government housing on post or government-contracted housing available	Government meal facilities available, but soldier must miss 1 or 2 meals per day ^b	None	Actual expense not to exceed proportional meal rate ^c \$18 - \$30 CONUS \$9 - \$86 OCONUS	\$3.00 CONUS \$3.50 OCONUS
3	Government housing on post or government-contracted housing available	Government meal facilities not available ^d	None	Locality meal rate \$28 - \$51 CONUS \$7 - \$164 OCONUS	\$3.00 CONUS \$3.50 OCONUS
4	Government housing on post or government-contracted housing not available	The availability of government meal facilities is not a criterion for this scenario ^e	Actual cost up to a maximum rate for the area ^f	Locality meal rate \$28 - \$51 CONUS \$7 - \$164 OCONUS	\$3.00 CONUS \$2 - \$41 OCONUS

Source: GAO analysis of PPG and JFTR guidance.

^aTemporary change of station (TCS) soldiers who are on government installations with dining facilities are directed to use mess facilities. Soldiers are entitled to the incidental rate of per diem only if authorized per diem at these locations. PPG, para. 8-2.a(5) (reformatted April 2004).

^bThe proportional meal rate applies each day that at least one meal is available and directed where the member is assigned temporary duty status (TDY). JFTR, U4149.C.2, change 194 (Feb. 1, 2003).

^cThe amount of the proportional meal rate is the average of the government meal rate and the locality meal rate for a particular location. There is one DOD-wide government meal rate. For fiscal year 2003, the government meal rate was \$8.10 per day (breakfast, \$1.60; lunch, \$3.25; and dinner, \$3.25). The government meal rate is charged to nonmobilized soldiers who eat at government facilities. The General Services Administration determines the locality rate for meals, lodging, and incidental expenses. If the locality meal rate is \$28 and the government meal rate is \$8.10, the proportional meal rate is \$18.05 [(28 + 8.10)/2].

^dWhen government mess is not available, the installation commander will make the determination of mess availability and issue a statement/certificate of non-availability, if applicable. PPG, para. 8-2.a(5) (reformatted April 2004).

^eWhen government or government-contracted quarters are not available, as determined by the installation commander, soldiers will be provided certificates or statements of non-availability for both lodging and meals to authorize increased per diem. PPG, para. 8-2.a(6)(c)(reformatted April 2004).

^fThe General Services Administration determines the maximum lodging rate for the area.

Additionally, the PPG provides that regardless of whether an Army Guard soldier is authorized the meal component of per diem, basic allowance for subsistence (BAS) will not be reduced.¹⁸ BAS is included in the Army Guard soldier's compensation and is not a travel entitlement.¹⁹ More specifically, BAS is a continuation of the military tradition of providing room and board (or rations) as part of a service member's pay. The monthly BAS rate is based on the price of food and is readjusted yearly based upon the increase of the price of food as measured by the Department of Agriculture's food cost index. As of January 2004, BAS ranged from \$175.23 a month for officers to \$262.50 a month for enlisted service members.

Travel and Reimbursement Process

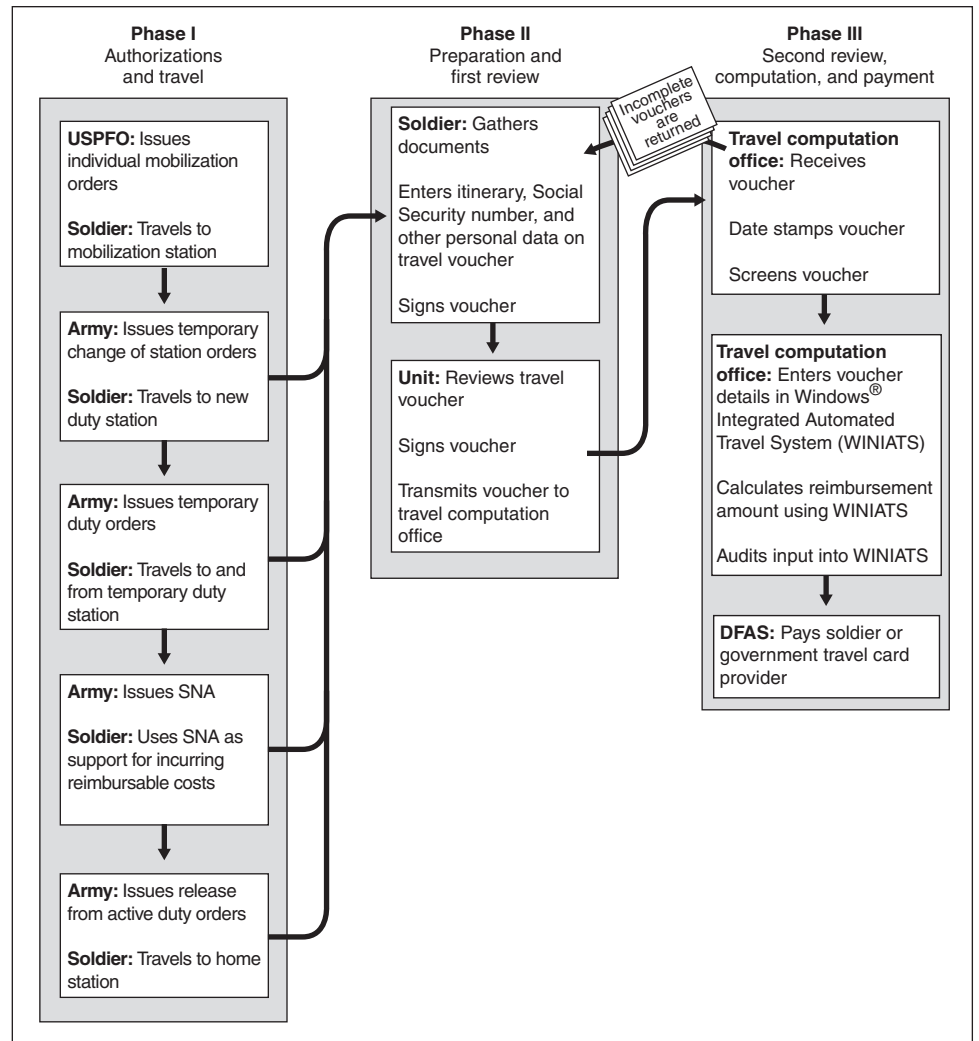
The current DOD travel reimbursement process for Army Guard soldiers operates at travel computation offices around the country, including DFAS CTO, the travel computation office at DFAS Indianapolis, 54 United States Property and Fiscal Offices (USPFO) servicing each of the Army Guard locations, and several other DFAS sites. Travel voucher processing consumes the resources of hundreds of personnel, reviewing thousands of pieces of paper every day.

As illustrated in figure 1, the travel and reimbursement process consists of three phases: (1) authorizations and travel; (2) travel voucher preparation, submission, review, and transmission; and (3) computation office review, reimbursement computation, and payment.

¹⁸PPG, para. 8-2.a.(5) (reformatted April 2004). See also 37 U.S.C. § 1009(d) as amended by the Section 605 of the National Defense Authorization Act for Fiscal Year 1998, Pub. L. No. 105-85, 111 Stat. 1629, 1648 (Nov. 18, 1997), which provides that a soldier's BAS is not to be reduced when the soldier is temporarily assigned to duty away from the soldier's permanent duty station.

¹⁹37 U.S.C. § 402.

Figure 1: Three Phases of the Travel and Reimbursement Process



Source: GAO.

In the first phase of the travel and reimbursement process, various travel orders and other authorizations are produced and are provided to and/or acquired by soldiers, and soldiers incur travel expenses.

Following the President’s mobilization order, the Secretary of Defense, in consultation with members of the Joint Chiefs of Staff, (1) determines specific unit personnel requirements and (2) issues a unit mobilization order to various affected units and organizations within the Army.

USPFO officials use the Automated Fund Control Order System (AFCOS)²⁰ to produce individual mobilization orders for soldiers. Individual mobilization orders usually contain general travel information, such as authorized methods of transportation; directions regarding the use of government food and lodging facilities; and authorizations for the soldier to travel from the unit's home station, a permanent duty station, to an active Army installation (the mobilization station) for further processing and training.

After completion of mission-related training at the mobilization station, the unit is certified for deployment, and soldiers are assigned duty stations. Army commands use word processing applications to produce temporary change of station (TCS) orders to give soldiers authorization to travel from their mobilization stations to long-term temporary assignments at other locations. During the deployment period, the Army may also issue TDY orders and other authorization statements, such as SNAs. The Army issues a TDY order to authorize a soldier's travel from one location to another location for generally less than 45 days. The Army issues SNAs to soldiers when government lodging and/or meals are not available to the soldier.

Following the completion of a tour, the Army issues each federal active duty soldier a Release from Active Duty (REFRAD) order from the transition processing system and a Certificate of Release or Discharge from Active Duty (DD Form 214).

The second phase of the travel and reimbursement process begins with the soldier's preparation and submission of a travel voucher, and the review of the voucher by the unit reviewer prior to the transmission of the voucher to the travel computation office, typically either a DFAS or USPFO location. According to Army Guard and DFAS guidance, all travel vouchers for Army Guard soldiers who are mobilized under Title 10 are to be sent to DFAS CTO for processing, while travel vouchers associated with Title 32 mobilizations and other nonmobilized travel are generally processed by USPFO and other travel computation offices. Final completion of the voucher occurs following the calculation of actual reimbursable amounts by a travel computation office.

²⁰AFCOS is a stand-alone system separately operated by each of the 54 USPFOs.

The soldier begins the reimbursement process by manually:

1. preparing a travel voucher (DD Form 1351-2) (the soldier provides required information, such as name, rank, Social Security number, itinerary, and authorized reimbursable expenses);
2. attaching all supporting DOD-generated documentation (e.g., mobilization orders, TCS orders, TDY orders, SNAs, REFRAD orders, DD Form 214);
3. attaching original lodging receipts and all receipts for reimbursable expenses of \$75.00 or more;
4. signing and dating the voucher; and
5. delivering the entire voucher package—the travel voucher and all supporting documentation—to a unit supervisor for review.

DOD's *Financial Management Regulation* (FMR) requires that travel vouchers be submitted to the unit reviewer within 5 working days of the end of travel, or in the case of travel that extends beyond 30 days, within 5 days after the end of every 30-day travel period. In addition, according to *The Citizen-Soldier's Guide to Mobilization Finance*,²¹ soldiers who have government quarters and meals provided to them may opt to file for the incidental portion of their per diem entitlement on a quarterly, semiannual, or annual basis since the amount due the soldier is nominal.

The unit reviewer—required by DFAS policy to be the soldier's supervisor/ commander or designee—is responsible for ensuring that the voucher claim is complete, proper, and complies with the intent of the order. On completion of the review, the unit reviewer signs and dates the voucher and forwards it and the supporting documentation to a travel computation office via regular mail, e-mail, or fax.

The third phase of the travel and reimbursement process begins when the travel computation office receives the voucher package. The travel computation office reviews the voucher package, calculates the reimbursement amount, and processes the reimbursement to pay the

²¹The Army National Guard Financial Services Center, *The Citizen-Soldier's Guide to Mobilization Finance* (Indianapolis: April 2004).

soldier and/or the government travel card company,²² generally through direct deposit of the funds to their respective banks. The travel computation office is responsible for the accuracy and propriety of voucher payments.

DFAS CTO and USPFO personnel perform an initial screening of voucher packages. If the basic information—signatures, dates, and orders—is present, a more detailed review of the voucher is performed. Detailed travel voucher data are then manually entered into the Integrated Automated Travel System version 6.0 (WINIATS), which calculates the amount of the reimbursement. Attempts are made to contact the soldier if any problems are noted during the initial screening, the detailed review, or the data entry. Failing contact with the soldier, DFAS or USPFO personnel mail the voucher package to the address on the voucher for correction by the soldier.

If DOD fails to reimburse soldiers for travel claims within 30 days of submission of proper travel vouchers, DOD must pay the soldiers late payment interest and fees pursuant to TTRA.

Weaknesses in Error-Prone, Manual Travel Reimbursement Process Were Exacerbated by Increased Operational Tempo

The paper-intensive process used by DOD to reimburse Army Guard soldiers for their travel expenses was not designed to handle the dramatic increase in travel vouchers since the terrorist attacks of September 11, 2001, and the subsequent military activity. The increased operational tempo resulted in backlogs in travel voucher processing as DFAS CTO struggled to keep up with both the increased volume and complexity of the travel vouchers submitted. For example, the monthly volume of travel vouchers being submitted to DFAS CTO increased from less than 3,200 in October 2001 to over 50,000 in July 2003 and remained at levels over 30,000 through September 2004. To its credit, to address the large volume of vouchers received and the unprocessed backlog, DFAS increased its staffing by over 200 new personnel and reported an average processing time of 8 days for its part of the process in September 2004. However, our

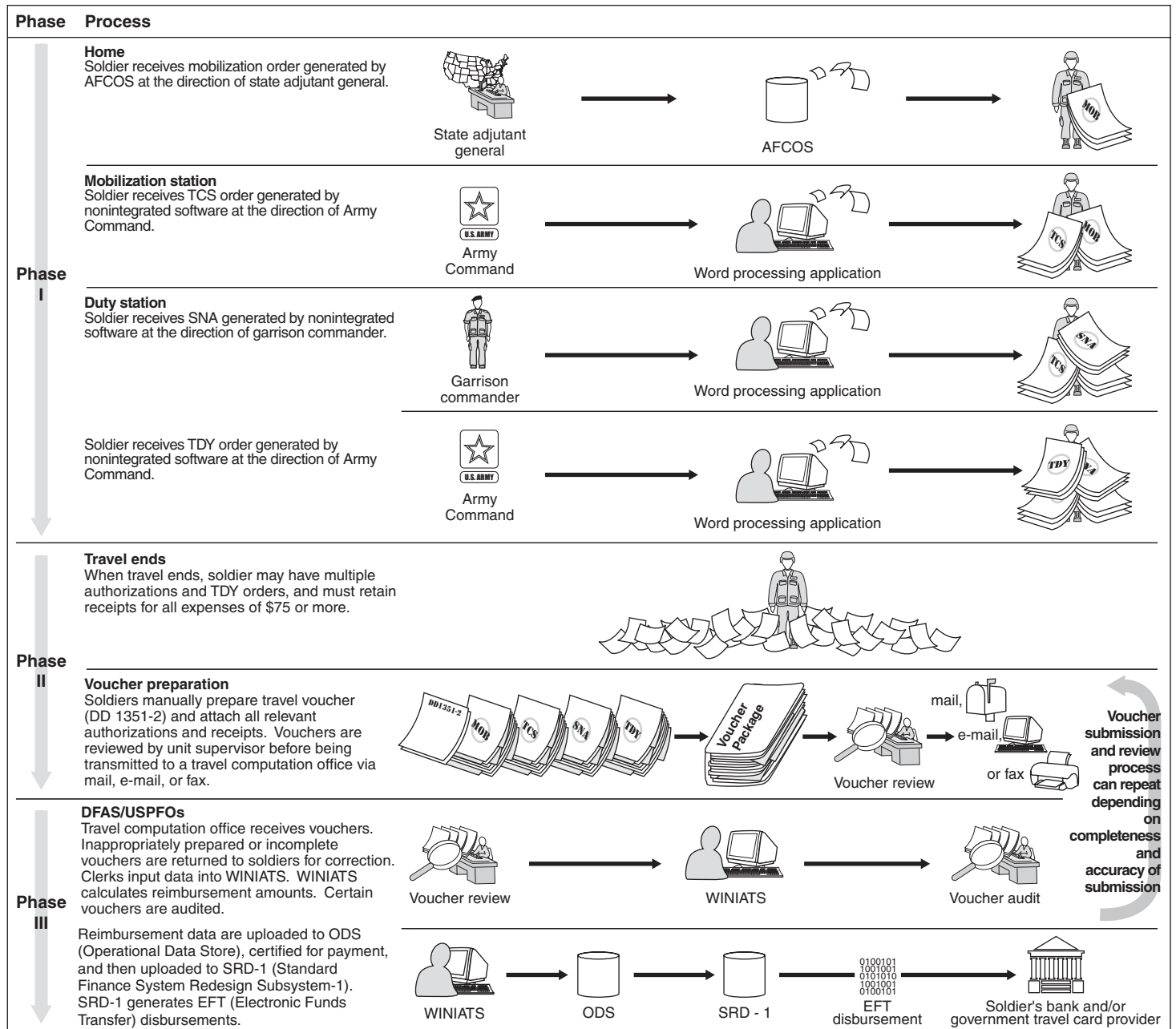
²²Due to the complexities of travel requirements and filing travel vouchers, although exceptions are sometimes authorized, the Department of the Army discourages the use of the government travel card in support of contingency operations, such as Noble Eagle, Enduring Freedom, and Iraqi Freedom. Military service members who use government travel cards must use the split disbursement feature on the travel voucher, which automatically pays the credit card provider for certain credit card charges for that travel.

case studies of selected units and data mining of individual vouchers identified numerous soldiers who experienced significant problems getting accurate, timely, and consistent reimbursements for travel expenses. Guard soldiers told us about a number of problems they and their families endured due to delayed or unpaid travel reimbursements, including debts on their personal credit cards, trouble paying their monthly bills, and inability to make child support payments. As discussed later, we found that these reimbursement problems were associated with process, human capital, and automated system deficiencies.

Paper-Driven Process Used to Reimburse Army Guard Soldiers

Overall, as shown in figure 2, we found that a paper-intensive, manual, error-prone process exists to reimburse travel expenses to mobilized Army Guard soldiers.

Figure 2: Current Manual, Paper-Intensive Travel Reimbursement Process



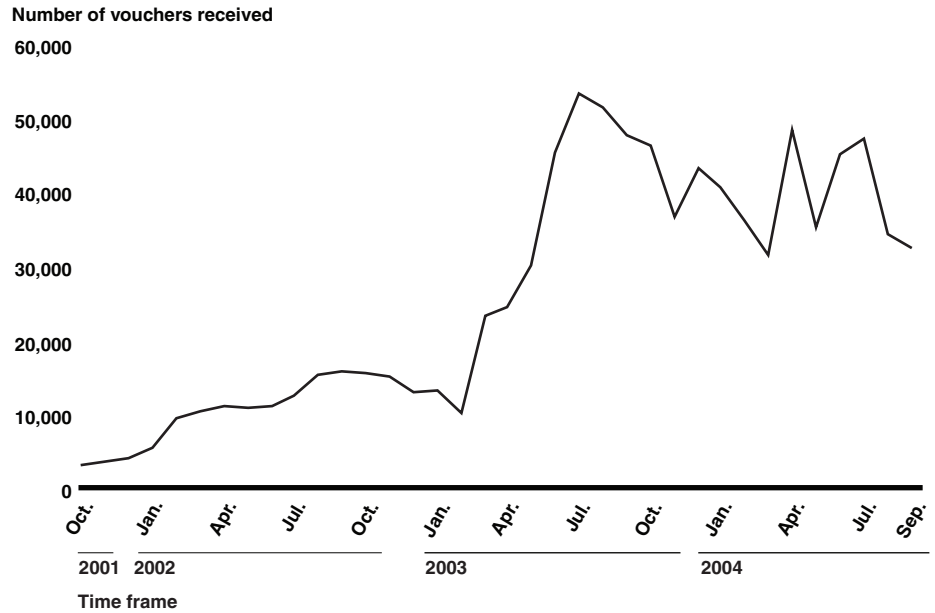
Source: GAO.

The primary responsibility for ensuring a travel voucher is properly prepared rests with the soldier. As illustrated in figure 2, the soldier is responsible for obtaining paper documents that include various authorizations and receipts for all expenses \$75 and over, in addition to a manually prepared and signed paper travel voucher. Each time DFAS CTO receives a voucher and determines that it is not complete, either the soldier is contacted in an attempt to get the needed information or the entire voucher is rejected and returned to the soldier. The difficulty in assembling a complete and acceptable voucher package on the first try is demonstrated by the 11, 12, and 18 percent return rates reported by DFAS CTO for fiscal years 2002, 2003, and 2004, respectively. That is, of approximately 930,000 travel vouchers received during this period, DFAS CTO rejected and returned about 139,000. The soldier must then obtain the missing documentation or make the necessary corrections and return the voucher to DFAS for processing again. This repeated churning of vouchers further increases the volume of claims, which, as discussed in the next section, quickly overwhelmed DFAS CTO's resources. In addition, returned vouchers contribute to delays in payment, increasing soldiers' frustration.

Increased Operational Tempo Initially Overwhelmed Process

While this inefficient process may have offered some capability to process travel vouchers during periods of low activity when relatively few Army Guard members were mobilized, the current increased operational tempo has strained the process beyond its limits. The volume of Army Guard and Reserve travel vouchers being submitted to DFAS CTO increased from less than 3,200 in October 2001 to over 50,000 in July 2003. As shown in figure 3, the monthly travel voucher volume has remained above 30,000 since the July 2003 peak.

Figure 3: Number of Army Guard and Reserve Travel Vouchers Received by DFAS CTO from October 2001 to September 2004



Source: DFAS CTO Indianapolis.

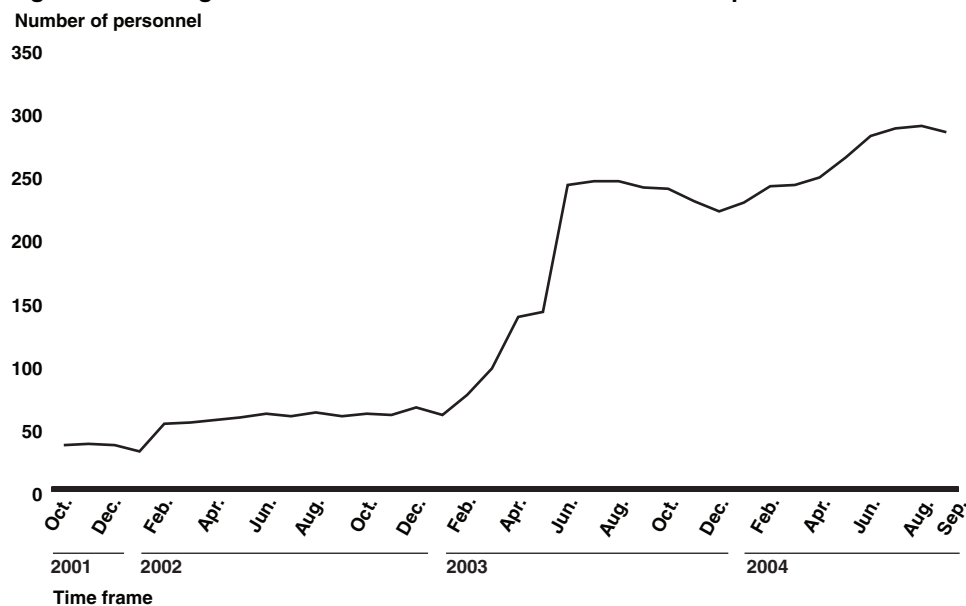
In addition to the rising volume, the increased complexity of the vouchers received further slowed down the process. As military activity increased for Operation Iraqi Freedom and Army Guard, Army Reserve, and active Army soldiers were preparing for duty, not all of the installations to which Army Guard soldiers were assigned had available government housing. As a result, the soldiers were housed off-post in commercial hotels or apartments. This created a number of novel situations that were not specifically addressed in regulations, as discussed later.

For example, the Virginia 20th Special Forces Army National Guard unit was mobilized to Fort Bragg, North Carolina, in January 2002. The unit was initially housed in World War II era barracks—with free meals in the mess hall—that were in such poor condition that the company commander requested and received off-post housing. The hotel was over 10 miles from the nearest Fort Bragg dining facility, and with many of the soldiers assigned to duties that required odd or extended hours that precluded use of the dining facility, the soldiers found that they were paying for at least two meals per day out of their own pockets. When members of the Virginia 20th Special Forces eventually submitted their proportional meal per diem

vouchers to DFAS CTO, some were paid over \$2,000 for 4 months of meal expenses and some were not, due in part to confusion over the meal per diem entitlements in this situation. As a result, some soldiers had to obtain additional documentation and resubmit their vouchers, further adding to the volume of vouchers. As of May 2004, 14 soldiers still had not received the majority of their proportional meal per diem entitlements, ranging from about \$1,600 to over \$3,500 per soldier for a mobilization that occurred over 2 years ago. During our review, we brought this matter to the attention of the Virginia 20th Special Forces provisional finance officer and DFAS CTO, and in June 2004, DFAS CTO processed vouchers for 10 of the 14 soldiers and made final payments for meal expenses they incurred during their Fort Bragg duty. The remaining 4 soldiers had not been paid at the completion of our audit.

During this time frame, DFAS CTO staffing levels were not keeping pace with the rising volume of vouchers. However, while DFAS CTO employed less than 50 personnel in October 2001, this number more than doubled by February 2003 and was increased further to about 240 in June 2003, including 83 Army Guard and Army Reserve soldiers, as shown in figure 4.

Figure 4: Staffing Levels at DFAS CTO from October 2001 to September 2004



Source: DFAS CTO Indianapolis.

A DFAS CTO official told us that the office was not properly staffed to process travel vouchers at the beginning of 2003 when the volume started to increase. Inadequate staffing and the time necessary to train new staff created a backlog of travel vouchers at DFAS CTO, ballooning to over 18,000 vouchers in March 2003. In one case, an Army Guard specialist prepared a voucher on December 8, 2002, and his supervisor approved it the same day. It took 124 days before the voucher was stamped as received by DFAS CTO and another 66 days for DFAS to pay the soldier. In addition, although this payment should have included late payment interest, it did not because, as discussed later in this report, DFAS did not have the means to automatically identify those soldiers who should have received interest and other fees on their late payments. To its credit, with its increased staffing levels in place, DFAS CTO reported an average processing time of 8 days for its part of the process as of September 2004.

Impact That Travel Reimbursement Problems Have Had on Army Guard Soldiers and Their Families

Our case studies of selected units and data mining of individual vouchers identified numerous soldiers who experienced significant problems getting accurate, timely, and consistent reimbursements for travel expenses. As discussed in this report, these problems related to process, human capital, and systems deficiencies. Major factors contributing to inconsistent, inaccurate, or late reimbursements experienced by these soldiers were that requirements for authorizing and supporting per diem reimbursements for meal expenses were not always known by the mobilized soldiers nor were they well understood by local base personnel, and the authorizations were not documented on their mobilization orders or travel orders.

While our work was not intended to and we did not attempt to quantify the financial impact of inaccurate and late reimbursements on individual soldiers, we found a number of soldiers who were frustrated and concerned with the process and the amount of time they spent attempting to navigate it. For example, one individual responsible for submitting his unit's vouchers to DFAS CTO told us that he called the process "the travel voucher lottery" because "you never knew whether, or how much, you might get paid." Frustrated soldiers sought help from their United States senators or representatives in obtaining what they believed they were owed for out-of-pocket travel expenses. The following are excerpts from three of those letters.

- **Sergeant First Class (NY)**-- *"Since being released I have submitted [a travel voucher] for payment of travel pay and storage authorized by my orders. I have yet to receive the pay due. The forms have had to be*

resubmitted two other times, without changes. The previous submissions have either been misplaced or lost after arriving at defense finance. ... For me, it has become a hardship. I was laid off from [my job] in May of 2002 just before our activation. This was due to downsizing. I am currently on unemployment, attending BOCES [Board of Cooperative Educational Services] for welding. I had counted on this money to cover my medical insurance and vehicle payment. At this time I am 2 months behind on the medical premiums and vehicle payment. Chase Bank has said that after next week they will submit the vehicle for repossession. ...These types of problems are a very good reason to leave the National Guard.”

- **Sergeant First Class (NC)**-- *“Trying to get my final travel pay for active duty for Operation Enduring Freedom. I submitted my travel voucher in December 02 and it was sent to DFAS Indianapolis in January 03 and I still have not received payment [as of April 29, 2003]. ... I understand the workloads due to the war on terrorism, but over 5 months is extreme.”*
- **Staff Sergeant (KS)**-- *“Below please find an e-mail that I received last night from DFAS informing me that they have now deleted my voucher from February [2003] and I must start all over again. In the last year and a half when this has happened, although they say it is expedited, in practice and reality it goes to the bottom of the pile and takes 3-6 weeks. I’m at my wits and financial end. I have already placed approx \$3500 of money owed to me by the Army on my personal credit cards and cannot afford to do it anymore.”*

The majority of soldiers in our 10 case study units reported problems related to reimbursements for meal expenses that included late payments, underpayments, and overpayments resulting in debts to some soldiers in excess of \$10,000. For example, we estimated that about \$324,000 was paid more than a year late to 120 soldiers for meal expenses based on the proportional meal rate for their locality. As discussed in detail later in this report, these issues were caused by weaknesses in the process used to pay Army Guard travel reimbursements; the human capital practices in this area, including the lack of adequate training; and nonintegrated automated systems. Table 2 summarizes the experiences of Army Guard soldiers in 10 units. We referred 8 of these units that at the end of our audit included soldiers who were unpaid, partially paid, or in debt to appropriate DOD officials to resolve any amounts owed to the Army Guard soldiers or to the government.

Table 2: Examples of Problems Encountered by Case Study Units

Army Guard unit	Number of affected soldiers in unit	Examples of problems encountered and status
Alabama 20th Special Forces	6 of 209	DOD rescission of authorized reimbursement of meal expenses resulted in debts for soldiers. ^a
California 19th Special Forces	30 of 66	Soldiers' travel vouchers were initially rejected because split locations on vouchers did not coincide with information on travel orders. Partially paid.
California 185th Armor	58 of 85	Soldiers were underpaid per diem due to DFAS CTO errors and soldiers' lack of supporting documentation. Soldiers eventually received reimbursement, ranging from \$20 to over \$3,000. Paid up to 4 months late.
Georgia 190th Military Police	32 of 101	Soldiers incurred over \$200,000 of debt due to confusion over rules concerning commuting areas and per diem for meals. ^a
Louisiana 239th Military Police	124 of 124	Soldiers were required to pay to eat government-provided meals at mess hall. Paid 6 months late.
Maryland 115th Military Police	107 of 107	Soldiers housed off-post were denied per diem authorization for meals. Some paid for meals out of pocket while others hitchhiked and rode bicycles 3.5 miles to post dining facility. Unpaid.
Mississippi 20th Special Forces	75 of 75	Soldiers were required to pay to eat government-provided meals at mess hall. Partially paid.
Mississippi 114th Military Police (first mobilization)	120 of 120	Soldiers were frustrated by process to obtain authorization for proportional meal rate for meal expenses that we estimated to be about \$2,700 each. Paid 14 months late.
Mississippi 114th Military Police (second mobilization)	76 of 76	Under similar circumstances, soldiers were denied authorization for proportional meal rate for meal expenses that we estimated to be about \$6,000 each. Unpaid.
Pennsylvania 876th Engineer Battalion	36 of 37	Soldiers were deployed to Germany, and all were entitled to same monthly reimbursement. Despite filing identical vouchers with proper documentation, the soldiers were paid varying amounts, ranging from \$0 to \$1,718 for 1 month. Adjustments caused overpayments of \$200 to about \$1,350, resulting in debts to soldiers. ^a
Virginia 20th Special Forces	51 of 65	Soldiers were paid varying amounts for meal reimbursements due to inconsistent interpretation of SNA documentation at DFAS CTO. Partially paid.

Source: GAO.

^aThe soldiers' wages are generally garnished to repay debts, unless a waiver is granted.

The following provides more details on the experiences of several of these units.

- The 114th Military Police Company, Clinton, Mississippi, mobilized the first time in January 2002 and performed around-the-clock shift work at Fort Campbell, Kentucky, for approximately 5 months before being sent to Cuba. While at Fort Campbell, the soldiers could not always avail themselves of the base dining facilities and therefore had to pay out-of-pocket for some of their meals. The soldiers were not informed that they were eligible for a proportional meal rate until they returned from Cuba in November 2002. Due to various other delays, it took over 14 months for the soldiers to be reimbursed about \$2,700 each based upon the proportional meal rate for Fort Campbell. The unit commander informed us that the delays put considerable strain on the finances of some of his lower graded soldiers.

This unit's problems were compounded when its soldiers were mobilized a second time in February 2003 and went to Fort Hood, Texas. Even though they experienced the same conditions, they were denied compensation for their out-of-pocket expenses. Soldiers told us their duty hours were similar to those they worked at Fort Campbell. Using the information from their experiences with the reimbursement process at Fort Campbell, the unit commander contacted Fort Hood officials to obtain authorization for reimbursement for costs his soldiers were incurring due to the inability to use the dining facilities at Fort Hood for all meals. The unit commander's attempts to get authorization for the proportional meal rate were unsuccessful. At the time of our audit, we estimated that none of the 76 soldiers in the unit had been reimbursed for about 10 months, totaling approximately \$6,000 per soldier.

- The Pennsylvania 876th Engineer Battalion was mobilized in support of Operation Enduring Freedom to perform installation security and force protection duties at Bad Aibling Station, Germany, from July 2002 to February 2003. All deployed members were entitled to the identical per diem for meals and incidental expenses applicable to their location. Although the unit's administrative officer submitted identical vouchers for each soldier at the end of each month as required, the soldiers received varying reimbursement amounts each month. For example, following the August 2002 submission, 4 soldiers in the unit received what they believed to be the correct reimbursement of \$1,718. The remaining 33 soldiers received payments ranging from \$371.20 to \$1,485.00. These types of inconsistencies occurred month after month.

The commanding officer indicated in a memorandum that “This is a hugely demoralizing and frustrating action.” The administrative officer, who sent detailed spreadsheets to DFAS CTO, wrote in one e-mail to DFAS officials, “I have E3’s [low-paid enlisted] who are owed over \$2,000. These soldiers deserve better.... If I call your department three times and ask three different people the same question I will receive three differing answers.... Is there or is there not a single standard for paying soldiers travel pay?”

During our audit of selected travel vouchers, some that were paid as much as 500 days after travel ended, we found that significant delays frequently occurred when soldiers had to submit travel vouchers multiple times to travel computation offices. Travel computation offices routinely returned improperly prepared and inadequately reviewed vouchers that did not contain basic required signatures, dates, and travel orders. Further, DFAS staffing shortfalls contributed to some of the delays that we noted. Table 3 shows examples of the extent of delays experienced by soldiers in obtaining payment for travel expenses.

Table 3: Problems with Late Payments

Soldier rank and state	Amount of voucher	Days from submission to payment of voucher	Problems encountered
Corporal California	\$779	493	Soldier was paid about 1½ years after submitting voucher eight times.
Sergeant Utah	\$1,269	237	Soldier received partial payment in September 2003 after submitting voucher five times since October 2002.
Sergeant First Class Colorado	\$1,387	481	National Guard authorization for reimbursement was not promptly provided, which soldier claims affected his ability to maintain child support payments.
Sergeant Texas	\$682	82	Soldier’s command did not file travel voucher when promised.

Source: GAO analysis.

The following provides more details for the experiences of some of the soldiers with payment delays.

-
- A corporal with the California 49th Military Police Company was frustrated by the repeated recycling of his voucher eight times through the travel reimbursement process, which caused his reimbursement of travel expenses to be delayed for about 17 months. His story exemplifies process and human capital flaws. For example, (1) the reviewing official approved the voucher even though it lacked supporting documentation, (2) DFAS CTO did not know that faxed vouchers were not being printed, and (3) customer service was weak as evidenced by piecemeal requests for information. According to the California unit's reviewing official, the voucher, along with others, was initially faxed to DFAS CTO in August 2002. When not all soldiers received notification that DFAS CTO had received the vouchers, the unit official again faxed the vouchers. The corporal told us that he later received an e-mail from DFAS CTO requesting his DD Form 214, Certificate of Release or Discharge from Active Duty. He submitted the DD Form 214, but he then received his whole travel voucher package back from DFAS CTO with a note saying that the DD Form 214 was missing. He checked the package and found that the DD Form 214 he had previously sent was in the materials returned by DFAS CTO. DFAS CTO returned the voucher in February 2003 because it was incorrectly completed and again in October 2003 because it lacked mobilization orders. DFAS eventually paid the corporal \$779 in December 2003.
 - A sergeant with the Utah 142nd Military Intelligence Battalion experienced an approximate 22-month delay in receiving full reimbursement for his travel expenses. Delays for this voucher were caused by (1) fax problems, (2) missing documents, and (3) DFAS CTO errors in reimbursing the sergeant for properly supported expenditures. The sergeant told us that he faxed his voucher to DFAS CTO soon after his travel ended in October 2002. When DFAS CTO claimed it had not received the voucher, he refaxed it in January 2003. Because he remobilized in January 2003, he did not learn until he returned in May 2003 that DFAS CTO did not have a record of his January resubmission. He resubmitted his voucher in May 2003, and DFAS CTO returned it because he had not attached his DD Form 214, documenting his discharge from active duty. After he resubmitted the paperwork in August 2003, DFAS paid him only \$1,269, which did not include all of his lodging costs or any of his meal expenses while at the TDY location. He told us that DFAS CTO could not explain why his meal expenses were not paid. Following his resubmission in March 2004, DFAS paid him \$189.78, which was the outstanding balance on his lodging receipts.

DFAS did not pay the remaining balance of \$572.00 for his meals until after GAO inquired about payment of the voucher in August 2004.

- A sergeant with the Texas 141st Infantry Company had to wait 6 ½ months for reimbursement of his travel expenses because of (1) miscommunication about his unit's responsibilities and (2) subsequent inadequate unit supervisory review. The sergeant told us he had been informed that his unit in Guantanamo, Cuba, would prepare and submit his voucher when his tour of duty ended in December 2002. About 113 days elapsed before he discovered that his unit in Cuba did not prepare a voucher on his behalf. At that point, he asked his home unit administrator in Texas to help him prepare and submit his voucher to DFAS CTO. However, DFAS CTO returned that voucher because it lacked supervisory signature. The sergeant believed he needed supervisory approval from his unit and sent the voucher back to Cuba for approval. After it was returned from Cuba, he resubmitted it to DFAS CTO, but for some reason unknown to him he still did not get paid. He resubmitted his voucher to DFAS CTO in late June 2003, and DFAS paid him \$682 in July 2003 approximately 82 days after supervisory approval.

Process Weaknesses Contribute to Delays and Disputes in Army Guard Travel Reimbursements

Policies and guidance, the foundation of the process for authorizing travel entitlements and reimbursements, were sometimes unclear to the Army Guard soldiers who were called from their civilian lives to military service since the September 11, 2001, terrorist attacks. Not since World War II had so many Army Guard soldiers been mobilized for extended periods and essentially placed in travel status for as long as 2 years. Prior to September 11, 2001, most travel guidance addressed relatively routine travel for brief periods and was not always clearly applicable to situations Army Guard soldiers encountered, particularly when they could not avail themselves of government-provided meals due to the nature of their duty assignments. In October 2001, the Army issued new guidance that was intended to address travel entitlements unique to Army and Army Guard soldiers mobilized for the war on terrorism. However, the lack of clarity in this guidance created problems not only for Army Guard soldiers but for numerous other personnel involved with authorizing travel entitlements and contributed to inaccurate, delayed, and denied travel reimbursements. Furthermore, inappropriate policy and guidance on how to identify and pay soldiers entitled to late payment interest and fees because of late travel reimbursement meant that DOD continued to be noncompliant with TTRA. As a result, as discussed in the next section, although DOD paid no late

payment interest or fees to Army Guard soldiers through April 2004, we found a number of cases in which soldiers should have been paid late payment interest and indications that thousands more may be entitled to late payment interest. GAO's *Standards for Internal Control in the Federal Government* state that internal control is an integral component of an organization's management that provides reasonable assurance that objectives of the agency are being achieved, including effectiveness and efficiency of operations and compliance with laws and regulations.

Lack of Clear Guidance on Travel Entitlements, Including Late Payment Interest and Fees

We found that a key factor contributing to delays and denials of Army Guard reimbursements for out-of-pocket meal expenses was a lack of clearly defined guidance. We noted that the existing guidance (1) provided unclear eligibility criteria for reimbursement of out-of-pocket meal expenses, (2) lacked instructions for including meal entitlements on mobilization orders, and (3) contained inadequate instructions for preparing and issuing SNAs.

Two primary sources of guidance used by both Army Guard soldiers and travel computation office personnel for information on travel entitlements were the Army's personnel policy guidance (PPG) for military personnel mobilized for Operations Iraqi Freedom, Enduring Freedom and Noble Eagle and DOD's *Joint Federal Travel Regulation (JFTR)*. We found that both Army Guard soldiers and travel computation personnel had difficulty using these sources to find the information necessary about the rules regarding travel-related entitlements. A DFAS CTO official and users told us that the guidance was legalistic and not user friendly. Army Guard soldiers and DFAS CTO examiners had trouble at times interpreting the guidance, and as a result, soldiers experienced travel reimbursement problems.

Table 4 shows the sources of common problems related to meal expense reimbursements experienced by soldiers in our case studies.

Table 4: Sources of Problems Experienced by Army Guard Case Study Units in Obtaining Reimbursements for Meal Expenses

Case study units	Source of problem		
	Unclear eligibility criteria for reimbursement of out-of-pocket meal expenses	Lack of specific entitlements on orders	Confusing nonstandard SNAs
Alabama 20th Special Forces	X		
California 19th Special Forces		X	
California 185th Armor			X
Georgia 190th Military Police	X		
Louisiana 239th Military Police	X	X	
Maryland 115th Military Police	X	X	
Mississippi 20th Special Forces	X	X	X
Mississippi 114th Military Police	X	X	
Pennsylvania 876th Engineers			X
Virginia 20th Special Forces			X

Source: GAO.

Unclear eligibility criteria. We found that guidance did not adequately address some significant conditions that entitled a soldier to reimbursement of authorized meal expenses. For example, although the JFTR entitled soldiers to reimbursement for meal expenses when transportation was not reasonably available between government meal facilities and place of lodging,²³ the term “reasonably available” was not defined. The PPG directed the maximum use of installation facilities, and if not feasible, then “multi-passenger vehicles²⁴ should be used” to transport soldiers to installation facilities. However, the PPG is silent regarding what constitutes adequate transportation, particularly when transportation to government meal facilities is necessary for Army Guard soldiers who cannot be housed in government facilities. As discussed in one of our case studies, we found disagreements between the soldiers and their command officials about the adequacy of transportation to government meal facilities and their entitlement to get reimbursed for eating at commercial facilities

²³JFTR, ch. 4, para. U4400-B3c, change 193, January 1, 2003.

²⁴PPG (reformatted April 2004), ch. 8-2,a, (6) (c).

closer to their lodgings. Without clear guidance on these issues, Army decisions will continue to appear arbitrary and unfair to soldiers.

The following illustrates the experiences of the Army Guard soldiers with the Maryland 115th Military Police Headquarters/Headquarters Company, their perceptions of unfair and inconsistent treatment, and apparent confusion between basic allowance for subsistence (BAS) compensation entitlements and meal entitlements while in TCS status. For example, BAS is included in the Army Guard soldier's compensation and is not a travel entitlement.²⁵

²⁵37 U.S.C. § 402 and PPG, para. 8-2.a.(5) (reformatted April 2004). See also 37 U.S.C. § 1009(d) as amended by Section 605 of the National Defense Authorization Act for Fiscal Year 1998, Pub. L. No. 105-85, 111 Stat. 1629, 1648 (Nov. 18, 1997).

Case Study Illustration: Soldiers Claim Inadequate Transportation Should Have Justified Reimbursement of Out-of-Pocket Meal Expenses

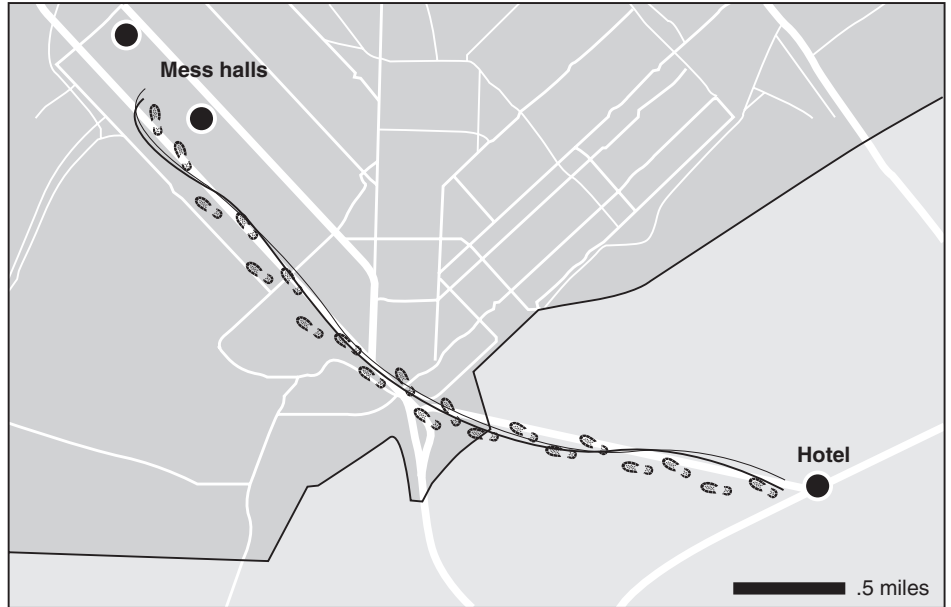
Soldiers with the Maryland 115th Military Police Headquarters/Headquarters Company were mobilized to Fort Stewart, Georgia, in October 2001, to perform force protection duties. As shown in figure 5, the 107 soldiers in the unit were housed in a government-contracted hotel approximately 3 to 4 miles from the base because the on-base housing was overcrowded. Soldiers told us that transportation from the hotels to the government dining facilities was inadequate. They explained that while military buses and vans took soldiers to and from the base for their shift work duties, the soldiers not on shift, including those on their days off, had to find their own transportation to the government dining facilities.




Approximately 3 weeks into the unit's mobilization, the battalion commander allowed some soldiers (E-7 and above) to use their privately owned vehicles, but many other soldiers were still without vehicles or other means to get to the dining facility. Two soldiers told us that they purchased bicycles to get to the base. Several soldiers claimed that because they could not get to the dining facilities, they either walked to local restaurants, or bought groceries and cookware and cooked meals in their rooms using hot plates. The soldiers told us they were also aware that other soldiers at Fort Stewart were similarly housed in hotels, but were paid per diem for meals based on the locality rate for the area. We confirmed that Florida's 3220th U.S. Army Reserve Garrison Support Unit was housed in hotels and was paid per diem for meals. Several soldiers told us they discussed several issues with their chain of command and company commanders, including inadequate transportation, having to eat on the economy, the inconsistencies in their treatment compared to other soldiers, and their eligibility for per diem. The company commanders discussed these issues with the battalion commander. The battalion commander told us, "The soldiers had a contracted hotel and laundry services and didn't need per diem. In addition to that, they had access to the mess hall and were getting BAS." When a battalion personnel officer incorrectly told one soldier that he was not entitled to per diem because he was receiving BAS he stated, "Then take away my \$8 in BAS and give me per diem because I can't live on \$8 a day."

The garrison commander told us that he was unaware of the unit's transportation problems, and had he known of the problems, he would have issued more vehicles to the unit.

Using the proportional meal rate, we estimated that the soldiers could be due approximately \$1,260 each for a total of approximately \$135,000 for the period October 2001 to January 2002. As of September 2004, the soldiers had not received any reimbursements for meal expenditures.

Figure 5: Distance between Fort Stewart Mess Halls and Government-Contracted Hotel



-  Fort Stewart
-  Hinesville, GA
-  Route walked, biked, or hitchhiked

Source: GAO.

The following case study illustrates another apparent lack of understanding of the different regulations regarding specific compensation entitlements for BAS compared to meal entitlements while in TCS status and inconsistent treatment.

Case Study Illustration: Mississippi Army Guard Soldiers Question Army's Decision to Deny Reimbursement for Out-of-Pocket Meal Expenditures

Army Guard soldiers of the Mississippi 114th Military Police Company were called up in January 2002 for their first mobilization and reported to Fort Campbell for military police guard duty. While at Fort Campbell, the 114th performed 24-hour, 7-day shift work providing force protection services for the 101st Airborne Division and Fort Campbell and could not always avail themselves of the free meals at the mess hall. Consequently, these Army Guard soldiers purchased their meals from commercial sources. After soldiers learned of their potential eligibility for reimbursement of meal costs, they requested and received authorization from the division commander for reimbursement and, although considerably late, were eventually reimbursed.

However, while at Fort Hood, the location of their second active duty tour beginning in February 2003, installation command officials did not authorize reimbursement of their out-of-pocket costs for meals. According to the Army Guard soldiers, the conditions at Fort Hood—24-hour shift work and the lack of 24-hour mess halls—were similar to what they encountered at Fort Campbell. Fort Hood officials told us that they justified their decision because free meals were available from the mess hall and noncommissioned officers could get this food to soldiers who were having problems and by stating that the basic allowance for subsistence was adequate compensation for any of the soldiers' out-of-pocket expenditures for meals. Fort Hood officials did not document their unfavorable decision or justification for that decision. Because an official from the Mississippi Guard Finance Office told them it was a "dead issue," the unit chose not to contact the Inspector General's office. The official told us that he informed the soldiers that they could not get reimbursed without the approval of the Fort Hood officials. As a result, we estimated, based on the proportional meal rate for Fort Hood, that these 76 Army Guard soldiers were not reimbursed for approximately \$6,000 each, totaling about \$456,000, for their meals from February 2003 to January 2004, when they were demobilized.

In another case, Georgia Army Guard soldiers were frustrated by large debts when DFAS CTO retroactively disallowed the locality meal rate authorized by command officials.

Case Study Illustration: Decisions on Meals Eligibility Result in Overpayments and Large Debts

The soldiers from Georgia's 190th Military Police Company reported to Fort Benning, Georgia, in October 2001 for mobilization processing. The unit of 101 soldiers experienced problems regarding per diem for meals when they were subsequently deployed from October 2001 through March 2002 to Fort McPherson, Georgia, which was near the homes of many of the soldiers. Soldiers told us there was confusion over who would be entitled to per diem for meals because Fort McPherson had not established a local commuting area. Certain soldiers were granted SNAs, signifying their eligibility for per diem for meals, based on the locality meal rate for the area. Relying on the determinations, soldiers requested and received per diem for meals, some in excess of \$10,000, for the period they were at Fort McPherson.

In August 2002, Fort McPherson established a local commuting area. When DFAS CTO processed the soldiers' final settlement vouchers at the end of the deployment, DFAS CTO used the newly established commuting area to determine eligibility for per diem for the whole period. This resulted in DFAS CTO retroactively disallowing per diem and creating debts totaling approximately \$200,000 for 32 soldiers, several in excess of \$10,000. Debt collections were initiated against the soldiers' pay while they were in Iraq on a second mobilization in 2003, creating adverse financial impacts on the soldiers and their families. The 190th unit commander was able to get the debt collections suspended until they returned from Iraq. Following demobilization, debt collections were reinstated and are currently being made against the soldiers' monthly drill pay. During our audit, many of these soldiers still had unresolved and unpaid debts on their records, two in excess of \$10,000.

We requested that DFAS CTO review all of the records to determine whether the soldiers were properly reimbursed for travel entitlements, and whether the debt amounts were correct. DFAS CTO officials agreed and at the conclusion of our audit were in the process of determining who was entitled to per diem while at Fort McPherson.

These cases illustrate the effects of guidance that does not clearly identify eligibility criteria and leaves meal eligibility determinations to the interpretation of individual commands. Although it would not be practical to develop guidance for every possible travel scenario, we noted that the JFTR included useful situational examples to assist decision makers in determining nonavailability related to lodging and meals, while the PPG lacked similar specific contingency travel examples.

Lack of specific entitlements on orders. Army and Army Guard policies and procedures do not provide for mobilization orders issued to Army Guard soldiers to clearly state that these soldiers should not be required to pay for meals provided to them at government dining facilities. In the case study units we reviewed, we found several instances in which mobilization orders either stated nothing about meal entitlements or stated, "Government mess will be used," or "Government quarters and dining facilities are available and directed." As a result, we noted instances

in which mobilized soldiers arrived at government mess halls carrying mobilization orders that did not specifically state that the soldiers could eat free of charge and were inappropriately required to pay for their meals.

The PPG states, “TCS soldiers who are on government installations with dining facilities are directed to use mess facilities. These soldiers are not required to pay for their meals.”²⁶ In addition, the PPG states, “Basic Allowance for Subsistence will not be reduced when government mess is used for soldiers in a contingency operation.”²⁷ However, the PPG does not provide guidance addressing the content of mobilization orders for Army Guard soldiers. As a result, unless the orders contain the appropriate statements about meal entitlements, installations sometimes inappropriately charge Army Guard soldiers for their meals.

In response to questions we posed to officials representing the Mississippi Adjutant General’s office regarding why mobilization orders did not include adequate provisions about food entitlements, they explained that the individual mobilization orders that are prepared by the Adjutant General’s staff are very basic and include only the travel allowances and actions that are necessary to get the individual from the home station to the mobilization station. The Adjutant General’s office received no guidance on what should be stated in the orders with respect to soldiers eating free of charge at government installations or any other conditions that may entitle Army Guard soldiers to per diem to compensate them for their out-of-pocket meal costs.

We discussed the problem of unclear mobilization orders with Army officials during our audit. In response to our concerns, Army officials agreed to modify the guidance on what to include in mobilization orders with respect to meals and lodging entitlements.

As a result of the unclear orders, many Guard soldiers had to inappropriately pay for meals and were unable to obtain reimbursement for their out-of-pocket costs in a timely manner. The following example shows the effects of that problem.

²⁶PPG, ch. 8-2a(5).

²⁷PPG, ch. 8-2a(5).

Case Study Illustration: Guard Unit Required to Pay for Meals at Army Mess Hall

When the Mississippi 20th Special Forces Group (SFG) reported to its mobilization station at Fort Carson, Colorado, on January 10, 2002, the soldiers were assigned to on-post housing at the Fort Carson Colorado Inn. They were told that the government dining facility nearest to their lodging was approximately 1 mile away. When the soldiers went to eat at the dining facility, they were told that they had to pay for their meals because their orders did not indicate they could eat free. Consequently, the soldiers either (1) continued to pay for their meals at the government dining facility, (2) purchased groceries and cooked in their rooms, or (3) ate at local restaurants. The dining facility manager told us that if the soldier's orders did not specifically indicate government meals at no cost, then his staff was instructed to charge the soldier for meals.

The administrative noncommissioned officer for the Mississippi 20th SFG learned from a soldier in a different group, that he was being reimbursed the locality rate (which at that time was \$36 per day) for meals purchased at his own expense. In July 2002, the unit's administrative noncommissioned officer raised the meals issue with the unit's chain of command, but it was not until October 2002 that Headquarters, 10th SFG, Fort Carson issued amended orders for the 20th SFG. The orders retroactively authorized meal per diem of \$11 per day to the soldiers of the 20th SFG, allowing them to be partially reimbursed for their out-of-pocket expenses from January 2002 to October 2002. The orders also authorized the soldiers to eat in the dining facility at no charge beginning in October 2002. As of the end of our audit, the administrative noncommissioned officer estimated that \$150,000 was still to be paid to 75 soldiers.

In another instance, Army Guard soldiers called to federal duty under the authority of Title 32 for security missions in late 2001 and early 2002 experienced significant delays in getting reimbursed for travel expenditures. The soldiers were provided lodging but not meals and were not authorized per diem for meals on their orders. Many months elapsed during which the Army Guard Adjutant General for each state command with authority over the respective soldiers and Army Guard officials worked to obtain and provide the proper authorization to reimburse all the soldiers' travel expenses. In the interim, Army Guard soldiers experienced financial hardships. The following case study chronicles one story about these soldiers' experiences.

Case Study Illustration: Colorado Army Guard Soldiers Experience Financial Hardship

In March 2002, the Colorado National Guard HQ 140th Signal Company received orders to provide security at the Denver International Airport, Denver, Colorado. For mission related reasons, the soldiers were required to remain overnight at their duty station for an extended period in government-provided housing, but their orders did not authorize per diem for meals. Although the government provided housing, meals were not included, and the soldiers had to obtain meals from commercial establishments.

In July 2002, the Adjutant General of the Colorado Army National Guard sent a letter to the Director of the Army National Guard Financial Services Center, requesting that actions be taken to resolve the per diem and other related issues. In December 2002, the letter was forwarded by the Army National Guard Financial Services Center to the Army National Guard Readiness Center for “consideration and action.”

In June 2003, the Army National Guard Readiness Center issued a memorandum for the financial managers of all states, Guam, Puerto Rico, the Virgin Islands, and the District of Columbia, which communicated the receipt of approval from the Assistant Secretary of the Army – Manpower and Reserve Affairs to provide retroactive redress of the per diem and other issues affecting the Colorado and other Guard soldiers.

In September 2003, 18 months after the soldiers incurred out-of-pocket expenses averaging over \$1,400 each, the Colorado USPFO began paying reimbursements to the soldiers. Some of these soldiers suffered adverse financial impact resulting from the delays in reimbursement. For example, one soldier told us his government travel card was canceled due to nonpayment, another soldier’s family had to rely on the spouse’s salary to pay bills, and another’s child support payments were late or less than the minimum required payments.

Confusing, nonstandard SNAs. Lack of standardization and changing guidance has resulted in SNAs of various form and content, signed by officials at different levels of authority. Consequently, travel computation office reviewers were unable to consistently determine the validity of SNAs. Our case studies identified travel computation reviewers who have rejected soldiers’ requests for reimbursements even though they were supported by valid SNAs.

The most recent PPG guidance authorizes the installation commander to determine whether to issue an SNA²⁸ based on each unit’s situation and the availability of government housing.²⁹ The guidance states that when government or government-contracted quarters are not available, soldiers will be provided certificates or statements of non-availability for both

²⁸PPG, ch. 8-2, .a, (5).

²⁹PPG, ch. 8-2, .a, (6) (c).

lodging and meals to authorize per diem. However, the guidance does not specify the form and content of the SNAs. Consequently, at several case study units, we found that the form of the SNA and the content of the information on the form varied at the discretion of the issuing command. For example, one installation stamped the soldiers' orders and handwrote an SNA identification number in a block provided by the stamp. Another location provided a written memo that stated that the meal component of per diem was authorized because there were no food facilities at the government installation. Another provided a single SNA with a roster attached that listed the names of the soldiers who were authorized per diem. The variety of SNA formats can cause confusion for the soldier, who does not know what documentation is needed for reimbursement and whether the travel computation office will accept it. The travel computation office personnel can also be confused about the criteria for a valid SNA, as illustrated by the following case study.

Case Study Illustration: SNAs for Meal Reimbursement Not Consistently Accepted

Sixty-five soldiers in B Company, 20th Special Forces of the Virginia Army National Guard received orders to mobilize to Fort Bragg, North Carolina in early 2002. After about 3 weeks, the unit moved to government contracted quarters off-post and soldiers were authorized proportional per diem for two meals a day during their Fort Bragg duty period. After returning from overseas duty, 51 soldiers prepared and submitted their final travel vouchers, with identical SNA documents attached, to DFAS CTO in November and December 2002. Some of the soldiers' meal component per diem claims were approved and paid by DFAS; others were not. Inconsistent recognition and acceptance of identical SNAs resulted in 24 soldiers receiving timely reimbursements and 12 soldiers receiving late reimbursements after having to resubmit their vouchers with additional documentation to receive their proportional per diem. Furthermore, at the time we completed our audit of B Company's travel vouchers in May 2004, approximately 22 percent of the soldiers (14 of 65) still had not received the majority of their proportional per diem entitlement. Travel reimbursements, ranging from about \$1,600 to over \$3,500, had not been made to these 14 soldiers. In June 2004, DFAS CTO processed vouchers for 10 of the 14 soldiers and made final payments for meal expenses they incurred during their Fort Bragg duty. The remaining 4 soldiers had not been paid at the completion of our audit.

Our work found instances in which installation commands denied soldiers' requests for SNAs. In response to our inquiries, we found that commands do not generally document their rationale for denying SNAs and there is no requirement for them to do so. This lack of documentation can leave soldiers even more confused and frustrated when seeking answers as to why their requests for per diem were denied. GAO's *Standards for Internal Control in the Federal Government* require the maintenance of

related records and appropriate documentation that provides evidence of execution of control activities.

Late Payment Interest and Fees Guidance Thwarts Intent of the Law

Inappropriate policy and guidance, issued by DFAS Indianapolis, combined with the lack of systems or processes designed to identify and pay late payment interest and fees, leave DOD in continued noncompliance with TTRA. As a result, through at least April 2004, DFAS Indianapolis had made no required payments of late payment interest and/or late payment fees to soldiers for travel reimbursements paid later than 30 days after the submission of a proper voucher. For example, of 139 individual vouchers we selected to determine why these took a long time to process, we identified 75 vouchers that were properly submitted by Army Guard soldiers that should have received late payment interest totaling about \$1,400. Some of these vouchers may also have warranted a late payment fee in addition to the late payment interest.

In addition, DFAS data showed indications that thousands of other soldiers may be due late payment interest. For example, during the period October 1, 2001, through November 30, 2003, dates in the DFAS Operational Data Store showed that about 85,000 vouchers filed by mobilized Army Guard soldiers were paid more than 60 days after the date travel ended. If the dates on these vouchers were correct, the soldiers who submitted proper vouchers within 5 days of the date travel ended would be entitled to late payment interest if they were not paid within the 30-day limit.

TTRA and federal travel regulations³⁰ require the payment of a late payment fee consisting of (1) late payment interest, generally equivalent to the Prompt Payment Act Interest Rate, plus (2) a late payment fee equivalent to the late payment charge, which could have been charged by the government travel card contractor. Late payment interest and fees are to be paid to soldiers if their reimbursements are not paid within 30 days of the submission of a proper voucher.

In our 2002 report on Army travel cards³¹ we reported DFAS noncompliance with TTRA due to the lack of procedures and necessary

³⁰FTR, 41 C.F.R. § 301 71.210.

³¹GAO, *Travel Cards: Control Weaknesses Leave Army Vulnerable to Potential Fraud and Abuse*, GAO-03-169 (Washington, D.C.: Oct. 11, 2002).

systems and data to make the required computations. In response to our recommendations in that report, DFAS revised its procedures in April 2003. Until that time, DFAS required individual soldiers to submit requests for late payment interest and fees if they believed their vouchers were paid late. According to DOD's FMR, the traveler was required to submit a supplemental voucher³² through his or her supervisor/approving official requesting the payment.³³

The 2003 guidance³⁴ issued by DFAS Indianapolis stated that Army travel computation offices would identify vouchers for late payment interest and fees rather than require individual soldiers to take the initiative to file claims for late payment interest and fees. However, DFAS's interpretation of the guidance limited the payment of late payment interest and fees to only the final settlement travel voucher³⁵ for all travel under a particular travel order. This practice contributed to continued noncompliance with the law because it effectively excluded large numbers of monthly or accrual vouchers³⁶ from consideration of late payment interest and fees. In response to our inquiries, DFAS officials told us that as of April 2004, they had not paid any late payment interest or fees to soldiers because no final settlement vouchers were paid late.

We questioned DFAS officials about their decision to exclude accrual vouchers from potential payment of late payment interest and fees. As a result, DFAS issued new guidance dated May 2004 to clarify that all travel voucher reimbursements are subject to late payment interest and fees. However, the provision in DOD's FMR pertaining to this issue continues to require that individual soldiers request the late payment interest and fees. Furthermore, due to automated systems issues discussed later, DFAS does not have the capability to automatically identify late vouchers or calculate the late payment interest and fees. Consequently, travel computation

³²A supplemental voucher is submitted to correct an error or omission on a previous travel voucher.

³³DOD FMR, vol. 9, ch. 3, para. 030801E (August 2003).

³⁴DFAS-IN Travel Technical Message (TTM) 03-04, April 3, 2003.

³⁵A settlement voucher is the final travel voucher submitted at the end of a period of travel, including an extended period of travel.

³⁶An accrual travel voucher is a claim for partial payment of travel expenses that can be filed by travelers whose travel time extends beyond 30 days. The traveler should file an accrual travel voucher within 5 working days after the end of every 30 calendar-day period.

offices have to use manual procedures to identify late vouchers and make manual calculations. Additionally, the new guidance directs reviewers to sign travel vouchers on the same day that they are submitted and then establishes the reviewers' signature date as the date of submission of a proper voucher.³⁷ We are unaware of any control procedure to monitor that reviewers are complying with the requirement.

Subsequent to DFAS's dissemination of the new guidance, we found numerous late vouchers for which DFAS did not pay late payment interest and fees. For example, the final vouchers for 63 soldiers with the Georgia Army National Guard's 190th Military Police Company were processed late in April 2004 without payment of late payment interest or fees, even though they were covered by DFAS guidance issued in 2003. The vouchers were approved by unit reviewers on February 6, 2004, and were submitted to the Georgia USPFO on February 10, 2004, for additional review to identify any deficiencies that may cause the vouchers to be rejected. Due to the USPFO's workload and the unavailability of appropriate personnel to review the vouchers, the vouchers remained at the USPFO from February 10, 2004 until April 2, 2004. DFAS CTO eventually received the vouchers on April 9, 2004, and paid them on April 27, 2004. The payments were made a total of 81 days after the supervisory signatures, thus making the payments 51 days over the 30 days allowed for payment. According to a DFAS official, DFAS's manual procedures did not detect the vouchers as needing late payment interest and fees. Travel clerks were supposed to review dates of supervisory signatures to determine if the 30-day limit was exceeded and thus require the payment of late payment interest and fees. We notified DFAS officials of the oversight and they subsequently made the interest payments. A DFAS official also informed us that additional changes to DFAS's manual procedures were being made to ensure that late vouchers are properly identified and late payment interest and fees paid. Because these changes in procedure were so recent, we could not evaluate their effectiveness.

³⁷DFAS-IN Travel Technical Message (TTM) 04-10, para. 5 (May 2004).

Human Capital Issues Affect Timely and Accurate Reimbursements to Mobilized Army Guard Soldiers

We found that weaknesses related to human capital contributed to travel reimbursement problems. These weaknesses include (1) a lack of leadership and oversight and (2) a lack of adequate training provided to Army Guard soldiers and travel computation office examiners. GAO's *Standards for Internal Control in the Federal Government* state that effective human capital practices are critical to establishing and maintaining a strong internal control environment. Specifically, management should take steps to ensure that its organization can promptly identify problems and respond to changing needs, and that appropriate human capital practices are in place and operating effectively. Without an overall leadership structure in place, neither the Army nor the Army Guard had developed and implemented processwide monitoring and performance metrics necessary to promptly identify and resolve problems causing late-paid travel vouchers. We also found that lack of adequate soldier training was a contributing factor to some travel voucher processing deficiencies. For example, several Army Guard soldiers with whom we spoke told us that they had received either inadequate or no training on travel voucher preparation and review. In addition, a DFAS CTO official told us that the on-the-job training provided to its new personnel in early 2003 initially proved to be inadequate in the wake of the hundreds of thousands of travel vouchers that flooded their offices subsequent to the mobilization surge during this period. To its credit, during fiscal year 2004, DFAS CTO enhanced its training program for voucher examiners.

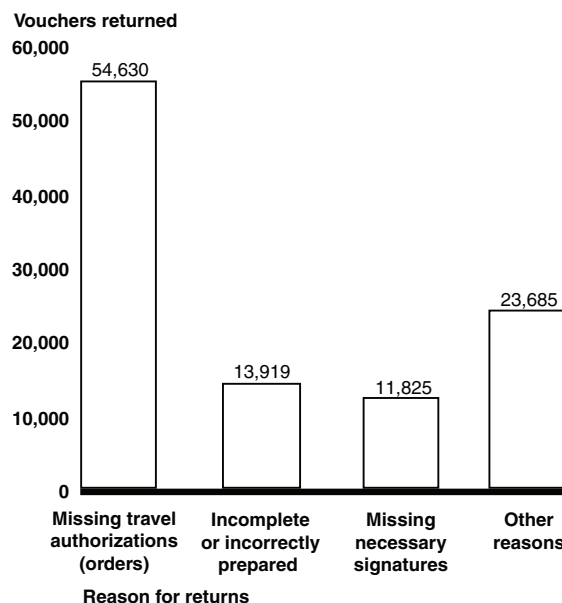
Lack of Leadership and Oversight

No one office or individual was responsible for the end-to-end Army Guard travel reimbursement process. The lack of overall leadership and fragmented accountability precluded the development of strong overarching internal controls, particularly in the area of program monitoring. Neither the Army nor the Army Guard were systematically using performance metrics to gain agencywide insight into the nature and extent of the delays to measure performance and to identify and correct systemic problems. Our *Standards for Internal Control in the Federal Government* require agencies to have internal control procedures that include top-level reviews by management that compare actual performance to expected results and analyze significant differences.

As shown in figure 6, internal reports prepared by DFAS CTO show that missing travel orders was the primary reason why it did not accept vouchers for payment. DFAS CTO reported that it rejected 104,000, or approximately 17 percent, of 609,000 vouchers during the period July 2003

through September 2004, with missing travel authorizations accounting for over half of the rejected vouchers. While this churning process appeared to be a primary factor in payment delays and soldier frustration, DFAS CTO, Army, or Army Guard offices had not performed additional research to determine the root cause of this and other voucher deficiencies.

Figure 6: Army Reserve and Army Guard Travel Vouchers Returned by DFAS CTO from July 2003 through September 2004



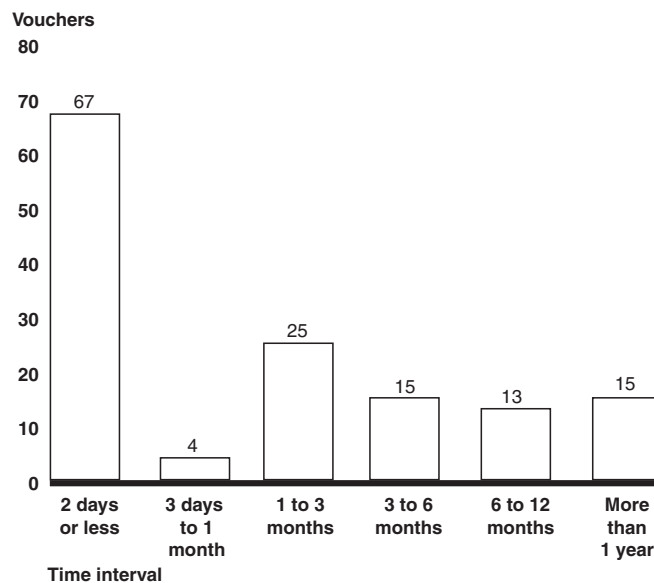
Source: DFAS CTO Indianapolis.

Similarly, our analysis of a selection of individual travel vouchers also disclosed that some vouchers were returned to soldiers because of missing documentation or the lack of required signatures. However, neither DOD management officials nor we could determine the root cause of all instances of missing information. Some soldiers told us that DFAS CTO lost documentation that they had submitted. DFAS CTO also experienced problems with faxed vouchers, which caused vouchers and supporting documentation not to be printed and processed in some cases. According to a DFAS CTO official, DFAS was unaware that faxed vouchers were not printing until a soldier complained that DFAS was not receiving his faxes. DFAS did not monitor incoming faxes, even though it reported that faxed travel vouchers account for approximately 60 percent of the total mobilized Army Guard and Reserve travel vouchers it received. These problems

obstructed the normal handling of a number of those vouchers. In an effort to resolve this problem, DFAS CTO, in March 2004, ceased relying on an automatic print function of the fax system software and began manually printing vouchers.

As shown in figure 7, our audit of a nonrepresentative selection of 139 travel vouchers (69 computed by DFAS CTO and 70 by USPFOs) found significant delays occurred between the date of the reviewer's signature and the date that the travel computation office accepted the voucher. Some of these delays were caused by the time needed to correct vouchers that were deficient and resubmit them to DFAS CTO or another USPFO travel computation office.

Figure 7: Time Intervals between Reviewer Approval and Travel Computation Office Acceptance for 139 Selected Travel Vouchers



Source: GAO analysis.

We determined that the travel computation office rejected 32 of the 72 travel vouchers delayed for more than 3 days because of missing documentation or the lack of required signatures and sent them back to the soldiers for corrections. A lack of documentation or other information prevented us from determining the reason for delays of more than 3 days for the remaining travel vouchers.

In one case, an Army Guard soldier from Texas waited over 9 months to be paid. The soldier prepared and submitted a travel voucher for \$765 and signed it on August 28, 2002. His unit supervisor signed the voucher as reviewed on the same day. The travel computation office rejected the voucher and sent it back to the soldier because the proper documentation was not attached. The travel computation office returned the voucher to the soldier a second time because it did not have the necessary signatures. A complete travel voucher was finally received and accepted by the travel computation office on April 25, 2003, 240 days after the unit's initial review and was not paid until mid-June 2003.

The Army's lack of processwide oversight, including monitoring of the rejection and return of vouchers by DFAS CTO and other travel computation offices, resulted in undetected delays in reimbursement, leading to unnecessary frustration with the Army's travel and reimbursement process and potential financial difficulty for the soldier. Further, without establishing and monitoring program metrics, management had no assurance that it had identified where the breakdowns were occurring and could not take the appropriate steps to resolve any identified problems. For example, although the Army relied on the individual unit reviewer for assurance that travel vouchers were properly reviewed and transmitted promptly to the travel computation offices, the Army did not establish and monitor performance metrics to hold these reviewers accountable for their critical role in the process.

DFAS CTO officials told us that they have taken several steps to reduce the number of vouchers being returned to the soldiers due to missing signatures and missing mobilization orders. DFAS and the National Guard Financial Services Center—a field operating agency of the Chief, National Guard Bureau, that performs selected financial services—entered into a Memorandum of Agreement effective February 2004 whereby DFAS will obtain the assistance of the National Guard to address problems with certain vouchers that would otherwise be returned to soldiers. According to DFAS CTO data, since the implementation of the agreement through the end of fiscal year 2004, 13,523 travel vouchers were coordinated with the National Guard in this manner rather than initially being sent back to the soldiers for correction. However, we did not assess the effectiveness of these changes in reducing the number of vouchers that ultimately are returned to soldiers or in reducing the time necessary to process and pay vouchers.

Although metrics were available on the average time DFAS CTO took to pay travel vouchers after receipt, the Army did not have statistical data on supplemental vouchers that could help provide additional insight into the extent and cause of processing errors or omissions by voucher examiners, unit reviewers, or Army Guard soldiers. Several of our case studies indicate that accuracy may be an important issue. For example, one method DFAS CTO uses to correct a voucher error or omission is to process a supplemental voucher.³⁸ According to DFAS data, DFAS CTO processed about 251,000 vouchers related to Army Guard soldiers mobilized during the period October 1, 2001, through November 30, 2003, of which over 10,600 were supplemental vouchers. However, DFAS CTO officials could not tell us how many of these were due to errors or omissions by DFAS examiners or other factors. Our audit of 69 supplemental vouchers for the California 185th case study unit showed that 41 were due to DFAS CTO errors and the remaining 28 were due to errors or omissions on the part of the soldiers. Because DFAS CTO has not analyzed or tracked the extent or cause of supplemental vouchers to establish performance benchmarks, it has missed an opportunity to help identify recurring problems and solutions as well as measure improvements or deterioration in the effectiveness of the travel reimbursement program over time.

Finally, we noted that although DFAS CTO established a toll-free number (1-888-332-7366) for questions related to Army Guard and Reserve contingency travel, DFAS did not have performance metrics to identify problem areas or gauge the effectiveness of this customer service effort. For example, DFAS did not systematically record the nature of the calls to the toll-free number. According to DFAS data, this number, staffed by 30 DFAS employees, received over 15,000 calls in June 2004. By monitoring the types of calls and the nature of the problems reported, important information could have been developed to help target areas where training or improved guidance may be warranted. Further, DFAS had not established performance metrics for its call takers in terms of the effectiveness of resolved cases or overall customer service.

³⁸The term “supplemental voucher” as used in this context refers to travel vouchers processed for the purpose of correcting an error in a previous partial or accrual travel voucher submitted and paid prior to the completion of an extended period of travel.

Inadequate Training Results in Late or Inaccurate Reimbursements

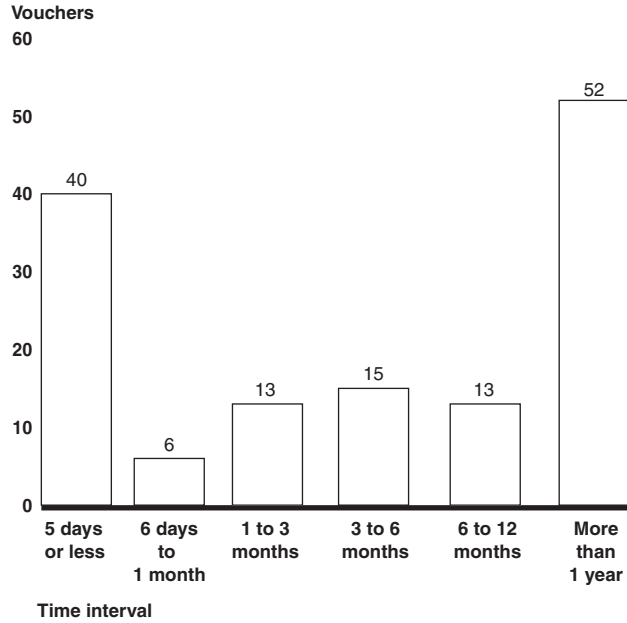
Although Army regulations specify the responsibilities of soldiers, they do not require that soldiers be trained on travel entitlements and their role in the travel reimbursement process. Some of the Army Guard soldiers that we spoke with told us that they had received either inadequate or no training on travel voucher preparation and review. In addition, a DFAS CTO official told us that the on-the-job-training provided to its new personnel in early 2003 initially proved to be inadequate. To its credit, during fiscal year 2004, DFAS CTO enhanced its training program for voucher examiners. Army Guard soldiers in our case studies told us that they asked DFAS representatives or used the Internet in attempts to find, interpret, and apply DFAS guidance, which by itself proved to be insufficient and required many trial and error attempts to properly prepare travel vouchers. As a result, many soldiers did not receive their travel payments on time.

The lack of well-trained personnel can undermine the effectiveness of any system of travel expense reimbursement. Well-trained and informed personnel, conscientiously performing their assigned duties, are especially essential in the paper-driven, labor-intensive, manual, error-prone environment of the Army's current travel authorization and reimbursement process.

Army Guard soldiers. Army Guard soldiers in our case studies told us that they were confused about their responsibilities in the travel voucher reimbursement process because they had not been sufficiently trained in travel voucher processes related to mobilization. For example, prior to September 11, 2001, most travel guidance addressed the criteria for single trips or sequential trips and was not always clearly applicable to situations in which Army Guard soldiers could be authorized short intervals of travel for temporary duty at different locations within their longer term mobilization. This "overlapping travel" proved to be problematic for Army Guard soldiers trying to understand their travel voucher filing requirements and travel computation office examiners responsible for reviewing travel vouchers.

In addition, we found indications that some soldiers were not aware of DOD's requirement to complete a travel voucher within 5 days of the end of travel or the end of every 30-day period in cases of extended travel. For example, as shown in figure 8, in our selection of 139 vouchers, 99 (71 percent) of the Army Guard soldiers did not meet the 5-day requirement. Fifty-two Army Guard soldiers submitted their vouchers more than 1 year late.

Figure 8: Timing from the End of Travel to Soldier Submissions for 139 Selected Travel Vouchers



Source: GAO analysis.

Of the 59 Army Guard soldiers that we could locate and interview, 23 said that they lacked understanding about procedures, or lacked knowledge or training about the filing requirements. Eight Army Guard soldiers said that they procrastinated or forgot to file their travel vouchers on time. The remaining 28 said that they could not remember anything about the specific voucher we asked about or did not respond to our inquiries. Several soldiers offered their perspectives on their lack of understanding about certain requirements.

Case Study Illustration: Lack of Understanding of SNA Requirements

A soldier with the Pennsylvania National Guard 1st Battalion, 103rd Armor, whose active duty was extended to perform duties at Fluck Armory in Freidens, Pennsylvania, after his overseas duties were completed, was unaware that he needed an SNA to justify reimbursement of his out-of-pocket costs. He told us that he assumed the Army would have given him the documentation he needed to support his travel voucher. When his voucher was not paid, he contacted DFAS CTO to determine the reason for the delay. DFAS CTO claimed that it had not received his voucher. After several resubmissions, he received a payment in July 2003 that was about \$1,500 less than what he expected. He also received an e-mail notification from DFAS CTO that stated, "SNA needed for lodging at Friedens, PA." The soldier told us that he did not know what SNA meant or how to obtain an SNA. Eventually, the soldier was able to obtain an SNA from the commanding officer of the Pennsylvania 876th Engineers. In February 2004, about 11 months after he completed his assignment at Fluck Armory, DFAS paid the soldier about \$1,600 for his lodging and meal expenses.

The following example illustrates a unit administrator's experience and frustration in having to duplicate his efforts to obtain a single month's travel expenses for 37 soldiers in his unit.

Case Study Illustration: Lack of Understanding of Documentation Requirements

A unit administrator with the Pennsylvania National Guard's 876th Engineer Battalion told us that he was unaware that he needed to attach a copy of the mobilization order and TCS order to each travel voucher before he submitted vouchers to DFAS CTO for each of the 37 soldiers in his unit. He explained that there was only one block on the travel voucher form to insert a single order number. He attached the TCS order, incorrectly assuming that the DFAS CTO examiner would know that the soldiers, being in an Army Guard unit, could not have been on TCS duty in Germany performing installation security and force protection duties without having been mobilized. As a result, he was concerned when he and other soldiers were reimbursed for the 1 week of their travel expenditures incurred in Germany, but not for the 3 weeks of expenses incurred during their initial duty at Fort Dix, New Jersey, where soldiers participated in mobilization training and other activities prior to overseas deployment. These expenses included transportation to Fort Dix, New Jersey, and daily incidental expenses. DFAS CTO asked him to submit new travel vouchers for this 3-week period with the mobilization order attached, which he did. The soldiers in this unit were collectively paid \$7,400 about 4 weeks later, which represented the balance due on their initial travel vouchers.

DFAS CTO personnel. DFAS CTO also had challenges training its examiner staff. The increase in mobilizations since September 11, 2001, and resulting increase in travel voucher submissions put a strain on DFAS CTO's ability to make prompt and accurate travel reimbursements to Army Guard soldiers. As discussed previously, DFAS CTO hired more than 200 staff from October 2001 through July 2003, which brought the total number of staff to approximately 240. The training of these new employees was delivered on-the-job. Training time depended on the individual and type of

work. For example, according to a DFAS CTO official, it took from 1 to 3 months for a voucher examiner to reach established standards. The DFAS CTO official told us that, in some cases, on-the-job training proved to be inadequate and contributed to travel reimbursement errors during this period.

Two of our case studies indicated that mistakes by DFAS CTO contributed to reimbursement problems. For example, our California case study indicated that 33 soldiers were initially underpaid a total of almost \$25,000 for meals, lodging, and incidental expenses when personnel at DFAS CTO selected an incorrect duty location and a corresponding incorrect per diem rate. Although these soldiers eventually received the amounts they were due, the corrections took months to resolve. Another example, described next, shows inconsistencies and errors in the payment of meal and incidental expense per diem to soldiers in a Pennsylvania Guard unit.

Case Study Illustration: Pennsylvania Army National Guard Travel Reimbursement Problems

Pennsylvania Army National Guard soldiers from Company C, 876th Engineer Battalion were deployed to Bad Aibling Station, Germany, in late July 2002, to augment active duty forces that were providing enhanced security at this installation. The 37 soldiers in Company C were authorized to purchase their meals because mess facilities were not available. Each month, the unit administrator prepared and submitted vouchers to DFAS CTO for reimbursement of meal and incidental expenses. Although each of the 37 soldiers should have received, in any given month, the same reimbursement amount, the actual payments to soldiers were not identical. For the first 3 months of their deployment, soldiers' travel reimbursements varied significantly. For example, for the September 2002 vouchers, payments ranged from \$105 up to \$1,655. Additionally, 3 soldiers did not receive payment on their September vouchers for several months. The unit administrator told us he contacted DFAS CTO numerous times to discuss the inconsistencies with soldiers' reimbursements, and DFAS CTO representatives provided specific payment amounts that soldiers should expect to receive. However, when incorrect payments continued, he said he was not sure that DFAS CTO knew what to pay the soldiers. This situation led to soldiers' confusion and frustration with the travel reimbursement process.

The travel reimbursement errors that occurred throughout the deployment affected 36 of the 37 soldiers. Of the 36, 12 soldiers experienced at least one payment error and the remaining 24 soldiers experienced multiple payment errors. When DFAS CTO attempted to correct payment errors to soldiers by processing additional payments, the additional payments resulted in overpayments to 35 soldiers because DFAS CTO examiners made errors in determining the daily meal and incidental expense per diem rate. DFAS CTO caught some of these overpayments and processed collections on final vouchers. Fifteen soldiers received collection notices from DFAS on their final vouchers and, although most of these soldiers had debt amounts ranging from \$200 to \$300 dollars each, 1 soldier had almost \$1,350 deducted from his final voucher payment.

Although overpayments were collected from 15 soldiers in this unit, most of the remaining soldiers also received overpayments that have yet to be addressed. From the deployment period of late July 2002 to February 2003, the unit as a whole was reimbursed about \$360,000. Of this amount, we determined that outstanding overpayments of over \$11,200 remain.

During fiscal year 2004, DFAS CTO worked toward improving staff training opportunities. For example, DFAS CTO used computer-based training to provide new personnel an initial overview of WINIATS and voucher computation procedures. In addition, a DFAS CTO official told us that a 40-hour course, which was designed specifically to address the types of vouchers received by DFAS CTO, has been established to train new employees. Further, according to the official, one benefit of the classroom instruction compared to on-the-job training is that it does not affect the productivity of experienced examiners, who previously were tasked with providing immediate on-the-job-training to new hires in addition to their primary duties.

System Problems Hamper Travel Reimbursement Process

Coupled with the process flaws and human capital issues previously addressed in this report, the lack of systems integration and automation along with other systems deficiencies contributed significantly to the travel reimbursement problems we identified. The lack of integrated and automated systems results in the existing inefficient, paper-intensive, and error-prone travel reimbursement process. These problems are also a major factor in the churning issue discussed previously—the thousands of vouchers that are rejected and returned for missing documentation. Specifically, the Army does not have automated systems for some critical Army Guard travel process functions, such as preparation of travel vouchers, SNAs, and TCS orders, which precludes the electronic sharing of data by the various travel computation offices. Further, system design flaws impede management’s ability to comply with TTRA, analyze timeliness of travel reimbursements, and take corrective action as necessary.

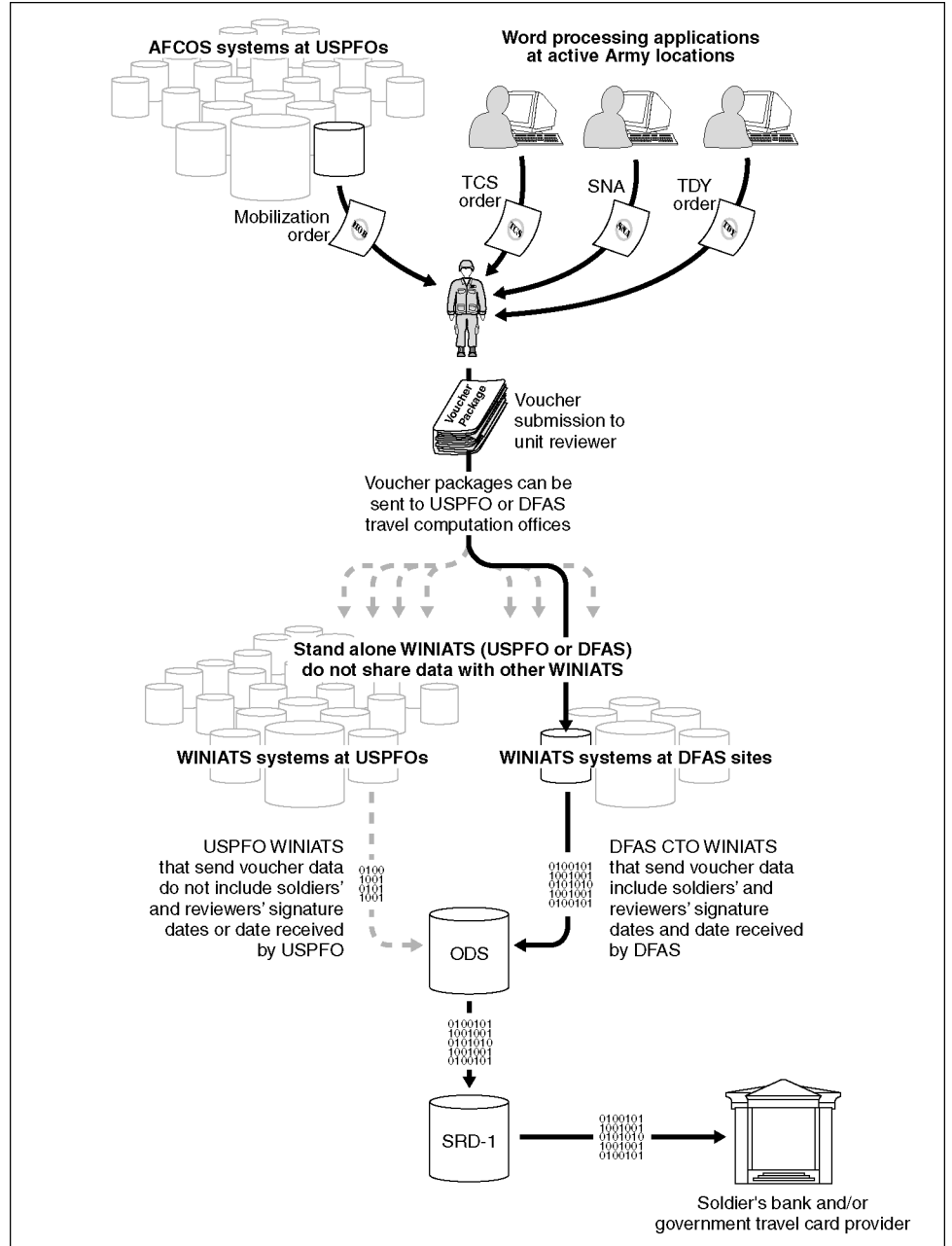
Lack of Integrated Systems

The key DOD systems involved in authorizing and reimbursing travel expenses to mobilized Army Guard soldiers are not integrated. In January 1995, the DOD Task Force to Reengineer Travel issued a report³⁹ stating that this was a principal cause of the inefficient travel system. As we have reported and testified,⁴⁰ decades-old financial management problems related to the proliferation of systems, due in part to DOD components receiving and controlling their own information technology investment funding, result in the current fragmented, nonstandardized systems. Lacking either an integrated or effectively interfaced set of travel authorization, voucher preparation, and reimbursement systems, the Army Guard must rely on a time-consuming collection of source documents and error-prone manual entry of data into a travel voucher computation system, as shown in figure 9.

³⁹U.S. Department of Defense, *Report of the Department of Defense Task Force to Reengineer Travel* (Washington, D.C.: January 1995).

⁴⁰GAO, *DOD Business Systems Modernization: Billions Continue to Be Invested with Inadequate Management Oversight and Accountability*, [GAO-04-615](#) (Washington, D.C.: May 27, 2004), and *Department of Defense: Long-standing Problems Continue to Impede Financial and Business Management Transformation*, [GAO-04-907T](#) (Washington, D.C.: July 7, 2004).

Figure 9: Overview of the Design of Systems and Travel Applications Used for Army Guard Travel



Source: GAO.

With an effectively integrated system, changes to personnel records, such as mobilization orders, would automatically transfer to the travel pay system. While not as efficient as an integrated system, an automatic personnel-to-travel pay system interface can reduce delays caused by the return of vouchers for missing travel authorizations. Without an effective interface between the personnel and travel pay systems, we found instances in which travel vouchers were returned to soldiers due to missing travel authorizations, causing significant time delays. For example, DOD took almost 500 days to pay a California Army Guard soldier his travel pay. This extensive delay was due in part to the soldier not submitting a paper copy of his mobilization order. If the system that created the mobilization order had interfaced with the travel voucher computation system, a portion of Army Guard and Army Reserve vouchers returned by DFAS CTO—a significant problem as discussed previously—could have been eliminated. This, in turn, would increase the efficiency and effectiveness of the process by reducing paper, reducing the return voucher workload at DFAS CTO, and decreasing the time to reimburse the soldiers.

Further, the lack of an integrated travel system and consequent “workarounds” increase the risk of errors and create the current inefficient process. As noted previously, several separate WINIATS systems at DFAS and the USPFOS can process travel vouchers for mobilized Army Guard soldiers. These databases operate on separate local area networks that do not exchange or share data with other travel computation offices to ensure travel reimbursements have not already been paid. Instead, as shown in figure 9, multiple WINIATS systems transmit data to the DFAS Operational Data Store (ODS)—a separate database that stores disbursement transactions. As a result, when a soldier submits a voucher, voucher examiners must resort to extraction and manual review of data from ODS. Next, voucher examiners research and calculate previous payments—advances or interim payments—made by other Army WINIATS systems. This information is then manually entered into WINIATS for it to compute the correct travel reimbursement for the current claim. In addition to being time consuming, this manual workaround can also lead to mistakes. For example, a Michigan soldier was overpaid \$1,384 when two travel computation offices paid him for travel expenses incurred during the same period in August and September 2002. This overpayment was detected by DFAS CTO when the soldier filed his final voucher in August 2003.

Lack of Automated Systems

DOD lacks an automated system for preparing travel vouchers, which hinders the travel reimbursement process. As shown in figure 9, soldiers

manually prepare their paper travel vouchers and attach many paper travel authorizations and receipts and distribute them via mail, fax, or e-mail to one of the travel computation offices. The lack of an automated system increases the risk of missing documents in voucher submissions, which results in an increased number of vouchers rejected and returned by DFAS CTO. Another consequence of this inefficient process is the need for additional staff to process the vouchers, as discussed earlier in this report. In addition, the Army currently lacks a centralized system to issue uniquely numbered and standard formatted SNAs regarding housing and dining facilities for mobilized soldiers. The lack of centralized standard data precludes electronic linking with any voucher computation system and the reduction of paperwork for individual soldiers, as they must obtain and accumulate various paper authorizations to submit with their vouchers.

Further, the Army lacks an automated system for producing TCS orders. As illustrated at the top of figure 9, the various mobilization stations use a word processing program to type and print each individual TCS order to move a soldier to such places as Afghanistan and Iraq. Similar to the process for SNAs, mobilization stations maintain separate document files for each TCS order issued. The absence of a standard automated system used by each of the mobilization stations prevents the Army from electronically sharing TCS data with other systems, such as a voucher computation system. Consequently, the process will remain vulnerable to delays for returned voucher submissions as mobilized Army Guard soldiers continue to receive paper SNAs and TCS orders. Finally, even if the Army automates the TCS, SNA, and voucher preparation processes, as discussed previously, these new automated systems would need to be either integrated or interfaced with a voucher computation system to decrease the amount of time from initiation of travel to final settlement of travel expenses.

Other System Problems

In addition to being stand-alone, nonintegrated systems that do not have the capability to exchange/share information, the over 60 separate WINIATS systems at DFAS and the USPFOS that can process travel vouchers for mobilized Army Guard soldiers do not consistently capture critical dates useful for management oversight and tracking. As a result, complete and accurate information is not transmitted to ODS—the separate DFAS database that stores disbursement transactions—and is not available for a variety of management needs. Specifically, many Army Guard USPFOS were not populating key data fields in WINIATS, such as the voucher preparation date, supervisor review date, and the travel

computation office receipt date. According to our *Standards for Internal Control in the Federal Government*, information should be recorded and communicated to management and others within the entity who need it, in a form and within a time frame that enables them to carry out their responsibilities.

These dates are key in providing DOD management with the information necessary to comply with TTRA, which requires DOD to reimburse soldiers for interest and fees when travel vouchers are paid late. In addition, these dates are essential in providing management with performance information that can help DOD improve its travel reimbursement process. A March 2003 report⁴¹ by DFAS Internal Review noted 39 percent of the claims it audited did not have the date of receipt in the travel computation office or the date the supervisor approved the voucher recorded in WINIATS. In April 2003, DFAS Indianapolis directed all travel computation offices using WINIATS to input the key dates of preparation, review, and receipt by a travel computation office. Our analysis of 622,821 Army Guard travel voucher transactions filed from October 1, 2001, through November 30, 2003, and processed by DFAS CTO and the USPFOs found that at least one of these key dates was not recorded in ODS for 453,351, or approximately 73 percent, of the transactions. Further, when we questioned the 54 USPFOs in March 2004, 33 of the 41 that responded told us that they were not capturing all of these critical dates. Many respondents were unaware that WINIATS could collect these dates.

In cases in which the key dates necessary to perform the evaluation were being captured, incorrect entries were not detected. A WINIATS representative told us that the system was not designed with certain edit checks to detect data anomalies such as those caused by erroneous data entry. We found that 52 of 191 in our nonrepresentative selection of travel vouchers filed by soldiers had incorrect dates recorded in ODS (e.g., the date of supervisory review predated the date of travel ended by nearly a year) and that these data entry errors were not detected. Without system edit checks to detect data anomalies, the accuracy and reliability of the data are questionable, and consequently, management cannot carry out its oversight duties.

⁴¹Defense Finance and Accounting Service Internal Review, *Army Travel Pay Services* (Arlington, Va.: Mar. 27, 2003).

Defense Travel System Currently Does Not Address Key Issues for Mobilized Army Guard Soldiers

DOD's current plan—deployment of the Defense Travel System (DTS)—to automate its paper-intensive, manual travel reimbursement process will not resolve key flaws we found in reimbursement of travel expenses to mobilized Army Guard soldiers. DOD recognized the need to improve the travel reimbursement process in the 1990s and has been developing and implementing DTS. However, DTS is currently not able to process mobilized travel authorizations (e.g., mobilization orders, TCS orders, and SNAs) and vouchers and, therefore, does not provide an end-to-end solution for paying mobilized Army Guard soldiers for travel entitlements. According to DOD, DTS will provide this capability when the Defense Integrated Military Human Resources System (DIMHRS) is implemented. Currently, DOD plans to deploy DIMHRS to the Army Guard in March 2006. In addition, DTS does not identify and calculate late payment interest and fees required by law. Furthermore, DFAS auditors have reported additional problems with DTS. Given DOD's past failed attempts at developing and implementing systems on time, within budget, and with the promised capability, and that the effort has already been under way for about 8 years, it is likely that the department will be relying on the existing paper-intensive, manual system for the foreseeable future.

In July 1994, the DOD Task Force to Reengineer Travel was formed to study the existing travel system. In January 1995, this task force concluded that the existing travel system was fragmented, inefficient, expensive to administer, and occasionally impeded mission accomplishment. It recommended new travel policies and procedures, simplified entitlements, and recommended the travel process take advantage of automation to become traveler friendly and efficient. In December 1995, the Program Management Office-Defense Travel System (PMO-DTS) was established to implement these recommendations and acquire reengineered travel services from commercial vendors.

At the end of fiscal year 2003, DOD reported investing nearly 8 years and about \$288 million in DTS. In 2003, PMO-DTS estimated an additional \$251 million was needed for DTS to be fully operational at the end of fiscal year 2006, resulting in an estimated total development and production cost of over 10 years and \$539 million. This cost estimate does not include deploying DTS to the majority of the Army Guard USPFOS. Although the Army Guard supplies most of the mobilized soldiers in support of the global war on terrorism, DTS deployment to the 54 USPFOS is not scheduled to begin until fiscal year 2006. The Army is expected to fund the majority of the costs to field the program to the USPFOS, where mobilized Army Guard

travel begins. The DTS total life cycle cost estimate, including the military service and Defense agencies, is \$4.39 billion.⁴²

DTS Is Not an End-to-End Solution for Paying Mobilized Army Guard Soldiers' Travel Entitlements

While DTS purports to integrate the travel authorization, voucher preparation, and approval and payment process for TDY travel, it does not integrate travel authorizations and reimbursements for mobilized Army Guard soldiers. DOD officials have stated that currently DTS cannot process mobilized Army Guard travel reimbursements involving various consecutive and/or overlapping travel authorizations. As discussed earlier, mobilized Army Guard travel involves various travel authorizations, most with overlapping dates. DOD officials acknowledged that DTS would not produce the various travel authorizations related to mobilization travel, because DOD is presently designing a pay and personnel system, DIMHRS, to accomplish this task. DOD's current strategy is for DTS to electronically capture the travel authorization information from DIMHRS, after which a soldier would use DTS to prepare and submit a travel voucher. This would require that DIMHRS have the capability to electronically capture the various authorizations applicable to Army Guard travel, such as mobilization and temporary change of station orders, and that SNAs are generated from a standard, automated system that can effectively interface with DTS. DOD officials do not plan to implement DIMHRS at the Army Guard until March 2006. As a result, the timing and ability of the Army Guard to process mobilization travel vouchers through DTS appears to hinge on the successful development and implementation of DIMHRS and its interface with DTS.

DTS Does Not Compute Late Payment Interest and Fees

DTS is not being designed to identify and calculate travelers' late payment interest and fees in accordance with TTRA. As discussed earlier in this report, DOD's current travel computation system does not automatically identify and calculate the TTRA late payment interest and fees. Furthermore, no controls are in place to ensure that the manual calculation is performed and that the interest and fee amounts are entered into the system for payment. According to DTS officials, DOD has not directed that

⁴²The life cycle cost estimate is the cost estimate for fiscal years 1996 through 2016 for the DOD business travel function expressed in constant fiscal year 2003 dollars. It includes investment costs for fiscal years 1996 through 2006, operations costs for fiscal years 2003 through 2016, and alternate system (status quo) phaseout costs for fiscal years 1996 through 2006.

DTS be designed to include such a feature. As a result, as currently designed, DTS provides no assurance that late payment interest and fees will be paid to travelers as required pursuant to TTRA. Further, the DTS design does not meet the expectation set out in the DOD *Financial Management Regulation*,⁴³ that DTS will automatically determine if a late payment fee is due.

Other Auditors Identify Problems with DTS

A DFAS Kansas City Statistical Operations and Review Branch report⁴⁴ identified several significant problems with the current DFAS implementation. Specifically, for the first quarter of fiscal year 2004, DFAS reported a 14 percent inaccuracy rate in DTS travel payments of airfare, lodging, and meals and incidental expenses. This report cited causes similar to those we identified in the areas of traveler preparation of claims and official review of claims. In addition to these deficiencies, DFAS noted errors in DTS calculations for meals and incidental expenses.

Another DFAS Internal Review report,⁴⁵ dated June 15, 2004, indicated that improvements were needed in DTS access controls to prevent or detect unauthorized access to sensitive files. DFAS Internal Review reported that the PMO-DTS had not established standard user account review and maintenance procedures. This leaves DTS potentially vulnerable to (1) prior DTS users retaining access to the system and (2) current users having improper access levels. The DFAS Internal Review report concludes that without conducting periodic account maintenance procedures and detecting unauthorized access, DTS is vulnerable to unauthorized individuals gaining access to the system and confidential information, resulting in potential losses to DOD employees and the government. The report also noted that DTS was not adequately retaining an audit trail of administrative and security data, leaving management unable to investigate suspicious activities or research problem transactions. At the conclusion of our audit work, PMO-DTS officials informed us that they have taken or plan to take steps to address the

⁴³DOD FMR, Vol. 9, ch. 8, para. 080803 (Oct. 2003).

⁴⁴Defense Finance and Accounting Service, Statistical Operations and Review Branch, *Military & Civilian Pay Services Defense Travel System: Results of Post Payment Reviews, 1st Quarter, FY 2004* (Kansas City, Mo.: undated).

⁴⁵Defense Finance and Accounting Service Internal Review, *Review of the Defense Travel System (DTS)* (Arlington, Va.: June 15, 2004).

problem areas in the two reports discussed above. We were unable to evaluate the potential effectiveness of those actions in time for release of this report.

Conclusions

As Army Guard soldiers heed the call to duty and serve our country in vital and dangerous missions both at home and abroad, they deserve nothing less than full, accurate, and timely reimbursements for their out-of-pocket travel expenses. However, just as we recently reported for Army Guard and Reserve pay, our soldiers are more often than not forced to contend with the costly and time-consuming “war on paper” to ensure that they are properly reimbursed. The process, human capital, and automated systems problems we identified related to Army Guard travel reimbursement are additional examples of the broader, long-standing financial management and business transformation challenges faced by DOD. Similar to our previously reported findings for numerous other DOD business operations, the travel reimbursement process has evolved over years into the stove-piped, paper-intensive process that exists today and was ill-prepared to respond to the current large and sustained mobilizations. Without systematic oversight of key program metrics, breakdowns in the process remain unidentified and effective controls cannot be established and monitored. Finally, DOD’s long-standing inability to develop and implement systems solutions on time, within budget, and with the promised capability appears to be a critical impediment in this area. While immediate corrective actions can be taken in some areas, the problems we identified with DOD’s longer term automated systems initiatives—DIHMRS and DTS—raise serious questions of whether and when mobilized soldiers’ travel reimbursement problems will be resolved.

Recommendations for Executive Action

We recommend that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller) and the Under Secretary of Defense (Personnel and Readiness), to take the following 23 actions to address the issues we found with respect to the controls over processes for payment of travel entitlements to mobilized Army Guard personnel.

Process

- Modify existing policies and procedures to require that mobilization and related travel orders clearly state meal entitlements. Such orders should

specify that mobilized soldiers are not required to pay for meals in government dining facilities.

- Develop and implement guidance to standardize the form and content of statements of non-availability for soldiers on contingency operations. The guidance should establish an acceptable basic SNA form (e.g., written, memo, stamp, number), and should address, but not be limited to, the following elements:
 - the period(s) covered,
 - the type of per diem (e.g., housing, meals),
 - the rationale for acceptance (e.g., shift work, inadequacy of transportation) or denial,
 - the applicable meal rates (e.g., locality meal rate, proportional meal rate), and
 - the required authorization levels and signatures.
- Clarify existing guidance in the PPG for contingency operations by including situational examples based on laws and regulations similar to those in the JFTR to assist decision makers in making determinations of nonavailability related to quarters and meals.
- Enhance efforts to ensure compliance with TTRA, through the payment of late payment interest and fees to soldiers for late travel reimbursements. Such efforts should include, at a minimum (1) updating DOD's *Financial Management Regulation* provisions concerning the payment of late payment interest and fees; (2) developing metrics pertaining to the payment of late payment interest and fees under TTRA and monitoring to ensure compliance; (3) considering the feasibility of identifying and paying those soldiers who were entitled to TTRA payments but, because DFAS made no such payments prior to February 2004, did not receive them; and (4) paying the soldiers who we determined were due late payment interest and any appropriate late payment fees.

Human Capital

- Consider appointing an agencywide leadership position or ombudsman with accountability for resolving problems Army Guard soldiers

encounter at any point in the travel authorization and reimbursement process.

- Develop and monitor programwide performance metrics to accomplish the following objectives:
 - identify the root causes of travel vouchers that are rejected and returned by DFAS CTO and USPFO travel computation offices, including the reasons why individual soldiers fail to timely and properly prepare and submit travel vouchers;
 - provide assurance that unit review of travel vouchers accomplishes the purposes of that review, including verifying that the required documents are attached and all needed signatures are included;
 - monitor and analyze supplemental voucher data to help identify recurring problems and solutions as well as the quality of the travel reimbursement program over time; and
 - document the types and frequency of travel-related problems reported to the DFAS toll-free number and measure the effectiveness of this customer service effort to help target areas where training or improved guidance may be warranted.
- Evaluate the adequacy and frequency of training provided to mobilized Army Guard soldiers that teaches them to accurately prepare and timely submit travel vouchers, including procedures for obtaining and submitting authorizing documentation for per diem entitlements.
- Review the outstanding travel payment problems we identified at the 10 case study units to identify and resolve any remaining travel-related issues for the affected soldiers.

Systems

Interim Improvements to Current Travel Pay System

- Develop enhanced policies and accountability mechanisms to use the current WINIATS system to comply with the requirements to identify late payments and reimburse soldiers for late payment interest and fees required pursuant to TTRA. Specific actions include

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- reiterating or enhancing current policies requiring the capture of critical dates for management oversight and compliance with TTRA, including steps required to activate the WINIATS Liaison Screen, and
 - providing training and guidance to the USPFOS on the use of WINIATS capabilities to capture traveler, reviewer, and travel computation office receipt dates, and to upload that information to DFAS's Operational Data Store system.
 - Develop and implement WINIATS system edit checks to ensure the accuracy of manual entries into WINIATS for the period of travel, the dates the traveler and reviewer signed the voucher, and the date the travel computation office received the voucher.
 - Develop an automated, centralized system for SNAs covering potential non-availability issues experienced by mobilized guard soldiers.
 - As part of the effort currently under way to reform DOD's travel (DTS) and pay and personnel systems (DIMHRS), incorporate a complete understanding of the Army Guard travel reimbursement problems as documented in this and related reports into the requirements development for these systems, including
 - automation of critical travel process functions such as travel vouchers and TCS orders;
 - integration or interface of automated travel vouchers, SNAs, TCS orders, mobilization orders, and other relevant systems; and
 - capabilities to identify, calculate, and pay late payment interest and fees required pursuant to TTRA.

Longer Term System Improvements

Agency Comments and Our Evaluation

In written comments on a draft of this report, which are reprinted in appendix II, DOD concurred with 21 of our 23 recommendations. DOD partially concurred with our recommendations regarding (1) development of an automated, centralized system for SNAs, covering potential nonavailability of government meals or lodging for mobilized Army Guard soldiers, and (2) incorporation into requirements development for DTS a complete understanding of the Army Guard travel reimbursement problems including late payment interest and fees pursuant to TTRA. The

actions proposed by DOD to these two recommendations do not ensure that SNA problems we identified will be corrected or that DOD will have a travel system in place that will comply with TTRA, thus continuing the risk that soldiers will not receive all payments they are entitled to receive. The department also requested the inclusion of additional responsible DOD officials in the recommendations section of this report, which we have added as appropriate.

Concerning our recommendation that DOD develop an automated, centralized system for SNAs, DOD responded that the Office of the Under Secretary of Defense (Personnel and Readiness) (OUSD (P&R)) and the DTS Program Management Office are working closely to ensure that functional requirements for military travel processes are incorporated in the development of DTS and DIMHRS. DOD also pointed out that DIMHRS is tentatively scheduled to be deployed to the Army National Guard in March 2006, and that therefore, it is not feasible to develop an “interim” automated, centralized system for SNAs. DOD also stated that in the interim, OUSD (P&R) will work with the military services’ lodging communities to establish a standard SNA, and that a centralized process will be developed for all military services.

Based on our understanding of the planned and existing functionalities of DTS and DIHMRS and the problems identified during our audit, we do not agree with DOD’s reasons for not resolving the stated weaknesses. Specifically, according to a DOD OUSD (P&R) official in the Requirements and Reengineering Division, Joint Requirements and Integration Office, DIMHRS is not currently being designed to issue SNAs. Further, although DOD stated that it plans to develop a standard SNA form and centralized SNA process, this response does not provide for the development of an automated system, which could be incorporated into the development of DIMHRS or DTS either as an integrated capability or an interoperable interface. By planning to work with lodging communities to establish a standard SNA, it appears that DOD is taking an initial step toward addressing the plight of mobilized Army Guard soldiers who have had problems regarding SNAs. However, DOD needs to ensure that all information regarding nonavailability of both lodging and meals is available to appropriate decision-makers in the SNA approval process.

The majority of problems experienced by Army Guard soldiers in our case studies related to whether meals were determined to be adequately available to soldiers in various circumstances such as the irregular hours required by guard duty, distance to meal facilities, inadequate

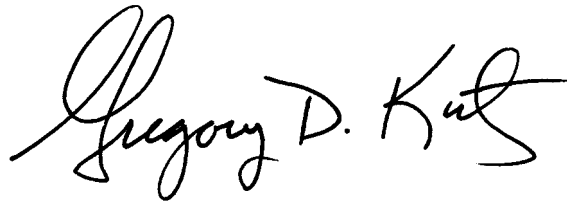
transportation to meal facilities, lack of 24-hour mess halls, or other circumstances. Proper consideration of these meal issues in addition to those related to lodging, generally includes review through the soldier's chain of command and installation commander and should result in timely decisions to either (1) issue SNAs that authorize per diem for meals, enabling Army Guard soldiers to be reimbursed for food from commercial locations or (2) ensure that Army Guard soldiers receive government-provided meals free of charge. Because DOD's comments do not provide solutions to the range of problems we observed with the SNA process, we continue to recommend that an automated, centralized system for SNAs be developed, which addresses the variety of nonavailability issues experienced by mobilized Army Guard soldiers.

In regard to DOD's partial concurrence with our recommendation related to DTS and TTRA compliance, DOD stated that this programming feature was not required because the travel reimbursement process is completed within 5 days of the traveler entering pertinent data into DTS. DOD's internal processes stipulate that before a travel voucher entered into DTS can be paid, it must be reviewed and approved. However, our report documented significant delays in the review and approval process in the current paper intensive system, and DOD did not provide any support for its claim that DTS reimbursements will be made within a 5-day period. We continue to see the need for full DOD implementation of this recommendation because the review and approval process is a human capital function that DTS will not replace. Further, the likelihood of late payment of travel vouchers processed through DTS remains because of potential factors such as (1) excessive work loads, (2) questions during document reviews, (3) inadequate attention to reviewer responsibilities, and (4) other unforeseen delays in the process. To ensure that Army Guard soldiers and others are paid late payment interest and fees required pursuant to TTRA, DTS would need to include capabilities to identify, calculate, and pay such late payment interest and fees. Such capability would also allow DOD to conduct ongoing monitoring of the timeliness of travel reimbursements made through DTS.

Finally, regarding the 21 recommendations with which DOD concurred, DOD indicated that the stated action(s) taken were complete with respect to the need for (1) mobilization and related travel orders to clearly state meal entitlements, (2) standardization of the form and content of SNAs for contingency operations, (3) development and monitoring of late payment interest and fee metrics, (4) appointment of an agencywide leadership position or ombudsman, (5) identification of root causes for untimely and

improperly prepared and submitted travel vouchers, and (6) evaluation of the adequacy and frequency of travel voucher preparation training provided to mobilized Army Guard soldiers. While the actions DOD described in commenting on our report appear responsive to our recommendations, we have not evaluated the effectiveness of their implementation and, therefore, cannot determine whether these measures will resolve the problems we identified.

As agreed with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its date. At that time, we will send copies of the report to interested congressional committees. We will also send copies of this report to the Secretary of Defense, the Under Secretary of Defense (Comptroller), the Secretary of the Army, the Director of the Defense Finance and Accounting Service, the Director of the Army National Guard, and the Chief of the National Guard Bureau. We will make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>. If you or your staffs have any questions regarding this report, please contact Gregory D. Kutz at (202) 512-9095 or kutzg@gao.gov, John J. Ryan at (202) 512-9587 or ryanj@gao.gov, or Mary Ellen Chervenik at (202) 512-6218 or chervenicm@gao.gov. Major contributors to this report are acknowledged in appendix III.



Gregory D. Kutz
Director
Financial Management and Assurance



Robert J. Cramer
Managing Director
Office of Special Investigations

List of Congressional Requesters

The Honorable Tom Davis
Chairman
Committee on Government Reform
House of Representatives

The Honorable Christopher Shays
Chairman, Subcommittee on National Security,
Emerging Threats, and International Relations
Committee on Government Reform
House of Representatives

The Honorable Todd Platts
Chairman, Subcommittee on Government Efficiency
and Financial Management
Committee on Government Reform
House of Representatives

Scope and Methodology

To obtain an understanding and assess the design of process, personnel (human capital), and system controls used to provide assurance that mobilized Army National Guard (Army Guard) soldiers were timely reimbursed for travel expenses and per diem entitlements, we

- reviewed applicable laws, regulations, policies, procedures, and program guidance;
- observed the travel authorization, review, approval and reimbursement process; and
- interviewed cognizant agency officials.

With respect to applicable laws, regulations, policies and procedures, we obtained and reviewed the

- Travel and Transportation Reform Act of 1998 (TTRA) (Pub. L. No. 105-264);
- General Services Administration's (GSA) *Federal Travel Regulation*;
- Department of Defense's (DOD) *Joint Federal Travel Regulation*;
- DOD's *Financial Management Regulation, Volume 9, Travel Policies and Procedures*;
- Army National Guard Financial Services Center's *The Citizen-Soldier's Guide to Mobilization Finance*; and
- Department of the Army's *Personnel Policy Guidance of Operations Noble Eagle (ONE), Enduring Freedom (OEF), and Iraqi Freedom (OIF)*.

We also reviewed the following Defense Finance and Accounting Service – Indianapolis (DFAS-IN), Travel Technical Messages (TTM)— policy implementation messages relating to late payment fees and interest:

- TTM 00-08, May 2000, which implemented the provisions of TTRA and provided that its terms applied to “settlement vouchers;”

- TTM 01-01, November 2000, which provided that late payment interest and fees be calculated and submitted by the traveler on the final payment amount only;
- TTM 03-04, April 2003, which removed the requirement that the late payment interest calculation was to be calculated and submitted by the traveler; and
- TTM 04-10, May 2004, which directed that late payment interest and fees be calculated on all travel vouchers, not just final vouchers, as well as directed reviewers to sign a travel voucher on the same day it is submitted so that DFAS-IN can apply TTRA requirements using the reviewer's signature date as a surrogate for the submission date.

We also used the internal controls standards provided in the *Standards for Internal Control in the Federal Government*.¹

We interviewed officials from the National Guard Bureau (NGB); United States Property and Fiscal Offices (USPFOs); Army and National Guard pay centers; unit, duty station, and mobilization station officials; and individual soldiers to obtain an understanding of their experiences in applying and complying with these policies and procedures.

In addition, as part of our audit, we performed a review of certain process and system controls. Specifically, we obtained information and documentation and/or performed walk-throughs of travel voucher processing through the Integrated Automated Travel System, Version 6.0 (WINIATS) at DFAS-IN and one Army National Guard USPFO. During those walk-throughs, we observed the operation of control activities over the review, approval, and timely and accurate payment of travel vouchers. We obtained documentation and performed walk-throughs regarding soldier readiness checks—the Army's mobilization station process to ensure that Army Guard units have and know what they need. We reviewed existing guidance for determining and authorizing nonavailability of housing and meals at duty stations. Because the systems that produce individual Army Guard soldiers' travel orders are decentralized and not integrated with travel reimbursement systems, we did not conduct walk-

¹GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999). These standards provide the overall framework for establishing and maintaining effective internal control.

throughs of them. However, we interviewed officials from Army National Guard USPFOS, NGB, DFAS-IN, and the Army Finance Command to augment our documentation and walk-throughs.

Because our preliminary assessment determined that current authorization, request, review, and approval processes used to pay travel reimbursements to mobilized Army Guard soldiers relied extensively on paper-intensive, nonintegrated systems and error-prone manual transaction entry, we did not statistically test current processes and controls. The lack of accurate and complete centralized data on Army Guard travel also precluded statistical testing. Instead, we used case study and data mining to provide a more detailed perspective of the design of controls and the nature of deficiencies in the key areas of processes, people (human capital), and systems. We focused on how these key areas were at work in the three phases of the travel and reimbursement process:

(1) authorizations; (2) travel voucher preparation, submission, unit review, and transmission of reimbursement claims; and (3) travel computation office review, reimbursement computation, audit, and payment.

For our case studies, we gathered available data and analyzed the pay experiences of Army Guard units mobilized in support of Operations Iraqi Freedom, Noble Eagle, and Enduring Freedom during October 2001 through November 2003. We audited the following 10 Army Guard units as case studies of the design of controls ensuring consistent, and accurate determination, authorization, communication, and documentation of per diem entitlements for soldiers assigned to those units:

- Alabama 20th Special Forces,
- California 185th Armor,
- California 19th Special Forces,
- Georgia 190th Military Police,
- Louisiana 239th Military Police,
- Maryland 115th Military Police,
- Mississippi 114th Military Police,
- Mississippi 20th Special Forces,

- Pennsylvania 876th Engineer Battalion, and
- Virginia 20th Special Forces.

In selecting these 10 units for our case studies, we sought to obtain the travel reimbursement experiences of units assigned to Operation Iraqi Freedom, Operation Enduring Freedom or Operation Noble Eagle. We limited our case study selection to those units mobilized during the period from October 1, 2001, through November 30, 2003. From our preliminary assessment of this population, we determined that military police and special forces units were experiencing problems related to per diem. We used mobilization data supplied by NGB to assist us in identifying military police and special forces units. From the 231 military police and special forces units in the NGB database, and our prior work on Army Guard military pay ([GAO-04-89](#)), we selected 4 special forces and 4 military police units experiencing problems related to per diem for case studies. Two other units were selected from a review of data furnished to us by DOD from its Remedy Tracking System. These 10 case studies were audited to provide a more detailed view of the types and causes of problems experienced by these units as well as the financial impact of these problems on individual soldiers and their families.

To obtain diverse perspectives on the nature of the reported per diem problems, we interviewed selected guard and duty station commanders (where the per diem problems were experienced) and selected individual soldiers experiencing travel reimbursement problems for our case study units. We also obtained and reviewed relevant individual travel vouchers and supporting documentation for soldiers in selected units. In addition, we used available data to estimate underpayments, overpayments, late payments, and meal entitlement amounts that Army Guard soldiers expected to receive. We referred eight units, which, at the end of our audit included Army Guard soldiers that were unpaid, partially paid, or in debt, to appropriate DOD officials to resolve any amounts owed to the Army Guard soldiers or to the government.

For our individual voucher data mining, we obtained a database from DFAS's Operational Data Store (ODS) of travel voucher reimbursement transactions for travel that began during the period October 1, 2001, through November 30, 2003. The data contained approximately 6 million civilian, Army, Army Reserve, and Army Guard travel voucher transactions paid through the DFAS-IN disbursing station symbol number 5570. These

travel vouchers accounted for \$3.8 billion in reimbursements. The ODS database did not uniquely identify mobilized Army Guard travel vouchers.

In order to identify Army Guard vouchers, we obtained a database extract of Army guard soldiers paid during the period October 1, 2001, through November 30, 2003, from the Defense Joint Military Pay System-Reserve Component. We did not verify the accuracy or completeness of either of these databases. Using dates of mobilized Army Guard service contained in the payroll database, we extracted the Social Security numbers for Army Guard soldiers with periods of active service of 30 days or greater. We matched the Social Security numbers from the Army Guard payroll database to the ODS travel reimbursement transaction database. There were approximately 623,000 travel voucher transactions processed for Army Guard for the period October 1, 2001, through November 30, 2003, totaling \$389 million. We then sorted the 623,000 travel vouchers by the number of days it took to get reimbursed from the date travel ended. We identified 26,414 travel vouchers that took over 120 days to get reimbursed. We made a nonrepresentative selection of transactions from the 26,414 grouping reimbursed after 120 days, along with travel vouchers selected from the unit case studies, and audited 191 travel vouchers. Our analysis of the 191 vouchers found that 52 had incorrect dates entered into the database and, in fact, were paid timely. We performed no further audit on these 52 travel vouchers and concentrated our analysis on the remaining 139 travel vouchers.

We obtained or requested copies of the travel vouchers and supporting documentation for each potential late reimbursement transaction selected—primarily the travel voucher, travel order(s), special authorizations such as certificates or statements of non-availability and missed meals, and receipts for other reimbursable expenses. We reviewed these data and used a data collection instrument to collect the information necessary and

- compared for accuracy the dates and amounts in the transaction database to the dates and amounts on the supporting documentation;
- calculated the days elapsed between (1) the date travel ended, (2) the date the traveler signed the travel voucher, (3) the date the unit reviewer signed the travel voucher, (4) the date received by the processing center, and (5) the date of payment to the soldier, and identified where the significant delay(s) occurred for each voucher; and

- attempted contact with the soldier, and, as appropriate, the unit reviewer, and the travel computation office to determine the reason(s) for all significant delays occurring between the end of travel and the date of reimbursement.

The scope of our review did not include verification of the accuracy of travel voucher payments.

For the purpose of determining the reasons for late reimbursements, we used available documentation supplemented with follow-up inquiries where possible with soldiers, unit supervisory reviewers, and the cognizant travel computation office personnel to gain insight into the facts, circumstances, and points of view of all relevant parties.

In our case studies, which focused on per diem problems, and in our vouchers, which focused on late reimbursements, we attempted to determine the issues surrounding soldiers' questions of accurate per diem reimbursements, and the reasons delays occurred in reimbursing soldiers for travel entitlements and expenses. As such, our audit results only reflect the problems we identified. Soldiers in our late pay and case study units may have experienced additional travel reimbursement problems that we did not identify. In addition, our work was not designed to identify, and we did not identify, any fraudulent travel reimbursement request or payment by any Army Guard soldiers. Because we could not contact² all individual soldiers and unit supervisory reviewers, we likely did not identify all of the effects on soldiers or the reasons for inaccurate or questioned per diem in our case study units and delays in the overall process resulting in late payments of travel reimbursements to Army Guard soldiers.

We reviewed TTRA and federal travel regulations. TTRA requires the payment of a late payment fee as prescribed by 41 C.F.R. § 301-71.210 requiring the payment of a late payment fee consisting of (1) late payment interest, generally equivalent to the Prompt Payment Act Interest Rate, plus (2) a late payment charge equivalent to the late payment charge, which could have been charged by the government travel card contractor. This late payment penalty and interest is to be paid to soldiers if their reimbursements are not paid within 30 days of the submission of proper

²Individuals could not be contacted for various reasons, including (1) being deployed overseas, (2) no longer in the Army Guard or Army, (3) no current contact number, and (4) not responsive to voicemail and e-mail inquiries.

vouchers. As part of our audit, we determined if any of the 139 individual vouchers we selected were timely and properly submitted by Army Guard soldiers and whether they had received late payment interest owed to them. We identified 75 vouchers that were properly submitted by Army Guard soldiers who should have received late payment interest totaling about \$1,400. Some of these soldiers may also have been entitled to a late payment fee in addition to the late payment interest. We referred the names of the affected soldiers to applicable DOD officials to resolve amounts owed to these soldiers.

Another source of information was the Remedy Tracking System, which DOD uses to track all controlled correspondence, such as congressional complaint letters. We asked DOD to provide all correspondence relating to travel-related expense issues. We analyzed the results from DOD for additional leads into travel voucher problems. We did not audit nor did we determine if the database provided to us by DOD was complete.

In our analysis of DOD's Defense Travel System (DTS), we (1) interviewed DTS program management office personnel and other DOD officials; (2) obtained demonstrations of the user interface with DTS; (3) reviewed a DOD IG audit report and DFAS post payment audit report on DTS; and (4) obtained cost information on DTS from DOD's, fiscal year 2005 Budget Estimate, Information Technology/National Security Systems Budget Exhibit dated February 2004.

We briefed DOD and Army officials, NGB officials, and DFAS officials on the details of our audit, including our findings and their implications. We received written DOD comments and have summarized those comments in the "Agency Comments and Our Evaluation" section of this report. DOD's comments are reprinted in appendix II. We conducted our audit work from November 2003 through September 2004 in accordance with U.S. generally accepted government auditing standards, and we performed our investigative work in accordance with standards prescribed by the President's Council on Integrity and Efficiency.

Comments from the Department of Defense



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

DEC 27 2004

Mr. Gregory D. Kutz
Director
Financial Management and Assurance
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Kutz:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) draft report, "Army National Guard: Inefficient, Error-Prone Process Results in Travel Reimbursement Problems for Mobilized Soldiers," dated November 22, 2004, (GAO Code 192111/GAO-05-79). The DoD concurs with 21 recommendations and partially concurs with two recommendations in the draft report. The Department is already taking action to correct the noted deficiencies. Our detailed responses are enclosed.

The Department appreciates the opportunity to comment on the draft report. My staff point of contact is Ms. Jacqueline Jenkins. She may be reached by email: jacqueline.jenkins@osd.mil or by telephone at (703) 697-8282.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Henke".

Robert J. Henke
Principal Deputy

Enclosure:
As stated

GAO DRAFT REPORT DATED NOVEMBER 22, 2004
GAO-05-79 (GAO CODE 192111)

"ARMY NATIONAL GUARD: Inefficient, Error-Prone Process Results
in Travel Reimbursement Problems for Mobilized Soldiers"

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to modify existing policies and procedures to require that mobilization and related travel orders clearly state meal entitlements. Such orders should specify that mobilized soldiers are not required to pay for meals in government dining facilities. (p. 82/GAO Draft Report)

DoD RESPONSE: Concur. The Army updated the Personnel Policy Guidance (PPG) to require the following statement on mobilization orders: "Meals and lodging will be provided at no cost to the soldier. Claims for reimbursement require a statement of non-availability control number." The Army National Guard has published instructions to all states and territories on automatically generating this on mobilization orders. This is in addition to similar statements already included in the orders formats for Temporary Change of Station (TCS) and Contingency Operations Temporary Tours of Active Duty. **Action is complete.**

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to develop and implement guidance to standardize the form and content of the statements of non-availability for soldiers on contingency operations. (p. 82/GAO Draft Report)

DoD RESPONSE: Concur. The Army updated the PPG to include standard data elements that must be included in a Statement of Non-Availability (SNA). It also provides additional guidance on issuing SNAs. **Action is complete.**

RECOMMENDATION 3: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to clarify existing guidance in the PPG for contingency operations by including situational examples based on laws and regulations similar to those in the Joint Federal Travel Regulation (JFTR) to assist decision-makers in making determinations on non-availability related to quarters and meals. (p. 83/GAO Draft Report)

DoD RESPONSE: Concur. Using the results of the GAO review, case examples will be added to the PPG in order to assist installations and commanders in determining non-availability of quarters and meals. The estimated completion date is February 1, 2005.

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RECOMMENDATION 4: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to enhance efforts to ensure compliance with the Travel and Transportation Reform Act of 1998 (TTRA) by updating DoD's Financial Management Regulation provisions concerning the payment of late payment interest and fees. (p. 83/GAO Draft Report)

DoD RESPONSE: Concur. The Defense Finance and Accounting Service (DFAS) will update DoD's Financial Management Regulation provisions concerning payment of interest and late fees. The estimated completion date is March 31, 2005.

RECOMMENDATION 5: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to enhance efforts to ensure compliance with TTRA by developing metrics pertaining to the payment of late payment interest and fees under TTRA and monitoring to ensure compliance. (p. 83/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS has developed metrics pertaining to the payment of interest and late fees under TTRA. The DFAS also monitors the metrics to ensure compliance with the TTRA. **Action is complete.**

RECOMMENDATION 6: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to enhance efforts to ensure compliance with TTRA by considering the feasibility of identifying and paying those soldiers who were entitled to, but did not receive interest and late payment fees because DFAS made no such payments prior to February 2004. (p. 83/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will consider the feasibility of identifying and paying those soldiers who were entitled to, but did not receive interest and late payment fees, because DFAS made no such payments prior to February 2004. The DFAS will report its findings and recommendations to the Deputy Chief Financial Officer. The estimated completion date is April 30, 2005.

RECOMMENDATION 7: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to enhance efforts to ensure compliance with TTRA by paying the soldiers which GAO determined were due late payment interest and any appropriate late payment fees. (p. 83/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will enhance efforts to ensure compliance with TTRA by paying the members which GAO determined were due late payment interest and any appropriate late payment fees. The estimated completion date is June 30, 2005.

Appendix II
Comments from the Department of Defense

RECOMMENDATION 8: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to consider appointing an agency wide leadership position or ombudsman with accountability for resolving problems Army Guard soldiers encounter at any point in the travel authorization and reimbursement process. (p. 84/GAO Draft Report)

DoD RESPONSE: Concur. The Army National Guard has established an ombudsman cell for all pay issues, to include travel reimbursement, for mobilized National Guard soldiers. The ombudsman cell already receives any potential rejects from the DFAS Contingency Travel Operation (CTO) and coordinates actions to minimize the impact on soldiers. **Action is complete.**

RECOMMENDATION 9: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to identify the root causes of travel vouchers that are rejected and returned by DFAS CTO and the United States Property and Fiscal Offices (USPFO) travel computation offices, including the reasons why individual soldiers fail to timely and properly prepare and submit travel vouchers. (p. 84/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will continue to provide reject data at both the summary and detail level to Army activities to include the Army National Guard. The Army will continue to monitor trends and use this data to identify challenges and solutions. This ongoing effort has already resulted in process changes significantly reducing rejects to soldiers for missing mobilization orders. Additionally, based on analysis of rejects and further review of mobilization/demobilization processing, travel related training and information flow to soldiers were greatly expanded as discussed under recommendation 13. The Army National Guard has published guidance to all states and territories reiterating the requirement for all claims for contingency and other operations related to mobilization under Title 10 to be processed centrally by DFAS. As such, there should be no mobilization-related travel claims rejected by USPFOs. **Action is complete.**

RECOMMENDATION 10: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to provide assurance that unit review of travel vouchers accomplishes the purpose of that review, including verifying that the required documents are attached and all needed signatures are included. (p. 84/GAO Draft Report)

DoD RESPONSE: Concur. The Army has published a reviewer checklist that is now being distributed at the demobilization stations. This checklist will be incorporated into the Army Mobilization Finance Standing Operating Procedures and the Army National Guard Unit Level Pay Procedures Manual. The reviewer's responsibilities will also be incorporated into the ongoing distance learning classes designed for mobilizing commanders. The estimated completion date is March 1, 2005.

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Comments from the Department of Defense

RECOMMENDATION 11: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to monitor and analyze supplemental voucher data to help identify recurring problems and solutions as well as the quality of the travel reimbursement program over time. (p. 84/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will monitor and analyze supplemental voucher data to help identify recurring problems and solutions as well as the quality of the travel reimbursement. The estimated completion date is February 28, 2005.

RECOMMENDATION 12: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to document the types and frequency of travel-related problems reported to the DFAS 800 number and measure the effectiveness of this customer service effort to help target areas where training or improved guidance may be warranted. (p. 84/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will document the types and frequency of travel-related problems reported to the DFAS 800 number and measure the effectiveness of this customer service effort to help target areas where training or improved guidance may be warranted. The estimated completion date is April 30, 2005.

RECOMMENDATION 13: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to evaluate the adequacy and frequency of training provided to mobilized guard soldiers in how to accurately prepare and timely submit travel vouchers, including procedures for obtaining and submitting authorizing documentation for per diem entitlements. (p. 85/GAO Draft Report)

DoD RESPONSE: Concur. In response to the ongoing analysis of rejected travel claims for mobilized soldiers, mobilization and demobilization finance processing was expanded to require briefings on travel entitlements and submission of claims. Demobilization stations are also required to assist soldiers with completion of claims. In addition, soldier pay handbooks, which include detailed instructions on travel entitlements and claims submission, were published by both the Army National Guard and U.S. Army Reserves. Travel entitlement flyers and travel claims submission and review checklists were also published and are distributed at mobilization/demobilization stations. This just-in-time training approach ensures soldiers receive the guidance and information when it is needed. **Action is complete.**

RECOMMENDATION 14: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to review the outstanding travel payment problems GAO identified at the 10 case study units to identify and resolve any remaining travel-related issues for the affected soldiers. (p. 85/GAO Draft Report)

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Appendix II
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DoD RESPONSE: Concur. The DFAS will review the outstanding travel payment problems GAO identified for the 10 case study units to identify and address any remaining travel-related issues for the affected members. The estimated completion date is April 30, 2005.

RECOMMENDATION 15: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to develop enhanced policies and accountability mechanisms to use the current Integrated Automated Travel System (WINIATS) to comply with the requirements to identify late payments and reimburse soldiers for late payment interest and fees required pursuant to TTRA. (p. 85/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will reiterate current policies associated with TTRA and provide updated guidance including the steps required to populate the WINIATS liaison screen. The DFAS will coordinate with the National Guard Bureau (NGB) to provide guidance and assistance on the use of WINIATS capabilities at DFAS and/or USPFO sites. The DFAS will also provide informational briefings at designated NGB conferences and workshops. In addition, DFAS will offer NGB end users semiannual instructions on the use of WINIATS. The estimated completion date is October 1, 2005.

RECOMMENDATION 16: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to reiterate or enhance current policies requiring the capture of critical dates for management oversight and compliance with TTRA, including steps required to activate the WINIATS liaison screen. (p. 85/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will reiterate current policies associated with TTRA and provide updated guidance including the steps required to populate the WINIATS liaison screen. The estimated completion date is February 28, 2005.

RECOMMENDATION 17: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to provide training and guidance to the USPFOs on the use of WINIATS capabilities to capture traveler, reviewer, and travel computation office receipt dates, and to upload that information to DFAS's Operational Data Store system. (p. 85/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will coordinate with NGB to provide guidance and assistance on the use of WINIATS capabilities at DFAS and/or USPFO sites. The DFAS will also provide informational briefings at designated NGB conferences and workshops. In addition, DFAS will offer NGB end users semiannual instruction on the use of WINIATS. The estimated completion date is October 1, 2005.

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RECOMMENDATION 18: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to develop and implement WINIATS system edit checks to assure the accuracy of manual entries into WINIATS for the period of travel, the dates the traveler and reviewer signed the voucher, and the date the travel computation office received the voucher. (p. 86/GAO Draft Report)

DoD RESPONSE: Concur. The DFAS will implement system edit checks to assure accuracy of manual entries into WINIATS for the period of travel, the dates the traveler and reviewer signed the voucher, and the date the travel computation office received the voucher. The estimated completion date is April 1, 2005.

RECOMMENDATION 19: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, to develop an automated, centralized system for SNAs covering potential non-availability issues experienced by mobilized guard soldiers. (p. 86/GAO Draft Report)

DoD RESPONSE: Partial Concur. The Office of the Under Secretary of Defense (Personnel and Readiness) (OUSD(P&R)) and the DTS Program Management Office are working closely to ensure functional requirements for military travel processes are incorporated in the development of DTS and DIMHRS. DIMHRS is tentatively scheduled to be deployed to the Army National Guard in March 2006. Therefore, it is not feasible to develop an "interim" automated, centralized system for SNAs covering potential non-availability issues experienced by mobilized guard soldiers. However, in the interim, OUSD (P&R) will work with the Military Services' lodging communities to establish a standard SNA. Additionally, a centralized process will be developed for all Military Services.

RECOMMENDATION 20: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller), to incorporate a complete understanding of the Army Guard travel reimbursement problems as documented in this and related reports into the requirements development for these systems. (p. 86/GAO Draft Report)

DoD RESPONSE: Concur. The DTS Program Management Office will incorporate any necessary software changes after the Army and DFAS complete a review of the reimbursement process. The estimated completion date for the review is February 2006.

RECOMMENDATION 21: The GAO recommended that as part of the effort currently underway to reform DoD's travel (DTS) and pay and personnel systems (DIMHRS), that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller) to incorporate a complete understanding of the Army Guard travel reimbursement problems, as documented in this and related reports, into the requirements

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Comments from the Department of Defense

development for these systems, including automation of critical travel process functions such as travel vouchers and TCS orders. (p. 86/GAO Draft Report)

DoD RESPONSE: Concur. The OUSD (P&R), DTS Program Management Office, and the Army will ensure that the Army National Guard requirements are identified and incorporated into DTS and DIMHRS, to include automation of critical travel process functions, such as travel vouchers. The estimated completion date is March 2006.

RECOMMENDATION 22: The GAO recommended that as part of the effort currently underway to reform DoD's travel (DTS) and pay and personnel systems (DIMHRS), that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller) to incorporate a complete understanding of the Army Guard travel reimbursement problems, as documented in this and related reports, into the requirements development for these systems, including integration or interface of automated travel vouchers, SNAs, TCS orders, mobilization orders, and other relevant systems. (p. 86/GAO Draft Report)

DoD RESPONSE: Concur. The OUSD(P&R), DTS Program Management Office, and the Army will ensure that Army National Guard travel reimbursement requirements are identified and addressed in the requirements development for DTS and DIMHRS, to include the integration and interface of automated travel vouchers, SNAs, mobilization orders, and other relevant systems. The estimated completion date is March 2006.

RECOMMENDATION 23: The GAO recommended that as part of the effort currently underway to reform DoD's travel (DTS) and pay and personnel systems (DIMHRS), that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller) to incorporate a complete understanding of the Army Guard travel reimbursement problems, as documented in this and related reports, into the requirements development for these systems, including: identifying, calculating, and paying late payment interest and fees required pursuant to TTRA. (p. 86/GAO Draft Report)

DoD RESPONSE: Partial Concur. The OUSD(P&R), DTS Program Management Office, and the Army agree with the intent of the recommendation. However, DTS is not currently programmed to identify, calculate, and pay late payment interest and fees required pursuant to the TTRA. Under DTS, this programming feature is not required because the travel reimbursement process is completed within 5 days of traveler entering and transmitting pertinent data into DTS.

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GAO DRAFT REPORT DATED NOVEMBER 22, 2004
GAO-05-79 (GAO CODE 192111)

"ARMY NATIONAL GUARD: Inefficient, Error-Prone Process Results
in Travel Reimbursement Problems for Mobilized Soldiers"

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS

Addendum to GAO Draft Report 05-79:

1. In the final report, request that GAO change recommendation 19 to read: "The GAO recommended that the Secretary of Defense direct the **Under Secretary of Defense (Personnel and Readiness), in conjunction with the Army and the Under Secretary of Defense (Comptroller)**, to develop an automated, centralized system for SNAs covering potential non-availability issues experienced by mobilized guard soldiers."
2. In the final report, request that GAO change recommendations 20 through 23 to read: "The GAO recommended that as part of the effort currently underway to reform DoD's travel (DTS) and pay and personnel systems (DIMHRS), that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Under Secretary of Defense (Comptroller) and the **Under Secretary of Defense (Personnel and Readiness)** to incorporate a complete understanding of the Army Guard travel reimbursement problems as documented in this and related reports into the requirements development of these systems....."

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