BY THE U.S. GENERAL ACCOUNTING OFFICE

# Report To The Chairman, Subcommittee On Legislation And National Security, Committee On Government Operations House Of Representatives

# State Department And USIA Ship Travel And Travel Advances

The Department of State and the U.S. Information Agency allow personnel to use ship transportation for home leave and transfer of assignment travel. GAO found that this practice increases the transportation cost and travel time of personnel and their families to and from overseas posts.

GAO also found that travel advance management by these agencies is inadequate, resulting in write-offs and delinquencies of travel advances. Although some improvements are planned, the problems may not be fully corrected for years until State's new financial management system is fully implemented.

GAO recommends that the use of ship transportation for official travel be discontinued unless for medical reasons or the traveler is required to pay the additional costs. GAO also recommends that immediate steps be taken to reconcile travel advance accounts and ensure that accounts are properly managed in the future.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

B-218977

The Honorable Jack Brooks
Chairman, Subcommittee on Legislation
and National Security
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

In response to your March 28, 1984, letter, we examined travel practices at the Department of State and the United States Information Agency (USIA) to determine whether they are in accordance with applicable laws and regulations and in the U.S. government's best interest.

Our review disclosed two significant problem areas which we believe have resulted in unreasonable and excessive use of government travel funds: (1) ship travel for post assignments, transfers, and home leave and (2) mismanagement of travel advances. Additionally, we found several other problems, including lack of justification for using foreign air carriers and first-class accommodations, and miscellaneous administrative deficiencies, such as inadequate record-keeping, minor reimbursements for unauthorized expenses, and late submission of travel vouchers.

## SHIP TRAVEL

Upon examining available records, we found that about 260 foreign service travelers used ship transportation during fiscal years 1982 through 1984, at a total cost of $556,232. We estimated that air fares for the same travel would have cost about $160,047.[1] These employees used riverboats in the United States and ocean liners, such as the Queen Elizabeth II (a luxury cruise ship), for home leave and official transfers.

[1]These are 1985 air fare costs for respective destinations. We could not readily establish accurate air fares for previous years due to fluctuations in the costs. We were told by travel office staffs at State and USIA that air fares generally increased during this period. Assuming this is true, our estimates of the differences between travel by air and by ship are conservative since the estimated cost of travel by air in previous years would be overstated.

Ship travel also entails additional travel time (5 days by ship versus 6 1/2 hours by airplane from England to New York) and per diem costs, which are paid for by the government. We did not compute these additional costs. Five examples of ship travel follow, and the details of all trips we identified are included in appendix I.

--A USIA officer and his family were transferred from Montevideo, Uruguay, to Washington, D.C., and were authorized travel to his designated home in Iowa. The estimated air fare for his family (two adults and two children) was $3,348. The officer traveled by various means. One segment of the trip was made on the Delta Queen Company riverboat from New Orleans to St. Louis at a cost of $12,760. An additional $1,680 was incurred to continue the riverboat trip to his hometown in Iowa. The total cost of the riverboat trip was $14,440. The total transportation cost for the trip was $21,559.

--A USIA officer departed from Argentina with his five dependents for a 12-day trip by ship around South America to Peru, where they caught a flight to Washington, D.C., for his reassignment. The ship fare was $11,417 and air fare was $2,432, totalling $13,849. Air fare from Argentina to Washington, D.C., would have been about $6,200.

--A USIA employee flew from Buenos Aires, Argentina, to San Diego, California, on home leave at a cost $1,585. On his return trip, he flew to Panama, via Washington, D.C., where he boarded a ship for a 19-day trip to Buenos Aires. The ship fare was $6,565. Air fare from Panama to Buenos Aires would have been about $602.

--A State Department employee and his six dependents flew from New Delhi, India, to Spokane, Washington, for home leave. For their return, they flew to New York, took a 5-day trip on the Queen Elizabeth II to Southampton, England, and flew from London to New Delhi. The ship fare was $18,407. The air fare from New York to London would have been about $4,732.

--A State Department employee and his wife flew from Islamabad, Pakistan, to Bangkok, Thailand, and boarded the Queen Elizabeth II as first-class passengers on a 19-day trip to Hawaii. From Hawaii, they flew to Los Angeles for home leave. Total transportation cost of the trip was about $15,050; the ship cost was $13,761. A flight from Islamabad to Los Angeles would have cost about $2,760.

Regulations regarding ship travel are contradictory

The Federal Travel Regulations do not apply to foreign service personnel. Instead, foreign service regulations are prescribed in the Foreign Affairs Manual (FAM), in accordance with the authority granted to the Secretary of State by the Foreign Service Act of 1980, as amended. Although air transportation is encouraged, travel by ship is authorized by Volume 6 of the FAM (6 FAM), dated July 19, 1974. The regulation also requires that employees "use the most direct and expeditious routes consistent with economy" and "...exercise good judgment in the costs they incur for all official transportation expenses as if they were personally liable for payments." The regulations state that claims for travel costs will be audited and approved according to this philosophy.

State, USIA, and Agency for International Development (AID) personnel officials in Washington, D.C., authorize travel for home leave and transfers under 6 FAM. After employees receive authorization, they can make their own travel arrangements, including ship travel. Regarding ship travel, each agency applies the regulation differently: State Department employees may travel round-trip by ship, USIA employees may use a ship one-way only, and AID employees may use a ship for medical reasons only. State and USIA officials in Washington, D.C., who review and approve claims after travel is completed, and employees we contacted who have traveled by ship stated that ship travel is acceptable since it is authorized by regulation.

Following extensive adverse publicity resulting from the use of a Mississippi riverboat by the USIA official transferred from Uruguay to Washington, the Secretary of State directed that riverboats will no longer be used as a form of transportation or, if used, the traveler will be reimbursed for the more economical means of travel. This direction has not yet been incorporated in the FAM, which governs State and USIA travel.

TRAVEL ADVANCE REIMBURSEMENTS

At the time of our review, the State Department and USIA had a total of $13.6 million in outstanding travel advances. Of this amount, $12.3 million was overdue by at least 30 days.[2] In addition, accounts totalling at least $876,662, which have

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[2]According to 4 FAM a traveler is required to submit a travel voucher for reimbursement or remit a refund of the travel advance within 30 days following completion or cancellation of travel. If these requirements are not met within the 30-day period, the traveler's account is considered delinquent or overdue by the State Department or USIA.

accumulated over 10 years, have been written off during 1984 and 1985. These delinquencies and write-offs have resulted from problems in accounting for, controlling, and monitoring travel advances--problems which have persisted for years.

In a 1982 letter to State's Under Secretary for Management, the Department's Comptroller identified four major reasons for these problems and the resulting backlog of uncollected funds: (1) employees fail to comply with travel regulations, (2) department fund managers lack commitment to monitor and collect travel reimbursements, (3) accounts contain errors and faulty data, and (4) insufficient staff is available to track, process, and maintain accounts.

State's Inspector General noted that as of September 1983, outstanding travel advances totalled $8.9 million, of which $4.9 million was delinquent due to the same problems noted by the Comptroller. As of May 1985, these problems still exist.

USIA's Inspector General has noted similar problems. In a report issued in March 1985, problems with delinquencies, collections, and write-offs were discussed, and the management of travel advances was described as "an embarrassment to the agency."

## Travelers' compliance and managers' commitment to collection are lacking

Although travelers are required to submit a travel reimbursement voucher and/or remit a refund within 30 days following completion of travel or postponement or cancellation of travel, we found accounts which were outstanding for up to 7 years.

State and USIA fund managers have many tools available to achieve prompt recovery of delinquent accounts: For example, under the Debt Collection Act of 1982, agencies are required to assess interest on delinquent accounts and authorized to collect debts through involuntary payroll deductions. However, travel officials were reluctant to use either of these methods. According to the Director, Office of Fiscal Operations, State has never charged interest on delinquent accounts. In fiscal year 1984 only 11 of a total 8,100 delinquent accounts totalling about $9.0 million were referred for payroll deductions. Of these 11 accounts totalling $8,322, 2 accounts should not have been referred, 4 were never collected, and 5 yielded $1,135 in reimbursements. The State IG report dated February 1984 noted that some post fund managers were not committed to controlling travel advances and had the attitude that accounting and collecting reimbursements were the responsibility of the traveler and the Comptroller's Washington finance office.

Advance accounts are inaccurate

Records on travel accounts are of questionable accuracy because data is either missing or has not been entered into the computer system in a timely manner, or has been miscoded. Because many travelers ignore the 30-day requirement, the travel advance sections have an added burden of tracking and settling their accounts.

State Department and USIA have made efforts to correct travel advance accounts. From May to August 1984, State's travel advance staff was instructed to validate about 9,000 accounts. During this period, about 966 accounts were written off because of age, incomplete and/or inaccurate information, and/or inability to locate respective debtors, for a total of $410,800. A contractor was also hired at a cost of $4,000 for 1 month (May 1984) to adjust approximately 2,000 travel advance accounts. As of January 1985, USIA had written off about $465,800 in accounts from a total of $738,700 in uncollected advances which had accumulated during fiscal years 1974 through 1981.

Six months after these attempts to correct advance balances, we reviewed 600 accounts, at random, to determine their accuracy. We found that many accounts remained delinquent--some dated back to 1982 and had not been collected, and 113 had negative balances, which indicates miscodings, errors in the data, or overpayment by the traveler.

Insufficient staff
to manage workload

State's travel advance control unit staff of five and USIA's one travel advance clerk are tasked to bill travelers, refine data, research and correct miscodings, identify delinquent accounts, and answer travelers' inquiries on hundreds of daily transactions. The volume of the current workload and the backlog of unsettled accounts are more than the staff can handle, as evidenced by State's 1984 IG report, which recommended that additional resources be added to State's travel section. As of May 1985, the State Comptroller had not requested an increase in staff.

Officials in the Comptroller's office acknowledged that serious problems exist in the management of travel advances. Officials have stated that the Department's new financial management system, when fully operational, will address these problems. Based on current schedules and projections, however, the new system may not be fully operational for at least 2 more years.

## OTHER PROBLEMS

In addition to problems cited above, we found the following deficiencies: (1) travel claims lacked justification and documentation required by the regulations, (2) travelers were reimbursed for averaged expenses when they should have been reimbursed for actual expenses, and (3) travelers often submitted vouchers after the 30-day time limit. These problems, which are described in more detail in appendix III, mainly resulted from a failure to enforce existing regulations. For example, in our examination of travel vouchers, we found many which lacked justification for using first-class accommodations or foreign air carriers--as required by 6 FAM. Of the 474 State and USIA vouchers we examined in Bonn, Germany, for fiscal years 1982 through 1984, 218 lacked justifications for using a foreign carrier or first-class accommodations. Most of these vouchers were submitted by diplomatic couriers. According to State officials, in practice, couriers receive special treatment because they travel so frequently.

## CONCLUSIONS AND RECOMMENDATIONS

The use of ship travel unnecessarily increases the cost of transporting foreign service personnel and their families to and from overseas posts. Air transportation is available and is more practical and economical for official travel in today's environment. Contradictory wording in the foreign service travel regulations, while allowing travel by ship, causes inconsistent application of the policy among foreign affairs agencies.

Travel advance management by the Department of State and USIA is inadequate. Write-offs and delinquencies of travel advances have resulted in significant costs to the government. Although corrections and improvements are planned, it appears that the problems may not be fully corrected for years.

Other problems which we identified can be corrected by tightening management controls to ensure that policies, procedures, and regulations are enforced.

We recommend that the Secretary of State and the Director, USIA:

--Revise travel regulations for home leave and transfer travel to require a cost comparison on all transportation costs between the points of origin and destination, and to require the traveler to pay the difference between the least costly method which provides reasonable travel comfort and safety and any other travel route or mode the traveler chooses. Regulations should preclude ship travel unless required for medical reasons or unless the traveler pays additional costs.

--Reconcile all delinquent travel advance accounts immediately and take the necessary steps to ensure that travel advances are properly managed in the future.

--Reemphasize to authorizing and certifying officers the importance of enforcing existing regulations.

Our review was conducted in the Department of State and USIA during the period May 1984 to February 1985. We performed field work at the American embassies in Panama City, Panama; Buenos Aires, Argentina; Brasilia, Brazil; New Delhi, India; Manila, the Philippines; Bonn, Germany; and Nairobi, Kenya. We selected these field locations based on the relatively high volume of temporary duty and ship travel involved in these areas.

At the State Department and USIA, we reviewed all accounting records from fiscal years 1982 through 1984 and a limited number for FY 1981 to identify ship travelers and the costs of their trips. We reviewed about 1,200 travel vouchers for compliance with travel regulations.

We did not obtain the views of responsible officials on our conclusions and recommendations or ask the Department of State or USIA to provide official comments on a draft of this report. Except as noted above, our review was conducted in accordance with generally accepted auditing standards.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

Frank C Conahan

Frank C. Conahan
Director

## COST OF SHIP TRAVEL IS EXCESSIVE

The use of ship travel for home leave and transfer of foreign service personnel results in excessive, unnecessary expense to the government. In our review of travel accounts and vouchers for fiscal years 1982 through 1984, we identified 260 foreign service travelers who had used ship transportation at an approximate cost of $556,232. (For a detailed listing of trips by ship, their costs, and a comparison of ship versus air fares, see pp. 7-19.) Estimated air fares for these trips totalled $160,047.[1] In some cases, excess foreign currency[2] was used to pay for this transportation.

We also compared travel times of trips by ship with air travel. For example, travel time between England and New York by ship is 5 days. The same trip by air takes 6-1/2 hours. Because the employee is traveling on government time, using a ship results in additional costs in per diem and salary and loss of time away from duty.

While Foreign Affairs Manual, Volume 6 (6 FAM 131.1), permits ship travel, other sections (6 FAM 114, 115, and 131) require that the traveler use the most direct and expeditious route consistent with economy, and bear any extra expense associated with travel for personal convenience. Some employees have taken advantage of this conflict in the regulation, and State and USIA officials have approved such travel.

From fiscal years 1982 through 1984, travelers used riverboats and ocean-going ships for travel, mostly in first-class accommodations, up the Mississippi River; across the Pacific Ocean between the Far East and Hawaii; across the Atlantic Ocean from England to New York and Philadelphia; and from the east coast of South America around the Cape, through the Strait of Magellan, then north up the west coast of South America to the west coast of the United States.

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[1]These are 1985 air fare costs for respective destinations. We could not readily establish accurate air fares for previous years due to fluctuations in the costs. We were told by travel office staffs at State and USIA that air fares generally increased during this period. Assuming this is true, our estimates of the differences between travel by air and by ship are conservative since the estimated cost of travel by air in previous years would be overstated.

[2]When foreign currencies owned by the U.S. government are in excess of the normal requirements of the United States, the U.S. Treasury declares them excess foreign currencies. Both India and Pakistan rupees are currently in excess status.

## SOME EXAMPLES OF SHIP TRAVEL BY FOREIGN SERVICE OFFICERS

### Example #1

A USIA officer being transferred to Washington used riverboat travel up the Mississippi from New Orleans when going on home leave. The officer, with his wife and children, was being transferred from Montevideo, Uruguay, to Washington, D.C., with home leave in Iowa. Beginning in Montevideo, they flew to Santiago, Chile; from Santiago to Valparaiso by automobile; from Valparaiso to Lima, Peru, by ship; from Lima via Miami to New Orleans by air; from New Orleans to Burlington, Iowa, by riverboat on the Mississippi Queen (of the Delta Queen Steam Boat Company). The ship travel costs were $17,279 and the air portion $4,209. The riverboat trip was 14 days long and cost $14,360. On a constructive travel basis, the family of four could have flown from Montevideo to Iowa for about $3,348.

This trip was the subject of a Comptroller General's decision dated February 14, 1984. The Comptroller General ruled that the officer travelled an indirect route and therefore was liable for extra transportation and annual leave costs. USIA was instructed to recoup about $12,760 in transportation costs from the traveler. However, this had not been done. The officer appealed the case to the Foreign Service Grievance Board. The Board concluded hearings on March 20, 1985. On July 23, 1985, the Board ruled in favor of the officer and directed the USIA to withdraw its claim against him for the sums paid by the agencies for the riverboat travel. In December 1984 the Secretary of State directed that employees will no longer use riverboats as a form of transportation, or if used, they will be reimbursed only for the more economical means of transportation.

### Example #2

A State Department officer and his wife, also a foreign service officer, were transferred from San Jose, Costa Rica, to Washington, D.C., with home leave in the Chicago area. His itinerary was as follows: from San Jose to Cancun, Mexico, by air; then to New Orleans by air; from New Orleans to St. Louis by the Mississippi Queen riverboat; and from St. Louis to Chicago, his home leave area, and then to Washington by air. The total air fare cost was $1,408, and the 11-day river trip cost was $5,280 for a total cost of $6,688. The two could have flown from San Jose to Chicago for about $755. State Department officials maintained that the traveler used a direct route to his home leave area; therefore, the trip costs were acceptable, and no action to recoup additional transportation costs will be taken by the Department.

Example #3

A State Department officer, with four dependents, transferred from Montevideo, Uruguay, to Washington, D.C., with home leave in the San Francisco area. He flew from Montevideo to Santiago, Chile, at a cost of $668, boarded a Delta Lines ship for a 13-day trip up the west coast of South America and Mexico to Los Angeles at a cost of $12,505. The total cost of this one leg of the trip was $13,173. The family could have flown from Montevideo to San Francisco for $4,950.

Example #4

A State Department officer stationed in Buenos Aires went on home leave with three dependents to Los Angeles by air via Washington, D.C. He scheduled the return trip by ship from Los Angeles to Buenos Aires at a cost of $20,770. After missing the ship's departure in Los Angeles, they flew to Colombia and boarded a Delta Lines ship in Cartagena for a 25-day trip to Buenos Aires at a cost of $18,156. The family could have flown from Los Angeles to Buenos Aires for about $3,360.

Example #5

A State Department officer transferring from Chile to Washington with home leave departed Valparaiso, Chile, via ship for a 6-day trip to Guayaquil, Ecuador, at a cost of $2,100. He flew from Guayaquil to Washington at a cost of $402. The total cost of the trip was $2,502. Air fare from Santiago, Chile, to Washington would have been about $840.

Example #6

A USIA officer, with five dependents, was transferred from Buenos Aires to Washington. The officer departed Buenos Aires by ship for a 12-day trip around the Strait of Magellan, up the west coast to Lima, Peru. They flew from Lima to Washington. The air fare was $2,432, and ship costs were $11,417 for a total cost of $13,849. The officer and his dependents could have flown from Buenos Aires to Washington for about $6,150.

Example #7

A USIA officer flew from Buenos Aires to San Diego for home leave at a cost of $1,585. On his return, he traveled by train to Washington and then he flew to Panama, where he boarded a ship for a 19-day trip to Buenos Aires. The ship fare from Panama to Buenos Aires was $6,565. He could have flown from Washington to Buenos Aires at a cost of about $1,025.

Example #8

A USIA officer, with four dependents, went on home leave from Valparaiso, Chile, to Tacoma, Washington, on a Delta line ship for a 20-day trip with stops at Lima, Peru; Guayaquil, Ecuador; Los Angeles and San Francisco, California; Vancouver, Canada; and Tacoma, Washington. This part of the trip cost $13,395. He and his family returned to Valparaiso by air at a cost of about $3,835.

## COST COMPARISON BETWEEN AIR TRAVEL AND MIXED SHIP/AIR TRAVEL

To compare cost differences between air travel and mixed ship/air travel, we obtained details on 10 specific trips, 9 of which were for home leave and transfer travel. The tenth trip was a home leave and return trip. All trips included air transportation between New Delhi and England, ship between England and New York, and air from New York to the home leave destination and subsequent transfer to the new post.

We computed the total cost of the trips as taken and compared it to estimated costs had the trips been made entirely by air. In all cases, the costs of the trips with ship and air travel combined were greater than the trips made by air only. We found that excess costs because of travelling by ship ranged from $2,419 for a single person to $13,314 for a family of four.

The following table shows the total actual cost of the trip, the estimated cost had the trip been entirely by air, and the excess cost involved.

| Trip | Family size | Actual cost of trip | Estimated cost by air | Cost difference |
|---|---|---|---|---|
| 1 | 1 | $ 4,089 | $1,670 | $ 2,419 |
| 2 | 1 | 4,195 | 1,686 | 2,509 |
| 3 | 4 | 12,142 | 3,931 | 8,211 |
| 4 | 4 | 13,572 | 5,603 | 7,969 |
| 5 | 2 | 7,933 | 2,801 | 5,132 |
| 6 | 4 | 13,515 | 3,818 | 9,697 |
| 7 | 4 | 17,279 | 3,965 | 13,314 |
| 8 | 4 | 14,028 | 4,436 | 9,592 |
| 9 | 5 | 17,448 | 4,715 | 12,733 |
| 10 | 1 | 6,109 | 1,964 | 4,145 |

## USE OF EXCESS CURRENCY TO PURCHASE TICKETS FOR THE QUEEN ELIZABETH II

According to foreign service travel regulations (FAM 133.2-1) foreign flag ships can be used for travel when payment can be made with surplus foreign currency (see footnote 2 on page 1) owned by the U.S. government and when American flag ships do not operate on the route.

Both the Office of Management and Budget and the Department of State issue bulletins for guidance concerning the use of excess foreign currency. Department of State's Foreign Currency Bulletin Number 1, Revised, dated January 27, 1984, gives guidance for the use of excess or near-excess foreign currencies for transportation, per diem, and related costs. The bulletin encourages U.S. government travelers in excess currency countries to use such currency to purchase transportation for official business. Both India and Pakistan rupees are currently in the excess status.

We found in many cases that the foreign service officers of State and USIA use excess currency to purchase Queen Elizabeth II (QE-II) ship transportation with first-class accommodations on some portion of their home leave or transfer trips across the Pacific and Atlantic Oceans. Excess currency can be used for any type of transportation and could purchase the more economical air fare for home leave and transfers from post to post.

## FOREIGN SERVICE OFFICERS' ATTITUDES TOWARD SHIP TRAVEL

In six interviews we conducted in Buenos Aires, New Delhi, and Manila during our review, State and USIA foreign service officers who had traveled by ship expressed the following similar views:

--Prior approval was not received, nor was approval necessary for ship travel.

--Ship travel was chosen because it is a restful and relaxing way to travel.

--Ship travel was considered to be a fringe benefit.

--Travel by ship was known to cost more than air travel.

One of the State employees interviewed said that he had recognized the conflict in the regulation and that he felt it was "ridiculous" to allow ship travel for State employees.

## STATE, USIA, AND AID VIEWS ON SHIP TRAVEL

State's Director of Fiscal Operations--whose staff is responsible for reviewing and approving travel vouchers--stated that he had approved and paid for ship transportation because regulations allow such travel.

USIA's Associate Director for Management said that ship travel is acceptable because the regulations do not prohibit it. He further said that if such travel is to be prohibited, the regulations should be changed to reflect this. The Chief of Foreign Service Personnel Division, USIA, who is responsible for managing USIA's home leave and transfers, agreed with the Associate Director's views.

Top management officials from the Agency for International Development (AID) said they believe ship travel is too costly and time-consuming. Their policy, which has been in effect for almost 14 years, is that travel authorizations after December 31, 1971, will exclude ship travel except under the following conditions:

--Per diem is limited to the number of days required for air travel, including time zone allowance.

--Annual leave is charged for work days in excess of normal flight time, plus time zone allowance.

--Ship travel is to be on a constructive cost basis. Any excess over economy class air passage is charged to the employee.

--An individual with a medical certificate prohibiting air travel may use a ship.

## CONCLUSIONS AND RECOMMENDATIONS

In most cases ship travel is unnecessary and results in unreasonable transportation expenses and lost time of foreign service employees. Contradictory wording in the foreign service travel regulations, while allowing travel by ship, also requires travelers to use the most direct and expeditious routes consistent with economy. This contradictory wording causes inconsistent application of the policy among foreign affairs agencies. We believe that regulations should be changed to preclude ship travel except for medical reasons or unless the traveler is willing to pay the costs in excess of the most economical means and route of transportation, and use annual leave for the extra time required to reach his destination.

We recommend that the Secretary of State and the Director, USIA, revise travel regulations for home leave and transfer travel, and require that a constructive cost comparison be made for all transportation costs between the points of origin and destination and require the traveler to pay the difference between the least costly method which provides reasonable travel comfort and safety and any other travel route or mode the traveler chooses. Regulations should preclude ship travel unless required for medical reasons or unless the traveler pays the additional costs.

SHIP TRAVEL BY STATE AND USIA EMPLOYEES

FISCAL YEAR 1984

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 84-2 | S | 1 | Washington | Algiers (Algeria) | Marseille (France) | Algiers | [c] | [c] | $ 449 | $ 186 | $ 263 |
| 84-3 | S | - | Islamabad (Pakistan) | Washington | South-ampton (England) | N.Y. | QE II | F | 3,246 | 676 | 2,570 |
| 84-5 | S | - | Lahore (Pakistan) | Vienna | New York | South-hampton | QE II | F | 2,004 | 676 | 1,328 |
| 84-6 | S | 3 | Bombay | Antananrivo (Madagascar) | Southamp-ton | N.Y. | QE II | F | 10,718 | 2,704 | 8,014 |
| 84-7 | S | 4 | Marseille | Algiers | Marseille | Algiers | [c] | [c] | 553 | 465 | 88 |
| 84-8 | S [d] | 3 | New Delhi | Virginia | Southamp-ton | N.Y. | QE II | F | 8,321 | 2,028 | 6,293 |
| 84-9 | S | - | New Delhi | Washington | Cherbourg (Paris) | N.Y. | QE II | F | 4,256 | 704 | 3,552 |
| 84-10 | S | - | New Delhi | Washington | Southamp-ton | N.Y. | QE II | F | 4,150 | 676 | 3,474 |
| 84-11 | S [e] | 1 | New Delhi | New Delhi | Southamp-ton | N.Y. | QE II | F | 4,049 | 676 | 3,373 |
| 84-12 | S | 4 | Ottawa | Honolulu | San Fran-cisco | Honolulu | Wester-lund | F | 7,820 | 2,465 | 5,355 |
| 84-13 | S | 1 | Karachi (Pakistan) | Washington | Southamp-ton | N.Y. | QE II | F | 4,828 | 1,352 | 3,476 |



APPENDIX I

APPENDIX I

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 84-15 | S | 3 | Karachi[f] | Karachi | N.Y. | Southampton | c | c | $ 11,741 | $ 2,704 | $ 9,037 |
| 84-16 | S | 3 | Karachi | Damascus | Karachi | Damascus | c | c | 11,005 | 2,368 | 8,637 |
| 84-17 | S | 1 | Lahore | Dublin | Lahore | Dublin | c | c | 4,031 | 1,944 | 2,087 |
| 84-18 | S | 1 | Karachi | Washington | Southampton | N.Y. | QE II | F | 4,267 | 1,352 | 2,915 |

FISCAL YEAR 1983

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 83-1 | U | 1 | LaPaz | LaPaz[f] | S.F. | Panama City (Panama) | [c] | F | $ 3,890 | $ 1,170 | $ 2,720 |
| 83-2 | S | 1 | Cairo | Washington | Southampton | N.Y. | QE II | F | 5,210 | 1,352 | 3,858 |
| 83-3 | S | 1 | Manila | Algiers | Marseille | Algiers | [c] | [c] | 422 | 186 | 236 |
| 83-4 | S | 3 | New Delhi | New Delhi[f] | Southampton | N.Y. | Sea Princess | F | 6,700 | 2,704 | 3,996 |
| 83-5 | U | 3 | Lima | Lima[f] | Callao (Peru) | L.A. | Delta Lines | F | 5,915 | 2,576 | 3,339 |
| 83-6 | U | - | Islamabad | Islamabad[f] | Southampton | N.Y. | QE II | [c] | 5,246 | 676 | 4,570 |
| 83-7 | S | 1 | Tunis | London | Tunis | Marseille | [c] | [c] | 230 | 208 | 22 |
| 83-8 | S | - | Cairo | Cairo[f] | Southampton | N.Y. | QE II | [c] | 3,718 | 676 | 3,042 |
| 83-9 | U | 1 | Islamabad | Islamabad[f] | Southampton | N.Y. | QE II | F | 5,547 | 1,352 | 4,195 |
| 83-10 | S | - | Kuala Lumpur (Malaysia) | Beirut | Nicosia | Jounieh | Sea Victory | [c] | 127 | 102 | 25 |
| 83-11 | U | 1 | New Delhi | New Delhi[f] | Southampton | N.Y. | QE II | F | 5,547 | 1,352 | 4,195 |
| 83-13 | S | 1 | Rio De Janeiro | Washington | Callao | L.A. | Delta Lines | Y | 4,037 | 1,288 | 2,749 |

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APPENDIX I

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 83-14 | S | 4 | Brasilia | Islamabad | Callao (Peru) | L.A. | Delta Lines | Y | $ 8,737 | $ 3,220 | $ 5,517 |
| 83-16 | S | 3 | New Delhi | Washington | Southampton | Port Canaveral | Sea Princess | F | 6,650 | 2,704 | 3,946 |
| 83-17 | S | - | Santiago (Chile) | Washington | Valparaiso (Chile) | S.F. | Delta Lines | F | 2,605 | 932 | 1,673 |
| 83-19 | S | - | Taipei | Washington | Yokohama (Japan) | Seattle | SS President Filmore | C | 920 | 705 | 215 |
| 83-20 | S | 3 | New Delhi | Washington | Southampton | N.Y. | QE II | F | 7,198 | 2,704 | 4,494 |
| 83-21 | U | 1 | New Delhi | New Delhi[f] | Southampton | N.Y. | QE II | F | 3,730 | 1,352 | 2,378 |
| 83-23 | U | 2 | Peshawar (Pakistan) | Washington | Southampton | N.Y. | QE II | C | 6,937 | 2,028 | 4,909 |
| 83-24 | U | - | Madras (India) | Washington | Southampton | N.Y. | QE II | F | 2,915 | 676 | 2,239 |
| 83-25 | U | 1 | Islamabad | Washington | Southampton | N.Y. | QE II | C | 6,724 | 1,352 | 5,372 |
| 83-26 | S | 1 | Cairo | Tokyo | Southampton | N.Y. | QE II | F | 7,735 | 1,352 | 6,383 |
| 83-27 | S | - | Santiago | Washington | Valparaiso | S.F. | Delta Lines | F | 2,605 | 932 | 1,673 |
| 83-28 | S | 4 | Brasilia | Rio De Janeiro | Callao | L.A. | Delta Lines | F | 6,897 | 3,220 | 3,677 |

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 83-29 | S | 3 | New Delhi | Washington | Southampton | N.Y. | QE II | F | $ 5,524 | $ 2,704 | $ 2,820 |
| 83-30 | S | - | Washington | Beirut | Nicosia | Jounieh | Sea Victory | c | 150 | 102 | 48 |
| 83-31 | S | 3 | Santiago | Washington | Valparaiso | Guayaquil (Ecuador) | Delta Lines | c | 6,380 | 1,548 | 4,832 |
| 83-33 | S | - | Islamabad | Beirut | Nicosia | Jounieh | M.Y. Sea | c | 150 | 102 | 48 |
| 83-34 | S | - | Santiago | Washington | Valparaiso | Guayaquil | Delta Lines | F | 2,100 | 387 | 1,713 |
| 83-35 | S | 4 | Karachi | Washington | Southampton | N.Y. | QE II | F | 7,777 | 3,380 | 4,397 |
| 83-36 | S | 3 | Lima | Lima[f] | Callao | L.A. | Delta Lines | c | 9,414 | 2,576 | 6,838 |
| 83-38 | S | - | Santiago | Washington | Valparaiso | Guayaquil | Delta Lines | c | 2,100 | 387 | 1,713 |
| 83-39 | S | 1 | Islamabad | Khartoum | Bangkok | Honolulu | QE II | F | 6,880 | 2,000 | 5,191 |
| | | | | | Honolulu | S.F. | | | 1,337 | 1,026 | |
| 83-40 | S | 3 | Barranquilla (Colombia) | Buenos Aires | Manzanillo (Colombia) | Buenos Aires | Delta Lines | Y | 18,156 | 2,444 | 15,712 |
| 83-41 | S | 1 | Islamabad | Cairo | Bangkok | Honolulu | QE II | F | 13,761 | 2,000 | 11,761 |
| 83-42 | S | - | Islamabad | Washington | Southampton | N.Y. | QE II | F | 3,183 | 676 | 2,507 |

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| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 83-43 | S | 2 | Lahore | Pretoria (S. Africa) | New York | Southampton | QE II | F | $ 2,114 | $ 2,028 | $ 86 |
| 83-44 | S | 1 | Islamabad | Washington | Southampton | N.Y. | QE II | F | 3,846 | 1,352 | 2,494 |
| 83-45 | S | 6 | New Delhi | New Delhi[f] | New York | Southampton | QE II | F | 18,407 | 4,732 | 13,675 |
| 83-47 | S | 3 | New Delhi | Cairo | Southampton | N.Y. | QE II | F | 11,280 | 2,704 | 8,576 |
| 83-48 | S | 3 | New Delhi | Karachi | Southampton | N.Y. | QE II | F | 11,381 | 2,704 | 8,677 |
| 83-49 | S | - | Karachi | Frankfurt | Southampton | N.Y. | QE II | c | 871 | 676 | 195 |
| 83-50 | S | - | New Delhi | Prague | Southampton | N.Y. | QE II | F | 2,726 | 676 | 2,050 |
| 83-51 | S | 3 | Karachi | Karachi[f] | New York | Southampton | QE II | F | 7,616 | 2,704 | 4,912 |
| 83-52 | S | 2 | Karachi | Karachi[f] | Southampton | N.Y. | QE II | F | 5,807 | 2,028 | 3,779 |
| 83-53 | S | 1 | Karachi | Washington | Southampton | N.Y. | QE II | F | 3,998 | 1,352 | 2,646 |
| 83-54 | S | - | New Delhi | Prague | Southampton | N.Y. | QE II | F | 2,726 | 676 | 2,050 |
| 83-55 | S | 3 | Karachi | Washington | Southampton | N.Y. | QE II | F | 7,753 | 2,704 | 5,049 |



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| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination | | Ship travel | | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | From | To | From | To | | | | | |
| 83-57 | S | 3 | New Delhi | Washington | Southamp- | N.Y. | QE II | F | $ 11,321 | $ 2,704 | $ 8,617 |
| 83-58 | S | 3 | Lahore | Accra (Ghana) | New York | Southamp-ton | QE II | F | 6,683 | 2,704 | 3,979 |
| 83-59 | S | 1 | New Delhi | Monterrey (Mexico) | Southamp-ton | N.Y. | QE II | F | 5,690 | 1,352 | 4,338 |
| 83-60 | S | 3 | Islamabad | Tel Aviv | Southamp-ton | N.Y. | QE II | F | 4,845 | 2,704 | 2,141 |
| 83-64 | S | 1 | Karachi | Karachi[f] | Southamp-ton | N.Y. | QE II | F | 3,831 | 1,352 | 2,479 |
| 83-65 | S | 1 | Lima | Athens | Callao | L.A. | Delta Lines | c | 4,227 | 1,288 | 2,939 |



APPENDIX I

FISCAL YEAR 1982

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 82-1 | S | - | Montevideo | Beijing | Callao | S.F. | Delta Lines | Y | $ 2,524 | $ 667 | $ 1,857 |
| 82-2 | S | - | Montevideo | Beijing | Callao | S.F. | Delta Lines | Y | 2,524 | 667 | 1,857 |
| 82-5 | S | 3 | Guayaquil | Baltimore | Guayaquil | L.A. | Delta Lines | F | 4,375 | 2,344 | 2,031 |
| 82-8 | U | - | Buneos Aires | Buenos Aires[f] | Panama | Buenos Aires | Delta Lines | c | 6,565 | 602 | 5,963 |
| 82-9 | U | - | Sao Paulo (Brazil) | Sao Paulo[f] (Brazil) | L.A. | Caracas (Venezuela) | Delta Lines | c | 3,053 | 547 | 2,506 |
| 82-10 | U | 4 | Valparaiso | Valparaiso[f] | Valparaiso | Tacoma (Wash.) | Delta Lines | c | 13,395 | 4,185 | 9,210 |
| 82-11 | U | 3 | Sao Paulo | Sao Paulo[f] | Caracas | Sao Paulo | Delta Lines | c | 7,833 | 2,448 | 5,385 |
| 82-12 | U | - | Bombay | Bombay[f] | Philadel-phia | Southamp-ton | QE II | F | 3,458 | 512 | 2,946 |
| 82-13 | U | 2 | Karachi | Washington | Southamp-ton | N.Y. | QE II | c | 5,814 | 2,028 | 3,786 |
| 82-17 | S | 4 | Montevideo | Washington | Santiago | Guaya-quil | Delta Lines | c | 9,270 | 1,935 | 7,335 |
| 82-18 | S | 1 | Monrovia (Liberia) | Damascus (Syria) | Athens | Damascus (Syria) | [c] | c | 2,580 | 332 | 2,248 |
| 82-19 | S | 1 | Brasilia | Cent. Valley (California) | Callao | San Fran-cisco | Delta Lines | Y | 2,239 | 1,334 | 905 |



APPENDIX I

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 82-21 | S | 4 | Montevideo | Washington | Valparaiso | L.A. | Delta Lines | [c] | $ 12,505 | $ 4,750 | $ 7,755 |
| 82-22 | S | - | San Jose | Washington | New Orleans | St. Louis | Delta Queen | F | 2,640 | 388 | 2,252 |
| 82-23 | S | - | San Jose | Washington | New Orleans | St. Louis | Delta Queen | F | 2,640 | 388 | 2,252 |
| 82-24 | S | 1 | Mbabane (Swaziland) | Tuskegee | Southampton | N.Y. | [c] | [c] | 2,966 | 1,352 | 1,614 |
| 82-25 | S | - | Beirut | Beirut[f] | Nicosia | Jounieh | Sea Victory | [c] | 149 | 102 | 47 |
| 82-27 | S | 3 | Helsinki | Helsinki[f] | Helsinki | Stockholm | [c] | [c] | 945 | 580 | 365 |
| 82-28 | S | 3 | Karachi | Bonn | Southampton | Frankfurt | QE II | F | 8,175 | 2,704 | 5,471 |
| 82-29 | S | 3 | Brasilia | Washington | Callao | L.A. | Delta | F | 6,079 | 2,576 | 3,503 |
| 82-30 | S | [c] | Beirut | Washington | Jounieh (Lebanon) | Larnaca (Cyprus) | Sea Victory | [c] | 167 | 102 | 65 |
| 82-32 | S | 4 | Buenos Aires | Buenos Aires[f] | Valparaiso | L.A. | Delta Lines | F | 13,200 | 4,750 | 8,450 |
| 82-33 | S | 4 | Karachi | Washington | Southampton | N.Y. | QE II | F | 8,603 | 3,380 | 5,223 |
| 82-34 | S | - | Helsinki | Washington | Helsinki | Stockholm | [c] | [c] | 352 | 145 | 207 |
| 82-38 | S | - | New Delhi | Tunis | New York | Southampton | QE II | F | 3,458 | 676 | 2,782 |

APPENDIX I

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 82-40 | S | - | Islamabad | Ndjamena | Southampton | N.Y. | QE II | F | $ 3,932 | $ 676 | $ 3,256 |
| 82-41 | U | 1 | Washington | Manila | Oakland (California) | Hong Kong | Amer. President Lines | c | 3,800 | 1,664 | 2,136 |
| 82-42 | U | 1 | Washington | Kuala Lumpur | Seattle | Keelung (Taiwan) | Amer. President Lines | F | 2,860 | 1,626 | 1,234 |
| 82-43 | U | 1 | Buenos Aires | Buenos Aires[f] | Buenos Aires | San Francisco | Delta Lines | c | 8,320 | 840 | 7,480 |



APPENDIX I

FISCAL YEAR 1981

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 81-1 | U | 1 | Buenos Aires | Buenos[f] Aires | Buenos Aires | Callao | Delta | F | $ 4,240 | $ 732 | $ 3,508 |
| 81-2 | U | - | Buenos Aires | Stockholm | Buenos Aires | Guaya-quil | Delta Lines | c | 4,515 | 412 | 4,103 |
| 81-3 | U | 4 | Buenos Aires | Washington D.C. | Buenos Aies | Callao | Delta Lines | c | 11,418 | 1,830 | 9,588 |
| 81-4 | U | - | Buenos Aires | Washington D.C. | Buenos Aires | L.A. | Delta Lines | F | 4,085 | 840 | 3,245 |



APPENDIX I

FISCAL YEAR 1980

| Traveler #[a] | Agency: State: S USIA: U | Number of dependents | Overall destination From | Overall destination To | Ship travel From | Ship travel To | Carrier | Accommodation class | Cost paid by govt. for ship travel | Estimated air fare for same segment[b] | Difference in cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 80-1 | U | - | Buenos Aires | Reno, Nevada | Buenos Aires | Callao | Delta Lines | c | $ 3,839 | $ 366 | $ 3,473 |
| | (Employees) | (Dependents) | | | | | | | | | |
| Totals | 101 | 159 | | | | | | | $556,232 | $160,047 | $396,185 |



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## KEY

[a]An official number for cross referencing purposes. The first two numbers represent the fiscal year in which the voucher was processed (not necessarily the year in which the travel was taken).

[b]These are 1985 air fare costs for respective destinations. We could not readily establish accurate air fares for previous years due to the fluctuations in the costs.

[c]Unknown: Travel voucher incomplete or not available, or information not stated on travel voucher.

[d]Employee died overseas and only dependents traveled on QE II; thus, employee not counted in totals.

[e]Only the dependent son traveled on QE II; therefore, the employee and other dependents (who traveled by air) are not included in totals.

[f]Destination to and from the same city/country indicates home leave travel.

QE II = Queen Elizabeth II cruise ship

F = First class

Y = Economy class

## TRAVEL ADVANCE CONTROLS INEFFECTIVE

Inadequate management of travel advance funds has resulted in significant delinquency rates on repayments of advances and write-offs of sizable amounts as uncollectible. The Department of State's outstanding travel advance funds as of January 1985 totalled $10,856,852. As of the same date, the Department's 60-day delinquency report showed that $9,960,664, or 92 percent, of the outstanding travel advances was at least 60 days overdue. As of January 1985, USIA's outstanding travel advances amounted to $2,774,500, of which $2,332,100, or 84 percent, was overdue by at least 30 days. These funds have been held by travelers for as long as several years before settlement--in effect as interest-free loans. Within the last several years, State and USIA have written off $876,662 in advances as uncollectable (as of January 1985).

### TRAVEL ADVANCE PROBLEMS ARE LONG-STANDING

The delinquent repayment of travel advances and the underlying problems of monitoring repayment, controlling and ensuring the adequacy of accounting, and lax collection have persisted for years.

In 1982, State's Comptroller, in a communication to the Under Secretary for Management, said that problems with the travel advance system were (1) untimely and inaccurate data input and controls, (2) insufficient staff, (3) inadequate commitment by department managers to control advances, and (4) travelers' failure to comply with regulations. Numerous studies and reports have reflected these problems, but corrective actions taken have not resolved them. As of May 1985, 3 years later, these problems persist.

USIA also does not have an effective system in place to monitor, track, report on, and collect advance travel funds efficiently and promptly. Part of this problem is a result of its transition from a manual to a computerized system, which has been taking place since 1983.

#### Some travelers fail to comply with regulations

Foreign service officers who travel on official business are authorized an advance of funds to meet expenses. When a traveler requests advance travel funds, he signs the following statement: "In accordance with provisions of 4 FAM 333, I will submit a travel reimbursement voucher and/or remit a refund to the Department of State within 30 days following completion of travel or postponement or cancellation of the travel." This statement has been ignored by many State employees.

In a February 1984 report, State's Inspector General (IG) stated that as of September 1983, outstanding travel advances totalled $8.9 million, of which $4.9 million, or about 55 percent, was delinquent.

About 6 months subsequent to State's IG report, we reviewed the status of advance accounts and found an increasing number of outstanding advances and an increasing delinquency rate. Outstanding travel advances totalled $10.9 million, of which $10.0 million, or about 92 percent, was delinquent. These accounts were up to 7 years past the required settlement date. Typical examples in the accounts follow:

| Amount of advance | Report dated as of September 18, 1984 |
|---|---|
| $8,989 | 8 months |
| 2,077 | 3 months |
| 1,725 | 6 years, 9 months |
| 1,200 | 7 years, 7 months |
| 2,980 | 5 years |
| 1,275 | 11 months |
| 1,050 | 2 years, 5 months |
| 3,017 | 9 months |
| 1,200 | 1 year, 3 months |
| 1,700 | 1 year, 1 month |
| 5,200 | 5 months |
| 3,000 | 9 months |
| 1,993 | 3 years, 4 months |
| 2,200 | 2 years, 2 months |
| 1,396 | 1 year |

USIA has problems with its travel advance control system similar to those of the State Department. As of January 1985, USIA's outstanding travel advances amounted to $2,774,500, of which $2,332,100, or 84 percent, was delinquent. The following chart shows amounts of delinquent advances by fiscal year:

| Fiscal year | Amount |
|---|---|
| 1984 | $1,282,675 |
| 1983 | 193,797 |
| 1982 | 80,439 |
| 1981 | 94,569 |
| 1980 | 73,934 |
| 1979 | 72,980 |
| Prior years | 91,234 |
| Total | $1,889,628 |

As of April 1985, the fiscal year 1985 outstanding travel advances totalled about $884,849, of which about 50 percent was estimated to be delinquent.

## Inadequate commitment to controlling travel advances

The Comptroller's 1982 memorandum to the Under Secretary for Management stated that inadequate commitment by Department managers seriously affected the control of travel advance funds. According to the Comptroller, once the regional bureaus obligate funds for travel, bureau managers appear to exercise little control over the funds. The Comptroller further pointed out that some Department managers had the attitude that accounting for and collecting travel advances concern the traveler and the finance office and not the regional (geographic) bureaus whose funds are involved. The report recommended that State consider making the bureaus responsible for travel advance control. The bureau executive officers resisted this recommendation, and it was not adopted for the following cited reasons:

--lack of personnel resources,

--improper use of mid-level personnel,

--independent review and audit jeopardized, and

--loss of economies of scale.

### Methods to prompt repayment are not used

Charging interest on overdue reimbursements of travel advances and payroll deductions are two of the many tools available to State's managers to enforce prompt repayment of travel advances. Department managers have been reluctant to use these means, mainly because of lack of confidence in the data and the increased demands on already strained resources. The Director, Office of Fiscal Operations, said he had never taken action to charge interest. Further, of the 9,000 fiscal year 1984 accounts, of which 8,100 totalling about $9.0 million were delinquent, only 11 accounts were sent for payroll deduction from the traveler's pay. Of the 11 accounts, 2 accounts should not have been referred, 4 were not collected, and the other 5 resulted in a total collection of $1,135.

USIA also has rarely used its payroll deduction system to collect overdue accounts. The USIA travel advance control clerk indicated that the percentage of payroll deductions would be much higher if adequate staff was available to monitor the accounts closely, prepare notices, and bill the delinquent travelers. Payroll deductions have not been effective because accounts are not monitored closely, and personnel are transferred or separated from the government before accounts can be cleared. Collections through payroll deductions have been small compared to the amount delinquent for travel advances.

## Travel advance accounts contain errors and faulty data

Travel advance accounts and reports are the basic tools for centrally controlling advances. State Department management officials have known for years that faulty data and errors were in the system. In an April 1982 memorandum, State's Comptroller pointed out to the Under Secretary for Management that the Department still had untimely input and inaccurate data in travel advance account systems.

About 2 years later in February 1984, the State IG reported that travel advance accounts were of questionable accuracy because data were often not entered into the system in a timely manner or entries were miscoded. Some data were missing or not entered into the system at all. The inspectors recommended that the Department consider using an outside contractor to purify the travel advance accounts.

### Contractor attempts to clear travel advance accounts

In April 1984 the Department entered into a contract to purify its travel advance accounts. The contractor, who was paid $4,000 for 1 month (May 1984), adjusted approximately 2,000 travel advance account balances and prepared journal vouchers as required. According to travel advance control officers, this attempt to clear accounts was not successful because the contractor's effort did not achieve the intended results. In our opinion, clearing and correcting the long-standing accounts require more than one month's effort. The supervisor said a contractor was used for this one-time attempt to satisfy the IG's recommendation.

### Travel advance control staff attempts to clear the accounts

As a further effort to correct accounts, the travel advance control staff of five was instructed to devote one day each week to validate accounts. It was estimated that 10 to 12 weeks would be needed to adjust the errors in the 8,000 to 9,000 accounts.

One of the methods used was to write accounts off the books. During the period from May to August 1984, about 966 accounts, totalling $410,800, were eliminated. In some cases, charges and credits which were not related to a specific traveler's account were used to write off accounts. Consequently, some travelers may have been relieved of their responsibility to repay travel advances, and some may have had amounts due them eliminated. We did not determine the effect of the write-offs because reconstruction of individual accounts would have been too time consuming due to the condition of accounting records.

In one example, a State Department employee's record showed a travel advance of $6,410 as of August 31, 1984. He was credited with a $1,775 voucher. The remaining $4,635 was written off the account. The Department contacted both the employee and the post regarding the initial $4,635 outstanding advance. The employee indicated that he had settled this advance at the post; however, the post could not provide documentation to support the settlement. Subsequently, the employee received another travel advance of $5,970.

USIA has used the same method as State--eliminating accounts--in an attempt to clear its records. In January 1983, outstanding delinquent travel accounts for fiscal years 1974 through 1981 totalled $738,700. As of January 1985, the total was reduced to $272,900. We were told that most of the $465,800 in travel advances was written off. Further, they could not readily provide us documents to show if any collections were made in these delinquent accounts.

### Problems still exist

About 6 months subsequent to the contractor's and staff's attempts to correct the State accounts, we spot-checked about 600 accounts to determine their status. We found that about 113 of the 600 accounts, or about 19 percent, had negative balances, which indicates miscodings, errors in the data, and overpayment by the traveler. Further, we found that many accounts dated back to 1982 and were still uncollected. We believe that the use of a contractor or in-house staff on a one-time basis cannot be expected to effectively clear up these long overdue accounts. Monitoring, clearing errors, and processing accounts should be done on a continuous basis.

Officials in the office of the Department of State's Associate Comptroller for Financial Operations acknowledged that serious and long-standing deficiencies existed in the management of travel advances. These officials stated that when the Department's new financial management system, which is currently under development, becomes fully operational, the travel advance problems will be addressed and corrected. Based on current milestones for development of the system, it appears that the system will not be fully operational for at least 2 more years. Also, the schedule for developing and implementing the new system had been delayed several times at the time we completed our work.

As part of its conversion to an automated system, USIA has attempted to improve the accuracy of its data. During the transition process, the staff has tried to clear out delinquent accounts so as to provide accurate data into the new system. This process has been slow, and the transition is currently at a standstill. The problems have been compounded because part of the information is automated and part is manually updated. The travel advance staff was given the additional task of manually researching and posting travel advance data on travel vouchers before they are submitted to settle the claim. Eventually, the automated system is supposed to issue collection data to travelers to recover delinquent advances; however, an examiner currently does this manually. These and other problems make the system time-consuming and prone to errors in settling travel advances.

We believe that until State and USIA correct the travel advance control and accounting system, the problem of delinquent accounts will continue, possibly resulting in more accounts being written off.

Inadequate staff to maintain and process travel advance accounts

State's Comptroller has acknowledged since 1982 that there was insufficient staff to process travel advances. Officials in the travel advance control units told us that staffing was seriously affected by an OMB directive to reduce and downgrade staff in the agency's voucher branch. As positions were downgraded, a high turnover of the more experienced staff resulted. Newly recruited staff were trained but soon left for higher paying positions. The travel voucher unit was in a constant recruitment, training, and replacement cycle. This seriously affected the travel advance accounting unit in maintaining the system.

According to travel officials and also concurred in by the State IG report, hundreds of transactions initiated daily require that data be refined, miscodings researched and corrected, delinquent accounts identified, travelers billed, and inquiries from travelers researched and settled. We agree with the officials that the small staff of three, working diligently, could not cope with the sheer volume of data entering the system.

In fiscal year 1984, the travel advance staff of three was increased to five. This apparently was insufficient, because the 1984 IG report recommended additional resources in the travel advance section. We were told that as of May 1985, additional staff had not been requested by the Comptroller. We believe that unless the staff is increased and properly trained, the accounts will remain in the same poor condition.

The travel advance operation at USIA relies on one clerk to maintain the integrity of the system. This clerk is responsible for reviewing travel advance requests, entering requests and payments into the system, scheduling advances to be paid by the Treasury, and monitoring the accounts. In addition, all vouchers pass through this unit to provide a check on the travel advance status data. Also, the clerk monitors outstanding and delinquent advances, notifies the traveler of amounts due, and recommends further action on collection.

The travel advance clerk stated that it is impossible in the time given to prepare 30-, 60-, and 90-day delinquency reports. According to her, the daily routine of recovering, posting, and scheduling advances, and communicating with travelers does not allow for a reasonable and accurate travel advance control operation.

## CONCLUSIONS AND RECOMMENDATIONS

Management and control of travel advances by the State Department and USIA are inadequate. Delinquencies and write-offs have resulted in excessive and unnecessary costs to the government. Both agencies need to take immediate actions to resolve these long-standing problems. Until accounts are reconciled, delinquencies are cleared, and effective systems to preclude further problems are established, additional excessive and unnecessary costs will likely continue to be incurred.

Although Department of State officials indicated that the new financial management system will address the travel advance problems, we believe an interim solution is also needed since the new system may not be operational for several years. We believe that the problem of travel advance management needs more immediate attention.

Additional staff may be needed to clear up outstanding accounts and to enforce existing regulations to prompt repayment of travel advances.

We recommend that the Secretary of State and Director, USIA, reconcile all outstanding delinquent travel advance accounts immediately and take the necessary steps to ensure that travel advances are properly managed in the future.

# TRAVEL AUTHORIZATION AND CLAIMS PROCEDURES

The State Department and USIA's travel authorization and voucher claims procedures in Washington, D.C., and at overseas posts need management's attention. State and USIA headquarters officials in Washington, D.C., control travel authorizations for official transfers, home leave, travel requested by Washington staff, out-of-country travel, and consultation travel. Posts' budget and fiscal officers control travel authorizations for in-country travel and "entitlement" travel.[1]

During our review, we identified several minor deficiencies in voucher settlement procedures that can be corrected with tighter enforcement of existing travel regulations.

## Voucher examination by GAO

During our review, we examined over 1,900 travel vouchers in Washington, D.C., as well as at overseas posts, which were processed during fiscal years 1981 to 1984. We selected all types of travel: temporary duty, home leave, transfers, and entitlement. In general, we checked for compliance with applicable foreign service laws and travel regulations. The Federal Travel Regulations do not apply to foreign service personnel. Foreign service travel regulations are prescribed in Volume 6 of the Foreign Service Manual, in accordance with the authority granted to the Secretary of State by the Foreign Service Act of 1980, as amended. Specifically, our voucher review included checks for the following:

--the authorized certifying official's signature,

--the appropriateness of expenses claimed,

--the presence and adequacy of supporting documentation,

--the timeliness of voucher submission,

--whether written justifications were provided when a foreign air carrier or first-class accommodations were used, and

--the presence of special authorizations where needed.

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[1]Entitlement travel includes travel for medical reasons, rest and recuperation, education, visitation, visits by children of divorced parents, and evacuation.

Problems we found that need attention follow:

--Justifications for use of foreign carriers and first-class accommodations and special conveyances were missing.

--Travel claims were not fully supported by documentation.

--Unsupported or improper claims and unallowed expenses were paid.

--Vouchers were filed late.

Justification for use of foreign carrier or first-class accommodation not always provided

According to the foreign service travel regulation (6 FAM 134.4 and 146.5), when a foreign air carrier or first-class accommodation is used for any reason, including the absence of U.S. air carrier service between two points, the traveler is required to justify such use in the travel voucher.

However, we found that numerous travelers did not justify such practices on their vouchers. The following table is an example of what we found in Bonn, Germany, for fiscal years 1982 through 1984.

| | Use of foreign carrier without justification | Use of first-class without justification |
|---|---|---|
| State: | 132 | 79 |
| Couriers | 94 | 79 |
| Other | 38 | 0 |
| USIA | 7 | 0 |

All of the State users of first-class accommodations and 71 percent of the State users of foreign air carriers which lacked the required justification were diplomatic couriers.

In Manila, our review disclosed that 7 of 36 vouchers lacked the required written justification for use of a foreign air carrier.

According to foreign service travel regulation 6 FAM 146.36, use of premium fare transport is authorized only in urgent circumstances. Under this regulation, charter aircraft should not be used where cheaper air or surface modes are available. In addition, a February 1983 State cable to African diplomatic posts stated that charter air flights are not cost effective and should be avoided. However, in Nairobi we found 15 instances where State employees used charter aircraft even though it was more costly than like-routed commercial air service. For example, round-trip commercial air fare from Nairobi to Mogadishu was $187 (as of May 1984) compared to charter aircraft cost of $628 (as of February 1984). In addition, when charter aircraft is used, justification is required on the travel voucher. However, in Nairobi, charter aircraft were used without special justification.

In Brazil and Panama, we found approved vouchers where travelers rented vehicles without approval.

We believe that the approving official should require that the traveler provide justification for special travel in all instances where the regulation requires it.

## Insufficient documentation to support travel claims

Sufficient supporting documents are required to demonstrate that claimed expenditures are justified and accurate. We believe these documents constitute an internal control and a check against potential errors. In some cases, documentation to support travel claims by State and USIA travelers was lacking. For example, in Bonn we examined about 474 vouchers for fiscal years 1982 through 1984.

A significant number of State Department vouchers had no travel order or receipts for miscellaneous expenses over $15.00 attached to the voucher. Of the Department of State's 117 vouchers lacking an attached travel authorization, 102 were for travel by diplomatic couriers. Of those 71 vouchers lacking a receipt for miscellaneous expenses, 67 were for couriers. Couriers travel under blanket authorizations and do not submit documentation, such as travel authorizations, receipts for taxis, or miscellaneous expenses over $15.00 with their vouchers. Bonn's budget officials said they depend on the approving officials--supervisors in Frankfurt--to ensure that couriers are claiming correct per diem and appropriate miscellaneous expenses. The chief travel auditor in Bonn said that the lack of required documentation on couriers' vouchers is "worrisome," but the budget staff exercises minimal control over such travel because, due to their extensive travel, couriers are difficult to contact and question.

Nothing in the foreign service travel regulations indicates that couriers are exempt from submitting documentation to justify travel claims. We believe the lack of documentation is poor internal control covering travel fund expenditures.

## Unsupported or improper claims

State Department regulations (6 FAM) do not permit travelers to average lodging, food, and other expenses while on actual subsistence. However, some travelers in Brazil were reimbursed for averaged expenses instead of their actual subsistence expenses. These travelers did not provide the actual costs to back up documentation. We found similar types of deficiencies in Panama. Lodging receipts were not provided in support of claimed lodging costs when actual subsistence had been authorized in lieu of per diem.

In some cases in Panama, receipts for miscellaneous expenditures were missing, such as airport taxes, travelers' checks, and taxis costing more than $25.00. Receipts or a signed certificate (if receipts are lost or unobtainable) for these expenditures should always be submitted. Similarly, in Manila and New Delhi, among missing documents were receipts for expenses over $25.00, copies of government transportation requests, and travel authorization documents. At State and USIA in Washington, D.C., missing receipts or supporting documents affected about 35 percent of the vouchers we reviewed.

## Late submission of travel vouchers

Department of State's 4 FAM 462 states that each employee should submit a voucher for reimbursement of expenses within 30 days after arrival at post or completion of authorized travel.

In overseas posts we visited (e.g., Bonn, Nairobi, Buenos Aires), we found that vouchers had been submitted days, months, and even years after the 30-day limit. In Argentina, for example, we compared end-of-travel dates and travelers' signature dates on 56 travel vouchers. Based on discussions with voucher examiners, we allowed 2 weeks for the Budget and Fiscal Office to process a voucher. This provided an estimate of the time between travel completion and voucher submission. Of the 57 vouchers we reviewed, 19 were filed late. These 19 vouchers were filed an average of 51.8 days after the 30-day filing limit.

In one group of 150 vouchers examined in Washington covering fiscal years 1982 and 1984, 46 vouchers were up to 4 years late.

Budget officers overseas stated that the administrative or executive officer is responsible for ensuring that travelers submit vouchers promptly. Budget officers were critical of the lack of standards or system in place to ensure that travel vouchers are filed on time. Voucher examiners rely on travelers to notify the Budget and Fiscal Office when travel is completed. When the travel advance files are reviewed, voucher examiners may identify travelers who have completed their travel but have not filed their vouchers. Unless travel vouchers are submitted, travel advances cannot be liquidated.

Miscellaneous voucher deficiencies

During our review, we noted miscellaneous voucher deficiencies, other than those noted above. They indicate that the official traveler, the approving official, and the certifying official should exercise more care in presenting and processing travel claims. Examples of the deficiencies noted follow:

--Travel claims did not have a copy of the travel order attached, which is required for certification and audit purposes.

--Rates of exchange for foreign currency expenditures were not provided. Exchange rates must always be shown when local currency expenditures are being claimed in dollars.

--Travel claims lacked required constructive cost calculations and/or proof of payment when employee personal or indirect travel was involved.

--Expenses were claimed for items included in per diem such as baggage fees and tips to porters or waiters. Official baggage fees are allowable only when authorized and identified as such.

--Excess per diem claims. Travel of less than 10 hours does not entitle one to per diem unless official travel is 6 hours or more and begins before 6:00 a.m. or terminates after 8:00 p.m. (6 FAM 155c). Certifying officers may question any claims that appear unreasonable. Per diem is not payable for travel that begins within 30 minutes before the beginning of a quarter day or terminates within 30 minutes after the end of a quarter day without adequate justification (6 FAM 156.2).

--Travel claims lacked an explanation for delayed travel in connection with canceled or delayed flights, etc. Travelers should always explain deviations from published timetables.

--Partial or wholly unused airline tickets and miscellaneous charge orders (credits for air fare) were kept and not returned for refunds.

## CONCLUSIONS AND RECOMMENDATIONS

Lax attention to the enforcement of existing travel regulations has resulted in the deficiencies we found in travel authorization and claims procedures--lack of justification for special transportation, insufficient documentation to justify expenses, improper claims, and late filing of travel vouchers. These deficiencies will continue unless regulations are strictly enforced by State and USIA.

GAO recommends that the Secretary of State and Director, USIA:

--Reemphasize to approving and certifying officials the importance of enforcing existing regulations.

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