

GAO

Testimony

Before the Subcommittee on Government  
Management, Finance, and Accountability,  
Committee on Government Reform,  
House of Representatives

For Release on Delivery  
Expected at 2 p.m. EST  
Wednesday,  
March 16, 2005

ARMY NATIONAL GUARD

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

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# ARMY NATIONAL GUARD

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

Highlights of [GAO-05-400T](#), a testimony before the Subcommittee on Government Management, Finance, and Accountability, Committee on Government Reform, House of Representatives

### Why GAO Did This Study

This testimony outlines (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; (3) whether the Department of Defense's (DOD) current efforts to automate its travel reimbursement process will resolve the problems identified; and (4) other DOD actions to improve the accuracy and timeliness of Army Guard travel reimbursements.

### What GAO Recommends

GAO's related report ([GAO-05-79](#)) 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 automated systems fixes for meal cost authorizations and requirements to pay soldiers interest on late reimbursements.

[www.gao.gov/cgi-bin/getrpt?GAO-05-400T](http://www.gao.gov/cgi-bin/getrpt?GAO-05-400T).

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 [kutz@gao.gov](mailto:kutz@gao.gov).

### 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. DFAS 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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Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss controls over travel reimbursement payments to mobilized Army National Guard (Army Guard) soldiers. In October 2002, we reported<sup>1</sup> that the Defense Finance and Accounting Service (DFAS) did not have systems in place to identify late travel reimbursements and could not identify the soldiers who were not paid within 30 days of submission of an approved travel voucher and who should have been paid late payment interest and fees required pursuant to the Travel and Transportation Reform Act of 1998 (TTRA).<sup>2</sup> This affected numerous soldiers whose vouchers were paid late. Further, during our audits of Army Guard and Army Reserve military payroll controls,<sup>3</sup> soldiers told us about problems with delayed and inaccurate travel cost reimbursements and meal cost authorizations and entitlements. Because of the severity of these complaints, this Committee, as well as other requesters, asked us to examine 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. Today, I will highlight the results of our review for which our detailed report is being released at this hearing.<sup>4</sup>

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 Guard soldiers<sup>5</sup> were mobilized from September 14, 2001, through September 30, 2004, to serve in Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. 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

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<sup>1</sup> GAO, *Travel Cards: Control Weaknesses Leave Army Vulnerable to Potential Fraud and Abuse*, [GAO-03-169](#) (Washington, D.C.: Oct. 11, 2002).

<sup>2</sup> Pub. L. No. 105-264, 112 Stat. 2350 (Oct. 19, 1998).

<sup>3</sup> GAO, *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).

<sup>4</sup> GAO, *Army National Guard: Inefficient, Error-Prone Process Results in Travel Reimbursement Problems for Mobilized Soldiers*, [GAO-05-79](#) (Washington, D.C.: Jan. 31, 2005).

<sup>5</sup> Total numbers include Army Guard soldiers mobilized more than once.

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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.<sup>6</sup> 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.

Because our preliminary assessment determined that the 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. 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 through case studies of 10 selected units of Army Guard soldiers mobilized to active service in support of Operations Iraqi Freedom, Noble Eagle, and Enduring Freedom during the period from October 2001 through November 2003. In addition, we 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 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. Further details on our scope and methodology and the results of the case studies can be found in our related report.

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<sup>6</sup> Joint Federal Travel Regulation (JFTR)/Joint Travel Regulation (JTR), app. O, para. T4020.B.2, change 203/457, November 1, 2003.

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Today, I will summarize the results of our work with respect to (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; (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 mobilized<sup>7</sup> Army Guard soldiers; (3) whether DOD's current efforts to automate its travel reimbursement process will resolve the problems identified; and (4) DOD actions to improve the accuracy and timeliness of mobilized Army Guard travel reimbursements.

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## Summary

The current inefficient, paper-intensive, error-prone travel reimbursement process has resulted in inaccurate, delayed, and denied travel payments for mobilized Army Guard soldiers. Our case study units experienced a broad range of reimbursement problems that included disputed amounts for meals that we estimated to be as high as about \$6,000 for each of 76 soldiers in one case study that remained unpaid by the end of our review. Other problems included vouchers that were submitted 5 or more times before being paid and thousands of dollars in debts levied on soldiers, some in excess of \$10,000, when the approval for the meal component of their per diem reimbursement was rescinded after the vouchers had been paid.

Until DOD improves the antiquated process that requires Army Guard soldiers to accumulate, retain, and submit numerous paper documents, reimbursement problems and inefficiencies will likely continue. For example, reports prepared by DFAS' Contingency Travel Operations Office (DFAS CTO) indicated that the percentage of unpaid travel claims returned to soldiers increased from 11 percent in fiscal year 2002 to 18 percent in fiscal year 2004. Of approximately 930,000 travel vouchers received during this period, DFAS CTO rejected and returned about 139,000 to soldiers for additional paper documentation or to correct other processing deficiencies. This repeated churning of vouchers frustrated soldiers and added to the volume of claims to be processed, which, in turn, overwhelmed DFAS CTO's resources and contributed to reimbursement problems.

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<sup>7</sup> In 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*.

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The lack of clear, complete, and accurate policies and procedures—the foundation of the process for authorizing travel entitlements and reimbursements—also 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. 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 identify and correct systemic problems or to measure performance. 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, about 200 voucher examiners were hired and 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.

The lack of automation also hampered oversight and service to soldiers trying to cope with the travel reimbursement process. The key DOD processes involved in authorizing and reimbursing travel expenses to mobilized Army Guard soldiers are “stove-piped” and not automatically integrated, resulting in a process that is dependent on paper production. These problems are also a major factor in the churning issue discussed previously—the thousands of vouchers that are rejected and returned for

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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.

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. 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.

The report we are releasing at today's hearing includes 23 recommendations to correct deficiencies we identified regarding the processes, human capital, and automated systems relied on to provide timely travel cost reimbursements and accurate meal authorizations and entitlements to mobilized Army Guard soldiers. 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, including steps to clarify circumstances where Army Guard soldiers were entitled to per diem for meals

DOD partially agreed with two recommendations regarding the need for an automated, centralized system for SNAs 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.

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## 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.

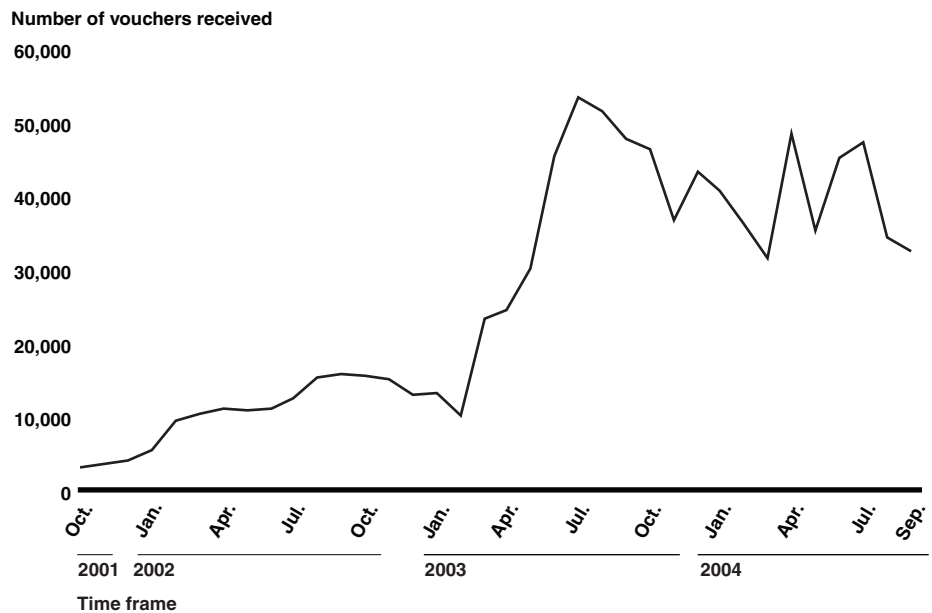
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## Increased Operational Tempo Initially Overwhelmed Process

While the inefficient, manual travel and reimbursement 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. As shown in figure 1, the monthly travel voucher volume has remained above 30,000 since the July 2003 peak.

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**Figure 1: Number of Army Guard and Reserve Travel Vouchers Received by DFAS CTO from October 2001 to September 2004**



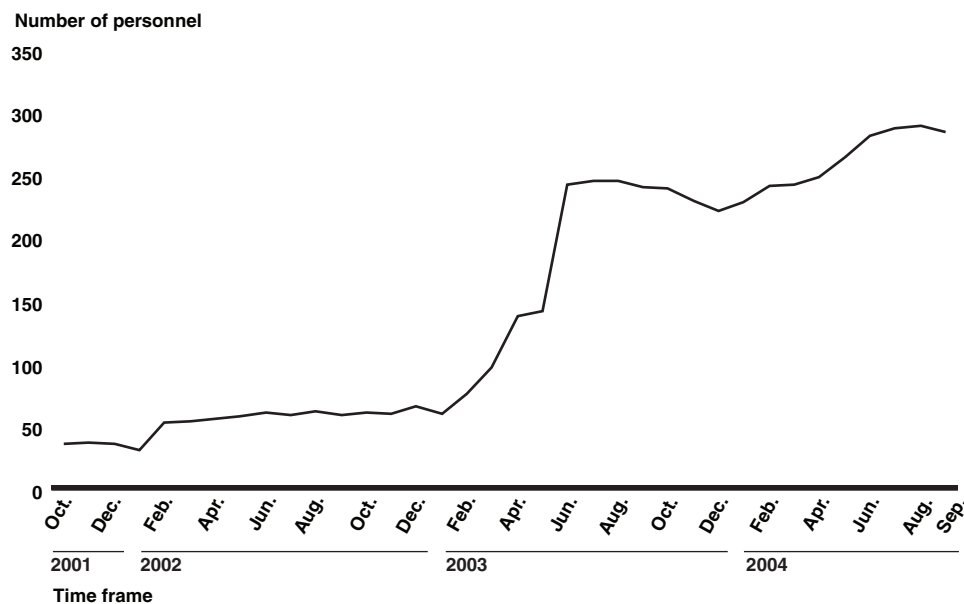
Source: DFAS CTO Indianapolis.



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.

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 2.

**Figure 2: 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.

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

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. 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." 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 1 summarizes the experiences of Army Guard soldiers in 10 units. Further details on our case studies are included in our companion report.

**Table 1: 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. <sup>a</sup>
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. <sup>a</sup>
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.

<b>Army Guard unit</b>	<b>Number of affected soldiers in unit</b>	<b>Examples of problems encountered and status</b>
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. DFAS adjustments caused overpayments of \$200 to about \$1,350, resulting in debts to soldiers. <sup>a</sup>
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.

<sup>a</sup>The soldiers' wages are generally garnished to repay debts, unless a waiver is granted.

During our audit of selected travel vouchers, we identified some that were paid as much as 16 months after travel ended. Table 2 shows examples of the extent of delays experienced by soldiers in obtaining payment for travel expenses.

**Table 2: Problems with Late Payments**

<b>Soldier rank and state</b>	<b>Amount of voucher</b>	<b>Days from submission to payment of voucher</b>	<b>Problems encountered</b>
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.

In another instance, Army Guard soldiers called to federal duty to provide security at the Denver International Airport in 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. More than a year elapsed during which the Army Guard Adjutant General with authority over the respective soldiers and Army National Guard Bureau 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. For example, one 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.

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## Travel and Reimbursement Process, Human Capital, and Systems Deficiencies

Deficiencies in three key areas—process, human capital, and systems—were at the core of the travel and reimbursement problems we identified. Policies and guidance, the foundation of the process for authorizing travel entitlements and reimbursements, 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. Human capital weaknesses included a lack of leadership and oversight in addition to inadequate training. Further, the lack of systems integration and automation along with other systems deficiencies contributed significantly to the travel reimbursement problems we identified.

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### Process Deficiencies

The lack of clear procedural guidance contributed to the inaccurate, delayed, and denied travel reimbursements we identified and created problems not only for Army Guard soldiers but for numerous other personnel involved with authorizing travel entitlements. 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, although 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, it was not well-understood. 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. 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.

#### 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 (1) the Army's personnel policy guidance (PPG) for military personnel mobilized for Operations Iraqi Freedom, Enduring Freedom,

and Noble Eagle; and (2) 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.

Table 3 shows the sources of common problems related to meal expense reimbursements experienced by soldiers in our case studies.

**Table 3: 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,<sup>8</sup> the term “reasonably available” was not defined. The PPG directed the maximum use of installation facilities, and if not feasible, then “multi-passenger vehicles<sup>9</sup> should be used” to transport

<sup>8</sup> JFTR, ch. 4, para. U4400-B3c, change 193, January 1, 2003.

<sup>9</sup> PPG (reformatted April 2004), ch. 8-2,a, (6) (c).

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

**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. 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. Consequently, many Guard soldiers were unable to obtain reimbursement for their out-of-pocket costs in a timely manner.

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.”<sup>10</sup> In addition, the PPG states, “Basic Allowance for Subsistence<sup>11</sup> will not be reduced when government mess is used for soldiers in a contingency operation.”<sup>12</sup> As such, an Army Guard soldier called to active service is entitled to eat at a government mess hall without charge and concurrently entitled to receive BAS as part of his military pay.<sup>13</sup> However, the PPG does not provide guidance addressing the

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<sup>10</sup> PPG, ch. 8-2a(5).

<sup>11</sup> BAS is included in the Army Guard soldier’s compensation and is not a travel entitlement. For example, 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 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.

<sup>12</sup> PPG, ch. 8-2a(5).

<sup>13</sup> PPG, para. 8-2.a.(5) (reformatted April 2004). See also 37 U.S.C. § 1009(d), 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.

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content of mobilization orders for Army Guard soldiers with respect to meal entitlements.

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 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. In addition, our companion report provides examples where Army officials were not always aware that Army Guard soldiers called to active duty were entitled to BAS in addition to meal entitlements while they were serving under mobilization orders or temporary change of station (TCS) orders.

**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 work identified travel computation office reviewers who 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 SNA<sup>14</sup> based on each unit's situation and the availability of government housing.<sup>15</sup> The guidance states that when government or government-contracted quarters are not available, soldiers will be provided certificates or SNAs for both lodging and meals to authorize per diem. However, the guidance does not specify the form and content of the SNAs. Consequently, 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.

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<sup>14</sup> PPG, ch. 8-2, .a, (5).

<sup>15</sup> PPG, ch. 8-2, .a, (6) (c).



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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.

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 provide 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.

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.

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TTRA and federal travel regulations<sup>16</sup> 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 that 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.

Although DFAS issued guidance related to TTRA in April 2003, interpretation of the guidance limited the payment of late payment interest and fees to only the final settlement travel voucher<sup>17</sup> 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 vouchers<sup>18</sup> from consideration of late payment interest and fees.

As a result of our work, in May 2004 DFAS clarified that all travel voucher reimbursements are subject to late payment interest and fees. However, subsequent to DFAS's dissemination of its May 2004 clarification guidance, we found 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 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. We notified DFAS officials of the oversight and they subsequently made the interest payments.

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## Human Capital Issues

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 travel computation office examiners. GAO's Standards for Internal Control in the Federal Government state that

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<sup>16</sup> FTR, 41 C.F.R. § 301 71.210.

<sup>17</sup> A settlement voucher is the final travel voucher submitted at the end of a period of travel, including an extended period of travel.

<sup>18</sup> An 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.

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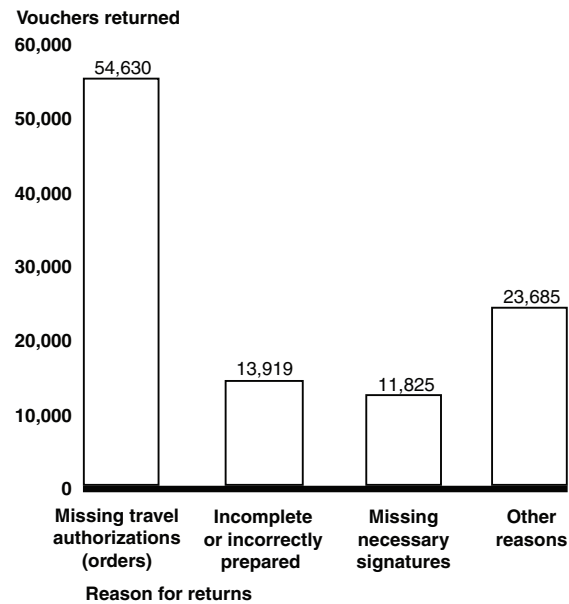
effective human capital practices are critical to establishing and maintaining a strong internal control environment. Specifically, management should take steps to ensure that its organization can promptly identify problems and respond to changing needs, and that appropriate human capital practices are 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 training for soldiers and newly hired DFAS CTO personnel was a contributing factor to some travel voucher processing deficiencies.

#### 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 3, 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 about 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 3: Army Reserve and Army Guard Travel Vouchers Returned by DFAS CTO from July 2003 through September 2004**



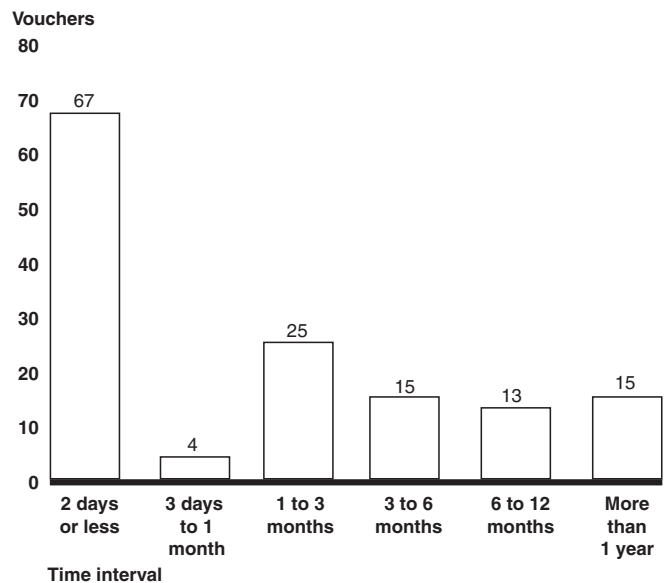
Source: DFAS CTO Indianapolis.

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 4, 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 4: 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.

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

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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.

Further, 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.<sup>19</sup> 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.

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.

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<sup>19</sup> The 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.

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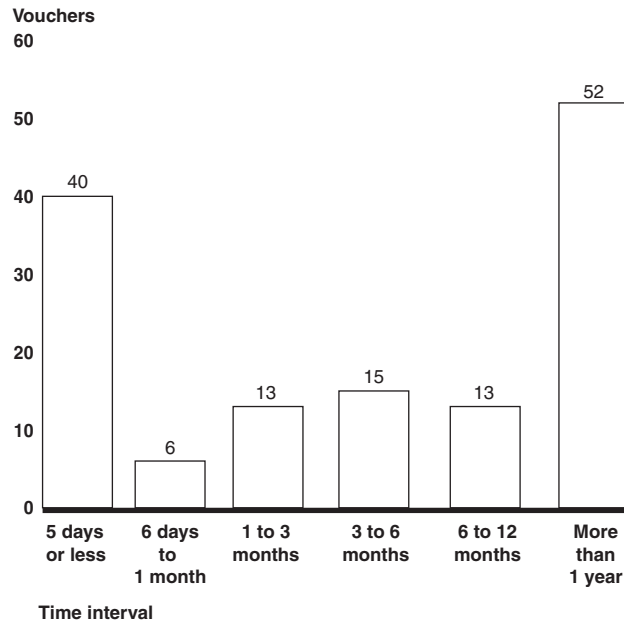
Inadequate Training Results  
in Late or Inaccurate  
Reimbursements

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. 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.

**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 5, 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 5: 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.

**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.



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Our work 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 based travel cost calculations on 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.

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## System Problems

The lack of integrated and automated systems results in the existing inefficient, paper-intensive, and error-prone travel reimbursement process. 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. In addition, 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 DOD Task Force to Reengineer Travel stated in a January 1995 report<sup>20</sup> that the travel process was inefficient because systems involved with travel authorizations were not integrated with systems involved with travel reimbursements. Similarly, as we have reported and testified,<sup>21</sup> 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 6. For example, if the system that created the

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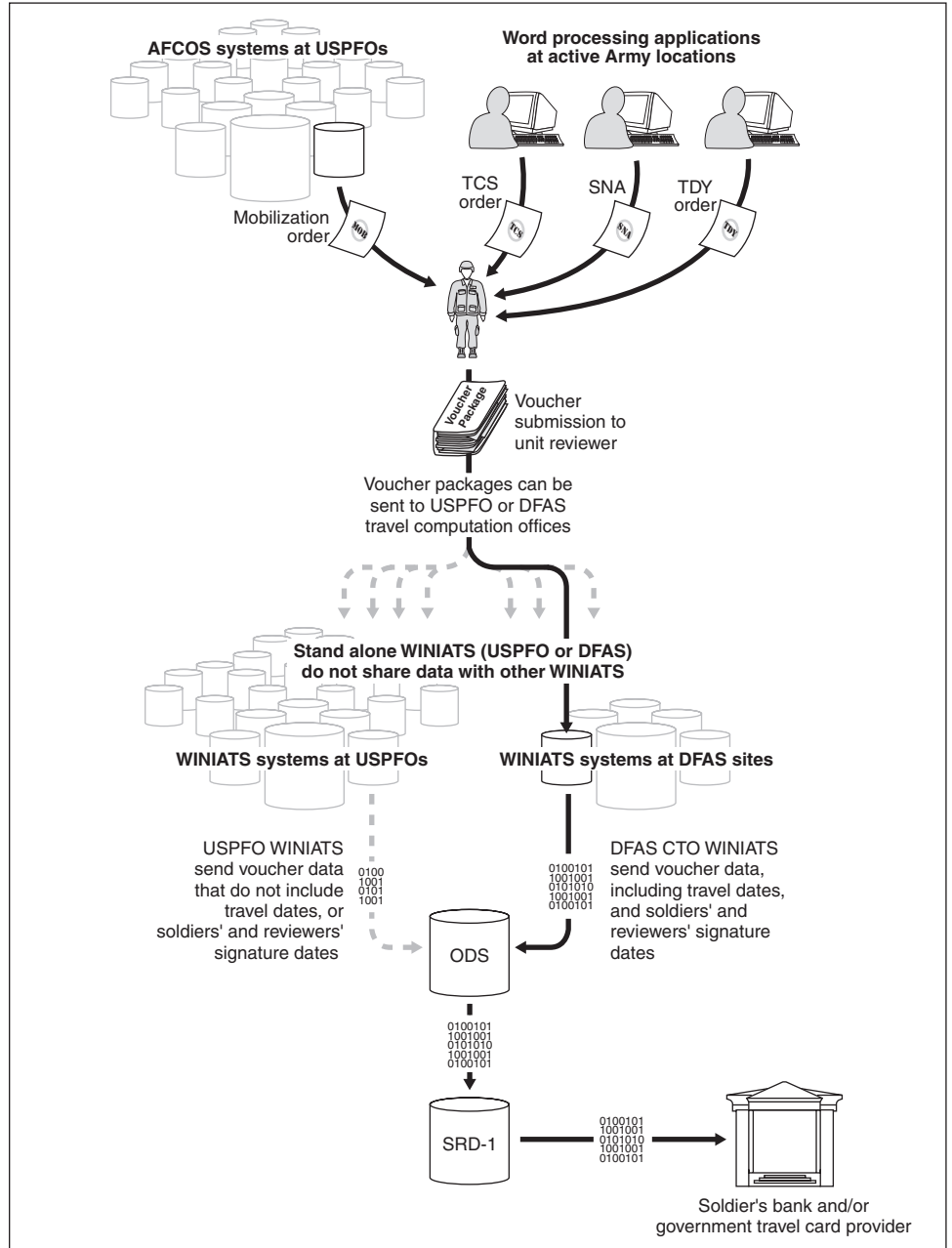
<sup>20</sup> U.S. Department of Defense, *Report of the Department of Defense Task Force to Reengineer Travel* (Washington, D.C.: January 1995).

<sup>21</sup> GAO, *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).

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mobilization order, the Automated Fund Control Order System (AFCOS), interfaced with the travel voucher computation system, a paper copy of the mobilization order would not be necessary because it would be electronically available. In turn, a portion of Army Guard and Army Reserve vouchers returned by DFAS CTO to soldiers because of these missing orders—a significant problem as discussed previously—could have been eliminated.

**Figure 6: Overview of the Design of Systems and Travel Applications Used for Army Guard Travel**



Source: GAO.

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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 6, 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 6, 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 integrated 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. In addition, the Army currently lacks an automated centralized system to issue uniquely numbered and standard formatted SNAs regarding housing and dining facilities for mobilized soldiers. The lack of automated 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 6, 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

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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

We found that many Army Guard USPFOs did not populate key data fields in WINIATS as directed by DFAS Indianapolis. As a result, complete and accurate information was not available for a variety of management needs. For example, dates such as the voucher preparation date, supervisor review date, and the travel computation office receipt date, 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. 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.

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.

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## Defense Travel System Deficiencies

Although DOD recognized the need to improve the travel reimbursement process in the 1990s and has been developing and implementing DTS, this system is currently not able to process mobilized travel authorizations (e.g., mobilization orders, TCS orders, and SNAs) and vouchers and,

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therefore, does not provide an end-to-end solution for paying mobilized Army Guard soldiers for travel entitlements. 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.

At the end of fiscal year 2003, DOD reported investing about \$288 million in DTS. In 2003, Program Management Office-Defense Travel System (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 USPFs. Although the Army Guard supplies most of the mobilized soldiers in support of the global war on terrorism, DTS deployment to the 54 USPFs 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 USPFs, where mobilized Army Guard travel begins. The DTS total life cycle cost estimate, including the military service and Defense agencies, is \$4.39 billion.<sup>22</sup>

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### 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 temporary duty (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. 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, the Defense Integrated Military Human Resources System (DIMHRS), which will 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

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<sup>22</sup> The 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) phase-out costs for fiscal years 1996 through 2006.

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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.

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### 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 statement, 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 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.

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### Other Auditors Identify Problems with DTS

A DFAS Kansas City Statistical Operations and Review Branch report<sup>23</sup> 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,<sup>24</sup> 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

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<sup>23</sup> Defense 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).

<sup>24</sup> Defense Finance and Accounting Service Internal Review, *Review of the Defense Travel System (DTS)* (Arlington, Va.: June 15, 2004).

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because PMO-DTS had not established standard user account review and maintenance procedures, 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.

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## Actions to Improve Accuracy and Timeliness of Mobilized Army Guard Travel Reimbursements

DOD, the Army, the National Guard Bureau, and DFAS reported several positive actions during the course of our work that, if implemented as reported, should improve the accuracy and timeliness of travel reimbursements to Army Guard soldiers. Because these actions were relatively recent, we could not evaluate their effectiveness.

For example, DFAS officials also 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.

In the human capital area, DFAS CTO enhanced its training program for voucher examiners. 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.

In addition, to help ensure that the Army Guard receives timely and accurate travel reimbursements, other immediate steps are needed to mitigate the most serious problems we identified. Accordingly, in our related report ([GAO-05-79](#)), we made 19 short-term recommendations to the Secretary of Defense to address weaknesses we identified that included the need for (1) mobilization and related travel orders to clearly state meal entitlements, (2) standardization of the form and content of



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SNA for contingency operations, and (3) appointment of an ombudsman with accountability for resolving problems Army Guard soldiers encounter at any point in the travel authorization and reimbursement process. We also made 4 recommendations as part of longer term initiatives to reform travel, pay, and personnel systems, including the need to integrate or interface automated travel vouchers, SNAs, TCS orders, mobilization orders, and other relevant systems. In its comments on a draft of our companion 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 our report, we continue to believe that DOD should implement measures to resolve these matters both on an interim and long-term basis.

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## 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. The problems we identified with DOD’s longer term automated systems initiatives—DIMHRS and DTS—raise serious questions of whether and when mobilized soldiers’ travel reimbursement problems will be resolved.

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## Contact and Acknowledgments

For further information about this testimony, please contact Gregory D. Kutz at (202) 512-9095 or [kutzg@gao.gov](mailto:kutzg@gao.gov). Staff making key contributions to this report include Paul S. Begnaud, Norman M. Burrell, Mary Ellen Chervenik, Francine M. DelVecchio, Lauren S. Fassler, Dennis B. Fauber, Wilfred B. Holloway, Patty P. Hsieh, Charles R. Hodge, Jason M. Kelly, Stephen Lipscomb, Julia C. Matta, Sheila D. Miller, John Ryan, Bennett E. Severson, Robert A. Sharpe, Patrick S. Tobo, and Jenniffer F. Wilson.

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