

OFFICE OF INSPECTOR GENERAL

**EVALUATION OF THE
COMMISSION'S TRAVEL PROGRAM**

**Audit Report
OIG-AR-03-02**



September 30, 2002



UNITED STATES INTERNATIONAL TRADE COMMISSION

September 30, 2002

WASHINGTON, D.C. 20436

IG-Z-042

MEMORANDUM**TO: THE COMMISSION**

We hereby submit Audit Report No. OIG-AR-03-02, *Evaluation of the Commission's Travel Program*, for the Commission to implement our recommendations. We performed this audit at the request of the Director of Operations and the Travel and Transportation Officer and in response to Senator Charles Grassley's request to provide information on the Commission's Travel Program.

The Commission strengthened its controls over the Travel Program by implementing an automated travel management system, Zegato, for processing travel plans and expenses. Also, the Commission surveyed employee satisfaction with Zegato and shared the survey results both with the employees and with the Zegato vendor. Building on these positive efforts, further action is needed to strengthen the Travel Program. The audit disclosed instances in which employees inappropriately used their government-sponsored travel cards; paid their bills late; filed expense reports late; and failed to retain required supporting documentation. Due to the frequency and type of use, the auditors referred three employees' travel card activity for OIG investigation.

We made six recommendations to address the Commission's need to: revise official policies and procedures; strengthen oversight to ensure compliance with travel regulations and discourage wrongful acts; reduce administrative costs; and continue to improve customer satisfaction. We also considered, and included where appropriate, the Commission's comments on our draft report. The Commission concurred with our findings and the Commission's planned actions met the intent of the recommendations.

We appreciate the courtesies and cooperation provided to our auditors during this audit.

A handwritten signature in black ink, reading "Kenneth F. Clarke". The signature is written in a cursive style with a long horizontal stroke at the end.

Kenneth F. Clarke
Inspector General

TABLE OF CONTENTS

I. SUMMARY OF RESULTS1

II. BACKGROUND1

III. OBJECTIVE3

IV. METHODOLOGY & SCOPE.....3

V. DETAILS OF RESULTS4

 A. Official Policies and Procedures Should Be Revised4

 Recommendation 15

 B. Oversight of the Travel Program Should Be Strengthened5

 Recommendations 2-48

 C. Cost Savings and Additional Revenue Could Be Realized10

 Recommendation 510

 D. Positive Steps Were Taken to Provide Strong Controls and User Satisfaction.....11

 Recommendation 612

Attachment 1 – Governing Policies and Procedures Agencies Are to Establish (Title 41, Code of Federal Regulation, § 301-70.10213

Attachment 2 – Crosswalk between Zegato Travel System and the Federal Travel Regulations14

Attachment 3 – User Comments on the Zegato Travel Management System17

Attachment 4 – Management’s Response18

I. SUMMARY OF RESULTS

Commission employees must use their government-sponsored Citibank travel cards (travel cards) to pay official government travel expenses. Inappropriate travel card use violates the Citibank contract terms, abuses government resources, and compromises the Commission's integrity. We found instances in which employees:

- Used travel cards for non-travel related purposes;
- Paid their Citibank bills late and/or had their travel cards cancelled for non-payment;
- Filed late travel expense reports; and
- Failed to retain required supporting documentation.

Also, the Commission has not updated official travel policies in more than 12 years. Although the Travel and Transportation Management Officer issued subsequent guidelines and communicated them to Commission employees, the Commission has not authorized the updated guidelines as official policy.

The Commission obtained an automated travel management system (Zegato) for processing travel plans and expenses. We validated that Zegato has been programmed to automatically reflect the current Federal Travel Regulation (FTR). Also, the Commission surveyed Zegato customer satisfaction and provided survey results to Zegato.

We made six recommendations to improve controls over the Travel Program. The Commission can strengthen its Travel Program oversight and establish a compensating control for authorized self-approved travel plans and expense reports. Also, the Commission can achieve greater cost savings and additional revenue by curtailing travelers' use of the Commission's Centrally Billed Account (CBA) in lieu of travel cards issued to those travelers.

II. BACKGROUND

The Commission's Director of Operations and the Travel and Transportation Management Officer requested an audit of the Travel Program on August 16, 2001. They requested the OIG to examine the Commission's travel policy and procedures in light of the Commission's transition to the Zegato automated system. Subsequently, the OIG answered a request from Senator Charles Grassley to provide information on our prior audits and investigations of the Commission's Travel Program, including use of travel cards.

Reducing federal travel costs has been a longstanding goal of the U.S. government. The Travel and Transportation Reform Act of 1998, enacted to save money and improve process efficiency, requires federal employees to use travel cards to pay their official government travel expenses. Congress anticipated that, by using the travel cards,

agencies would: (1) increase the rebate amounts received from travel card service contractors; and (2) reduce administrative cost by consolidating travel and streamlining travel fund advances.

Regulatory requirements for travel by federal civilian employees and others authorized to travel at the government's expense are contained in 41 Code of Federal Regulations (CFR), parts 300 through 301. To implement the requirements, the U.S. General Services Administration (GSA) issued the FTR.

The FTR provides travel related guidance to both the agency and the traveler. For example, the FTR states that a traveler must: exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business; obtain written or electronic authorization generally prior to incurring any travel expense; and accept responsibility, unless previously authorized, for expenses exceeding established reimbursement limits. The government will not pay for excess costs resulting from circuitous routes, delays or luxury accommodations or services unnecessary or unjustified in the performance of official business.

The Commission participates in the government travel card program as part of the GSA SmartPay program. This program provides federal agencies with a new way to pay for commercial goods and services, as well as travel and fleet related expenses. GSA established contracts with five service providers – Citibank, First National Bank of Chicago, Mellon Bank, NationsBank (now Bank of America) and U.S. Bank. The contracts are effective from November 30, 1998 through November 29, 2003 with five one-year options to renew. The Commission uses Citibank.

Of the 261 employees who held Citibank cards as of March 2002, 239 (92 percent) paid expenses with individual accounts. The remaining 22 (8 percent) paid using the CBA.

Official travel results in significant expenditures for the Commission each year. In Fiscal Year (FY) 2001, the Commission spent approximately \$440,000 for travel costs from funds appropriated for operating expenses.

Having abolished the Office of Finance and Budget effective May 10, 2000, the Commission decentralized administration of its Travel Program. The Director of Administration retained financial duties, administered by a new Office of Finance. The Director of Operations assumed responsibility to manage travel policy and procedures, administered by the Travel and Transportation Management Officer, who also serves as a liaison with the travel agent and Zegato.

Effective April 30, 2001, the Commission required all employees to use the new travel management system, Zegato, for all common carrier, lodging and car rental arrangements.

III. OBJECTIVE

We evaluated the Commission's Travel Program regarding temporary duty (TDY) travel and transportation expenses. Specifically, we determined whether the Commission:

- ▶ Established and communicated travel requirements and procedures to all employees, including approving officials; and
- ▶ Implemented sufficient internal controls to monitor and adequately control travel expenditures so as to minimize fraud, waste and abuse.

IV. METHODOLOGY AND SCOPE

We engaged Bert Smith & Co. (Independent Public Accountants) to assist in conducting this audit. Fieldwork took place between March 2002 and May 2002. The audit scope covered Citibank travel card charges and Zegato transactions from April 1, 2001 through March 31, 2002.

We reviewed applicable policies and procedures and interviewed users, supervisors and financial personnel to identify and evaluate the Commission's implementation of the Travel Program. We determined whether separated employees retained their travel cards, and we reviewed internal/consultant reports to identify actions and concerns previously reported. Specifically, we evaluated:

- ▶ Travel documentation filed by 49 travelers;¹
- ▶ User friendliness of Zegato and compliance with the FTR through interviews with the Commission's staff and contractor personnel;
- ▶ General notices and emails issued by the Travel and Transportation Management Officer, as well as internal control policies and procedures as they relate to compliance with the FTR; and
- ▶ Monthly Citibank reports on employee travel card activities.

The audit was conducted in accordance with *Government Auditing Standards*, 1994 Revision, as amended, promulgated by the Comptroller General of the United States.

¹ A sample of 43 was randomly selected by use of Excel random generation and was based on a 90 percent confidence level and error rate of 10 percent. The population included 571 travel transactions from an Excel database for the period under examination. We added 6 other transactions to our sample, which were judgmentally selected based on payment history.

V. DETAILS OF RESULTS

A. Official Policies and Procedures Should Be Revised

Travel policies and procedures were communicated to the Commission's employees through agency-wide emails, the Intranet, and in-house training sessions. While these are positive efforts, the Commission's official guidelines were outdated and guidance on current issues was addressed ad hoc. By not issuing complete and official guidelines on current policies and procedures, the Commission had no assurance that employees were fully aware of their responsibilities and travel requirements.

The Travel and Transportation Management Officer communicated travel policies and procedures to the Commission's employees. The Officer offered several training classes on the use of the new automated travel system, Zegato. Additionally, the Officer advised the staff on significant issues initially through Commission-wide emails and later on the Intranet Travel page. Also, Zegato's home page contained a link to the FTR.

Although the Travel and Transportation Management Officer was proactive in addressing travel issues, the Commission has not issued an Administrative Order or developed a process to approve the information on the Travel web page as its official position. Also, formal and complete guidelines were not updated to reflect current travel regulations and the Commission's revised procedures. For example, the guidelines directed the traveler to prepare paper documents to obtain authorization and reimbursement and make transportation arrangements through a travel agent who is no longer under contract with the Commission. These guidelines were included in the ITC Internal Rules Handbook, titled *Official Temporary Duty Travel Handbook*, USITC 2301.1, dated June 1, 1989.

According to the directive, *System of Internal Rules*, the Office of Administration Director is responsible for maintaining the internal rules. All internal rules must be reviewed and revised periodically to ensure that they are current and necessary. Every 3 years, the Office having primary responsibility must complete a formal review process for all internal rules.

The Travel and Transportation Management Officer advised the auditors that the travel guidelines were revised in August 2000, but the Commission had not yet completed the review and approval processes. Although we did not review these revised guidelines because they were in the initial processing stage, we believe the Commission should ensure the issues discussed in this report either are addressed in sufficient detail or the applicable FTR section is referenced. Additionally, 41 CFR § 301-70.102 (Attachment 1) directs each agency to establish its own policies and procedures governing specific issues.

Recommendation 1:

The Directors of the Offices of Operations and Administration should coordinate their efforts to develop and implement a process to ensure that: (1) policies and procedures posted on the Travel web page are approved by the Commission, and (2) an updated *Official Temporary Duty Travel Handbook* is issued. At a minimum, the revised handbook should address 41 CFR § 301-70.102 requirements and the issues discussed in this report. Specifically, the handbook should document the cardholder's and supervisor's responsibility associated with the Travel Program, e.g., proper use of travel cards including bill payment; timely filing of expense reports; and obtaining exemption from an FTR requirement.

Management Response and OIG Comment:

The Commission agreed with the recommendation. The Director of Operations will revise the *Official Temporary Duty Travel Handbook* by March 30, 2003. Part of the Handbook will include policies and procedures regarding the Commission's Travel Charge Card Program. Such procedures will be prepared by the Office of Administration.

Additionally, the Director of Operations will direct the Travel and Transportation Management Officer to work with the Office of Administration to develop a draft Administrative Order establishing travel policies to be approved by the Commission. That Order will also delegate development of implementing procedures to the Travel and Transportation Management Officer by November 15, 2002.

The OIG concurred with the above actions.

B. Oversight of the Travel Program Should Be Strengthened

The Travel and Transportation Management Officer (Operations) and the Finance Office (Administration) generally provided oversight of the Travel Program. We found that the Commission timely terminated Zegato access and cancelled travel cards of separated employees. However, more needs to be done. The Travel and Transportation Management Officer monitored travel activity to provide further guidance and identify needed modifications to Zegato, and Finance reviewed miscellaneous expenses. However, the Commission had not assigned oversight responsibility to ensure compliance with travel regulations and to discourage wrongful acts. We found instances where employees used individual travel cards for non-travel related purposes, paid Citibank bills late and/or had their travel cards cancelled for non-payment, filed expense reports late, and failed to maintain required documentation. Additionally, separation of duties was weakened due to the Commissioners' self-approval for domestic travel, and post reviews were not performed.

Unauthorized Use of Travel Cards

Twenty-two employees used their individual travel cards for non-travel related expenses. We reviewed charges listed on Citibank's March 2001 through March 2002 statements for all employees issued an individual travel card; determined whether an approved travel authorization supported the expense; and interviewed certain employees.

We referred the activity of three employees for an OIG investigation due to frequency and type of use. Of the remaining 19, most inadvertently had used the card, realized their mistake and removed the card from easy access to avoid mistaking it for their personal credit card. Two used the card for business purposes—such as training—that are not appropriate for the travel card. During the audit we provided this information the Director of the Office of Finance, who promptly issued an email reminding all employees that training expenses were not to be paid with the employee's travel card.

Before using the travel card, the employee must sign an acknowledgement that the card will only be used for official government travel. The FTR states the travel card may be used only for official travel-related expenses, and employees who misuse their travel cards may be subject to appropriate disciplinary action. Directive 4504.0, Personnel Disciplinary and Adverse Action establishes standards and procedures to be followed when disciplinary and adverse actions must be taken against employees.

According to its Director, the Office of Finance less frequently reviews the appropriateness of travel charges when Finance's non-travel related workload increases. During the scope of this audit, we found no evidence of a review or a referral to an employee's supervisor for further action relating to any travel offense. We did find, however, that the Director had been proactive and was working with Citibank to have on-line access to view travel card activity. While having on-line access is a positive step, an individual needs to be assigned the responsibility to identify and refer unauthorized use of the card for supervisory action. Also, to reduce the risk of travel card abuse, the authorized charge limit could be reduced during the time an employee is not expected to travel and increased when travel is expected. However, this process had not been initiated during the time of our fieldwork.

Delinquent Travel Card Payments

Twenty-one of 49 (43 percent) employees were late with their payments, but they all eventually paid their balances in full. Citibank had cancelled 1 card for non-payment over 90 days, and 4 were at one time in pre-suspension or warning of suspension status because payment had not been made within 60 days.

After a travel card is cancelled, Citibank will not issue another card. Therefore, the Commission granted the employee an exemption from using a travel card and allowed the employee—as a Special Central Account user—to charge only air transportation to the

Commission's CBA. Citibank placed the remaining 20 accounts back in open/active status by the end of our fieldwork.

Employees must satisfy in good faith their obligations as citizens, including all just financial obligations, according to Directive 4504.0, Personnel Disciplinary and Adverse Action, dated 9/28/81 Table of Offenses and Penalties Number 13 "Failure to honor valid debts or legal obligations" and 5 CFR 2635.101(12) in the Standards of Ethical Conduct issued by the U.S. Office of Government Ethics. Finally, the agreement signed by the employee prior to receiving the individual travel card includes a disclosure informing the employee of his/her responsibilities to pay for charges to the account.

Although not included in our sample of 49 cases, we found that one other employee had the card cancelled by Citibank for non-payment. In the event this employee is directed to travel again, the Commission will either have to withdraw the travel request or grant an exemption from using a government contractor-issued travel card.

One tool available to the Commission that could help reduce delinquencies is split-disbursement. Split-disbursement works as follows: on filing an approved expense report, the traveler initiates the authorization for payment directly to Citibank for travel card charges claimed on the expense report with the remaining reimbursable paid to the traveler. The Commission could require a split-disbursement for employees who meet an established criterion, such as a one-time delinquency occurrence.

Late Filing of Travel Expense Report

Of the 49 travel expense reports reviewed, 32 travelers (65 percent) did not file their expense reports within 5 working days after their return from travel. FTR 301.52.7 states employees must submit their travel claims within 5 working days after the completion of their trip or every 30 days if continuous travel is involved. The longer the employee waits to complete expense reports, the capacity of both the employee and approving official diminishes with respect to recalling any uniqueness to the situation or purpose of travel. Also, there is a greater risk of losing receipts, and as discussed above, late filings may have contributed to delinquencies in travel card payments.

Required Support Not Maintained

Employees we reviewed maintained the required supporting documentation for expenses claimed. However, one employee received an air transportation upgrade without sufficient support. At our request, the employee provided additional support and stated that the supervisor had been verbally provided details for the special need. In our opinion, an informal process for granting an exemption exposes the Commission to potential integrity issues. Furthermore, FTR 301.13.1-3 expressly outlines the required process for requesting and approving special needs.

Lack of Separation of Duties

The Commission's official travel policy for domestic travel authorizes Commissioners to approve their own plans and expense reports. For foreign travel, the Chairman is the approving official.² From our selected sample of cases, we found that the Commissioners followed the established approval policy and complied with all travel requirements. However, sound management policy stresses the need for a separation of duties. We strongly suggest that the Commission establish an internal control to compensate for the lack of separation of duties in which each Commissioner has by statute the authority to authorize and approve her or his own domestic travel. For example, a designated individual could review travel plans and expense reports and render an opinion for a Commissioner to consider. By obtaining this opinion, the Commission would limit its exposure to questionable travel abuse.

Post Reviews Were Not Performed

Although GSA has no specific requirement to perform post travel audits on expense reports, such audits provide a sound management control. Post reviews would serve as advice and a reminder to travelers and supervisors of their responsibilities as well as a deterrent from committing wrongful acts. The review could be performed monthly on a sample of completed expense reports. In the event an unallowable expense had been paid, both the traveler and supervisor should be alerted to prevent future errors, and the traveler should be required to reimburse the Commission. Finance would make better use of its time performing these post reviews rather than continuing the current practice of reviewing approved miscellaneous expenses that usually are immaterial.

Recommendation 2:

The Director, Office of Administration should assign an individual with the responsibility to: (a) monitor travel card use and payments to ensure the card was used for approved official government travel and expenses were timely paid; (b) refer violations for supervisory action; and (c) perform a quality review on completed travel documentation.

Management Response and OIG Comment:

The Commission agreed with the recommendation. The Director of Administration has tasked the Director of Finance with establishing written procedures and implementing this recommendation. This task will be completed by December 30, 2002.

The OIG concurred with the above actions.

² Although not exercised for foreign travel, Commissioners were granted authority under 19 U.S.C. § 1331(c) to approve their own travel related documents and the documents of their personal staff, for both foreign and domestic.

Recommendation 3:

The Director, Office of Administration should: (1) remind the Commission's supervisors and staff of Directive 4504.0, Personnel Disciplinary and Adverse Action which established standards and procedures to be followed when disciplinary and adverse actions must be taken against employees, and (2) develop a mechanism to monitor the status and final action on cases referred to a supervisor.

Management Response and OIG Comment:

The Commission agreed with the recommendation. The Director of Administration has tasked the Director of Personnel with reminding Commission supervisors and staff of Directive 4504.0 and their inherent responsibilities regarding disciplinary action, as well as developing and maintaining a follow up system, in coordination with the Director of Finance, to monitor the status and ensure action of those cases referred to supervisors. Action on this recommendation should be completed by November 30, 2002.

The OIG concurred with the above actions.

Recommendation 4:

To reduce the risk of travel card abuse, the Chairman should issue an Administrative Order directing supervisors to identify and communicate each cardholder's planned travel in order to have the cardholder's authorized charge limit modified accordingly. The Administrative Order should provide the supervisors with guidance on performing the task to ensure it is cost effective and not a burdensome process. Additionally, consideration should be given to requiring a split-disbursement on future travel expenses for employees who have been delinquent in paying the government's travel card contractor.

Management Response and OIG Comment:

The Commission agreed with the intent of the recommendation but not the specific action. The Office of Administration will look at alternatives, including consulting with Citibank and Zegato to identify other, perhaps less burdensome alternatives. For example, automated modifications to card limits generated by approved travel authorizations would achieve the same effect and require no action from supervisors. The Director of Finance will research and evaluate the costs and benefits for further strengthening card controls. The Director of Finance will also review the practicality of requiring split disbursements of employees who have been habitually late in paying the travel card contractor. An evaluation of options for strengthening card controls, and implementation dates if applicable, will be prepared by the Office of Finance by December 30, 2002.

The OIG concurred with the above actions. When implemented, the above actions will meet the intent of Recommendation 4.

C. Cost Savings and Additional Revenue Could Be Realized

Administering CBA activity is time consuming, and therefore, costly. At the employees' request, the Commission offered the option of obtaining a travel card that is billed directly to the: (a) cardholder – individual travel card, or (b) Commission – CBA. For the CBAs, the Office of Finance must reconcile charges listed on the Citibank statement to the traveler's expense report before authorizing payment to Citibank and the remaining balance to the traveler. The Director of Finance could not quantify the cost to administer CBAs because processing time was not tracked. At the time of our audit, 22 employees had a CBA.

One of the purposes of the Travel and Transportation Act of 1998 was to reduce and curtail the use of travel advances and the cost of maintaining CBAs for federal agencies. This was to be accomplished by ensuring all employees had individual travel cards. Implementing the split-disbursement option could reduce processing costs, satisfying the employees, and enhance rebate revenue. By selecting this option, the Commission would limit its administrative costs and increase its rebates since payment would be authorized as soon as the traveler filed an approved expense report rather than waiting until Citibank issued its monthly bill. Speed of pay is one factor used by Citibank when determining the percentage of rebate due to an agency.

Recommendation 5:

The Director, Office of Administration should discontinue offering CBAs. For those currently holding a CBA travel card, information on the split-disbursement process should be provided to encourage those cardholders to obtain an individual travel card.

Management Response and OIG Comment:

The Commission agreed with the recommendation. The Office of Finance no longer offers CBAs to Commission employees. The Director of Finance will brief those employees currently with CBAs on the new procedures utilizing split-disbursements for CBA travelers, and encourage them to obtain individual travel cards. Action on this recommendation will be completed by December 30, 2002.

The OIG concurred with the above actions.

D. Positive Steps Were Taken to Provide Strong Controls and User Satisfaction

By implementing Zegato, the Commission enhanced its existing controls³ and added additional controls that more fully adhere to the FTR. Additionally, on several occasions the Commission evaluated employee satisfaction with the Zegato system. Presented below are some of the controls identified during our review as well as customer satisfaction survey results.

Controls

Zegato adequately addressed the FTR requirements. Our crosswalk analysis between the system and critical FTR requirements found that Zegato automatically addressed the requirements. For example, the correct per diem and lodging were automatically charged. Also, the traveler was required to supply a justification when an expense exceeded a pre-specified amount, and the traveler's assigned approving official was alerted that a justification required approval by a flashing "j" appearing when the request was accessed. Details on the results of the crosswalk are presented as Attachment 2.

Another enhancement included interfacing travel expense/reimbursement transactions with Finance. Because the transactions were not initially interfaced, we identified that the Office of Finance processed 3 of 49 expense reports (6 percent) after the mandated time period. In accordance with FTR 301-52.17, the agency must reimburse employees within 30 calendar days after the submission of a proper travel claim to the agency's designated approving officer. According to the Director of Finance, some documents had not been timely received because the Zegato travel expense/reimbursement report was not completely interfaced with Finance. This problem was resolved in September 2001.

User Satisfaction

To improve Zegato's operational efficiency, the Office of Operations surveyed all Commission employees approximately 6 months after Zegato's implementation. Responses to the survey included both positive and negative comments about the Zegato system. Employees were pleased that Zegato included: MapQuest; partial day calculation; and many flight options. Also, employees were satisfied with the customer support services. Negative comments included: poor implementation; numerous flaws; time consuming; not well organized; not enough flexibility; and not user friendly.

The Travel and Transportation Management Officer provided the results of the survey on two different occasions. The Officer invited all Commission employees to attend a

³ It should be noted that for this audit, we did not perform an in-depth evaluation of controls in the Zegato system because we were concurrently performing an audit on the security of all sensitive electronic information at the Commission, and we will report our results accordingly.

Travel Meeting to share the positive comments and provide an explanation or status on remedies for the negative comments. According to the Officer, the Office of Operations recently discussed conducting another survey, but no further action had been taken as of the end of our fieldwork.

In an effort to continually improve user satisfaction with Zegato, we suggest that the Office of Operations periodically conduct a survey and provide feedback on its results. Comments provided during our interviews suggest that users have issues that should be addressed. Examples of recent comments and solutions/reasons are summarized and provided as Attachment 3.

Recommendation 6:

The Director of the Office of Operations should periodically survey the Zegato users and provide feedback to ensure continued improvement of customer satisfaction.

Management Response and OIG Comment:

The Commission agreed with the recommendation. The Director of Operations will continue to evaluate customer satisfaction on an annual basis.

The OIG concurred with the above actions.

**GOVERNING POLICIES AND PROCEDURES AGENCIES ARE TO
ESTABLISH (41 CFR § 301-70.102)**

You must establish policies and procedures of governing:

- (a) Who will determine what method of transportation is more advantageous to the Government;
- (b) Who will approve any of the following:
 - (1) Use of premium class service under Sec. 301-10.123, Sec. 301-10.124, Sec. 301-10.162 and Sec. 301-10.183 of this chapter;
 - (2) Use of a special-reduced fare or reduced group or charter fare;
 - (3) Use of an extra-fare train service under Sec. 301-10.164;
 - (4) Use of ship service;
 - (5) Use of a foreign ship;
 - (6) Use of a foreign air carrier;
- (c) When you will:
 - (1) Require the use of a Government vehicle;
 - (2) Allow the use of a Government vehicle; and
 - (3) Prohibit the use of a Government vehicle;
- (d) When you will consider use of a POV advantageous to the Government, such as travel to/from common carrier terminals, or transportation to a TDY location;
- (e) Procedures for claiming POV reimbursement;
- (f) When you will allow use of a special conveyance (e.g. commercially rented vehicles);
- (g) What procedures an employee must follow when he/she travels by an indirect route or interrupts travel by a direct route; and
- (h) For local transportation whether to reimburse the full amount of transportation costs or only the amount by which transportation costs exceed the employee's normal costs for transportation between:
 - (1) Office or duty point and another place of business;
 - (2) Places of business; or
 - (3) Residence and place of business other than office or duty point.

**CROSSWALK BETWEEN ZEGATO TRAVEL SYSTEM
AND FEDERAL TRAVEL REGULATIONS**

As part of the evaluation of the Commission Travel Program, a crosswalk was performed between critical FTR requirements and whether they were embedded in the Zegato Travel System. The table below details the results.

FTR Reference	Description	Meet FTR Requirement	Comments
301-2.1	Need authorization to travel	Yes	Before any tickets can be purchased, Zegato requires that, at a minimum, the Cost Center Certifier and the immediate supervisor approve the travel plan submitted by the employee. The system sends an email to each approver informing them that they have documents awaiting approval. If the approval is not received, the travel plan sits "under review" on the system's desktop of the appropriate approving official.
301-2.5 (a), (b), (c), (e), (g), (i), (j), (k), (m), (n), (o)	Travel arrangements that require specific authorization or prior approval	Yes	Zegato contained a designated approval chain for the travel plan and expense report that required the Chairman's approval in addition to the designated supervisor and cost center certifier for the following: <ul style="list-style-type: none"> (a) Premium-class (b) Foreign air carrier; (c) Reduced fares for a group; (e) Extra-fare train service; (m) Foreign travel expenses; and (n) Acceptance of payment from a non-federal source for travel expenses.

FTR Reference	Description	Meet FTR Requirement	Comments
301-2.5 (continued)			<p>Except for the Chairman's approval, the designated approval chain also applies to the below travel plan and expense report:</p> <ul style="list-style-type: none"> (g) Rental car; (i) Reduced per diem rate; (j) Actual expense (k) Emergency travel expenses (o) Attendance at a conference expenses. <p>Without approval by each in the designated approval chain, the system will cease further processing and remain on the desktop of the appropriate approving official.</p>
301-10.106	Basic requirements for using airlines	Yes	Zegato requires the Chairman, along with the designated approving officials, to approve all travel plans requiring premium class/first class tickets or foreign travel.
301-10.110	Use of contract passenger transportation service for personal travel	Yes	<p>Since the use of contract passenger transportation service for personal travel is prohibited, Zegato's requirement to include a purpose for the trip would alert the approving officials of non-business related travel. Also, before tickets are purchased, the system requires approval by the Cost Center Certifier and immediate supervisor.</p>

FTR Reference	Description	Meet FTR Requirement	Comments
301-10.112	Different airlines furnish same service at different rates	Yes	When no contract carrier is available and the traveler selects a preferred airline, Zegato informs them of any options that are the same or lesser cost. The employee must supply justification when choosing a non-contract carrier or the more expensive flight, otherwise the system will not proceed any further. The supervisor is then required to approve or disapprove it.
301-10.123 & 301-10.124	Use of first-class or premium-class airline accommodations	Yes	Zegato requires the Chairman, along with the designated approving officials, to approve all travel plans requiring premium class/first class tickets.
301-11.7	Maximum per diem reimbursement rate	Yes	Zegato will only allocate a per diem rate based on the approved rate for the Temporary Duty location

USER COMMENTS ON THE ZEGATO TRAVEL SYSTEM

Presented below are summarized examples of comments made by the Commission's employees and observations we made during the review of the Zegato Travel System. The Travel and Transportation Management Officer provided the solution, reason, or status on the comments.

- Several employees found the system easy to navigate. It was noted that these individuals had extensive knowledge of the Internet or had participated in the Zegato training.
- The Zegato Web Pages do not have a "Back" button and the use of the browser's "Back" button often results in information being lost.
Solution: Users were confusing the "back" button on the browser with Zegato's "back" button. To avoid this problem, Zegato's "back" button was made larger to alert the user of this feature.
- The system is very unforgiving to error and one error can mean repeating up to an hour's worth of work.
Solution: When an error is made or a modification is needed, the modification button should be used; no data will be lost.
- Some processes do not have information input boxes resulting in taking an inordinate amount of time to complete a travel plan. For example, the input of the destination city and state. The system requires one to go through a list of cities, states and countries and does not allow the simple input of the city, state, and country.
Reason: Requiring the use of a drop-down menu to select the traveler's destination is a control mechanism to charge the appropriate per diem.
- Several computer savvy employees pointed out that the system was made to run on the browser "Internet Explorer". The Commission has a "Netscape" platform and not all features work properly or as quickly.
Reason: The Office of Information Services only supplies support for Netscape.
- Some processes need intervention such as renting a van when multiple travelers are involved.
Reason: Official policy and federal regulations require each traveler to obtain an approved travel plan.
- Management needs customized reports.
Status: The Travel and Transportation Management Officer advised the auditors that special reports were being developed but recently stopped due to a brief suspension of some Zegato services. The services were reinstated, and customized reports will be further developed. In fact, one manager requested a special report and provided a pro-forma of the report. The Travel and Transportation Management Officer stated that work began on this report and will resume in the near future.

OFFICE OF OPERATIONS



UNITED STATES INTERNATIONAL TRADE COMMISSION


WASHINGTON, DC 20436

September 26, 2002

MEMORANDUM

OP-Z-020

TO: The Chairman

FROM: Robert Rogowsky 
Director of Operations

Subject: Response to Recommendations to the OIG Evaluation of the
Commission's Travel Program

This memorandum is the Office of Operation's response to the OIG's draft audit report, Evaluation of the Commission's Travel Program. Below is the action plan for implementing recommendations 1 and 6.

Recommendation 1:

The Directors of the Offices of Operations and Administration should coordinate their efforts to develop and implement a process to ensure that: (1) policies and procedures posted on the Travel web page are approved by the Commission, and (2) an updated *Official Temporary Duty Travel Handbook* is issued. At a minimum, the revised handbook should address 41 CFR § 301-70.102 requirements and the issues discussed in this report. Specifically, the handbook should document the cardholder's and supervisor's responsibility associated with the Travel Program, e.g., proper use of travel cards including bill payment; timely filing of expense reports; and obtaining exemption from an FTR requirement.

Management Response: Agree

The Office of Administration will work with the Travel and Transportation Management Officer to develop a draft Administrative Order establishing travel polices to be approved by the Commission. That Order will also delegate development of implementing procedures to the Travel and Transportation Management Officer by November 15, 2002.

The Director of Operations will revise the *Official Temporary Duty Travel Handbook* by March 30, 3003 regarding policies and procedures. Part of the Handbook will include policies and procedures regarding the Commission's Travel Charge Card Program. Such procedures will be prepared by the Office of Administration.

Recommendation 6:


The Director of the Office of Operations should periodically survey the Zegato users and provide feedback to ensure continued improvement of customer satisfaction.

Management Response: Agree

The Director of Operations has held more than 10 different forums to obtain feedback and customer satisfaction since implementing Zegato. The Director of Operations will continue to evaluate customer satisfaction on an annual basis.

Approved: X

Disapprove: _____



Chairman, Deanna Tanner Okun

 9/30/02
Date

cc: The Commission
Inspector General
Travel and Transportation Management Officer



 UNITED STATES INTERNATIONAL TRADE COMMISSION


WASHINGTON, DC 20436

September 23, 2002

AD-Z-106

MEMORANDUM

TO: Inspector General

FROM: Stephen A. McLaughlin, Director
Office of Administration 

SUBJECT: Response to Draft Report: Evaluation of the Commission's Travel Program

This memorandum is the Office of Administration's response to the Draft Report: Evaluation of the Commission's Travel Program. This response includes the action plan for implementing recommendations 2, 3, and 5 which are directed to the Office of Administration, as requested in your memorandum IG-Z-032.

Recommendations

2. The Director of Administration should assign an individual with the responsibility to: (a) monitor travel card use and payments to ensure the card was used for approved official government travel and expenses were timely paid; (b) refer violations for supervisory action; and (c) perform a quality review on completed travel documentation.

Response: Agree

The Director of Administration has tasked the Director of Finance with establishing written procedures and implementing this recommendation. This task will be completed by December 30, 2002.

3. The Director, Office of Administration should: (1) remind the Commission's supervisors and staff of Directive 450~~4~~0, Personnel Disciplinary and Adverse Action, which establishes standards and procedures to be followed when disciplinary and adverse actions must be taken against employees, and (2) develop a mechanism to monitor the status and final actions on cases referred to a supervisor.

Response: Agree

The Director of Administration has tasked the Director of Personnel with reminding Commission supervisors and staff of Directive 450~~5~~.0 and their inherent responsibilities regarding disciplinary action, as well as developing and maintaining a follow up system, in coordination with the Director of Finance, to monitor the status and ensure action of those cases referred to supervisors.

Action on this recommendation should be completed by November 30, 2002.

5. The Director, Office of Administration should discontinue offering CBAs. For those currently holding a CBA travel card, information on the split-disbursement process should be provided to encourage those cardholders to obtain an individual travel card.

Response: Agree

The Office of Finance no longer offers CBAs to Commission employees. The Director of Finance will brief those employees currently with CBAs on the new procedures utilizing split disbursements for CBA travelers, and encourage them to obtain individual travel cards.

Action on this recommendation will be completed by December 30, 2002.

Approve: X

Disapprove: _____



Deanna Tanner Okun, Chairman

9/24/02
Date

cc: The Commission
Office of Personnel
Office of Finance
Office of Operations



 UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

September 30, 2002

AD-Z-111

MEMORANDUM

TO: Inspector General

 FROM: Stephen A. McLaughlin, Director
 Office of Administration

 SUBJECT: Response to Draft Report: Evaluation of the Commission's
 Travel Program

This memorandum is the Office of Administration's response to the draft report: Evaluation of the Commission's Travel Program, that includes the action plan for implementing recommendation 4.

Recommendation

4. To reduce the risk of travel card abuse, the Chairman should issue an Administrative Order directing supervisors to identify and communicate each cardholder's planned travel in order to have the cardholders authorized charge limit modified accordingly. The Administrative Order should provide the supervisors with guidance on performing the tasks to ensure it is cost effective and not a burdensome process. Additionally, consideration should be given to requiring a split-disbursement on further travel expenses for employees who have been delinquent in paying the governments travel card contractor.

Response: Agree

The Office of Administration agrees with the intent of this recommendation. However, we propose looking at alternatives, including consulting with Citibank and Zegato, to identify other, perhaps less burdensome alternatives. For example, automated modifications to card limits generated by approved travel authorizations would achieve the same effect and require no action from supervisors. The Director of Finance will research and evaluate the costs and benefits for further strengthening card controls. The Director of Finance will

also review the practicality of requiring split disbursements of employees who have been habitually late in paying the travel card contractor.

An evaluation of options for strengthening card controls, and implementation dates if applicable, will be prepared by the Office of Finance by December 30, 2002.

Approve: _____

Disapprove: _____



Deanna Tanner Okun
Chairman

9/30/02
Date

cc: The Commission
Office of Personnel
Office of Finance
Office of Operations