



Highlights of [GAO-08-16](#), a report to congressional committees

Why GAO Did This Study

Fiscal year 2006 was the first year that the Department of Defense (DOD) reported improper payment information for its travel program under the Improper Payments Information Act of 2002 (IPIA). For fiscal year 2006, DOD reported obligations of approximately \$8.5 billion for travel. Congress mandated that GAO assess the reasons why DOD is not fully in compliance with IPIA related to travel expenditures. In May 2007, GAO issued an initial report in response to this mandate. To further respond, GAO assessed (1) the completeness and accuracy of DOD’s fiscal year 2006 IPIA travel disclosure in its performance and accountability report (PAR), and (2) DOD’s planned efforts to improve and refine its processes for estimating and reporting on travel improper payments. To complete this work, GAO reviewed DOD’s IPIA reporting, IPIA, Office of Management and Budget’s (OMB) IPIA implementing guidance, and met with cognizant DOD officials.

What GAO Recommends

GAO makes four recommendations to DOD to improve the usefulness and completeness of IPIA reporting associated with its travel program. DOD concurred with three of the recommendations and partially concurred with the remaining one. DOD referred to a recently issued policy memorandum in its response. Additional action will be needed to fully and effectively implement this policy.

To view the full product, including the scope and methodology, click on [GAO-08-16](#). For more information, contact McCoy Williams at (202) 512-9095 or williamsm1@gao.gov.

DOD TRAVEL IMPROPER PAYMENTS

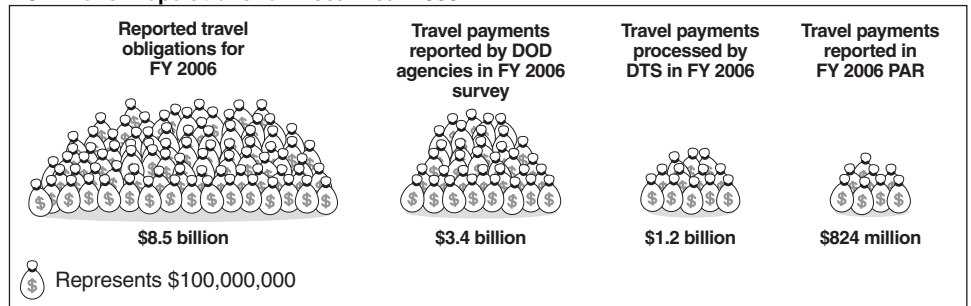
Fiscal Year 2006 Reporting Was Incomplete and Planned Improvement Efforts Face Challenges

What GAO Found

In its fiscal year 2006 PAR, DOD reported an estimate of approximately \$8 million in travel improper payments, reflecting about 1 percent of reported travel payments. While this estimate would indicate the program was not at risk of significant erroneous payments under OMB guidance, DOD’s improper payment travel disclosure for fiscal year 2006 was incomplete. The DOD travel payment data used to assess the program’s risk of significant improper payments only included payments processed by the Defense Travel System (DTS)—approximately 10 percent of the \$8.5 billion of DOD travel obligations reported for fiscal year 2006. Further, DOD’s 2006 PAR described a travel postpayment review process that may mislead readers to believe that the reported travel improper payment estimate represents more than DTS-processed travel. The travel improper payment estimate also excluded the largest user of DTS, the Army, which would likely have increased DOD’s estimate by over \$4 million. Finally, the statistical sampling methodology and process used by DOD to estimate DTS improper payments as reported for fiscal year 2006 had several weaknesses and did not result in statistically valid estimates of travel improper payments.

DOD is taking steps to more fully assess and report on its travel program for improper payments for future IPIA reporting. DOD’s planned assessment is to be based on an annual Improper Payments Survey conducted by the Office of the Undersecretary of Defense (Comptroller). However, GAO’s review identified several weaknesses with the survey and reported results, including limited guidance on how to estimate travel improper payments and a lack of oversight and review over implementation of the survey and its results. As shown in the figure below, there were substantial discrepancies among the travel populations reported in the PAR, improper payment survey, and fiscal year 2006 travel obligations. The exclusion of such a significant portion of travel expenditures in the survey decreases its effectiveness as an improper payments assessment tool. DOD has also established a Program Officer for Improper Payment and Recovery Auditing, an improper payment working group, and held a “Department of Defense Improper Payments Information Act Conference.”

DOD Travel Populations for Fiscal Year 2006



Source: GAO analysis.