



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

*Catalyst for Improving the Environment*

## Evaluation Report

# EPA Needs to Strengthen Management Controls Over Its Travel Authorization Process

Report No. 11-P-0223

May 10, 2011

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## Abbreviations

EPA	U.S. Environmental Protection Agency
ES	Executive Service
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
SES	Senior Executive Service

## Hotline

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# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

The Office of the Inspector General (OIG) became aware that an OIG employee could authorize his/her own travel despite not meeting the criteria to do so under the U.S. Environmental Protection Agency's (EPA's) Travel Policy. Therefore, we sought to determine whether necessary control procedures were in place for the approval of travel authorizations and routing changes, and whether the redelegation of authority for self-approval of travel was consistent Agency-wide.

## Background

GovTrip is the EPA travel management system that provides federal travelers with completely automated travel planning and reimbursement capabilities. The General Services Administration authorized the use of GovTrip, which is a Northrop Grumman Internet-based system. EPA's Office of the Chief Financial Officer manages GovTrip for EPA.

**For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.**

The full report is at:  
[www.epa.gov/oig/reports/2011/20110510-11-P-0223.pdf](http://www.epa.gov/oig/reports/2011/20110510-11-P-0223.pdf)

## ***EPA Needs to Strengthen Management Controls Over Its Travel Authorization Process***

### **What We Found**

The EPA travel program lacks sufficient management controls to ensure that travel documents are properly routed and authorized. Current travel controls do not prevent prohibited employees from self-authorizing their travel. Also, the EPA travel system allows unauthorized personnel to self-approve travel, and does not ensure that GovTrip routing lists are controlled to ensure an independent review of travel. We did not identify any instances of fraud during our review. However, the lack of sufficient management controls to ensure that travel documents are properly routed and authorized leaves the Agency's travel system vulnerable to fraud, waste, and abuse that may go undetected.

### **What We Recommend**

We recommend that the Chief Financial Officer revise the Agency's current *Delegations Manual* to prevent the self-authorization of travel at any level within the Agency. This revision should require the program and regional offices to delete outdated routing lists, fix those that are incorrect, and create new routing lists to match current organizational structures. We also recommend that the Chief Financial Officer require that personnel not be on routing lists that give them the authority to authorize travel, and ensure that routing list managers notify the Cincinnati Financial Management Center when personnel or organizational changes require routing list changes. We further recommend that the Chief Financial Officer request that the General Services Administration change GovTrip to prevent self-authorization of travel and include audit trails to determine who made changes to routing lists. Finally, we recommend that the Chief Financial Officer require Agency program and regional offices to assist the Office of the Chief Financial Officer in developing policy to effectively manage routing lists, and that computer programs be run monthly to determine whether travelers are in compliance with policy, and investigate any exceptions.

The Agency's response to our draft report did not specifically state concurrence or nonconcurrence with our audit findings. We noted that the Agency response did include an attachment that addressed each of our recommendations, along with proposed corrective actions and completion milestones.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

May 10, 2011

**MEMORANDUM**

**SUBJECT:** EPA Needs to Strengthen Management Controls  
Over Its Travel Authorization Process  
Report No. 11-P-0223

**FROM:** Arthur A. Elkins, Jr.  
Inspector General

A handwritten signature in black ink, appearing to read "Arthur A. Elkins, Jr.", is written over the printed name.

**TO:** Barbara Bennett  
Chief Financial Officer

This is our report on the Office of Inspector General (OIG) evaluation of the U.S. Environmental Protection Agency's (EPA's) management controls governing travel authorization and the approval of travel vouchers using the GovTrip travel system. An OIG employee notified OIG managers that he/she could authorize his/her own travel despite not meeting the criteria to do so under the Agency's Travel Policy. Subsequently, we evaluated EPA's management controls over the GovTrip approval and authorization process. Specifically, we wanted to determine whether these controls are adequate to prevent unauthorized and unapproved travel using the GovTrip system. This report summarizes the results of our evaluation.

The estimated direct labor for this report is \$637,562.

**Action Required**

In accordance with EPA Manual 2750, you are required to provide a written response to this report within 90 calendar days. You should include a corrective action plan for agreed-upon actions, including milestone dates. Your response will be posted on the OIG's public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal. We have no objections to the further release of this report to the public. We will post this report to our website at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact Wade Najjum, Assistant Inspector General for Program Evaluation, at (202) 566-0832 or [najjum.wade@epa.gov](mailto:najjum.wade@epa.gov); or Eric Lewis, Product Line Director, at (202) 566-2664 or [lewis.eric@epa.gov](mailto:lewis.eric@epa.gov).

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# Chapter 1

## Introduction

### Purpose

The Office of the Inspector General (OIG) evaluated the U.S. Environmental Protection Agency's (EPA's) management controls over GovTrip and the travel authorization process when we became aware that an OIG employee could authorize his or her own travel despite not meeting the criteria to do so under the Agency's Travel Policy. As such, we sought to determine whether:

- Necessary control procedures were in place to help ensure that all travel authorizations were necessary and in the best interest of the government.
- EPA's travel delegation governing the redelegation of authority for self-approval of travel was carried out consistently Agency-wide.
- Program and regional offices had control procedures to help ensure that supervisors approved all routing changes.

### Background

EPA implemented the GovTrip system in September 2008. GovTrip is a Northrop Grumman Internet-based system that provides federal travelers with travel planning and reimbursement capabilities. The system allows for the electronic submission of travel authorizations and travel vouchers for the approval and reimbursement of government travel. Figure 1 shows procedures for processing travel documents.

**Figure 1: Agency procedures for processing travel documents**

Travel authorizations	Travel vouchers
<ul style="list-style-type: none"><li>• Traveler/preparer creates the travel authorization.</li><li>• The travel authorization is routed to the authorizing official who reviews and stamps the document "authorized."</li><li>• The travel authorization is routed to an approver who verifies lines of accounting and approves the document.</li></ul>	<ul style="list-style-type: none"><li>• Traveler/preparer creates the travel voucher.</li><li>• The travel voucher is electronically routed to the authorizing official who reviews and authorizes the travel voucher.</li><li>• The Cincinnati Travel Team approves the voucher for payment.</li></ul>

Source: GovTrip Supplemental Training Packet.

Travelers and travel preparers use GovTrip to arrange all aspects of transportation, including submitting a request for and receiving reimbursement after travel.

Approving officials use GovTrip to monitor and manage all necessary authorizations, disbursements, and reimbursements. Federal agency travel administrators use GovTrip to set up and maintain data for organizations, groups, routing lists, and individual users.

The Office of the Chief Financial Officer's (OCFO's) Cincinnati Financial Management Center conducts travel reviews on 10 percent of the previous month's paid vouchers based on statistical sampling of reports run by Northrop Grumman. However, the Cincinnati Financial Management Center does not perform an independent assessment of travel authorizations during these reviews; it relies on the individual program and regional offices to ensure that travel authorizations are processed correctly before employees travel.

### ***EPA 1200 Delegation Manual***

The *EPA 1200 Delegations Manual* establishes Agency policy governing the delegation process for Agency management officials to act on behalf of the Administrator. The Administrator delegates authority to the Assistant Administrators, Regional Administrators, Associate Administrators, the General Counsel, Office Directors reporting directly to the Administrator, the Inspector General, the Administrative Law Judges, and the Environmental Appeals Board. These officials may redelegate the authority to subordinate levels within their own organizations.

However, this authority may be redelegated only when allowed in the specific delegation, and redelegations must be made sequentially from one level to the next (e.g., Assistant Administrator to Office Director to Division Director, rather than from the Assistant Administrator directly to a Division Director). Further, the *EPA 1200 Delegations Manual* states that the original delegate must keep a written record of all redelegations of authority to the lowest permissible organizational level or individual exercising the authority. The redelegation of authority does not excuse the original delegate or interim levels from the responsibility of assuring that their delegated authorities are exercised appropriately.

Chapter 1-17-A, section 3.h, of the *EPA 1200 Delegations Manual* states that the authority to approve one's own domestic travel authorizations and travel vouchers may only be redelegated to:

- The Deputy Chief of Staff in the Office of the Administrator
- Office Directors (excluding the Office of the Administrator)
- Directors, Office of Administration and Resources Management, Cincinnati, and Research Triangle Park
- Directors of laboratories
- Office of Research and Development Laboratory/Center/Office Directors (or equivalents)



According to the *EPA 1200 Delegations Manual*, further redelegation by these officials is not permitted. Chapter 1-17-B of the *EPA 1200 Delegations Manual* states that the lowest level for the self-approval of international travel is Regional Administrator.

### **Office of Management and Budget Circular A-123**

Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Controls*, identifies the three objectives of internal control:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

Circular A-123 asserts that management is responsible for developing and maintaining internal control activities to comply with standards for these objectives. Control activities are the policies and procedures that help ensure that management directives are carried out. Important to our assignment, segregation of duties is a control activity that ensures there are separate personnel with authority to authorize a transaction, process the transaction, and review the transaction.

### **Federal Agency Travel Administrators Manual**

Chapter 5 of the *Federal Agency Travel Administrators Manual* notes that GovTrip routing lists should establish the path that travel authorizations and vouchers must take to get the appropriate authorizations or approvals. In addition to specifying the workflow, these routing lists designate which individuals have authority to sign off at each step in the authorization and approval process.

## **Interim Report Previously Issued**

Our preliminary research phase revealed three potential areas of vulnerability regarding EPA's management controls over the travel authorization process:

1. The EPA travel program, which comprises EPA policies and GovTrip, lacked necessary control procedures to assure that all travel authorizations were necessary and in the best interest of the government.
2. The *EPA 1200 Delegations Manual* allows some officials to self-authorize their travel. However, current control procedures over the travel authorization process do not prevent prohibited employees from self-authorizing their travel. We noted 199 incidents in which travel appeared to be self-authorized by persons who were not delegated that authority.
3. Poor internal controls allowed personnel to change the routing of travel authorizations and vouchers without their supervisors' approval or notification.

Given the potential significance of the vulnerabilities identified, we issued an interim report to the Agency, *EPA Travel Program Lacks Necessary Controls* (Report No. 10-P-0078, issued March 9, 2010), for information purposes only. We informed the Agency that we would conduct further field work analysis on these issues to determine the effectiveness of management controls over the travel process using the GovTrip system.

## Noteworthy Achievement

In response to our interim report, OCFO initiated efforts to update the Agency's Resource Management Directive Systems 2550B, *Travel Manual*, with respect to the self-approval of travel. In February 2011, OCFO requested an Agency-wide review of proposed updates to the *Travel Manual*, which called for revisions to the delegation of authority for chapters 1-17-A, "Domestic Travel"; 1-17-B, "International Travel"; and 1-17-C, "Domestic Travel and International Travel for the Office of the Inspector General." These proposed revisions would no longer allow self-approval of travel authorizations/vouchers and require designation of alternate approvers for travelers and travel-authorizing officials. The Agency's response to our draft report indicates that the proposed completion date for these revisions is July 31, 2011.

## Scope and Methodology

We conducted field work analysis from March 2010 through February 2011 at EPA headquarters in Washington, DC. Out of a universe of 1,248 self-authorized travel documents,<sup>1</sup> we identified 199 incidents of self-authorized travel authorizations and travel vouchers processed from September 2008 through April 2009 that violated EPA policy. The methodology used to select these incidents (and subsequent violations) included whether the name of the authorizer of the travel was the same as the traveler, and whether the name of the authorizer was the same as the signer of the transaction. Based on our analysis of these incidents, we determined that there were 197 violations.<sup>2</sup> We followed up on our review of travel taken by Senior Executive Service (SES) and Executive Service (ES) officials. We reviewed the travel records of 27 SES/ES officials, which covered 114 instances in which the officials authorized their own travel authorizations and/or vouchers. Using the *EPA 1200 Delegations Manual* as criteria, we found that 20 of these SES/ES officials did not meet the requirements to self-authorize their travel.

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<sup>1</sup> For the purpose of our review, we only considered the 1,248 travel documents that were self-authorized, and from that universe we determined the number of reportable violations and concluded that EPA needs to strengthen the management controls over its travel authorization process.

<sup>2</sup> Two of the 199 incidents represented test cases conducted by the OIG prior to preliminary research to determine whether control procedures over the travel authorization process could prevent the self-authorization of travel by a manager not authorized to approve their own travel. These tests results were successful and led to the initiation of this assignment. As such, we did not include these two incidents when determining the overall number of violations computed during field work analysis (i.e., 197).

We evaluated the effectiveness of written policies and procedures under the Agency's travel program. We contacted Agency personnel from each Assistant Administrator and Regional Administrator office responsible for maintaining the routing list for persons designated to authorize travel documents. We also contacted Agency travel managers of the GovTrip system regarding standard procedures for updating and maintaining these routing lists to ensure that travel documents are routed to the appropriate Agency officials with the authority to authorize travel.

We also examined the travel authorizations and travel vouchers for the 197 violations identified to determine whether travel was in the best interest of the Agency. These 197 violations comprised 119 travel authorizations and 78 travel vouchers, and were chosen based on comparison of the travel authorization with the travel voucher for the same trip. In analyzing actual travel authorizations and travel vouchers, we reviewed travel locations, reasons for travel, authorization estimates, and voucher charges to attempt to identify fraud, waste, or abuse. For 25 selected staff, we also followed up our review of the files by asking supervisors whether they believed the specific travel was in the best interest of the government.

We analyzed travel documents to determine whether proper delegation was provided and that management had approved the travel. We contacted each of the Agency's Assistant Administrator and Regional Administrator offices to determine whether the authority for the self-authorization of travel had been redelegated. We also contacted persons who self-authorized travel and their supervisors<sup>3</sup> to determine whether these authorizations were violations and, if so, whether the supervisors were aware of these transgressions.

We conducted our review in accordance with generally accepted government auditing standards. Those standards require that we adequately plan for the audit; properly supervise audit staff; obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions; and prepare audit documentation related to the planning, conducting, and reporting for each audit. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

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<sup>3</sup> Of the 197 violations, we did not interview all supervisors. Supervisors were selected for interview if their subordinate had committed multiple violations, if the travel was international, or if the total travel cost was over \$2,000.

## Chapter 2

# The EPA Travel System Is Vulnerable to Fraud, Waste, and Abuse

EPA's travel program lacks the necessary management controls to ensure that travel documents are properly routed and authorized by appropriate Agency travel managers as required. OMB Circular A-123 requires control activities that include policies, procedures, and mechanisms to help ensure that agency objectives are met. These control procedures include proper segregation of duties (separate personnel with authority to authorize a transaction, process the transaction, and review the transaction), and the proper authorization of documentation. The *EPA 1200 Delegations Manual* gives Assistant Administrators the authority to authorize and approve their own travel documents and to redelegate that authority to lower levels within the organization. We identified 197 violations in which persons authorized their own travel but did not meet the criteria to do so. We did not find that fraud had occurred in those 197 violations, but the current authorization process is nonetheless vulnerable to employees using government funds for unauthorized travel.

### ***EPA 1200 Delegations Manual Permits Self-Authorization of Travel***

The *EPA 1200 Delegations Manual* allows the self-authorization of travel by high-ranking officials and other designated individuals through proper delegation and re delegation authority. As a control, the travel vouchers of all political appointees are fully audited, and monthly audits are conducted on 10 percent of the paid vouchers to other individuals. However, these audits do not include the review of travel authorizations. Rather, the Agency places responsibility for ensuring that travel authorizations are valid and in the best interest of the government with the office authorizing travel. We found instances in which Agency personnel authorized their own travel without meeting the requirements to do so. OMB Circular A-123 states that no single individual should be able to authorize, process, and review a transaction. We believe the practice of allowing self-authorization of travel should be discontinued. Because GovTrip is an Internet-based system serving all of EPA, someone should always be available to independently approve travel.

### **EPA Travel Process Does Not Prevent Prohibited Employees From Self-Authorizing Their Travel**

The *EPA 1200 Delegations Manual* allows self-authorization of travel to the level of Office Director through re delegation. In practice, Agency personnel lower than the designated level of Office Director/Laboratory Director or equivalent have self-authorized travel. We identified 197 violations in which travel documents were

signed by persons who did not meet the designated authorization criteria required by the Agency’s domestic and international travel policies (table 1). Consequently, we consider these actions to be violations of the *EPA 1200 Delegations Manual*.

**Table 1: Travel violations and corresponding reimbursement**

Organizational office	Number of violations	Amount reimbursed
Administrator	1	\$932.51
Assistant Administrator for International Affairs <sup>a</sup>	1	707.34
Assistant Administrator for Research and Development	20	23,213.77
Assistant Administrator for Enforcement and Compliance Assurance	49	41,252.95
Assistant Administrator for Administration and Resources Management	6	7,328.10
Assistant Administrator for Air and Radiation	18	23,142.54
Assistant Administrator for Prevention, Pesticides and Toxic Substances <sup>b</sup>	4	5,210.56
Assistant Administrator for Solid Waste and Emergency Response	7	11,135.08
Assistant Administrator for Water	12	10,107.51
Office of Environmental Information	2	1,095.95
Office of General Counsel	2	465.39
Office of Inspector General	4	10,535.17
Region 2 New York	1	1,068.84
Region 3 Philadelphia	9	1,926.37
Region 4 Atlanta	16	11,376.76
Region 5 Chicago	18	19,100.64
Region 6 Dallas	14	7,236.64
Region 7 Kansas City	2	1,772.88
Region 10 Seattle	7	8,686.12
Organization not shown	4	1,981.12
<b>Total</b>	<b>197</b>	<b>\$188,276.24</b>

Source: OIG analysis.

<sup>a</sup> Now the Office of International and Tribal Affairs.

<sup>b</sup> Now the Office of Chemical Safety and Pollution Prevention.

These 197 violations comprised 119 travel authorizations<sup>4</sup> and 78 travel vouchers, and were chosen based on comparison of the travel authorization with the travel voucher for the same trip. The total amount of \$188,276.24 in table 1 represents reimbursement for travel taken from September 2008 through April 2009. These violations were committed by travelers representing 83 percent of EPA program and regional offices. These 197 violations represented about 16 percent of the 1,248 travel documents available for review. The OIG did not identify any instance of fraud in the review of these 197 violations.

<sup>4</sup> The results of our query yielded 114 vouchers with cost data to match the 119 authorizations. Five authorizations had been cancelled, but were determined to have been improperly authorized, and therefore are violations under the *EPA 1200 Delegations Manual*. These 5 violations are included in our 119 total for travel authorization violations.

As noted in our interim report, we followed up on our review of travel taken by SES and ES officials. We reviewed the travel records of 27 SES/ES officials, which covered 114 instances in which the officials authorized their own travel authorizations and/or vouchers. However, using the *EPA 1200 Delegations Manual* as criteria, we found that 20 of these SES officials did not meet the requirements to self-authorize their travel. We noted 58 instances of travel by these SES/ES officials that we determined to be violations of the *EPA 1200 Delegations Manual*. Consequently, these violations represent about 51 percent of the 114 instances of travel we reviewed by SES/ES officials. The OIG did not identify any instance of fraud in the review of these 58 violations.

We do not believe that any personnel, including SES/ES officials, should be allowed to authorize or approve their own travel. Self-authorization and approval prevents intended control procedures under OMB Circular A-123 for the proper segregation of duties and the proper authorization of documentation. As a result, EPA's redelegation of authority allowing individuals to self-authorize or approve travel is a control weakness in the Agency's travel process.

### ***Authorizing Office Is Responsible for Travel***

OCFO travel managers stated that designated approvers/authorizers are responsible for ensuring that travel authorizations are valid and in the best interest of the government. This statement is consistent with the *EPA Travel Manual*, which states that the supervisors are responsible for ensuring that travel is in the best interest of the government. OCFO travel managers stated that employees have the responsibility to become familiar with travel policy and procedures and comply with them. The *EPA Travel Manual* states that the signature of the authorizing official signifies that the proposed travel was reviewed and found to be essential to accomplish the Agency's objectives. We believe that control is lost when employees can self-authorize travel.

### ***OCFO Returns Some Self-Authorized Travel Vouchers***

OCFO travel managers stated that travel vouchers are returned to employees when the officials discover that an employee self-authorized travel. In this instance, the vouchers must be re-signed and routed correctly through the appropriate authorizing officials. These officials also copy the supervisor on the e-mail stating why the voucher has been returned. In its current format, GovTrip is not capable of preventing the self-authorization of travel because the system does not have the capability of distinguishing among the creator, the signer, and the authorizer of a travel document. As a result, GovTrip cannot be relied on to determine when improper self-authorizations have occurred. Therefore, OCFO could develop a report to identify employees who have self-authorized travel. This report could be used to identify self-authorized travel documents and could be run to serve as a control to detect improperly self-authorized travel.

### ***Reviews Are Not Always Effective***

In our opinion, OCFO's document review process is not always effective in determining whether travel was authorized in accordance with the *EPA 1200 Delegations Manual*. We found 78 instances in which travel vouchers were processed and paid to individuals who had improperly authorized their own travel vouchers for payment. In these instances, the travel vouchers were not returned by OCFO. One employee whose travel voucher was reviewed informed us that she was never told that she had authorized her own travel or that it was improper. In our opinion, these reviews are not reliable in determining whether the travel was authorized in accordance with the *EPA 1200 Delegations Manual*. OCFO travel managers stated that only 10 percent of travel vouchers for employees who are not political appointees are audited, which further increases the likelihood that self-authorized travel will not be discovered.

### ***Employee Justifications for Self-Authorization Are Not Valid***

Employees offered various reasons for self-authorization of travel, but we found little merit in these justifications. Of the 197 violations identified, we found 108 were committed by multiple violators—personnel that had more than one violation. The Office of Enforcement and Compliance Assurance stood out from the other EPA offices; its Office of Civil Enforcement, Water Enforcement Division, and Office of Criminal Enforcement, Forensics and Training, Criminal Investigation Division, accounted for 44 of the 108 violations committed by multiple violators. One particular multiple violator from the Office of Enforcement and Compliance Assurance commented that on one occasion, he self-authorized his own travel so as not to impede an ongoing investigation. Further, four others stated that they had discussed their travel with their supervisors, but acknowledged that they were not given the direct authority to authorize their own travel even though they had done so. This course of action also does not provide accountability or assurance that travel was in the best interest of the government.

Finally, we found 10 instances in which individuals stated that they thought their supervisors had granted them the authority to self-authorize travel. However, there was no documentation that corroborated the delegation of authority. This course of action provides no accountability or assurance that travel was in the best interest of the government.

### ***Supervision Is Not Effective***

We found that supervision in these 197 instances was insufficient. We interviewed and surveyed by questionnaire the 26 supervisors of the employees who improperly authorized their own travel. For those supervisors who responded, we noted the following:

- Six supervisors had improperly authorized their own travel.
- Seven supervisors responded to our question on whether they would have authorized the travel in question. These seven supervisors stated they would have done so.
- Twenty-two supervisors responded to our question on whether they were aware that a person under their supervision had inappropriately authorized their own travel. These 22 supervisors stated they were not aware of these improper authorizations.

## **Routing List Controls Are Not Effective**

We found that EPA's travel program lacks the necessary management controls to ensure that travel documents are properly routed and authorized by appropriate Agency travel managers as required. Chapter 5 of the *GovTrip Federal Agency Travel Administration User Manual and Training Materials* states that GovTrip routing lists establish the path that travel authorizations and vouchers must take to get the appropriate authorizations or approvals. Chapter 17-1-A of the *EPA 1200 Delegations Manual* states that the authority to authorize one's own domestic travel authorizations and travel vouchers may only be redelegated to the lowest permissible level of Office Director/Laboratory Director or equivalent. However, current efforts within the program offices and regions have not successfully ensured that GovTrip routing lists are controlled to prevent unauthorized personnel below these redelegated positions from self-authorizing their own travel.

### ***Routing Lists Show Approval Authority and Workflow***

The *GovTrip Federal Agency Travel Administration User Manual and Training Materials* notes that GovTrip routing lists establish the path that travel authorizations and vouchers must take to get the appropriate authorizations or funding approvals. The *GovTrip Federal Agency Travel Administration User Manual and Training Materials* also directs that individuals be designated with the authority to sign off at each step in the authorization and funding approval process. According to OCFO travel managers, GovTrip requires routing lists to push the document through the system for appropriate authorization and funding approval. These routing lists are critical because they structure the electronic review process. Routing lists are developed by travel coordinators in program offices and by federal agency travel administrators in the regions. These lists contain the names of those designated with the authority to sign off at each step in the authorization and funding approval process, signifying that the proposed travel was reviewed and was deemed essential to accomplish the Agency's objectives.

OCFO officials stated that GovTrip cannot distinguish between the creator, signer, and authorizer. Consequently, when routing lists are not updated and properly maintained, improperly self-authorized travel can be processed through GovTrip. For example, if employees are granted authorization authority for routing lists that



already include their names as travelers, then they could authorize their own travel. Similarly, if employees are assigned as backup routing officials for routing lists that included them before they became backups, then they could authorize their own travel. We found two main program offices (Office of Water and Office of Solid Waste and Emergency Response) each with a suboffice<sup>5</sup> that has adopted the practice of ensuring that authorizing officials and backups are not listed within the groups for which they have authorization authority. Our analysis of these two main offices revealed violations for improper self-authorization of travel. However, if routing lists were updated and properly maintained, we believe that this would be a useful approach in preventing employees from authorizing their own travel documents.

### ***Employees Can Change Routing Lists***

Agency procedures and the GovTrip system allow users to change their routing without supervisory approval or notification. We conducted two tests to determine the effectiveness of routing controls. One test involved an OIG employee submitting an e-mail to the Agency's GovTrip helpdesk requesting a routing list change to another supervisor. A second test was conducted with an employee using the GovTrip system to change the employee's designated routing list. In both tests, the objective was to make the change without notifying the supervisor. Both tests resulted in personnel successfully changing to another routing list and supervisor with no notification to the actual supervisors. Ineffective controls over the routing lists create the following vulnerabilities:

- Employees can change to routing lists in which they have authorization authority and therefore can self-authorize their travel.
- Employees can change routing to a supervisor willing to sign for unauthorized travel with no opportunity for independent review.

We were told by OCFO travel managers that individual program and regional offices are responsible for maintaining the accuracy of their routing lists, and that the GovTrip helpdesk personnel cannot ensure that all changes to routing lists are appropriate because of the frequency with which these types of changes occur. These travel managers stated that the Agency's *Travel Manual* is being revised to include language stipulating that routing changes must be submitted in writing (by e-mail) to the Cincinnati Financial Management Center by the appropriate routing list requestor. These travel managers stated that the Cincinnati Financial Management Center will not accept changes from travelers, and that the appropriate designated official must provide the updates to Cincinnati Financial Management Center.

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<sup>5</sup> The Office of Site Remediation Enforcement and the Office of Wetlands, Oceans, and Watersheds, respectively.

### ***Program Office Process for Changing Routing Lists Is Unreliable***

Currently, program offices rely on designated travel coordinators to update routing lists. These travel coordinators are required to e-mail the Cincinnati Financial Management Center with any changes to authorization privileges. Program office travel coordinators stated that they:

- Relied on supervisors or employees to inform them of necessary changes to routing
- Acted on the general guidance provided by the Cincinnati Financial Management Center
- Obtained personnel change information from administrative officers

However, this process is unreliable. As we noted, any employee can e-mail OCFO staff to request a routing list change, or simply change the routing themselves. OCFO travel managers stated that GovTrip controls do not provide an audit trail identifying who made the changes to the routing lists. Consequently, GovTrip does not have a means to identify personnel who may change routing lists to commit fraud, waste, or abuse. We believe that these are essential controls and, without these controls, a serious vulnerability exists.

### ***Regional Offices Have Documented Procedures, but Timeliness Issues Persist***

OCFO allows the regions to have federal agency travel administrators to manage the routing lists. Federal agency travel administrators reported various levels of assurance regarding procedures for making routing list changes, including:

- The use of specific forms to obtain a supervisor's approval before making a routing change
- The use of Standard Form 52s, which they receive and use to change routing when needed
- The reliance on e-mails from supervisors before a routing list is changed.

Federal agency travel administrators also expressed concern about not being notified in a timely manner of personnel changes that would also require changes in GovTrip routing lists. One travel administrator believed that his ability to get signed Standard Form 52s in a timely manner to update routing lists was hampered when personnel processing was assumed by the EPA Shared Service Centers.

## **Conclusions**

Necessary control procedures are not in place to help ensure that all travel authorizations were necessary and in the best interest of the government. While the *EPA 1200 Delegations Manual* allows self-authorization of travel at designated

levels of authority, EPA's current travel controls do not prevent unauthorized travel by employees who are prohibited from doing so. Consequently, this leaves EPA travel system vulnerable to fraud, waste, and abuse. Finally, we found that Agency-wide procedures are needed to help ensure that program and regional supervisors consistently approve all routing changes. We noted varying or no controls at program and regional offices regarding this particular issue.

## Recommendations

We recommend that the Chief Financial Officer:

1. Revise the Agency's current *Delegations Manual* to prevent the self-authorization of travel at any level within the Agency. This revision should:
  - a. Require the program and regional offices to delete outdated routing lists, fix those that are incorrect, or create new routing lists that are needed to match current organizational structures.
  - b. Require that personnel not be on routing lists that give them the authority to authorize travel.
  - c. Ensure that routing list managers notify the Cincinnati Financial Management Center expeditiously and submit appropriate documentation when personnel or organizational changes require routing list changes (e.g., adding new employees, changing the approver for current employees, and making changes relative to departure or promotion of current employees).
2. Request that the General Services Administration change GovTrip to prevent self-authorization of travel and include audit trails to determine who made changes to routing lists.
3. Require Agency program and regional offices to assist OCFO in developing policy to effectively manage routing lists.
4. Develop scripts to determine whether travelers are in compliance with policy for managing routing lists, run the scripts monthly, and investigate exceptions.

## Agency Response to Draft Report

The Agency provided its response to our draft report on March 25, 2011. The Agency's response included its interpretation of what it believed the percentage of self-authorization violations were relative to the number of travel documents they indicated were processed during the period of our review. This interpretation was the Agency's only comment regarding the findings in the report. The Agency

response also included an attachment that addressed each of our recommendations, along with proposed corrective actions and completion milestones.

## **OIG Evaluation of Agency Response**

We noted that the Agency did not specifically state concurrence or nonconcurrence with our audit findings. Rather, the Agency determined a violation rate of 0.4 percent based on comparison of the 197 violations to a total universe of 45,662 travel documents that the Agency said were processed during the period of our review. The Agency did not provide documentation of how they arrived at the universe of 45,662 travel documents. Nonetheless, our review efforts were to evaluate EPA's management controls over GovTrip and the travel authorization process. Our universe of 1,248 travel documents consisted only of self-authorized travel documents. These documents were obtained from travel records from the Agency's Financial Data Warehouse and were certified as accurate by the EPA GovTrip managers. We added language to the report to clarify that our universe consisted of 1,248 instances of self-authorized travel and 197 instances in which the self-authorized travel "violated EPA policy." More importantly, our review efforts show that the 197 violations are evidence that a management control weakness exists that could allow, or fail to prevent or detect, fraud, waste, or abuse in the Agency's travel processes or travel system.

The Agency's response to our draft report is in appendix A. In accordance with EPA Manual 2750, the Agency's final concurrence or nonconcurrence to our findings and recommendations is due 90 days from the issuance this report.

## **Status of Recommendations and Potential Monetary Benefits**

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date	Claimed Amount	Agreed-To Amount
1	13	Revise the Agency's current <i>Delegations Manual</i> to prevent the self-authorization of travel at any level within the Agency. This revision should: <ul style="list-style-type: none"> <li>a. Require the program and regional offices to delete outdated routing lists, fix those that are incorrect, or create new routing lists that are needed to match current organizational structures.</li> <li>b. Require that personnel not be on routing lists that give them the authority to authorize travel.</li> <li>c. Ensure that routing list managers notify the Cincinnati Financial Management Center expeditiously and submit appropriate documentation when personnel or organizational changes require routing list changes (e.g., adding new employees, changing the approver for current employees, and making changes relative to departure or promotion of current employees).</li> </ul>	O	Chief Financial Officer	07/31/11		
2	13	Request that the General Services Administration change GovTrip to prevent self-authorization of travel and include audit trails to determine who made changes to routing lists.	O	Chief Financial Officer	11/12/13		
3	13	Require Agency program and regional offices to assist OCFO in developing policy to effectively manage routing lists.	O	Chief Financial Officer	07/31/11		
4	13	Develop scripts to determine whether travelers are in compliance with policy for managing routing lists, run the scripts monthly, and investigate exceptions.	O	Chief Financial Officer	11/12/13		

<sup>1</sup> O = recommendation is open with agreed-to corrective actions pending  
C = recommendation is closed with all agreed-to actions completed  
U = recommendation is undecided with resolution efforts in progress

## ***Agency Response to Draft Report***

### **MEMORANDUM**

**SUBJECT:** Response to the Draft Report: Office of Inspector General Evaluation of EPA's Travel Authorization Process, Project No. OPE-FY10-0016, dated February 17, 2011

**FROM:** Barbara J. Bennett  
Chief Financial Officer

**TO:** Arthur A. Elkins, Jr.  
Inspector General

Thank you for providing us with the opportunity to comment on and respond to the findings and recommendations made in the "Draft Report: Office of Inspector General Evaluation of EPA's Travel Authorization Process." We have reviewed the draft report and wish to correct information provided in the Scope and Methodology section (page 4) of the report. The report states that from a universe of 1,248 travel documents, OIG identified 197 incidents of self-authorized travel authorizations and travel vouchers processed from September 2008 through April 2009. The actual number of travel documents processed during this period was 45,662. The 1,248 figure represents the total number which was self-approved while the 197 incidents represent the number which did not have the authority for self-approval. Therefore, the percent of documents self approved by individuals not delegated this authority was 0.4%.

If you have any questions concerning the audit response, please contact Stefan Silzer, Director, Office of Financial Management, at (202) 564-5389 or Raffael Stein, Director, Office of Financial Services at (202) 564-5385.

#### Attachment

cc: Maryann Froehlich  
Wade Najjum  
Joshua Baylson  
Elizabeth Grossman  
Eric Lewis  
Stefan Silzer  
Raffael Stein  
Susan Dax  
Melvin Visnick  
Jeanne Conklin

Jim Wood  
Dale Miller  
Deborah Vanselow  
Sara Floyd  
Khari Nelson  
Sandy Dickens  
Janice Kern  
Benjamin Beeson  
Bettye Bell-Daniel  
Dwayne E. Crawford  
Rae Donaldson  
Bram Hass  
Ryan Patterson  
Johnny Ross  
Wendy Wierzbicki

## OCFO's Response to OIG Draft Report

*"Office of Inspector General Evaluation of EPA's Travel Authorization Process"*

Project No. OPE-FY10-0016, dated February 17, 2011

Rec. No.	OIG Recommendation	Action Official(s)	Proposed Corrective Action	Proposed Completion Date
1.	Revise the Agency's current delegations manual to prevent the self-authorization of travel at any level within the Agency. This revision should:	OCFO/Office of Financial Management (OFM)	1.1 The revised Official Travel Policy Manual, Section III. Delegations of Authority 1-17-A, 17-B, and 17-C, states no self-authorization of travel at any level within the Agency. The manual is currently in the Agency's Directives Clearance Review with comments due back April 1, 2011. We anticipate issuance by July 2011.	7/31/2011
	a. Require the program and regional offices to delete outdated routing lists, fix those that are incorrect, or create new routing lists that are needed to match current organizational structures.	OFM	1.1.a. The revised Official Travel Policy Manual, Section IV. Responsibilities, requires program and regional offices to maintain routing lists, send official changes to Cincinnati Finance Center (CFC) and request changes from appropriate supervisors or authorizing officials.	7/31/2011
	b. Require that personnel not be on routing lists that give them the authority to authorize travel.	OFM	1.1.b. The revised Official Travel Policy Manual, Section IV. Responsibilities, states CFC will not accept routing changes from employees (travelers).	7/31/2011



Rec. No.	OIG Recommendation	Action Official(s)	Proposed Corrective Action	Proposed Completion Date
	<p>c. Ensure that routing list managers notify the Cincinnati Financial Management Center expeditiously and submit appropriate documentation when personnel or organizational changes require routing list changes (e.g., adding new employees, changing the approver for current employees, and making changes relative to departure or promotion of current employees).</p>	OFM	<p>Section III. The Delegations of Authority states alternate designated individuals must authorize or approve travel for travel authorizing officials. Additionally, in collaboration with CFC, each program office and region should supplement these guidelines, as needed, to comply with internal controls and segregation of duties.</p> <p>1.1.c. The revised Official Travel Policy Manual, Section IV. Responsibilities, informs CFC that appropriate designated officials for employees must provide updates - approvers for new employees, new approver for current employees, and removal of an approver no longer with the office or no longer an employee. The updates require a signature, date, and submission in portable document format (PDF) via e-mail to CFC.</p>	7/31/2011
2.	Request that General Services Administration change GovTrip to prevent self-authorization of travel and include audit trails to determine who made changes to routing lists.	Office of Financial Services (OFS)	2.1 The current contract with GovTrip expires on November 12, 2013. However, EPA will most likely transition to a new service provider prior to this deadline. A routing	Before 11/12/2013

Rec. No.	OIG Recommendation	Action Official(s)	Proposed Corrective Action	Proposed Completion Date
			<p>list audit trail is one of the requirements under the E-Gov Travel Service 2 (ETS2) contact. At this time, OCFO sees updating GovTrip with the addition of a routing list audit table as cost prohibitive. Furthermore, since not all agencies use GovTrip in the same manner as EPA, a change to prevent self-authorization is not feasible. OFCO believes that this control will be captured when the routing lists are updated for compliance with recommendations 1a, b, and c.</p>	
3.	<p>Require Agency program and regional offices to assist OCFO in developing policy to effectively manage routing lists.</p>	OFM	<p>3.1 The revised Official Travel Policy Manual, Section IV. Responsibilities – CFC, states in collaboration with CFC, program offices and regions should supplement these guidelines, as needed, to comply with internal controls and separation of duties.</p>	7/31/2011
4.	<p>Develop scripts to determine whether travelers are in compliance with policy for managing routing lists, run the scripts monthly, and investigate exceptions.</p>	OFS	<p>4.1 The routing list audit table in the ETS2 product will allow OCFO to run a list of changes that occurred during the reporting period. OCFO would then be able to</p>	<p>Before 11/12/2013</p>

<b>Rec. No.</b>	<b>OIG Recommendation</b>	<b>Action Official(s)</b>	<b>Proposed Corrective Action</b>	<b>Proposed Completion Date</b>
			<p>compare the list to the requests received for the same period and investigate exceptions. In the meantime, OCFO has developed a report that provides a list of vouchers where the traveler's name and the authorizer are the same. CFC will run this report monthly and require additional documentation from any exceptions it produces.</p>	

***Distribution***

Office of the Administrator  
Chief Financial Officer  
Agency Followup Coordinator  
General Counsel  
Associate Administrator for Congressional and Intergovernmental Relations  
Associate Administrator for External Affairs and Environmental Education  
Audit Followup Coordinator, Office of the Chief Financial Officer