

# NASA

National Aeronautics and Space Administration

Office of Inspector General

Office of Audits

# AUDIT OF NASA'S PREMIUM AIR TRAVEL

October 21, 2014

Report No. IG-15-002





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# RESULTS IN BRIEF

## Audit of NASA's Premium Air Travel

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IG-15-002 (A-14-010-00)

### WHY WE PERFORMED THIS AUDIT

With limited exceptions, the General Services Administration's (GSA) Federal Travel Regulation (FTR) requires Federal travelers to use coach-class accommodations when flying on commercial carriers. Among the exceptions allowing for first or business class ("premium-class") air travel are to accommodate a documented medical disability; when traveling outside the continental United States and scheduled flight times, including stopovers and plane changes, exceed 14 hours; or when required by "agency mission." At NASA for example, Johnson Space Center has defined agency mission to include ensuring that astronauts with demanding training schedules avoid excessive fatigue when traveling overseas.

In March 2014, several media reports called into question NASA's use and reporting of premium-class travel, including travel by the NASA Administrator and Ames Research Center Director. Following these reports, the Senate Subcommittee on Commerce, Justice, Science, and Related Agencies, Committee on Appropriations, asked the NASA Office of Inspector General to perform an independent assessment of NASA's policies for approving and reporting premium travel. In response, we initiated this audit.

### WHAT WE FOUND

Generally, the 2 years of NASA premium-class travel we reviewed was properly authorized and complied with Federal and Agency travel policy. However, we identified four instances of premium travel that did not fall within any FTR or Agency exceptions, errors and omissions in some travel authorizations, and inaccuracies in NASA's reporting of its premium travel to GSA. In addition, we found the Agency's travel policy did not include several elements required by GSA.

**Most Premium-Class Travel Tested Complied with Applicable Rules.** From our sample of 75 travel legs over a 2-year period, we identified four legs that did not fall within any of the permissible FTR exceptions. For three of the legs – from Houston, Texas, to Moscow, Russia; from Moscow to Houston; and from Los Angeles, California, to Vienna, Austria, with a connecting flight in Frankfurt, Germany – flight times did not exceed the required 14 hours. For the fourth leg from Atlanta, Georgia, to Denver, Colorado, the traveler's medical condition letter on file had not been updated annually as required by NASA policy.

We also identified 11 travel authorizations that were not routed through the designated premium travel approver and for which NASA could not provide documentation of verbal approval; 12 travel authorizations that did not include a justification for premium-class travel; and 2 authorizations in which the justification provided was incorrect. However, with the exception of one of the four legs referenced above, premium-class travel in each of these cases fell within the recognized exceptions and therefore was appropriate.

**Premium-Class Travel Reporting to GSA Contained Inaccurate Information and Omitted Some Premium-Class Legs.** NASA's process for preparing and submitting its annual premium-class travel report needs improvement. Our testing disclosed that reports NASA submitted to GSA for fiscal years 2011 and 2013 failed to include some premium-class travel, incorrectly reported some coach-class legs as premium-class, and inaccurately reported the details of other premium-class travel. We also found that the exception codes (i.e., justification for using premium-class) NASA provided were incorrect 17 percent of the time in the 75 sample items reviewed. These inaccuracies occurred because NASA took minimal steps to validate information provided by GSA, including the reported cost of premium- and coach-class airfare when preparing its reports, and because the Agency did not provide clear guidance to the Centers regarding the need to validate information in the report. These shortcomings resulted in reports that provided an inaccurate view of NASA's use of premium air travel.

**NASA Travel Policies and Procedures Need Improvement.** NASA's travel policy does not include guidance on several premium-class travel topics required by the FTR and GSA such as the definition of specific mission criteria that justify premium travel. It also does not require travelers who change an approved coach-class fare to premium to file an amended travel authorization. Without an amended authorization, no approver sees the cost of the premium airfare until the expense report is submitted after the trip.

## WHAT WE RECOMMENDED

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To improve controls relating to premium-class travel, we recommended the NASA Chief Financial Officer (CFO) remind travelers, travel preparers, supervisors, and premium travel approvers of their roles and responsibilities and the valid exceptions for premium travel by including the topic in future training; provide guidance on the content of the certification statements substantiating that premium-class travel is necessary to accommodate a medical disability or other special need; and require verbal approvals of premium-class travel be documented in the Agency's travel management system.

To ensure accuracy of NASA's premium travel reports to GSA, we recommended the CFO document and distribute a process clearly defining the roles and responsibilities of all parties involved in preparation, validation, and submission of the reports and update NASA's travel policy to ensure the information necessary to complete the reports is maintained in NASA's travel management system.

Finally, we recommended the CFO review and revise its current premium-class travel policy to ensure it is comprehensive and current.

In response to a draft of this report, NASA management concurred with our recommendations and described the corrective actions the Agency plans to take. We consider management's comments responsive; therefore, the recommendations are resolved and will be closed upon verification and completion of the proposed corrective actions.

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## Abbreviations

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CFO	Chief Financial Officer
CGE	Concur Government Edition
FTR	Federal Travel Regulation
FY	Fiscal Year
GAO	Government Accountability Office
GSA	General Services Administration
NID	NASA Interim Directive
NPR	NASA Procedural Requirements
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General

# INTRODUCTION

NASA has the responsibility to ensure it uses Federal funds, including funds spent on official travel, appropriately and in a cost-effective manner. With limited exceptions, Federal travelers are required to use coach-class accommodations when flying on commercial carriers. Among the exceptions allowing first or business class (“premium-class”) air travel are to accommodate a documented medical disability; when traveling outside the continental United States and scheduled flight times, including stopovers and plane changes, are in excess of 14 hours; or when required by “agency mission.” At NASA for example, Johnson Space Center (Johnson) has defined “agency mission” to include ensuring that astronauts with demanding training schedules avoid excessive fatigue when traveling overseas.

In March 2014, several media reports called into question NASA’s use and reporting of premium-class air travel, including travel by the NASA Administrator and Ames Research Center (Ames) Director. Following these reports, the Senate Subcommittee on Commerce, Justice, Science, and Related Agencies, Committee on Appropriations, requested the NASA Office of Inspector General (OIG) perform an independent assessment of NASA’s policies for approving and reporting premium travel. The OIG initiated this audit in response to that request.

The overall objective of this audit was to evaluate whether NASA has appropriate policies and procedures in place for approving and ensuring accurate reporting of premium travel. See Appendix A for details of the audit’s scope and methodology, our review of internal controls, and a list of prior coverage.

## Background

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Over the past 3 years, NASA has decreased its overall travel expenses approximately 31 percent, from \$99.2 million in fiscal year (FY) 2011 to \$78.8 million in FY 2012 and \$68.2 million in FY 2013.<sup>1</sup> Similarly, the amount NASA reported spending on premium-class travel decreased approximately 41 percent over this 3-year period, from \$1.1 million in FY 2011 to \$777,000 in FY 2012 and \$639,000 in FY 2013.<sup>2</sup> Approximately 1 percent of the Agency’s total annual travel expenses in each fiscal year was associated with premium travel.

## Federal Travel Regulations

The General Services Administration (GSA) has promulgated rules governing official Federal travel.<sup>3</sup> These rules, known as the Federal Travel Regulation (FTR), require agencies to limit travel expenses to those necessary to accomplish their missions in the most economical and effective manner possible. In addition, travelers must exercise the same level of prudence when making official travel arrangements as if traveling on personal business.

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<sup>1</sup> These expenses include costs for local travel and travel away from primary duty stations by employees or others paid for by NASA either directly or by reimbursement.

<sup>2</sup> These figures are drawn from reports NASA submitted to the General Services Administration in August 2014.

<sup>3</sup> These rules are found in volume 41, chapters 300 through 304 of the Code of Federal Regulations.

In addition to the FTR, agencies promulgate additional guidance to interpret the FTR and establish agency-specific policies. With regard to the medical disability rule, the FTR requires travelers to file with their agency letters documenting their condition, including its expected duration. For non-permanent medical conditions, travelers must update the letters annually. NASA policy requires employees to update all medical letters annually regardless of the duration of the condition.

## **GAO Report on Premium Travel**

In September 2007, the Government Accountability Office (GAO) issued a report identifying instances of improperly authorized premium-class travel by Federal travelers resulting in at least \$146 million in improper premium travel Government-wide.<sup>4</sup> GAO found large differences across agencies in premium travel guidance, with some agencies less restrictive on executive travel. GAO's findings reinforced the importance of having clearly defined internal controls and greater transparency and accountability for premium-class travel.

In response to GAO's findings, GSA revised the FTR to require Federal agencies to report detailed information regarding premium-class travel to GSA annually and developed a web-based tool pursuant to which agencies submit the required data.<sup>5</sup> GSA also amended the FTR to require agencies to issue internal guidance explaining when premium-class travel is mission required.

Between 2011 and 2013, NASA submitted two premium travel reports to the GSA covering FYs 2011 and 2013, but no report for FY 2012.<sup>6</sup> Following media reports and congressional inquiries, NASA revised and resubmitted its FYs 2011 and 2013 reports and created and submitted a report for FY 2012 premium-class travel.

## **Travel Management System**

During FY 2009, NASA began participating in GSA's E-Gov Travel Service and using an electronic travel management system called FedTraveler. Effective June 30, 2014, NASA replaced FedTraveler with a different travel system called Concur Government Edition (CGE). Our audit work focused on travel arranged and authorized using FedTraveler, and unless otherwise indicated, our description of the process for booking premium travel reflects the procedures followed using that system. As outlined in Table 1, NASA expects implementation of CGE will improve internal controls relating to premium-class travel.

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<sup>4</sup> GAO, "Premium Class Travel: Internal Control Weaknesses Governmentwide Led to Improper and Abusive Use of Premium Class Travel" (GAO-07-1268, September 2007).

<sup>5</sup> GSA Bulletin FTR 10-05, "Directions for Reporting Other Than Coach-Class Accommodations for Employees on Official Travel" (June 9, 2010).

<sup>6</sup> According to the Office of the Chief Financial Officer, the individual responsible for compiling the FY 2012 report was on extended medical leave and no other employee was assigned to complete the report during that absence.



**Table 1: FedTraveler vs. CGE – Premium-Class Control Improvements**

Improvement Area	FedTraveler	CGE
Online Booking Capability	Only economy-class tickets could be booked so travelers were forced to book premium-class tickets outside the system	Capable of booking tickets in all fare classes, which permits the routing of travel authorizations for premium travel to the appropriate approver
Policy Compliance	Did not provide warnings when travel not compliant with policy selected	Provides notifications of noncompliant selections
Data on Itinerary	Did not always display premium travel information	Provides not only the premium ticket information, but other options that were within policy at the time of the booking
Itinerary Retention	Did not have the capability to provide permanent itinerary history	Configured to automatically attach the itinerary so it will be permanently retained
Premium Reporting	No premium-class travel reporting capability	Premium-class travel reporting available

Source: NASA.

## NASA’s Travel Reservation Process

When a NASA employee goes on official travel, the employee or his or her designee prepares a document called a travel authorization to request approval and estimate the cost of the trip. When preparing the travel authorization, employees may make airline reservations using FedTraveler’s online booking engine or by contacting an agent at NASA’s travel management center – CI Travel. In the case of premium-class seats, employees must contact CI Travel because FedTraveler does not allow premium-class bookings. However, CI Travel employees do not have access to the Agency’s travel authorizations, and therefore must rely on the requester’s assurance that the premium-class travel has been or will be approved by the appropriate NASA officials. After CI Travel makes the reservation in the Global Distribution System, the data is synced with FedTraveler, which will then reflect the premium-class arrangements.<sup>7</sup>

NASA’s process for approving official travel involves multiple levels of review, including by a “fund certifier” to ensure funds are available to pay for the travel, a supervisor to authorize the employee to travel, and the travel office of the employing NASA Center for compliance with travel regulations.<sup>8</sup> In addition to these reviews, FedTraveler automatically routes authorizations for premium-class travel through designated individuals at Headquarters and each Center. These individuals are responsible for ensuring the premium travel is permitted under the FTR and Agency policy. CI Travel issues airline tickets once the travel authorization has proceeded through all steps in this approval process.

If CI Travel receives a request to cancel and refund a previously ticketed coach-class reservation and replace it with premium-class, designated individuals at each Center have authority to verbally approve the change. However, because the FedTraveler approval process would have been completed for the

<sup>7</sup> The Global Distribution System is a worldwide computerized reservation network used as a single point of access to airline seats, hotel rooms, and other travel-related items by travel agents, online reservation sites, and large corporations. (<http://www.businessdictionary.com/definition/Global-Distribution-System-GDS.html>, accessed July 24, 2014)

<sup>8</sup> See Appendix C for a complete listing of NASA Centers.

coach-class ticket, the change to premium travel would not be reflected in the FedTraveler system. CI Travel personnel told us when a change is made to a ticketed reservation the traveler is sent an e-mail indicating that a change was made and that the travel authorization may need amending. However, NASA's policy does not specifically require a travel authorization be amended when a coach-class ticket is changed to premium-class.

## Reporting Premium-Class Travel

GSA requires agencies to report on each leg of a trip their travelers fly premium-class. For example, if a traveler flies from Washington, D.C., to New York City in coach-class and connects to a flight to Paris, France, on which he flies premium-class, the agency should report only the New York City to Paris leg of the flight.

According to GSA personnel, travel data is transmitted to a GSA electronic database called TravelTrax on a monthly basis from each agency's travel management center based on ticketed or refunded reservations made in the Global Distribution System. From this data, GSA creates a report known as the "OGP – Premium Travel Report" (GSA Travel Report).<sup>9</sup> The data fields in the GSA Travel Report include the following:

- agency
- subcategory (NASA Center or Headquarters)
- name of traveler
- origin
- destination
- departure date
- travel exception code (i.e., justification for using premium-class)<sup>10</sup>
- purpose code
- premium fare
- average coach fare
- cabin class (first or business class)

Agencies download this report from GSA's website to prepare agency-specific premium-class travel reports, which they provide to GSA annually. When agencies download the GSA Travel Report, the exception code and purpose code fields are blank because this data is not available in the Global Distribution System. GSA personnel told us they expect agencies to provide the information for the blank fields, review the data in the other fields, and make changes as necessary to ensure accuracy before submitting their premium travel reports to GSA.

In FY 2011, NASA's Office of Strategic Infrastructure had responsibility to prepare the Agency's premium-class travel report. This responsibility shifted to the Office of the Chief Financial Officer (OCFO) for the FY 2012 reporting period. While OCFO is responsible for preparing the Agency's annual submission, it relies on the Centers to validate the information in the report. Based on our inquiries of travel personnel at several Centers, in the past their efforts were limited to adding the exception and trip purpose codes to the report and they made little effort to validate the other information provided by GSA.

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<sup>9</sup> OGP stands for Office of Government-wide Policy. OGP's authority covers personal and real property, travel and transportation, information technology, regulatory information, and Federal advisory committees.

<sup>10</sup> GSA standardized the codes for reporting purposes. See Appendix B for a description of the exception codes.

# MOST PREMIUM-CLASS TRAVEL TESTED COMPLIED WITH APPLICABLE RULES

Generally, we found the NASA premium-class travel we reviewed properly authorized and compliant with the FTR and Agency travel policy. We sampled 75 travel legs reported for FYs 2011 and 2013 and identified 4 legs in which premium-class travel was not permitted under the applicable rules – specifically, 3 legs for which flight time was less than 14 hours and 1 for which the traveler’s medical waiver had not been updated as required by NASA policy.<sup>11</sup> Apart from this noncompliant travel, we identified 11 travel authorizations not routed through the designated premium travel approver and for which NASA could not provide documentation of verbal approval, 12 travel authorizations that did not include a justification for premium-class travel, and 2 authorizations in which the justification provided was incorrect. Of the 12 travel authorizations lacking justifications, 8 were not routed to the proper premium-class travel approver.

## Premium-Class Travel That Did Not Fall into Any Exception

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As outlined in Table 2, we identified four travel legs that did not fall within any of the permissible FTR exceptions. For three of the legs – from Houston, Texas, to Moscow, Russia; from Moscow to Houston; and from Los Angeles, California, to Vienna, Austria, with a connecting flight in Frankfurt, Germany – flight times did not exceed 14 hours. For the leg from Atlanta, Georgia, to Denver, Colorado, the traveler had a medical condition letter on file that had not been updated as required by NASA policy.

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<sup>11</sup> A single trip may consist of more than one leg to account for connecting flights and one-way flights between cities.

**Table 2: Premium-Class Travel Legs Not Permitted**

NASA Center	Traveler's Pay Schedule <sup>a</sup>	Cost of Ticket Reported <sup>b</sup>	Departure Date	Origin and Destination (travel leg)	Reason Not Justified
Johnson	ES	\$3,698.00	5/5/13	Houston, TX – Moscow	Travel time less than 14 hours
	ES	4,554.00	12/20/12	Moscow – Houston, TX	
Headquarters	EX	4,367.51	6/16/13	Frankfurt – Vienna <sup>c</sup>	Travel time less than 14 hours
Langley	GS	1,546.98	10/15/12	Atlanta, GA – Denver, CO	Medical condition letter dated more than 1 year prior to travel

Source: OIG analysis of NASA data.

<sup>a</sup> The Office of Personnel Management defines the pay schedule acronyms as follows: EX refers to Executive Schedule (e.g., Presidential appointee), ES means Senior Executive Service, and GS means General Schedule.

<sup>b</sup> The ticketed cost reported was not validated and may not accurately reflect solely the cost of the reported travel leg. This cost may include the cost of other travel legs flown during the same trip. More detail on the assignment and validation of ticket costs is discussed on page 8.

<sup>c</sup> The traveler flew from Los Angeles, California, to Vienna, Austria, with a connecting flight through Frankfurt, Germany.

The approving official approved premium-class travel for the 2013 trip to Moscow based on the justification that the flight was over 14 hours. However, while the return flight met this criterion, the departing flight was direct and just 11 hours and 25 minutes in duration. The travel authorization for the December 2012 trip to Moscow was approved for the same reason. However, in this case neither flight exceeded 14 hours, with travel times per the itinerary of 11 hours and 10 minutes and 12 hours and 55 minutes, respectively.

The 2013 trip to Vienna, which was not routed through the premium-class approver, included stops in multiple cities between June 14, 2013, and June 26, 2013, with nine travel legs on six different days. Of the nine travel legs, four were premium-class. On June 15, 2013, the traveler flew from Los Angeles to Vienna with a layover in Frankfurt (two travel legs). The total travel time for this trip was 13 hours and 50 minutes. The other two premium-class legs were flown on June 26, 2013, between Ahmedabad, India, and Washington, D.C., via Doha, Qatar, and the total flight time for these flights exceeded 14 hours.

## No Evidence of Authorization

We identified 11 travel authorizations reflecting premium travel not routed through the premium approver and for which NASA could not provide evidence of verbal approval. As discussed earlier, NASA allows CI Travel to ticket premium-class travel based on verbal approval from designated individuals; however, the Agency does not maintain a record of these approvals. With the exception of the Vienna trip discussed previously, all of these trips were permissible under the FTR. Table 3 contains more information on these trips.

**Table 3: Premium-Class Travel Legs Without Evidence of Authorization**

NASA Center	Traveler's Pay Schedule <sup>a</sup>	Departure Date	Origin and Destination (travel leg)
Ames	ES	2/14/11	San Francisco, CA – Washington, DC
Ames	ES	2/2/11	Anchorage, AK – San Francisco, CA
Headquarters	ES	12/14/12	Houston, TX – Moscow
Headquarters	Spouse of EX <sup>b</sup>	1/27/11	Philadelphia, PA – Tel Aviv
Headquarters	ES	10/18/10	Washington, DC – Amsterdam
Headquarters	ES	1/17/11	Washington, DC – Tokyo
Headquarters	EX	10/21/10	Beijing – Washington, DC
Headquarters	IPA position <sup>c</sup>	6/16/11	Houston, TX – Atlanta, GA
Headquarters	EX	6/16/13	Frankfurt – Vienna <sup>d</sup>
Headquarters	EX	6/26/13	Doha – Washington, DC
Langley	GS	4/4/11	Anchorage, AK – Norfolk, VA
Marshall	GS	4/11/13	Amsterdam – Atlanta, GA

Source: NASA OIG analysis of NASA data.

<sup>a</sup> EX refers to Executive Schedule (e.g., Presidential appointee), ES means Senior Executive Service, and GS means General Schedule.

<sup>b</sup> NASA policy allows Agency payment for spouse travel when it serves a national interest or benefits the Agency's international cooperation efforts or other statutory mission. Spouses will ordinarily only be present at official functions when spouses of other high-level invitees attend. The spousal travel noted in this table was approved in accordance with Agency policy.

<sup>c</sup> IPA is the Intergovernmental Personnel Act, which generally provides for assignment of employees from academia and state and local governments to positions within Federal agencies for work of mutual concern. Title 5 of the United States Code, sections 3371 et seq. sets forth the requirements and provisions of the Act.

<sup>d</sup> The traveler flew from Los Angeles, California to Vienna, Austria with a connecting flight through Frankfurt, Germany.

According to NASA, unlike FedTraveler CGE allows travelers to book premium-class in the online booking engine, which will trigger approval routing to the appropriate approvers and initiate a justification box and GSA exception code for the preparer to complete. Moreover, this information will be kept as a permanent record together with the travel authorization.

## Justification Not Included or Incorrectly Listed on Authorization

We identified 12 travel authorizations that did not include a justification for premium-class travel. Of the 12 travel authorizations, 8 were not routed to the proper approving officials. We also identified two travel authorizations on which the justifications for premium travel were listed as flight exceeds 12 hours and available seats were reserved by CI Travel but should have been travel time exceeds 14 hours.

# PREMIUM-CLASS TRAVEL REPORTING TO GSA CONTAINED INACCURATE INFORMATION AND OMITTED SOME PREMIUM-CLASS LEGS

NASA's process for preparing and submitting its annual premium-class travel report needs improvement. Our testing disclosed that NASA's original FY 2011 and 2013 reports failed to include some premium-class travel, incorrectly reported some coach-class legs as premium-class, and inaccurately reported the details of other travel. We also found that the exception codes NASA provided were incorrect 17 percent of the time for the 75 sample items we reviewed. These inaccuracies occurred because in preparing the reports NASA took minimal steps to validate the information provided by GSA, including the reported cost of premium- and coach-class airfare, and because the Agency did not provide clear guidance to the Centers regarding their responsibility to validate information in the report. The result was a report that provided an inaccurate view of NASA's use of premium travel.

## Failure to Validate Cost of Premium- and Coach-Class Fares

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When agencies download the GSA Travel Report, the fields reflecting the cost of premium and average coach fares have been populated with data GSA obtained from agency travel management centers (premium fare) and GSA's City Pair Program (average coach fare).<sup>12</sup> If there is no city pair fare for the origination and destination of a particular flight, GSA lists the average of all actual coach fares paid for the same flight during the year in the report.

OCFO and Center personnel informed us that for FY 2013 and prior reports it was not their practice to validate the accuracy of the cost information in these fields. Center personnel said they were not asked to validate the premium-class fare information and that in any event they did not have the means to determine fares paid for individual legs as opposed to the total cost of the trip. Further, we frequently heard from OCFO and Center personnel that they were unaware of any way to validate the average coach-class fare information GSA provided.

GSA personnel told us that it is possible that the information it provides to agencies will assign the total price of a trip to a single leg and that accordingly agency personnel should not assume GSA's information is accurate. They also pointed to two GSA websites where agencies can retrieve coach-class fares.<sup>13</sup> These websites contain the database for the FY 2014 City Pair Program, as well as historical data

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<sup>12</sup> GSA's Federal Acquisition Service manages the City Pair Program, which provides discounted air transportation services for federal travelers. The FTR stipulates that travelers must use GSA contract fares for air travel, unless an exception applies.

<sup>13</sup> GSA, "Airline City Pairs," <http://cpsearch.fas.gsa.gov/> (accessed August 15, 2014), and "Past Fiscal Year Awards," <http://www.gsa.gov/portal/content/103861> (accessed August 15, 2014).

for that program back to FY 2001. OCFO personnel told us they were not aware of these websites or that historical city pair fares were available.

The Electronic Ticket Record is the only document we are aware of that reflects the cost of individual legs of a multi-leg trip. However, NASA's travel policy does not require the Electronic Ticket Record be uploaded to the Agency's travel management system, and we therefore were unable to locate the document for the trips in our sample. Although CI Travel stated Electronic Ticket Records are part of its billing system, retrieving the documents from its system is difficult. Without this document, we could not validate the premium fares NASA reported.

In March 2014, the media reported several instances of travel by NASA personnel in which the cost of the premium-class flight appeared to be excessive in comparison with the average coach fare.<sup>14</sup> For example, in its original FY 2011 travel report NASA listed a first-class flight by the Ames Director from Washington, D.C., to San Francisco, California, at a cost of \$14,773. However, based on the supporting documentation we examined, this flight was one of six travel legs, including flights to Germany, Italy, and Belgium at a total cost of \$16,249. Of the six legs, four were flown premium-class.<sup>15</sup> In our judgment, it is highly unlikely that the Washington, D.C., to San Francisco leg accounted for 91 percent of the total cost of the trip. Indeed, in its revised FY 2011 report the OCFO reported the cost of this leg of the trip as \$6,523.

Similarly, the NASA Administrator traveled to multiple domestic and international cities in June 2013 including Los Angeles; Vienna; Rome; New Delhi; and Ahmedabad, India. Including the connecting flights, the trip consisted of nine travel legs at a total cost of \$14,393. Of the nine legs, four were premium-class, including a connecting flight between Frankfurt and Vienna for a trip that originated in Los Angeles.<sup>16</sup> NASA's report listed the cost of the flight between Frankfurt and Vienna as \$4,368. The information GSA provided to NASA assigned only 14 cents to the leg of the trip from Los Angeles to Frankfurt. Accordingly, it appears GSA assigned almost the entire cost of the trip to the Frankfurt to Vienna leg and NASA simply reported the information as it had received it from GSA. Although we believe it is highly unlikely this reflected the true cost breakdown between legs, for the reasons discussed earlier we could not determine the cost of the Administrator's travel between these cities.

## Omission of Some Premium-Class Legs

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We found NASA's original FY 2011 and 2013 travel reports omitted some premium travel legs. We compared NASA's report with the information in GSA's TravelTrax system and noted numerous legs listed as premium in TravelTrax not included in NASA's report. To test whether the GSA information was accurate, we judgmentally selected five legs from FY 2011 and four legs from FY 2013 and reviewed the traveler's expense report or requested OCFO research whether the travel was premium-class and paid for by NASA.

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<sup>14</sup> Mark Greenblatt, *NASA spends millions to fly first and business class with little oversight*, SCRIPPS NEWS, March 12, 2014, <http://www.vcstar.com/news/2014/mar/12/nasa-spends-millions-fly-first-and-business-class> (accessed April 10, 2014).

<sup>15</sup> These flights were permitted under the FTR and authorized by the proper NASA officials.

<sup>16</sup> As noted, we determined this flight did not qualify for premium class because the scheduled flight time was 10 minutes short of 14 hours.

We determined that all of the FY 2011 legs were premium-class and therefore should have been reported by NASA. These included legs flown by spouses of the Administrator and the Associate Administrator for International and Interagency Relations; the Deputy Administrator; and the Assistant Administrator for Strategic Infrastructure, who was responsible for FY 2011 reporting.<sup>17</sup> Although NASA’s revised FY 2011 report listed several of these legs, it did not include the spouse legs. The OCFO told us this was an inadvertent omission. For FY 2013, we found one of the four legs was premium and therefore should have been reported by NASA. The Agency included this leg in its revised report. In addition, in reviewing the expense reports associated with our sample of 75 travel legs, we identified 13 premium-class travel legs NASA did not include in its original 2011 and 2013 reports. NASA included nine of these travel legs in its revised reports but inadvertently omitted four.

## Reason for Use of Premium-Class Travel

Of the 75 travel legs we examined, NASA incorrectly recorded the rationale justifying the trip for 13. Table 4 shows the reason NASA reported and the reason it should have reported. We determined the correct justification by reviewing documentation in NASA’s travel management system and making inquiries to the relevant Center.

**Table 4: Premium-Class Exception Code Reported Incorrectly**

NASA Center	Reported Exception Code Description	Correct Exception Code Description
Ames	No Coach-Class Available	Accommodate a medical disability or special need
Goddard	Coach-Class Not Regularly Scheduled	Flight is OCONUS and over 14 hours
	Required by Agency Mission	Flight is OCONUS and over 14 hours
	Required by Agency Mission	Flight is OCONUS and over 14 hours
	Required by Agency Mission	Accommodate a medical disability or special need
	Results in Overall Cost Savings	Flight is OCONUS and over 14 hours
	Required by Agency Mission	Accommodate a medical disability or special need
Headquarters	Coach-Class Not Regularly Scheduled	Accommodate a medical disability or special need
	Coach-Class Not Regularly Scheduled	Flight is OCONUS and over 14 hours
	Coach-Class Not Regularly Scheduled	Flight is OCONUS and over 14 hours
	Coach-Class Not Regularly Scheduled	Flight is OCONUS and over 14 hours
Johnson	Results in Overall Cost Savings	Required by Agency Mission
Langley	Coach-Class Not Regularly Scheduled	No Coach-Class Available

Source: OIG analysis of NASA data.

Note: OCONUS stands for “outside the continental United States.”

<sup>17</sup> The spousal travel was approved in accordance with Agency policy. For more information see Table 3, footnote b.



## **Travel Legs Incorrectly Reported as Premium-Class**

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We found that five of the travel legs in our sample were not premium-class and therefore NASA should not have included them in the travel reports. This occurred because Center personnel did not validate the information NASA received from GSA, but simply filled in the exception field for all legs listed. It was not until we made inquiries during this audit and the OCFO began revising its reports that these errors were discovered. OCFO removed four of the misreported travel legs in its revised reports.

## **Incorrect Dates and Origin/Destination of Premium-Class Travel**

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We found NASA incorrectly reported the departure date and origin and destination locations for 5 and 14 travel legs, respectively. The primary reasons for the discrepancies appear to be the departure date and the origin and destination locations were changed subsequent to issuance of the original ticket or the entire flight was reported instead of the premium-class portion. For example, NASA reported the origin and destination for one entry as Houston, Texas, to Moscow, Russia. However, the traveler changed planes in Washington, D.C. en route to Moscow and flew premium-class only on the flight from Washington to Moscow. Accordingly, NASA should have reported the leg as originating in Washington, D.C., not Houston.

# NASA TRAVEL POLICIES AND PROCEDURES NEED IMPROVEMENT

The NASA Interim Directive (NID) on travel includes guidance on when a travel authorization may be amended and describes several possible scenarios for an amendment – such as changing travel dates, number of days, or locations – however, it does not detail any scenario in which travel authorizations must be amended.<sup>18</sup> For example, an amended authorization is not required if coach-class airfare is ticketed and subsequently changed to premium-class via a phone call to CI Travel. In that situation without an amended authorization, no approver sees the cost of the premium airfare until the expense report is submitted after the trip. Due to the likely increase in cost between a coach- and premium-class fare, the NASA policy should require amended travel authorizations when coach-class accommodations are changed to premium-class.

Moreover, NASA’s policy does not address some topics mandated by the FTR and other GSA guidance. Specifically, FTR §301-70.102 stipulates agencies must:

- “(i) Develop and issue internal guidance on what specific mission criteria justify approval of the use of other than coach-class transportation under §301-10.123(a)(4), §301-10.123(b)(9), and §301-10.162(e) or the use of other than lowest first-class under §301-10.183(d). The justification criteria shall be entered in the remarks section of the traveler’s travel authorization;” and
- “(k) Develop and publish internal guidance regarding Seating Upgrade Programs in coach-class (see §301-10.124).”

Neither issue is discussed in NASA’s guidance. We noted an official at Johnson issued a memorandum that defines when members of the Astronaut Office may travel business class under FTR §301-10.123(b)(9). The purpose of the memo is to ensure astronauts avoid excessive fatigue due to overseas travel and a demanding training schedule. The memo includes the criteria that must be met and documented prior to an astronaut traveling premium-class. One criteria is the astronaut is in full-time training as either a prime or backup expedition crewmember. Even though Johnson issued its own Center-specific guidance, NASA still needs to issue Agency-wide guidance on the specific mission criteria that justifies approval of premium travel for employees.

NASA policy also does not acknowledge the Agency’s requirements to report on premium travel as required by GSA.<sup>19</sup> NASA’s prior internal policy recognized these requirements, however, NASA omitted the acknowledgment in the NID.

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<sup>18</sup> NID 9700.2, “Appendix A, NASA Travel Regulations Supplement” (June 18, 2014).

<sup>19</sup> GSA Bulletin FTR 10-05, “Directions for Reporting Other Than Coach-Class Accommodations for Employees on Official Travel” (June 9, 2010).

# CONCLUSION

Based on our review of 75 premium-class travel legs flown during a 2-year period, we found that NASA's premium travel generally was properly authorized and complied with Federal and Agency travel policy. However, we identified four instances of premium travel that did not fall within any FTR or Agency exceptions, errors and omissions in some travel authorizations, and inaccuracies in NASA's reporting of its premium travel to the GSA. In addition, we found the Agency's travel policy did not include several elements required by GSA.

# RECOMMENDATIONS, MANAGEMENT'S RESPONSE, AND OUR EVALUATION

To improve controls over the authorization and justification of premium-class travel, we recommended the Chief Financial Officer (CFO):

1. Require verbal approvals of premium travel be documented in the travel management system.
2. Remind travelers, travel preparers, supervisors, and premium travel approvers of their roles and responsibilities and the valid exceptions for premium travel through future training.
3. Provide guidance on the content of the written certification statements that substantiate premium-class travel is necessary to accommodate a medical disability or other special need. The guidance should refer to the requirements in FTR §301-10.123(a)(2), including the requirement to provide an approximate duration for the medical condition.

In order to ensure the accuracy of NASA's premium travel reports to GSA, we recommended the CFO:

4. Establish and document a process that clearly defines the roles and responsibilities of all parties involved in the preparation, validation, and submission of the report. In developing that process, we suggest the CFO consult with both GSA and other Federal agencies who submit similar information to GSA.
5. Disseminate the aforementioned process and train all parties involved in the preparation, validation, and submission of the premium-class travel report.
6. Review and update as necessary NASA's travel policy to ensure the information necessary to complete the report (e.g., fares by leg) is maintained in NASA's travel management system.

To improve NASA's travel policy, we recommended the CFO:

7. Review current premium-class travel policy and revise it to ensure it is comprehensive and current. As part of this revision, NASA should ensure its policy
  - a. defines the specific mission criteria that justify approval of premium travel;
  - b. addresses coach-class Seating Upgrade Programs;
  - c. requires travelers to amend their travel authorizations when coach-class accommodations are changed to premium-class; and
  - d. acknowledges GSA's reporting requirements for premium travel.

We provided a draft of this report to NASA management for review and comment; management's full response is reproduced in Appendix D. NASA management concurred with our recommendations and described the corrective actions the Agency plans to take. We consider management's comments responsive; therefore, the recommendations are resolved and will be closed upon verification and completion of the proposed corrective actions.

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Major contributors to this report include Mark Jenson, Financial Management Directorate Director; Regina Dull, Project Manager; Wayne Emberton; GaNelle Flemons; Morgan Reynolds; Bruce Schmidt; and Bret Skalsky.

If you have questions about this report or wish to comment on the quality or usefulness of this report, contact Laurence Hawkins, Audit Operations and Quality Assurance Director, at (202) 358-1543 or [laurence.b.hawkins@nasa.gov](mailto:laurence.b.hawkins@nasa.gov).

A handwritten signature in black ink, appearing to read 'PKMA', written in a cursive style.

Paul K. Martin  
Inspector General

# APPENDIX A: SCOPE AND METHODOLOGY

We performed this audit from April 2014 through September 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

NASA's Office of Strategic Infrastructure was responsible for reporting premium travel data to GSA in FY 2011. NASA transferred the reporting responsibility to the OCFO beginning in FY 2012. OCFO stated that the FY 2012 report was not submitted because the individual tasked with the reporting responsibility went out on medical leave and that this task was not reassigned during the individual's absence. OCFO began compiling data for FY 2012 at the start of our audit and submitted the report in August 2014. Since the 2012 report was not available when we commenced the audit in April 2014, we were unable to include FY 2012 premium travel legs in our testing. NASA also submitted revised reports in August 2014 for FYs 2009 through 2011 and FY 2013.

The audit work was performed primarily at NASA's OCFO at Headquarters. The audit focus was on the policies and procedures in place for FY 2013. However, in support of the objective to evaluate the controls over the approval of premium travel, we tested a sample of 75 premium travel legs reported by NASA for FYs 2011 and 2013. This sample consisted of 51 randomly and 13 judgmentally selected legs across all travelers, as well as 11 judgmentally selected from travel legs reported for Center Directors and the Administrator. Audit procedures included review of annual premium-class travel reports for FYs 2011 and 2013 submitted by NASA; review of premium-class data in GSA's TravelTrax system; interviews with key officials at NASA and GSA; review of Government-wide and NASA policies and procedures related to premium-class travel; and testing of travel expense reports, authorizations, and supporting documentation. We tested the travel legs in the initially submitted reports. We also tested nine travel legs that were not reported by NASA but were included in TravelTrax. We did not test NASA's revised reports.

## Regulations, Policies, and Procedures

To determine whether NASA has appropriate policies and procedures in place for approving premium travel and ensure accurate reporting, we reviewed the following laws, regulations, policies, and procedures:

### *Federal Guidance*

- FTR § 300-70, Subpart B "Requirements to Report Use of Other Than Coach-Class Transportation Accommodations"; §301-2, "General Rules"; § 301-10, "Transportation Expenses"; and § 301-70, "Internal Policy and Procedure Requirements."

- Office of Management and Budget Memorandum 08-07 “Use of Premium Class Travel” (January 2008), reminds agencies of the premium travel requirements and reinforces the importance of having clearly defined internal controls in place regarding the use of premium-class travel.
- GSA Bulletin FTR 10-05 “Directions for Reporting Other Than Coach-Class Accommodations for Employees on Official Travel” (June 2010), informs agencies where to obtain guidance for reporting their other than coach-class accommodations.

### ***NASA Policies and Procedures***

- NID 9700.2, “Appendix A, NASA Travel Regulations Supplement” (June 2014), replaces Appendix A of NASA Procedural Requirements (NPR) 9700.1.
- NPR 9700.1 w/ change 3, Chapter 1 “Travel” (September 2011), sets forth requirements to improve the management and systems utilized by federal employees and contractors to enable efficient travel.
- NPR 9700.1 w/ change 3, Appendix A, “NASA Federal Travel Regulations Supplement” (September 2011), addresses matters for which NASA has authority or responsibility to set specific policy or establish specific procedures that apply only to NASA and matters not covered by the FTR.
- NPR 9700.1 w/ change 2, Chapter 1 “Travel” (February 2010), sets forth requirements to improve the management and systems utilized by federal employees and contractors to enable efficient travel.
- NPR 9700.1 w/ change 2, Appendix A, “NASA Federal Travel Regulations Supplement” (February 2010), addresses matters for which NASA has authority or responsibility to set specific policy or establish specific procedures that apply only to NASA and matters not covered by the FTR.
- NASA Shared Services Center Service Delivery Guide 9700-0001 Revision 5.0, “Domestic and Foreign Travel” (December 2010), documents the NASA Shared Services Center’s process for providing administrative, payment, and required reporting for NASA travel.

## **Use of Computer-Processed Data**

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We used computer-processed data obtained from the OCFD. Specifically, we obtained the premium-class travel reports submitted by NASA for FYs 2011 and 2013. We were unable to assess the overall completeness and reliability of information contained in these reports. However, we verified the accuracy of select data in those reports by reviewing supporting documentation, such as itineraries and receipts, from NASA’s travel management system, FedTraveler. From these efforts, we believe the information we obtained is sufficiently reliable for this report.

## Review of Internal Controls

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We identified and reviewed internal controls associated with the approval of premium travel to ensure that NASA is approving only premium travel that is appropriate, necessary, and justified. We also obtained an understanding of the internal controls associated with reporting premium travel data to GSA. Any control weaknesses we identified are discussed in this report. Our recommendations, if implemented effectively, should correct the identified control weaknesses.

## Prior Coverage

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During the last 5 years, the NASA OIG and GAO have not issued reports of particular relevance to the subject of this report.



## APPENDIX B: GSA PREMIUM-CLASS EXCEPTION CODES

The FTR §301-10.123 paragraphs (a) and (b) describe instances in which travelers may use the lowest premium-class accommodations. Table 5 lists the travel exception codes and their descriptions GSA requests agencies use for reporting purposes.

**Table 5: Air Travel Exception Codes**

Class Level	Exception Code	Code Description
First	F1	No coach-class accommodations are reasonably available. "Reasonably available" means available on an airline that is scheduled to leave within 24 hours of the traveler's proposed departure time, or scheduled to arrive within 24 hours of your proposed arrival time.
First	F2	Use of first-class is necessary to accommodate a medical disability or other special need.
First	F3	Exceptional security circumstances require other than coach-class airline accommodations.
First	F4	Use of first-class is required because of agency mission, consistent with your agency's internal procedures pursuant to FTR § 301–70.102(i).
Business	B1	Use of business-class is necessary to accommodate a medical disability or other special need.
Business	B2	Exceptional security circumstances require other than coach-class airline accommodations.
Business	B3	Coach-class accommodations on an authorized/approved foreign air carrier do not provide adequate sanitation or health standards.
Business	B4	Regularly scheduled flights between origin/destination points (including connecting points) provide only other than coach-class accommodations and you certify on your voucher.
Business	B5	Transportation costs are paid in full through agency acceptance of payment from a non-Federal source in accordance with FTR Chapter 304.
Business	B6	Origin and/or destination is outside the continental United States, and the scheduled flight time, including stopovers and change of planes, is in excess of 14 hours in accordance with FTR § 301–10.125.
Business	B7	The use of business-class results in an overall cost saving to the Government by avoiding additional subsistent costs, overtime, or lost productivity while awaiting coach-class accommodations.
Business	B8	No space is available in coach-class accommodations in time to accomplish the mission, which is urgent and cannot be postponed.
Business	B9	Business-class accommodations required because of agency mission, consistent with your agency's internal procedures pursuant to FTR § 301–70.102(i).

Source: GSA.

# APPENDIX C: NASA CENTERS

Table 6 lists all NASA Centers, including Headquarters, and their associated abbreviation.

**Table 6: NASA Centers**

Abbreviation	Center
Ames	Ames Research Center
Armstrong	Armstrong Flight Research Center
Glenn	Glenn Research Center
Goddard	Goddard Space Flight Center
Headquarters	Headquarters
Johnson	Johnson Space Center
Kennedy	Kennedy Space Center
Langley	Langley Research Center
Marshall	Marshall Space Flight Center
Stennis	Stennis Space Center

Source: NASA.

# APPENDIX D: MANAGEMENT COMMENTS

National Aeronautics and Space Administration  
 Headquarters  
 Washington, DC 20546-0001



OCT 16 2014

Reply to Attn of:

Office of the Chief Financial Officer

TO: Assistant Inspector General for Audits

FROM: Chief Financial Officer

SUBJECT: Response to OIG Draft Audit Report, "Audit of NASA's Premium Air Travel"  
 (Assignment No. A-14-010-00)

The Office of the Chief Financial Officer (OCFO) appreciates the opportunity to review your draft report entitled, "Audit of NASA's Premium Air Travel" (Assignment No. A-14-010-00), dated September 23, 2014.

NASA has made great strides in reducing travel costs. Since 2009, the Agency has reduced travel spending by 38 percent, and in 2013, premium travel constituted less than 1 percent of NASA's total travel disbursements. At the same time, we welcome recommendations that can help us to further: 1) improve controls over the authorization and justification of premium-class travel; 2) ensure the accuracy of NASA's premium travel reports; and 3) improve NASA's travel policy.

In the report, the Office of Inspector General (OIG) makes seven such recommendations. NASA's response to the OIG's recommendations, including planned corrective actions, follows:

To improve controls over the authorization and justification of premium-class travel, the OIG recommends the Chief Financial Officer (CFO):

**Recommendation 1:** Require verbal approvals of premium travel be documented in the travel management system.

**Management's Response:** Concur. The OCFO will provide guidance to the Center travel offices.

**Estimated Completion Date:** January 30, 2015.

**Recommendation 2:** Remind travelers, travel preparers, supervisors, and premium travel approvers of their roles and responsibilities and the valid exceptions for premium travel through future training.

**Management's Response:** Concur. The OCFO will remind Centers of this requirement at upcoming Executive Roundtable (ERT), Financial Steering Group (FSG), and Travel Super-user group meetings and will request confirmation that local communications to travel users have occurred.

**Estimated Completion Date:** January 30, 2015.

**Recommendation 3:** Provide guidance on the content of the written certification statements that substantiate premium-class travel is necessary to accommodate a medical disability or other special need. The guidance should refer to the requirements in FTR §301-10.123(a)(2), including the requirement to provide an approximate duration for the medical condition.

**Management's Response:** Concur. The OCFO will work with other Agency offices, including the Office of Human Capital Management and the Office of Chief Health and Medical Officer, and the Centers, to provide guidelines regarding the process and appropriate documentation to accommodate the case by case determination of medical conditions qualifying for premium travel under the Federal Travel Regulations.

**Estimated Completion Date:** January 30, 2015.

In order to ensure the accuracy of NASA's premium travel reports, the OIG recommends the CFO:

**Recommendation 4:** Establish and document a process that clearly defines the roles and responsibilities of all parties involved in the preparation, validation, and submission of the report. In developing that process, we suggest the CFO consult with both the General Services Administration (GSA) and other Federal agencies who submit similar information to GSA.

**Management's Response:** Concur. The OCFO is preparing documentation of the process to be followed in preparing the final report for submission to GSA and also training material for report validators at the Centers.

**Estimated Completion Date:** This training will be provided October 30, 2014.

**Recommendation 5:** Disseminate the aforementioned process and train all parties involved in the preparation, validation, and submission of the premium-class travel report.

**Management's Response:** Concur. The OCFO is preparing training material for report validators at the Centers.

**Estimated Completion Date:** This training will be provided October 30, 2014.

**Recommendation 6:** Review and update as necessary NASA's travel policy to ensure the information necessary to complete the report (e.g., fares by leg) is maintained in NASA's travel management system.

**Management's Response:** Concur. OCFO will modify guidance as necessary to ensure it reflects information required to complete the premium travel report.

**Estimated Completion Date:** January 30, 2015.

To improve NASA's travel policy, the OIG recommends the CFO:

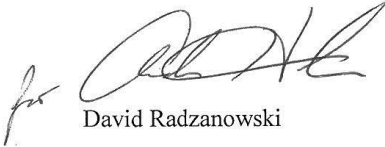
**Recommendation 7:** Review current premium-class travel policy and revise it to ensure it is comprehensive and current. As part of this revision, NASA should ensure its policy: a. defines the specific mission criteria that justify approval of premium travel; b. addresses coach-class Seating Upgrade Programs; c. requires travelers to amend their travel authorizations when coach-class accommodations are changed to premium-class; and d. acknowledges GSA's reporting requirements for premium travel.

**Management's Response:** Concur. OCFO will review policy and update policy and guidance as appropriate.

**Estimated Completion Date:** June 30, 2015.

We have reviewed the draft report for information that we believe should not be publicly released. We have communicated any concerns regarding the public release of information contained in your report.

Thank you for the opportunity to review and comment on the subject draft report. If you have any questions or require additional information regarding this response, please contact Kelly Barnes at (202) 358-7334.

  
David Radzanowski

# APPENDIX E: REPORT DISTRIBUTION

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## National Aeronautics and Space Administration

Administrator  
Associate Administrator  
Chief of Staff  
Chief Financial Officer  
Deputy Chief Financial Officer for Finance

## Non-NASA Organizations and Individuals

Office of Management and Budget  
Deputy Associate Director, Energy and Space Programs Division  
Branch Chief, Science and Space Programs Branch  
Government Accountability Office  
Managing Director, Office of Financial Management and Assurance  
Director, Office of Acquisition and Sourcing Management

## Congressional Committees and Subcommittees, Chairman and Ranking Member

Senate Committee on Appropriations  
Subcommittee on Commerce, Justice, Science, and Related Agencies  
Senate Committee on Commerce, Science and Transportation  
Subcommittee on Science and Space  
Senate Committee on Homeland Security and Governmental Affairs  
House Committee on Appropriations  
Subcommittee on Commerce, Justice, Science, and Related Agencies  
House Committee on Oversight and Government Reform  
Subcommittee on Government Operations  
House Committee on Science, Space, and Technology  
Subcommittee on Oversight  
Subcommittee on Space

(Assignment No. A-14-010-00)