



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

***Congressional Request and Hotline Report:
Compliance with the law
Operating efficiently and effectively***

Actions Needed to Strengthen Controls over the EPA Administrator's and Associated Staff's Travel

Report No. 19-P-0155

May 16, 2019



Report Contributors:

Angela Bennett
Lela Wong
John Trefry
Kristin Kafka

Abbreviations

CFR	Code of Federal Regulations
EPA	U.S. Environmental Protection Agency
FIAT	Fast International Approval of Travel database
FTR	Federal Travel Regulation
GSA	General Services Administration
OA	Office of the Administrator
OCFO	Office of the Chief Financial Officer
OGC	Office of General Counsel
OHS	Office of Homeland Security
OIG	Office of Inspector General
OITA	Office of International and Tribal Affairs
PSD	Protective Service Detail
RMDS	Resource Management Directive System

Cover Image: Photo of an airplane, obtained from the GSA travel [website](#).

Are you aware of fraud, waste or abuse in an EPA program?

EPA Inspector General Hotline

1200 Pennsylvania Avenue, NW (2431T)
Washington, DC 20460
(888) 546-8740
(202) 566-2599 (fax)

OIG_Hotline@epa.gov

Learn more about our [OIG Hotline](#).

EPA Office of Inspector General

1200 Pennsylvania Avenue, NW (2410T)
Washington, DC 20460
(202) 566-2391
www.epa.gov/oig

Subscribe to our [Email Updates](#)
Follow us on Twitter [@EPAoig](#)
Send us your [Project Suggestions](#)



At a Glance

Why We Did This Project

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) received numerous congressional requests and hotline complaints expressing concerns about former EPA Administrator Scott Pruitt's travel, as well as that of those traveling with him. The objectives of this audit were to determine the frequency, cost and extent of the former Administrator's travel through December 31, 2017; whether the Federal Travel Regulation and applicable EPA travel policy and procedures were followed; and whether the EPA's policy and procedures were sufficiently designed to prevent fraud, waste and abuse with the Administrator's travel.

This report addresses the following:

- *Compliance with the law.*
- *Operating efficiently and effectively.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG_WEBPOSTINGS@epa.gov.

List of [OIG reports](#).

Actions Needed to Strengthen Controls over the EPA Administrator's and Associated Staff's Travel

What We Found

The OIG identified 40 trips and \$985,037 in costs associated with the former Administrator's travel for the 10-month period from March 1, 2017, to December 31, 2017. This covered 34 completed and six canceled trips and included costs incurred not only by the former Administrator but by his Protective Service Detail (PSD) and other staff. Of the 40 trips, 16 included travel to, or had stops in, Tulsa, Oklahoma—the location of the former Administrator's personal residence.

Actions need to be taken to strengthen controls over Administrator travel to help prevent the potential for fraud, waste and abuse.

We estimated excessive costs of \$123,942 regarding the former Administrator's and accompanying PSD agents' use of first/business-class travel because the exception that allowed for the travel accommodation was granted without sufficient justification and, initially, without appropriate approval authority. Although the EPA's travel policy is sufficiently designed to prevent fraud, waste and abuse and is consistent with the Federal Travel Regulation, we found that the policy did not initially outline who had the authority to approve the Administrator's travel authorizations and vouchers.

We also found that not all applicable provisions of the Federal Travel Regulation and/or EPA travel policy were followed. We identified:

- Improper granting of first/business-class exceptions.
- Unjustified use of non-contract air carriers.
- Improper approval of lodging costs above per diem.
- Missing detailed support for trips with stops in Tulsa.
- Improper approval of international business-class travel.
- Inaccurate and incomplete international trip reports.

The former Administrator's use of military/chartered flights was justified and approved in accordance with the Federal Travel Regulation and EPA policy.

Recommendations and Agency Response

We recommend that the agency determine whether the estimated excessive airfare of \$123,942 and any additional costs through the former Administrator's resignation in July 2018 should be recovered; implement controls to verify that requirements are met for the use of first/business-class travel; enforce requirements for use of a city-pair contract carrier; confirm adequate cost comparisons; and clarify requirements for preparing international trip reports and verify for accuracy and completeness. Of the report's 14 recommendations, we consider the agency's planned corrective actions acceptable for four of the recommendations while the other 10 are unresolved.



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

OFFICE OF
INSPECTOR GENERAL

May 16, 2019

MEMORANDUM

SUBJECT: Actions Needed to Strengthen Controls over the EPA Administrator's
and Associated Staff's Travel
Report No. 19-P-0155

FROM: Charles J. Sheehan, Deputy Inspector General

A handwritten signature in blue ink that reads "Charles J. Sheehan".

TO: Holly Greaves, Chief Financial Officer

Ryan Jackson, Chief of Staff

Chad McIntosh, Assistant Administrator
Office of International and Tribal Affairs

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). The project number for this audit was OA-FY17-0382. This report contains findings that describe the problems the OIG has identified and the corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

Action Required

Of our 14 recommendations, we consider the planned correctives actions for four of the recommendations to be completed or acceptable and the remaining 10 recommendations (1, 2, 4, 5, 6, 7, 9, 12, 13 and 14) to be unresolved. In accordance with EPA Manual 2750, the resolution process begins immediately with the issuance of the report. We are requesting that the agency initiate the audit resolution process within 30 days of final report issuance. If resolution is not reached, the agency is required to complete and submit a dispute resolution request to the appropriate official to continue resolution.

We will post this report to our website at www.epa.gov/oig.

Table of Contents

Chapters

1	Introduction	1
	Purpose	1
	Background.....	1
	Responsible Offices	2
	Prior Audit Reports.....	3
	Scope and Methodology	4
2	Frequency, Cost and Extent of the Former Administrator's Official Travel.....	6
	Cost and Extent of Travel.....	6
	Frequency of Travel to Tulsa, Oklahoma	9
	Agency Comments and OIG Evaluation.....	11
3	Improper Approvals for First/Business-Class Travel Resulted in Excessive Airfare.....	13
	Actions Taken	15
	Recommendations	16
	Agency Comments and OIG Evaluation.....	16
4	Actions Needed to Strengthen Internal Controls over Travel	18
	No Formal Delegation for Approval of Administrator's Travel Documents.....	19
	First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern	20
	<i>Recommendations</i>	24
	<i>Agency Comments and OIG Evaluation</i>	24
	Justification for Use of Non-Contract Air Carriers Not Always Documented.....	25
	<i>Recommendation</i>	27
	<i>Agency Comments and OIG Evaluation</i>	27
	No Documentation to Verify Whether First/Business-Class Carriers and Flights Selected Were Compliant with the FTR.....	28
	<i>Recommendations</i>	29
	<i>Agency Comments and OIG Evaluation</i>	29

Unjustified and Improper Approvals for Lodging Costs Above 150 Percent of Per Diem.....	30
<i>Recommendation</i>	33
<i>Agency Comments and OIG Evaluation</i>	33
Missing Detailed Support for Trips with Stops in Tulsa.....	33
<i>Recommendation</i>	35
<i>Agency Comments and OIG Evaluation</i>	35
Inaccurate and Incomplete International Trip Reports	35
<i>Recommendations</i>	38
<i>Agency Comments and OIG Evaluation</i>	38
Improper Approval of Staff and PSD Use of Business-Class Travel for International Trips	38
<i>Recommendations</i>	40
<i>Agency Comments and OIG Evaluation</i>	40
Justified Use of Military and Charter Flights	41
<i>Agency Comments and OIG Evaluation</i>	43
Status of Recommendations and Potential Monetary Benefits	44

Appendices

A	Cost Details for Trips Taken by Former Administrator	46
B	Cost Details for Former Administrator’s Canceled Trips.....	48
C	Former Administrator’s Travel Costs by Cost Category.....	49
D	Agency Response to Draft Report and OIG Comments	51
E	Office of General Counsel Legal Opinion – Authority to Grant First Class Exceptions under Delegations 1-17A and 1-17B	70
F	Office of the Chief Financial Officer – Redlegation of Authority to Approve Other than Coach-Class (First-Class) Accommodations for Official Travel	72
G	Office of the Controller – Retroactive Approval of Other Than Coach-Class Accommodations	74
H	Office of the Administrator – Amendments to Delegations 1-17A and 1-17B Relating to Other than Coach-Class Travel	76
I	Distribution	78

Chapter 1

Introduction

Purpose

As a result of numerous congressional requests and hotline complaints, the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) conducted an audit of the EPA's adherence to its policy, procedures and oversight controls pertaining to Administrator Scott Pruitt's travel. Pruitt resigned as Administrator in July 2018, after our audit was initiated. Our audit objectives were to determine:

- The frequency, cost and extent of the former Administrator's travel through December 31, 2017.
- Whether applicable EPA travel policy and procedures were followed for the former Administrator's travel, as well as security personnel and other EPA staff traveling with or in advance of the former Administrator.
- Whether EPA's policy and procedures are sufficiently designed to prevent fraud, waste and abuse with the Administrator's travel.

Background

The EPA OIG received numerous congressional requests and hotline complaints on then Administrator Pruitt's travel. The initial hotline complaint, on July 24, 2017, raised concern about Pruitt's frequent travel to and from his home state of Oklahoma at taxpayer expense. On July 28, 2017, the OIG received a congressional request to audit the EPA's adherence to policies and procedures for the Administrator's travel, and whether the EPA's applicable oversight controls are sufficient to prevent fraud, waste and abuse. While the OIG's initial scope included an audit of Pruitt's travel through July 31, 2017, subsequent requests and hotline complaints prompted the OIG to extend its audit scope twice to cover more of Pruitt's travel—through September 30, 2017, and then through December 31, 2017.

Federal Travel Requirements

The Federal Travel Regulation (FTR), issued by the U.S. General Services Administration (GSA), is codified in 41 CFR Chapters 300 through 304. The FTR implements statutory requirements and executive branch policies for travel by federal civilian employees and others authorized to travel at the government's expense. The GSA promulgates the FTR to: (a) interpret statutory and other policy requirements in a manner that balances the need to assure that official

travel is conducted in a responsible manner with the need to minimize administrative costs, and (b) communicate the resulting policies in a clear manner to federal agencies and employees.

EPA Policy and Procedures

The EPA's travel policy—Resource Management Directive System (RMDS) 2550B, *Official Travel*, applies to EPA and other federal employees who travel using agency funds. The policy also addresses travel that nonfederal sources fund for EPA employees.

The version of the travel policy applicable to the period of our audit was issued on April 17, 2015. The policy states that the FTR is the first source of reference for all federal travel. To minimize repetition, the EPA travel policy does not repeat each travel entitlement that is listed in the FTR. Rather, the policy discusses the guidelines for the EPA's "discretionary allowances." The policy further states that all EPA employees and travel-authorizing officials shall know and comply with the FTR and EPA travel policy and procedures, and all travel requests and authorizations require compliance with the FTR and EPA policy.

Responsible Offices

Various EPA offices are involved in the Administrator's travel:

- **Office of the Administrator (OA).** OA staff plan and coordinate the Administrator's travel. These responsibilities include screening requests for the Administrator's travel engagements; making travel arrangements; coordinating with the Protective Service Detail (PSD) for protection of the Administrator; and preparing, reviewing and approving travel authorizations and vouchers.
- **Office of the Chief Financial Officer (OCFO).** The OCFO manages the EPA travel program for compliance with federal regulations and EPA policy, and monitors the travel program's effectiveness. The OCFO's Office of the Controller issues policies and procedures for official EPA travel. The OCFO's Cincinnati Finance Center manages the EPA Concur travel system, maintains the travel help desk, assists with travel training requests, serves as the EPA travel payment office, and pays proper travel claims (e.g., allowable expenses with required receipts).
- **Office of International and Tribal Affairs (OITA).** This office leads the EPA's international and tribal engagements; works with other federal agencies and international countries to address bilateral, regional and global environmental challenges; and advances U.S. foreign policy objectives. The Office of Management and International Services within OITA is responsible for providing the full range of necessary management and

administrative functions that support the agency's international programs and coordinates cross-cutting administrative support services.

- **Office of Enforcement and Compliance Assurance.** The Office of Criminal Enforcement, Forensics and Training, within the Office of Enforcement and Compliance Assurance, is delegated the responsibility for providing protective services to the Administrator. The PSD, which provides these protective services, falls within the Office of Criminal Enforcement, Forensics and Training.

Prior Audit Reports

On December 11, 2013, we issued *Early Warning Report: Internal Controls and Management Actions Concerning John C. Beale's Travel* (Report No. [14-P-0037](#)). The OIG found that the EPA's lack of management oversight and weak internal controls enabled travel abuses by John Beale, a former Senior Policy Advisor for the Office of Air and Radiation. These travel abuses included:

- Using premium-class travel.
- Incurring lodging expenses above per diem amounts.
- Charging questionable travel and transportation costs.

We made no recommendations in the early warning report because we only conducted the audit to determine the policies that facilitated Beale's fraud.

In addition to the above early warning report, the EPA OIG issued a report on May 10, 2011, *EPA Needs to Strengthen Management Controls Over Its Travel Authorization Process* (Report No. [11-P-0223](#)). We reported that the EPA travel program lacked sufficient management controls to properly route and authorize travel documents. Also, the EPA travel system allowed unauthorized personnel to self-approve travel and did not control routing lists to verify independent review of travel. The report did not identify any instances of fraud. We made four recommendations to the agency. The agency completed corrective actions in September 2011.

On September 22, 2015, the OIG issued a report, *EPA Needs Better Management Controls for Approval of Employee Travel* (Report No. [15-P-0294](#)). The report identified weak internal controls that made EPA travel dollars vulnerable to fraud, waste and abuse. We recommended that the EPA evaluate the effectiveness of its *Executive Approval Framework*, review quarterly reports for frequent travelers traveling to the same location, and submit irregularities to the OCFO. We also recommended that the EPA update its travel policy to reflect changes pertaining to lodging, international trip reports and travel card refresher training; and that the EPA reconcile annual premium-class travel reports. The agency completed corrective actions in May 2016.

On September 4, 2018, the OIG issued another report, *EPA Asserts Statutory Law Enforcement Authority to Protect Its Administrator but Lacks Procedures to Assess Threats and Identify the Proper Level of Protection* (Report No. [18-P-0239](#)). The OIG made numerous recommendations for corrective action; however, only one finding and recommendation, pertaining to the level of protection of the Administrator, was relevant to this audit. Details on what we found in that prior report plus the agency's response follow:

- The OIG found that the PSD did not conduct a threat analysis to determine the level of protection necessary or desired for former Administrator Pruitt. Rather the PSD used an August 16, 2017, memorandum, titled *Summary of Pending and Recent Threat Investigations*, requested by the agency from the OIG, to support the increased level of protection. In Chapter 4 of this current report, the section *First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern* discusses the PSD's use of the OIG report to justify the granting of first/business-class exceptions based on security concerns.
- On April 3, 2018, in response to Report No. 18-P-0239, Office of Criminal Enforcement, Forensics and Training management asserted that the office was performing a "threat assessment" as part of its threat analysis every 90 days for operational purposes. Also, the Office of Criminal Enforcement, Forensics and Training said that it would be working with other EPA offices and the OIG to determine which office is best positioned to perform threat assessments in the future.¹ We recommended that the agency complete a threat analysis on a regular basis to identify the proper protection required for the Administrator. The recommendation is unresolved with resolution efforts in progress.

Scope and Methodology

We conducted this audit from September 2017 to November 2018, in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. 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 the findings and conclusions presented in this report.

To determine the frequency, cost and extent of the former Administrator's travel, including the travel costs of his security detail and other staff who accompanied

¹ Protection of the Administrator and determining which EPA office is best positioned to perform threat assessments is an internal agency decision; the OIG plays no role in these matters.

him, we obtained and analyzed travel data from the EPA's Compass Data Warehouse.²

To determine whether applicable EPA travel policy and procedures were followed for the former Administrator and others, we:

- Interviewed management and staff in the OA; OCFO; the Office of General Counsel; the Office of Criminal Enforcement, Forensics and Training; and OITA to determine the process used to approve and process authorizations and vouchers.
- Obtained and reviewed all travel vouchers and receipts for the former Administrator. For others, we selected a judgmental sample of vouchers and receipts for review.

To determine whether EPA policy and procedures are sufficiently designed to prevent fraud, waste and abuse with the Administrator's travel, we reviewed the policy and procedures, as well as travel documents, for compliance with the FTR.

² The Compass Data Warehouse is a collection of data from various EPA information systems, including Compass and the Travel Document System. The data in the warehouse are refreshed daily. Therefore, downloads from the warehouse represent accounting system data.

Chapter 2

Frequency, Cost and Extent of the Former Administrator's Official Travel

The OIG identified \$985,037 in travel costs associated with former Administrator Pruitt's official travel for the 10-month period from March 1, 2017, to December 31, 2017. This amount covered 40 planned trips—34 completed and six canceled—and included costs incurred by the former Administrator, the PSD and other staff. Of the 34 completed trips, 16 included travel to, or had stops in, Tulsa, Oklahoma—the location of the former Administrator's personal residence. The amount also covered costs for military and charter flights taken by the former Administrator. Details on audit issues and recommendations pertaining to the former Administrator's travel are in Chapters 3 and 4.

Travel costs include airfare, lodging, per diem, and other expenses.

Cost and Extent of Travel

Travel costs associated with the former Administrator's official travel totaled \$985,037, consisting of \$878,336 for the 34 trips taken (for breakdown of costs see Appendix A) and \$106,701 for the six trips canceled (for breakdown of costs see Appendix B). Based on data obtained from the EPA's Compass Data Warehouse, the former Administrator's first trip while at the EPA was on March 6, 2017, and his advance team started traveling on March 1, 2017. From March 6, 2017, to December 31, 2017, the former Administrator took 32 domestic and two international trips. Trip costs were incurred by the former Administrator, travel and advance staff, the PSD, OITA³ and other EPA offices.⁴ The travel costs also included military and charter flights paid outside of the EPA's travel management system.

Six trips planned for the former Administrator, including four domestic and two international, were canceled. According to the agency, four of the six trips were canceled due to circumstances outside of the EPA's control. Although trips were canceled, travelers incurred costs resulting from cancellation fees/no-show hotel charges and service fees. In some instances, the former Administrator's advance staff and PSD were in travel status prior to the trip cancellation, resulting in lodging, per diem, transportation and other miscellaneous travel costs. Canceled trips represent approximately 11 percent of the total costs incurred (\$106,701 of \$985,037). Table 1 provides a breakdown of costs incurred for all travel.

³ OITA staff are part of the advance team for international trips, helping with all aspects of the coordination and logistics because of their expertise on international travel.

⁴ Other EPA offices from which staff traveled with the former Administrator include the Office of Public Affairs, Office of Multimedia, Office of Public Engagement, Office of Congressional and Intergovernmental Relations, and Office of Policy.

Table 1: Total costs incurred for all travel

Trip type	No. trips	Former Administrator	Staff	PSD	Other*	Totals
Trips Taken:						
Domestic	32	\$85,131	\$203,443	\$301,865	\$65,692	\$656,131
International	2	26,629	91,544	67,962	36,069	222,205
Subtotal	34	\$111,761	\$294,987	\$369,827	\$101,761	\$878,336
Canceled:						
Domestic	4	\$731	\$3,633	\$4,179	-	\$8,543
International	2	1,995	41,273	54,889	-	98,158
Subtotal	6	\$2,726	\$44,907	\$59,069	-	\$106,701
% for canceled trips**		2.6%	42.1%	55.4%		100%
Total	40	\$114,487	\$339,894	\$428,896	\$101,761	\$985,037
% of Total		11.6%	34.5%	43.5%	10.3%	100%

Source: OIG analysis of travel data from the EPA's Compass Data Warehouse.

Note: Numbers in italics slightly off due to rounding.

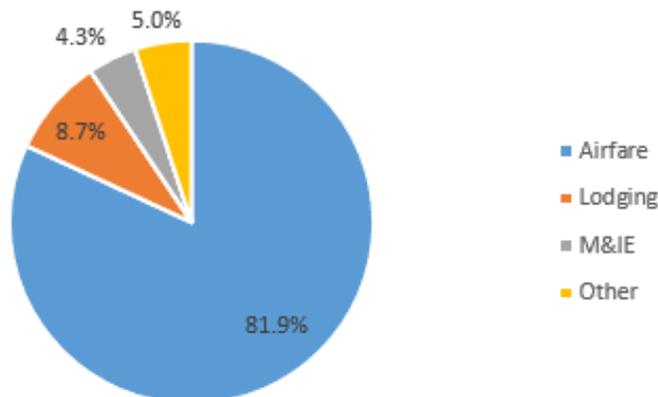
* Other costs represent military and chartered flight costs.

** Costs for each category (former Administrator, Staff, PSD, Other) as a percentage of total costs for all canceled trips.

Former Administrator's Travel by Cost Category

The majority of the former Administrator's costs—approximately 82 percent—was for airfare. This included 16 trips with travel to, or stops in, Oklahoma, during which the former Administrator generally did not incur lodging or meals and incidental expenses every day. However, costs were still incurred by associated travelers. Figure 1 shows a breakdown of the former Administrator's costs by category; a detailed schedule is in Appendix C. We did not analyze the costs incurred by cost category for the PSD and staff from the OA, OITA and other EPA offices.

Figure 1: Former Administrator's costs by cost category



Source: OIG analysis of travel data from the EPA's Compass Data Warehouse and travel vouchers provided by the agency.

M&IE: Meals and incidental expenses

Analysis of the Former Administrator's Flights

Prior to May 2017, all 23 segments flown were coach class. For the remaining 112 flights, we found that between May and December 2017, 76.8 percent of the traveled flight segments for the former Administrator were first class, with only 11.6 percent each for business and coach class, as shown in Table 2.

Delta was the most frequently used airline (76.3 percent of the flights, or 103 of the 135 segments traveled), followed by American (19.3 percent of the flights, or 26 of the 135 segments traveled) and others (4.4 percent of the flights, or six of the 135 segments). Between May and December 2017, when the former Administrator flew first/business class, Delta usage jumped to 81.3 percent from 52.2 percent in March and April 2017. Travel records indicate that the former Administrator was a frequent flyer member with Delta, American and Southwest but not the other airlines used.

Table 2: Summary of former Administrator's flight segments (airlines and travel class)

Travel period (2017)	Total segments flown	Delta	American	Others*	First class	Business class	Coach class
March – April	23	12	10	1	0	0	23
% of Travel		52.2%	43.5%	4.3%			100%
May – December	112	91	16	5	86	13	13
% of Travel		81.3%	14.3%	4.4%	76.8%	11.6%	11.6%
Totals	135	103	26	6	86	13	36
		76.3%	19.3%	4.4%	63.7%	9.6%	26.7%

Source: OIG analysis of EPA travel data, and travel authorizations and vouchers from the Concur travel system.

* "Others" includes the following airlines: Emirate, JetBlue, Southwest and United.

Former Administrator's associated travelers

In addition to PSD agents who provide protective services, the former Administrator was accompanied by his scheduling team and agency senior advisors. On occasion, the former Administrator also was accompanied by the Chief of Staff, a communications specialist and a photographer.

The PSD and OA teams traveled separately and coordinated their own activities. For international travel, a representative from OITA also accompanied the teams. According to the OA's former Director of Scheduling and Advance, the former Administrator's scheduling team for domestic travel averaged one to two people from the OA who traveled one or two days ahead of him. For international travel, the scheduling team averaged two to three people from the OA for a 5-to-7-day period. Based on discussions with OA staff, the makeup of the Administrator's scheduling team varied based on the complexity of the trip (different locations, numbers of meetings, etc.).

The former Administrator's teams coordinated their travel planning with the Associate Administrator of Public Engagement, as well as other program offices that would have staff traveling based on the specific topics involved, and other senior leadership. The advance teams also considered all the former Administrator's travel-related activities and conducted site walk-throughs of all venues.

Our analysis showed that travel for the former Administrator's advance team generally extended through the end of the trips. Based on discussion with a member of the former Administrator's advance team, the staff were busy the entire trip. Once the former Administrator arrived, one person would go on to his next meeting place to make sure everything was ready while the other staff would stay behind to make sure the former Administrator's needs were met and everything proceeded smoothly. These activities were conducted separately from those conducted by the PSD.

Actions Taken

In response to the audit, the Administrator's office provided a draft version of proposed standard operating procedures for the planning and coordination of the Administrator's domestic and international trips, including activities by the advance team (non-PSD) and outside meeting requests. The agency also provided position descriptions outlining the major duties and responsibilities of the Administrator's advance team members, including the Director of Scheduling and Advance, Deputy Director of Scheduling and Advance, and Senior Advance Associate.

Frequency of Travel to Tulsa, Oklahoma

OIG analysis of travel data obtained from the EPA's Compass Data Warehouse showed that of the 34 trips the former Administrator took from March 2017 through December 2017, 16 trips of these trips (47 percent) were to, or had stops in, Tulsa, Oklahoma. Details are in Table 3.

Table 3: Trips to, or stops in, Tulsa

	Former Administrator's travel period*	Days of the week	Destination	Purpose of trip	Purpose of Tulsa stay
1	03/06/17 – 03/07/17	Mon – Tue	Scottsdale, AZ Tulsa, OK	Speaking	Personal
2	03/08/17 – 03/12/17	Wed – Sun	Houston, TX Tulsa, OK	Speaking	Personal
3	03/23/17 – 03/27/17	Fri – Tue	Oklahoma City, OK Tulsa, OK	Speaking	Personal
4	04/12/17 – 04/24/17	Thu – Wed	New York, NY Pittsburgh, PA Tulsa, OK Chicago, IL Columbia, MO Dallas, TX Naples, FL	Tour/speaking/ meeting	Speaking/ meeting
5	05/04/17 – 05/08/17	Thu – Mon	Tulsa, OK	Meeting	Meeting
6	05/11/17 – 05/15/17	Thu – Mon	Colorado Springs, CO Tulsa, OK	Speaking	Personal
7	05/19/17 – 05/22/17	Fri – Mon	Tulsa, OK	Facility tour	Facility tour
8	05/25/17 – 05/29/17	Thu – Mon	Tulsa, OK	Site tour	Site tour
9	06/22/17 – 06/26/17	Thu – Mon	Tulsa, OK	Facility tour/ meeting	Facility tour/ meeting
10	07/26/17 – 07/30/17	Wed – Sun	Tulsa, OK Oklahoma City, OK Guymon, OK	Meetings	Meetings
11	08/02/17 – 08/10/17	Wed – Thu	Indianapolis, IN Denver, CO Tulsa, OK Des Moines, IA Grand Forks, ND	Meetings	Personal
12	08/30/17 – 09/05/17	Wed – Tue	Corpus Christi, TX Tulsa, OK	Meetings	Personal
13	09/14/17 – 09/19/17	Thu – Tue	Houston, TX Tulsa, OK New York, NY	Tour/meeting/ media event	Personal
14	10/04/17 – 10/09/17	Wed – Mon	Cincinnati, OH Colorado Springs, CO Phoenix, AZ Tulsa, OK Lexington, KY	Speaking/ meeting	Personal
15	10/27/17 – 10/30/17	Fri – Mon	New Orleans, LA Tulsa, OK	Speaking	Personal
16	11/30/17 – 12/04/17	Thu – Mon	Louisville, KY Des Moines, IA Tulsa, OK	Speaking/ meetings	Personal

Source: OIG analysis of travel data downloaded from the EPA's Compass Data Warehouse.

* Travel period for the former Administrator's advance staff and PSD varied.

The travel period represents all dates covered by travel vouchers, including weekends and holidays. As shown in Table 3, the former Administrator frequently departed on Wednesday, Thursday or Friday from Washington, D.C., to Tulsa and

other locations, and returned to Washington on Monday or Tuesday of the following week. While the former Administrator was always accompanied by PSD agents, he was often also accompanied by staff from his office, some of whom also stayed over the weekend in Tulsa at their own expense.

For six of the 16 Tulsa trips, the former Administrator cited being on official business. The six trips (identified in Table 3: rows 4, 5 and 7–10) to Tulsa/Oklahoma City from Washington included such purposes as meetings and/or facility tours. These trips usually showed one official meeting and/or facility tour per trip.

The remaining 10 trips (identified in Table 3: rows 1–3, 6 and 11–16) included weekend stops at the former Administrator’s residence in Tulsa. The travel documents showed no official business associated with most of these weekends. In fact, vouchers for most of these trips indicated that the former Administrator paid his own airfare to Tulsa for the weekend.

We identified no specific criteria that would limit the Administrator’s travel to, or stops in, Tulsa for the weekend or otherwise. However, the FTR requires travelers to take the direct or usually traveled route, unless the agency approves otherwise. If an indirect route is used for personal convenience, government reimbursement is limited up to the cost of travel by a direct route. EPA policy under RMDS 2550B, Section IV, *Responsibilities*, also requires justification and approval to use an indirect route.

The FTR and EPA travel policy require a traveler to take the direct or usually traveled route.

The frequency and duration of the former Administrator’s and his staff’s trips to, and stops in, Tulsa can:

- Give the appearance that trips were being planned for the benefit of the former Administrator so that he could travel to his personal residence.
- Call into question the necessity of the trips.
- Result in additional travel time for the former Administrator’s PSD agents and increased costs.

This topic is further discussed in Chapter 4’s *Missing Detailed Support for Trips with Stops in Tulsa* section.

Actions Taken

No actions were taken.

Agency Comments and OIG Evaluation

The agency provided justification for the six canceled trips. We added the trip cancellation rationales to Appendix B of the report based on the information provided.

In addition, the agency's response to Chapter 2 included comments regarding the excessive costs discussed in Chapter 3 and the findings in Chapter 4 relating to the former Administrator's stops in Tulsa and the use of non-contract carriers. We provided general responses to the agency's Chapter 2 comments within Appendix D; more specific comments are provided with Chapters 3 and 4.

The full agency response and our comments on Chapter 2 are in Appendix D, OIG Responses 2 to 4.

Chapter 3

Improper Approvals for First/Business-Class Travel Resulted in Excessive Airfare

The former Administrator and his accompanying PSD agents incurred more travel costs than necessary or appropriate by flying first/business class. Agency officials requested and granted first/business-class exceptions to the former Administrator and the PSD agents who accompanied him based on the security exception allowed by the FTR. However, the exceptions were improperly granted. First, they lacked sufficient justification to support endangerment of the former Administrator’s life—the agency’s asserted basis for the security exception. Second, the exception for the former Administrator was approved by an agency official who initially did not have the appropriate approval authority. In Chapter 4 of this report, the section *First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern* discusses this issue in detail.

As shown in Table 4, we estimated excess airfare costs of \$123,942 associated with first/business-class trips taken by the former Administrator from March 2017 to December 2017. This amount consists of \$61,971 each for the former Administrator and the PSD agents accompanying him. The estimate for the former Administrator represents the difference between the first/business-class airfare claimed and the “city-pair” fare⁵ for coach class. According to the agency, due to security protocols, a PSD agent was required to sit near the former Administrator. Hence the agent would have incurred similar if not the same first/business-class airfare costs as the former Administrator. Therefore, we used the same estimate for the PSD agent accompanying the former Administrator. We believe that the inclusion of the PSD agents’ travel costs was appropriate, as the PSD agents’ class of travel was driven by the Administrator’s class of travel.

Table 4: Excessive costs resulting from insufficient justification for first/business-class travel

Travel period	Destination	Airfare claimed*	City-pair fare**	Difference	Note
05/04/17 – 05/08/17	Tulsa, OK	\$848	\$585	\$263	
05/11/17 – 05/15/17	Colorado Springs, CO Tulsa, OK	2,691	669	2,022	
05/16/17 – 05/17/17	New York, NY	1,316	210	1,106	
05/19/17 – 05/22/17	Tulsa, OK	1,927	570	1,357	
05/25/17 – 05/29/17	Tulsa, OK	2,628	1,214	1,414	
06/05/17 – 06/06/17	New York, NY	1,588	210	1,378	
06/07/17 – 06/11/17	Cincinnati, OH Rome, Italy Bologna, Italy	6,688	925	5,763	

⁵ The City Pair Program was developed to provide discounted air passenger transportation services to federal government travelers. The program currently covers over 12,000 markets. “City-pair” fares are considerably lower than comparable commercial fares, saving the federal government billions of dollars annually.

Travel period	Destination	Airfare claimed*	City-pair fare**	Difference	Note
06/22/17 – 06/26/17	Tulsa, OK	2,604	570	2,034	
07/06/17 – 07/06/17	Birmingham/Wilsonville, AL	2,438	920	1,518	
07/07/17 – 07/07/17	Cochran, GA	1,847	486	1,361	
07/17/17 – 07/20/17	Salt Lake City, UT Minneapolis, MN Little Rock, AK	4,627	1,349	3,278	
07/24/17 – 07/24/17	Charleston, SC	1,154	392	762	
07/26/17 – 07/30/17	Tulsa, OK Oklahoma City, OK Gymon, OK	2,604	570	2,034	
08/02/17 – 08/10/17	Indianapolis, IN Denver, CO Tulsa, OK Des Moines, IA Grand Forks, ND	4,979	3,717	1,262	1
08/30/17 – 09/05/17	Corpus Christi, TX Tulsa, OK	3,703	622	3,081	2
09/14/17 – 09/19/17	Houston, TX Tulsa, OK New York, NY	3,330	953	2,377	
09/27/17 – 09/28/17	New York, NY	1,791	210	1,581	
10/04/17 – 10/09/17	Cincinnati, OH Colorado Springs, CO Phoenix, AZ Tulsa, OK Lexington, KY	4,813	1,876	2,937	
10/11/17 – 10/12/17	Jackson, MS	2,978	1,876	2,937	
10/19/17 – 10/20/17	Houston, TX Omaha, NE	3,610	1,319	2,291	
10/23/17 – 10/23/17	Nashville, TN	2,744	424	2,320	
10/27/17 – 10/30/17	New Orleans, LA Tulsa, OK	2,076	509	1,567	
11/08/17 – 11/08/17	Chicago, IL	1,172	222	950	
11/09/17 – 11/09/17	Kiawah Island, SC	2,866	310	2,566	
11/27/17 – 11/27/17	Orlando, FL	2,056	338	1,718	
11/30/17 – 12/04/17	Louisville, KY Des Moines, IA Tulsa, OK	2,016	823	1,193	
12/09/17 – 12/13/17	Rabat, Morocco	16,164	4,533	11,631	3
Totals		\$87,255	\$24,063	\$61,971	
Total unnecessary airfare for former Administrator				\$61,971	
Related costs for accompanying PSD agents				\$61,971	
Total estimate of unnecessary costs				\$123,942	

Source: OIG-generated table.

* Represents the amount claimed by former Administrator Pruitt for first/business-class travel.

** Federal government contract unrestricted coach fares (i.e., fares listed under GSA's Airline City Pairs) were used to calculate coach-class travel, except for those items discussed in Notes 1 through 3. For cities with multiple airports, we used the city-pair fare for the actual airports used by the former Administrator.

Note 1: This trip included two airline receipts for the travel period—one for flights taken August 2–4 and one for flights taken August 7–9. The

flights taken August 2–4 included travel from Washington, D.C., to Indianapolis, Indiana; then from Evansville, Indiana, to Denver, Colorado. As there is no city-pair fare from Evansville to Denver, for comparison, we used the coach-class fare purchased by a staff member who accompanied the former Administrator on all segments of the trip.

The August 7–9 flights included three different trips: Tulsa, Oklahoma, to Des Moines, Iowa; Des Moines to Fargo, North Dakota; and Grand Forks, North Dakota, to Dallas, Texas. We found no city-pair fares for the trips to Des Moines and Dallas. Unlike the prior travel period, we could not identify other staff who accompanied the former Administrator on all segments of the trip. Therefore, we were unable to identify a reasonable basis for estimating the coach-class fare. As such, we allowed the entire airfare claimed even though the amount included first-class travel for three of the six segments.

Note 2: This trip included flights from Tulsa, Oklahoma, to Corpus Christi, Texas; then return to Tulsa and from Tulsa to Washington, D.C., during the period August 30 through September 5. The stays in Tulsa before and after the official travel were for personal reasons.

There was no city-pair fare between Tulsa and Corpus Christi. As the Administrator’s official duty station was Washington, D.C., consistent with the FTR and EPA travel policy we used city-pair fares between Corpus Christi and Washington as the basis for our calculation, as that would be the most direct and uninterrupted route for the official travel.

Note 3: This trip included travel from Washington D.C., to Rabat and Marrakesh, Morocco, and return. As there was no city-pair fare from Marrakesh to Washington, we used the coach-class fare of other staff who accompanied the former Administrator as the basis for our calculation.

As discussed in Chapter 1 of this report, in the *Scope and Methodology* section, we reviewed all travel vouchers and receipts for the former Administrator, which allowed us to better estimate the excess costs. However, for other travelers accompanying him, including the PSD, we selected a sample of vouchers and receipts for review. Therefore, we did not obtain or review the information needed to estimate the difference for all travelers as we did for the former Administrator.

Actions Taken

On April 22, 2019, the agency provided a schedule of its estimate of the excess costs for the PSD agents accompanying the former Administrator in first and business class. The schedule was provided to support its statement in the February 15, 2019, draft report response that PSD agents did not always travel with the former Administrator. The schedule showed there were no PSD agents

accompanying the former Administrator in first and business class on eight trips. The schedule also showed revised estimated excess airfare of \$35,980, down from the \$61,971 the OIG estimated for the PSD agents.

We performed a limited review of the April 22, 2019, PSD cost schedule and noted several discrepancies between the schedule and the documents in the EPA's official travel system, Concur. For example, for four of the trips, the agency's PSD cost schedule shows "No PSD/Staff Premium Travel Costs" while travel documents in Concur show PSD agents on the same first-class flights as the former Administrator. As a result of the noted discrepancies, we cannot rely on the PSD cost schedule provided by the agency. Our estimated excess airfare amount of \$61,971 for the PSD agents for first/business-class travel remains unchanged.

Moreover, the agency's conclusion that the former Administrator was not accompanied by PSD agents in first and business class for several trips undermines the agency's stated justification that the former Administrator's first/business-class flights were necessary for security reasons. The cornerstone of the agency's stated justification for PSD agents traveling first class was that the PSD agents could not sit in close proximity to properly protect the former Administrator when flying coach class. The agency's February 15, 2019, conclusion raises doubt as to whether it was truly necessary for the PSD agents to fly in close proximity to the former Administrator and thus whether any first/business-class airfares were justified for the former Administrator or PSD agents.

Recommendations

We recommend that the Chief Financial Officer:

1. Evaluate and determine whether the increased airfare costs estimated at \$123,942 related to former Administrator Pruitt's use of first/business-class travel without sufficient justification and proper approval, for the period March 1, 2017, through December 31, 2017, should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.
2. For the period January 1, 2018, through his resignation in July 2018, evaluate and determine whether any costs related to former Administrator Pruitt's use of first/business-class travel without sufficient justification and proper approval should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.

Agency Comments and OIG Evaluation

The agency asserted that it has completed an analysis showing that all costs incurred between March 1, 2017, and December 31, 2017, were *valid*; and all costs

incurred between January 1, 2018, and July 2018 had *sufficient justification and proper approval*.

On March 5, 2019, the Chief Financial Officer also redelegated the approval authority for the Administrator's first/business-class travel to the Controller (see Appendix F). On March 26, 2019, the agency provided its review of the 2018 costs, along with its standard operating procedures for the review. On March 28, 2019, the Controller retroactively approved other than coach-class accommodations associated with the Administrator's trips taken in 2017 and 2018 (see Appendix G).

We agree that the subsequent redelegation, combined with the retroactive approval, resolved the issue of a lack of delegated authority and the trip-by-trip approval. However, we disagree with the agency's determination on the 2017 and 2018 costs, as the Controller's retroactive approval still lacks the support and justification for the asserted security concerns, as documented in Chapter 4 of this report and our audit of the PSD noted in the *Prior Audit Reports* section (Report No. [18-P-0239](#)).

The agency also stated that the former Administrator issued a memorandum requiring additional approval for any trip made by agency personnel on his behalf with expenditures over \$5,000. Per his directive, for these trips, final approval is required from two of three individuals: Deputy Administrator, Chief Financial Officer and/or Chief of Staff. According to the agency, this review continued after former Administrator Pruitt's departure.

Although this new approval requirement may help to strengthen the overall travel control, it does not address the OIG's Recommendations 1 and 2: to review costs from March 2017 to July 2018 to determine whether sufficient justification and proper approval exist and if the costs need to be recovered.

We consider Recommendations 1 and 2 to be unresolved with resolution efforts in progress.

The full agency response and our comments to Chapter 3 are in Appendix D, OIG Responses 5, 6, 7, 13 and 14.

Chapter 4

Actions Needed to Strengthen Internal Controls over Travel

The EPA's travel policy is sufficiently designed to prevent fraud, waste and abuse, and is consistent with the FTR. However, we found that the policy did not initially outline who had the authority to approve the Administrator's travel authorizations and vouchers. We also found that not all applicable provisions of the FTR and/or the EPA travel policy were followed for former Administrator Pruitt's travel. Although our focus was on the former Administrator's travel, we also noted issues related to the former Administrator's staff and PSD agents traveling with or in advance of him. We noted the following:

- First/business-class exceptions were awarded for the former Administrator and PSD agents without sufficient justification for the security concern used to support the exception, and the exception for the former Administrator was approved by an individual who did not initially have the authority to grant such approval.
- Blanket approval for first/business-class travel did not comply with the FTR trip-by-trip approval requirement.
- Justification for use of non-contract carriers was not always documented.
- Compliance with the FTR for the selection of first/business-class carrier and flights was not documented.
- Lodging costs claimed in excess of 150 percent of per diem were not approved and/or adequately justified in accordance with EPA travel policy.
- Travel documents for trips with stops in Tulsa did not contain sufficient details to verify there were no additional costs to the government.
- International trip reports were inaccurate and incomplete.
- The PSD's and other staff's use of business-class travel for international trips was approved without the required analysis and did not follow the agency's exception approval process.

Based on the issues identified above, actions are needed to strengthen controls over the EPA's travel and prevent fraud, waste and abuse.

We found that the former Administrator's use of military/chartered flights was properly documented and approved in accordance with the FTR and EPA travel policy.

No Formal Delegation for Approval of Administrator’s Travel Documents

The EPA’s travel policy defines the delegation authority for approving exceptions and specific sensitive items—such as the use of premium-class accommodation, lodging in excess of per diem, and the use of military and chartered aircraft. The delegations to approve the travel exceptions and specific sensitive items are referenced in the EPA travel policy RMDS 2550B, Section III, *Delegations of Authority*, but the delegations do not clearly specify who is responsible for the approval of the Administrator’s travel authorizations and vouchers. Additionally, the *Executive Approval Framework*, which clarifies the appropriate level of approval for EPA executives, did not cover the Administrator.

The *Executive Approval Framework* did not include approval for the Administrator.

The EPA’s RMDS 2550B, Section V, *Authorization for Official Travel*, states that “all travel requires approval from proper travel-authorizing officials or designees prior to employees conducting official travel or incurring any costs associated with travel.” On April 24, 2014, the EPA issued a memorandum to Senior Resource Officials, *Implementing Internal Controls Related to Time and Attendance, Travel, Payroll, and Parking and Transit Subsidies*, which included the *Executive Approval Framework* for executive travel. Except for the Administrator, the framework clarifies the appropriate level of approval for EPA executives where the travel cannot be approved by an individual in their chain of command. Approval of the Administrator’s travel should follow the same system as the other executives in the agency and be clearly stated in the framework.

Conclusion

While the EPA has established delegations of approval for specific exceptions allowed for under its travel policy, it initially did not provide a clear delegation for approval of the Administrator’s travel authorizations and vouchers. The lack of a clearly authorized delegate and backup at an appropriate level could result in inappropriate approval and lead to fraud, waste and abuse with the Administrator’s travel.

Actions Taken

In the discussion documents issued to the agency on May 29, 2018, we recommended that the Chief Financial Officer update the *Executive Approval Framework* or other EPA policy to include a formal authorized delegate and backup for approval of Administrator-level travel. On June 28, 2018, the OCFO updated the *Executive Approval Framework* to designate approvers for the Administrator’s travel. We verified on July 13, 2018, that the updated *Executive Approval Framework* has been posted on the EPA’s intranet. Therefore, no further recommendation on this matter is needed.

First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern

As discussed in Chapter 3 of this report, agency officials requested and granted first/business-class exceptions to the former Administrator and the PSD agents who accompanied him based on the security exception allowed by the FTR. However, the exceptions were improperly granted because:

- The agency did not have documentation to support the asserted security concerns.
- The exception for the former Administrator was approved by an agency official who at the time did not have the appropriate approval authority.
- The exceptions were not granted on a trip-by-trip basis.

On June 1, 2017, the Deputy Chief of Staff, as the Senior Resource Officer, sent a memorandum to the OCFO requesting a first-class exception for former Administrator Pruitt due to security concerns. The memorandum stated that the determination was made based on the prevailing security assessments provided by the PSD and the threat statistics obtained from the EPA OIG. On June 2, 2017, the acting Controller⁶ in the OCFO approved the exception request with a retroactive effective date of May 15, 2017. The approval memorandum stated that, based on a review of the “related documentation” received, it was determined that the request complied with criteria in the EPA’s travel policy. On June 5, 2017, the acting Controller approved the same exception for the PSD agents who accompanied the former Administrator on official travel.

Exceptions were granted for security concerns based only on alleged security assessments by the agency.

Blanket Authorization

It is unclear from the approval memorandums whether the exceptions granted to the former Administrator and PSD agents who accompanied him were blanket authorizations or only for a particular trip. The memorandums did not include an expiration date or mention a specific trip. Therefore, the memorandums appear to provide a blanket authorization. The agency allowed the former Administrator and PSD agents traveling with him to use the memorandums as a blanket authorization, as the same approval was used as the basis for justifying first/business-class travel for all trips taken after May 15, 2017—the effective date of the approval. There was no evidence of a trip-by-trip analysis or separate approval by the Controller for each trip.

Blanket approval for the use of other than coach-class accommodations is prohibited under Note 2 to FTR §301-10.123 and is contrary to EPA travel policy.

⁶ The acting Controller became the Controller on July 12, 2017.

OIG Analysis of “Related Documentation”

We requested the “related documentation” mentioned in the approval memorandums from the agency. On October 18, 2017, we received a response from the acting Deputy Chief of Staff saying that all he had was the PSD “threat assessment,” and that the PSD had used this document from very early in the Pruitt administration. Our review showed that the referenced “threat assessment” document was not a threat assessment. Rather, it was a memorandum, dated August 16, 2017, from the OIG’s Office of Investigations. The memorandum was provided to the PSD in response to a request for statistics regarding threat investigations that could be used as part of its own “threat assessment.”

The August 16, 2017, memorandum had the subject *Summary of Pending and Recent Threat Investigations*. The memorandum included sections that addressed:

- Summary and threats statistics.
- Threats directed against former Administrator Pruitt and/or his family.
- Threats directed against former Administrator Gina McCarthy.
- Threats directed against other EPA employees.

The section pertaining to threats against former Administrator Pruitt included threatening messages received through mail, phone calls and social media. These cases did not involve physical threats to the former Administrator or his family, and the memorandum did not include conclusions or assessments about the threats to the former Administrator or recommend security action relating to the former Administrator or his use of first/business-class travel.

Moreover, the memorandum provided by the OIG did not exist at the time the first/business-class exception was discussed, requested or approved. Indeed, the acting Controller in the OCFO approved the exception request on June 2, 2017, more than 2 months **before** the OIG’s August 16, 2017, memorandum. No additional statistics were ever provided by the OIG.

The OIG threat statistics did not exist at the time the first/business-class exception was approved.

First-Class Travel Prior to Approval of Exceptions

The former Administrator’s initial first-class flight was in early May 2017, before his first/business-class exception became effective on May 15, 2017. For his first trip, beginning on May 4, 2017, a coach-class ticket was purchased and later upgraded to first class, resulting in an additional \$389 cost. No justification or approval was provided for the upgrade on the former Administrator’s travel authorization or voucher. For his second trip, beginning on May 11, 2017, and ending on May 15, 2017, a first-class roundtrip ticket was booked and included only the justification

First/business-class travel prior to approval of exception was based on an unsigned PSD memorandum.

provided by the PSD. The justification—an unsigned memorandum dated May 1, 2017, from the PSD acting Special Agent in Charge to the former Administrator’s Travel Coordinator—requested that the former Administrator be strategically seated in business or first class for official travel. The request stated that the PSD previously had observed a “lashing out” from passengers while the former Administrator was seated in coach class and the PSD was not easily accessible to the former Administrator due to full flights. However, neither the PSD nor the former Administrator’s Travel Coordinator had the authority to approve first-class travel.

Federal Requirements and EPA Policy for Granting Exceptions

FTR §301-10.122 requires coach-class accommodations to be used for domestic and international official business travel. FTR §301-10.123 provides exceptional security circumstances that would allow the use of other than coach-class accommodation if the agency specifically authorizes/approves such use. These circumstances include, but are not limited to, when:

- Use of coach-class accommodations would endanger the traveler’s life or government property.
- The traveler is an agent on protective detail accompanying an individual authorized to use other than coach-class accommodations.
- The traveler is a courier or control officer accompanying controlled pouches or packages.

The circumstance the agency asserted is that the use of coach-class accommodation would endanger the former Administrator’s life. The FTR’s term “other than coach-class” refers to first or business class.

The EPA’s RMDS 2550B, Section V, *Travel Accommodations*, requires that EPA employees use coach class for official travel unless delegated officials grant an exception for a higher class. A request for an exception to use other than coach class (first or business) requires a memorandum that supports the approval from an employee’s office director or equivalent to the Chief Financial Officer or designee. When the exception for the former Administrator’s first/business-class travel was granted, only the Chief Financial Officer and Deputy Chief Financial Officer were delegated the authority to approve the use of other than coach class (first or business) for the Administrator under EPA Delegation 1-17A, *Domestic Travel*, and 1-17B, *International (Foreign and Invitational-Foreign) Travel*. This authority was not re-delegated⁷. Nonetheless, the then acting Controller approved the exception for the former Administrator’s first/business-class travel on June 2, 2017, without delegated authority to properly do so.

⁷ At the time, the then acting Controller had been delegated authority to approve such first/business-class exceptions, but *only* for the position of office director and employees below.

Conclusion

The former Administrator relied on the exception approved by the then acting Controller for all first/business-class flights after May 15, 2017. Due to agency security protocol, the former Administrator's accompanying PSD agents also flew first and business class with him. However, the acting Controller had not been delegated the authority to approve the Administrator's use of first/business-class travel at the time she granted the exception, thereby making the exception invalid.

At no time has the agency ever adequately justified its approval of the exception based on security concerns. The agency could not provide documentation to support that the former Administrator's life was endangered when flying coach class.

Furthermore, the agency used the exception as a blanket approval for the former Administrator and PSD to fly first and business class, which is prohibited under the FTR. As a result, the former Administrator's first/business-class travel violated the FTR and EPA travel policy.

Consequently, the former Administrator and his accompanying PSD agents incurred more travel costs than necessary or appropriate. As discussed in Chapter 3, we have estimated airfare expenses of \$123,942 paid above coach class.

Actions Taken

Since issuance of the draft report, the agency has taken actions to address the delegation of authority for approval of the first/business-class exception for the Administrator and trip-by-trip approvals. On February 11, 2019, the agency's Office of General Counsel (OGC) issued a legal opinion, included in the agency response, stating that the acting Controller did have "implicit authority" to grant the first-class exceptions (see Appendix E). The OIG disagrees with the agency's position as outlined in the *Agency Comments and OIG Evaluation* section below.

Subsequent actions were taken by the agency to redelegate authority and make after-the-fact approvals.

Notwithstanding the OGC legal opinion, on March 5, 2019, the Chief Financial Officer issued a memorandum re delegating the authority to approve other than coach-class (first-class) accommodations for all official travel to the Controller. This re delegation also included the authority for the Controller to issue after-the-fact or post-travel exceptions for agency employees under the criteria provided in the FTR and the agency travel policy (see Appendix F). On March 22, 2019, the Administrator issued a memorandum approving amendments to Delegations 17-A and 17-B, incorporating the Chief Financial Officer's new re delegation to the Controller (see Appendix H). On March 28, 2019, the Controller issued a memorandum retroactively approving all other than coach-class accommodations (first-class) for former Administrator Pruitt, the PSD and support staff that occurred during the fiscal years 2017 and 2018, due to security concerns (see Appendix G). The agency provided no justification or documentation to show that

valid security concerns existed for the travel period in question. The following is a timeline of the events:

Table 5: Actions taken to address redelegation since draft report issuance: timeline of events

Action	Date
OIG issues draft report.	11/26/18
OGC issues legal opinion on the delegation of authority issue.	02/11/19
Agency responds to draft report.	02/15/19
Chief Financial Officer issues redelegation to the Controller.	03/05/19
Current Administrator approves the amendments to Delegations 1-17A and 1-17B for the redelegation of authority to the Controller.	03/22/19
Controller retroactively approves 2017 and 2018 first-class flight accommodations.	03/28/19

Source: OIG-generated table.

Recommendations

We recommend that the Chief Financial Officer:

3. Implement controls to verify the approving official has adequate authority prior to granting first/business-class exceptions.
4. Implement controls agencywide to verify that the use of other than coach-class travel is properly justified and documented prior to approval of the travel authorization.

Agency Comments and OIG Evaluation

The agency initially disagreed with Recommendations 3 and 4 and stated that adequate controls were in place for granting first/business-class exceptions and verifying justification and support for the use of other than coach-class travel. The agency stated that based on an opinion from the OGC, the acting Controller was authorized to grant the first/business-class exception for the former Administrator based on “implicit authority.” The agency further stated that trip-by-trip approval for first/business-class flight accommodation is a best practice rather than required.

It should be noted that the OGC opinion was initiated internally within the agency and not at the OIG’s request. The opinion—rendered by OGC staff—contends that the acting Controller was operating pursuant to an implied delegation of authority from the acting Chief Financial Officer and, therefore, the approval of the exception for the former Administrator’s first/business-class travel was valid. The OGC’s contention is based on its understanding that the acting Chief Financial Officer did not object to the acting Controller’s role of approving first-class travel and he orally concurred with the exception determination.

The OIG disagrees with the agency’s position.⁸ The agency’s position contradicts the EPA’s expressed, written governing tenets for delegations and redelegations of authority, namely that agency officials must not exceed the authority granted to them and that all delegations and redelegations are to be made in writing.⁹

The agency’s position would allow restrictions in explicit written delegations to be nullified by the mere claim by any agency official that he/she is unaware of the limits of his/her authority. The OIG believes that such a position is entirely contrary to sound, principled management practices incumbent on all agencies. Furthermore, contrary to the OGC’s opinion, the agency’s March 28, 2019, memorandum acknowledges that the acting Controller did **not** have proper authority to approve other than coach-class accommodation.

As discussed above in the *Actions Taken* section, the agency has taken numerous actions to address the delegation and trip-by-trip issue. The OIG acknowledges these actions and accepts the Controller’s new authority for trip-by-trip and retroactive approval. However, despite these agency authorities, we disagree with the actions taken on the basis that the agency has not provided sufficient justification to support that valid security concerns existed for the periods in question. We consider Recommendation 3 completed and Recommendation 4 to be unresolved with resolution efforts in progress.

The OIG accepts new approval authority but disagrees with retroactive approval because the required security justification was absent.

The agency’s full response and our comments are in Appendix D, OIG Responses 8, 9, 15 and 16.

Justification for Use of Non-Contract Air Carriers Not Always Documented

The former Administrator, as well as his PSD agents and other staff, used non-contract carriers without proper justification. In March and April 2017, prior to the first/business-class exception, the former Administrator flew coach class but did not always use the city-pair contract carrier. PSD agents and other staff also did not always use contract carriers for their trips associated with the former Administrator’s travel. These PSD agents and other staff may or may not

The use of non-contract carriers by the former Administrator, his staff and PSD agents did not always have documented justifications.

⁸ The lone case cited in support of the OGC opinion, *Parrish v. Shinseki*, 24 Vet. App. 391 (2010), addressed a different factual scenario and cannot be fairly read to support the OGC’s proposition that “if the supervisor is aware that an authority is being carried out by a subordinate and the supervisor does not object, the actions of that subordinate are valid pursuant to an ‘implied delegation.’” Further, the *Parrish* decision was issued by the U.S. Court of Appeals for Veterans Claims, a court that provides judicial review of administrative decisions by the Board of Veterans’ Appeals, an entity within the U.S. Department of Veterans Affairs, and has no binding authority on the EPA.

⁹ EPA 1200 Delegation Manual, Introduction, Section 2(5)-(6).

have flown on the same flights as the former Administrator when they used the non-contract carriers.

EPA travel policy in RMDS 2550B, Section V, *Use of the City Pair Program*, states that the EPA is a mandatory user of the GSA's city-pair contract. Employees on official business must use the contract carrier when one is available unless a specific FTR exception (§301-10.107) applies. The FTR exceptions include:

- (a) "Space on a scheduled contract flight is not available in time to accomplish the purpose of your travel, or use of contract service would require you to incur unnecessary overnight lodging costs which would increase the total cost of the trip;
- (b) "The contract flight schedule is inconsistent with explicit policies of your Federal department or agency with regard to scheduling travel during normal working hours;
- (c) "A noncontract carrier offers a lower fare to the general public that, if used, will result in a lower total trip cost to the Government (the combined costs of transportation, lodging, meals, and related expenses considered)."

Before purchasing the non-contract fare, FTR §301-10.108 requires the traveler to meet one of the above FTR §301-10.107 exceptions and the traveler's agency to determine that the proposed non-contract transportation is practical and cost-effective for the government. FTR §301-10.108 also requires the traveler to show approval in the travel authorization to use a non-contract fare.

When non-contract carriers/flights were used, the former Administrator, as well as his staff and PSD agents, used the Concur selection "contract fare used or no contract fare exists for city-pair market" as the justification. Some of these trips had narrative justifications in addition to the Concur selection, but many did not. Furthermore, some of the narrative justifications used were invalid, as they did not provide information to explain how the FTR exceptions were met. Examples of these invalid narrative justifications include "booked by the traveler" or "BCD booked travel."¹⁰

OIG Analysis of Use of Non-Contract Carriers

Our analysis showed that in most instances the Concur selection "contract fare used or no contract fare exists for city-pair market" was incorrect. Our search showed that there were city-pair fares for the routes traveled but the travelers selected the non-contract carriers for unknown reasons. The agency's explanation was that such fares were booked by the contractor, BCD Travel.

¹⁰ BCD Travel operates the EPA's Travel Management Center.

According to the agency, BCD, as a contractor for the EPA’s Travel Management Center, is required to follow the FTR per its Memorandum of Understanding¹¹ with the EPA. However, there is no requirement in the Memorandum of Understanding for BCD to document compliance with the FTR in Concur. In fact, BCD does not document/justify the selection of non-contract carriers. Without justification, it is not clear what FTR exception was met or whether the agency made a determination on cost-effectiveness. The EPA’s use of BCD does not relieve the traveler’s and agency’s responsibility for complying with the FTR and EPA travel policy.

Conclusion

The use of the Concur selection “contract fare used or no contract fare exists for city-pair market” implies that when a non-contract carrier is used there is no contract fare for the route. However, our analysis included many examples that showed otherwise. Without justification, the travelers have not demonstrated that they met the FTR exceptions for using other than city-pair contract fares. Failure to use city-pair contract carriers without meeting the FTR exceptions is a violation of the FTR.

Recommendation

We recommend that the Chief Financial Officer:

5. Implement controls to verify contract fares are used unless the non-contract fares are properly justified and documented.

Agency Comments and OIG Evaluation

The agency disagreed with Recommendation 5. The agency believes its travel policy and the Concur selection menu, along with justification and the work of its contractor—BCD—are adequate for verifying that contract fares are properly used and justified.

We disagree with the agency’s comments. As stated in the report, our analysis showed that in most instances the statement in the selection menu was not true and additional narrative justification was not always provided. Further, the EPA’s use of BCD does not relieve either the traveler’s or the agency’s responsibility for complying with the FTR and EPA policy.

We consider Recommendation 5 unresolved with resolution efforts in progress.

The agency’s full response and our comments are in Appendix D, OIG Responses 10 and 17.

¹¹ Review of the Memorandum of Understanding and BCD’s activities are outside the scope of our audit.

No Documentation to Verify Whether First/Business-Class Carriers and Flights Selected Were Compliant with the FTR

As shown in Chapter 2 of this report, Table 2, the former Administrator's flight segments for May to December 2017, consisted of 76.8 percent first class and 11.6 percent each for business and economy/premium economy. The former Administrator and his accompanying PSD agent¹² traveled first/business class without documentation to verify that the fares selected were the lowest first/business-class cost or the "most advantageous" to the government. The agency's travel policy does not require documentation to support first/business-class carriers or flight selection. Without a requirement for a traveler to affirmatively indicate whether the lowest fare was selected, the agency could not determine whether the selection of the first/business-class fares were compliant with the FTR.

OIG Analysis of First/Business-Class Flights and Carriers

As discussed in the *First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern* section above, the former Administrator was granted an exception to travel first/business class based on security concerns. The agency used the exception as a blanket approval for the former Administrator and the PSD agents accompanying him to fly first/business class.

However, there was no documentation to verify that the air carriers and flights selected for the former Administrator's first/business-class travel were the lowest first/business-class cost or the most advantageous to the government, as required under FTR §301-10.112. As mandated in FTR §301-10.106, federal employees are required to use contract fares from the GSA's City Pair Program unless one of the exceptions exists. However, since city-pair does not have first-class or business-class fares, FTR §301-10.112 requires travelers to use the lowest cost for the same service unless the use of higher-cost service is more advantageous to the government.¹³ Therefore, the former Administrator needed to select the lowest-cost first/business-class fare or, if a higher fare was chosen, demonstrate that the selected carriers and flights were the most advantageous to the government within that class.

The EPA's travel policy does not specify what documentation is needed to support air carrier and airfare selection when there are no contract rates in city-pair. Agency officials said this was the first time an EPA official was approved for first/business-class travel; the agency had no experience dealing with this class of travel.

¹² According to the agency, due to security protocols, a PSD agent is required to sit near the former Administrator in first/business class; therefore, this issue also applies to the PSD agents accompanying the former Administrator.

¹³ Similarly, FTR §301-10.123 states that travelers must use the lowest other than coach-class accommodation when the agency authorizes other than coach-class accommodation.

Conclusion

The OIG could not determine whether the carriers and/or flights selected were the lowest first/business-class fares available because the government does not have first/business-class contract fares. The agency's travel policy does not require the former Administrator to show whether the flights selected were the lowest first/business-class cost or the "most advantageous" to the government. Also, the agency's travel policy does not require the former Administrator to indicate whether the lowest first/business-class fare was selected. Without a requirement for a traveler to affirmatively indicate whether the lowest first/business-class fare is selected, the agency cannot determine whether the first/business-class fare selection complies with the FTR.

Unnecessary costs could be incurred if the agency has no controls in place to verify that when a higher-cost fare is selected a traveler provides sufficient justification that the fare selection is the most advantageous for the government. Personal preference for a certain airline could result in the use of carriers/flights/fares that are not necessarily the lowest fare or the most advantageous for the government.

Recommendations

We recommend that the Chief Financial Officer:

6. Clarify EPA policy in Resource Management Directive System 2550B on the requirements for justifying and documenting carrier/flight/airfare selection when there are no contract fares.

We recommend that the Chief of Staff:

7. Implement controls within the Office of the Administrator to include adequate justification to support the use of first/business-class travel and for carrier/flight/airfare selection when there are no contract fares.

Agency Comments and OIG Evaluation

The agency disagreed with Recommendations 6 and 7. For Recommendation 6, the agency believes that the RMDS discusses the agency requirements. In addition, the agency believes that the dropdown menu in Concur, along with justification and the booking of flights by BCD, is sufficient justification/documentation.

For Recommendation 7, the agency believes that sufficient controls are in place. The agency stated that the former Administrator issued a memorandum requiring additional approval for any trip made by agency personnel on his behalf with trip expenditures over \$5,000. For these trips, final approval is required from two of

three individuals: Deputy Administrator, Chief Financial Officer or Chief of Staff. This has continued after former Administrator Pruitt's departure. The agency also stated that no separate or additional controls are required for the OA.

We disagree with the agency's comments for Recommendation 6. The referenced RMDS section only states that EPA employees must use a contract carrier when one is available unless a specific FTR §301-10.107 exception applies. It does not address how the exception is to be documented and approved. Also, the use of BCD does not relieve the traveler's and agency's responsibility for complying with the FTR and EPA policy.

We also disagree with the agency's comment for Recommendation 7 that sufficient controls are in place. Between May and December 2017, the former Administrator traveled mostly first class. The travel authorizations and vouchers did not provide any cost or schedule information to justify the carrier and airfare selection.

The agency's new approval requirement for trip expenditures over \$5,000 does not resolve Recommendation 7. The agency continues to rely on BCD for FTR compliance and does not believe that additional controls are needed to verify that adequate justification is provided to support first/business-class travel and carrier/flight/airfare selection. Therefore, the senior management review of trips with expenditures over \$5,000 is unlikely to verify such documentation absent the additional controls specified in our Recommendation 7.

We consider Recommendations 6 and 7 unresolved with resolution efforts in progress.

The agency's full response and our comments are in Appendix D, OIG Responses 18 and 19.

Unjustified and Improper Approvals for Lodging Costs Above 150 Percent of Per Diem

The former Administrator and some associated staff and PSD agents incurred lodging expenses above 150 percent of per diem without justifications and approvals received after-the-fact. We also identified instances where PSD agents did not receive proper second-line supervisor approval.

Under FTR §301-11.30(a), a government traveler may be reimbursed for actual lodging expenses not to exceed 300 percent of per diem. The FTR §301-11.30(b) further states that approval of actual expenses for lodging is "usually in advance of travel and at the discretion of [the traveler's] agency."

The handling of above per diem lodging is hindered by inconsistent agency direction. In the agency's April 24, 2014, memorandum *Implementing Internal Controls Related to Time and Attendance, Travel, Payroll, and Parking and*

Transit Subsidies, the issue of above per diem lodging often not being approved prior to travel or appropriately documented was identified as an area of concern. As a corrective action, the memorandum states that approval for above per diem lodging be made “prior” (emphasis in agency policy) to travel and that proper justification for above per diem expenses be provided. The memorandum stated that the OCFO would codify this new control into the EPA travel policy.

The EPA’s RMDS 2550B, Section V, *Actual Expenses*, issued in 2015, requires specific notation in the travel authorization for approval of actual expense reimbursement. If the expense exceeds 150 percent of per diem, the policy also requires second-line supervisor approval prior to occurrence of travel. In addition, EPA policy requires an amendment to the travel authorization when travel authorizing officials approve expenses after the completion of the trip.

As shown in Table 6, for 10 trips (or 29 percent of the 34 trips taken), the former Administrator’s lodging costs exceeded 150 percent of per diem. For most of the trips, the former Administrator’s lodging costs in excess of 150 percent were approved after-the-fact. Justifications for these approvals were often minimal, such as “due to high season.” A few were without any justification.

Table 6: Former Administrator’s lodging over 150 percent of per diem

	Travel date	Destination	Hotel	Per diem	150% of per diem	Lodging claimed	Justification
1	03/08/17	Houston, TX	Hilton Americas	\$135	\$203	\$284	None
2	04/19/17	Columbia, MO	Double Tree	91	137	159	None
3	05/16/17	New York, NY	The Michelangelo	267	401	450	High season – no government rate
4	06/09/17	Bologna & Rome, Italy	Savoia Hotel Regency & Baglioni Hotel Regina	359	539	629	Represents costs for one room at two hotels needed to address security considerations.
5	07/17/17	Salt Lake City, UT	The Monaco	115	173	199	Last minute changes and high season*
	07/18/17	Minneapolis, MN	Le Meridien	145	218	299	Last minute changes and high season*
	07/19/17	Little Rock, AK	Capital Hotel	94	141	195	Last minute changes and high season*
6	07/24/17	Charleston, SC	The Spectator	178	267	269	High season
7	08/02/17 – 08/03/17	Denver, CO	The Oxford	178	267	380	High season
8	09/18/17	New York, NY	Cassa	301	452	669	High season – sold out
9	09/27/17	New York, NY	The Knickerbocker	301	452	595	High season – sold out
10	10/05/17	Phoenix, AZ	Kimpton Hotel Palomar	124	186	269	High season – sold out
	10/08/17	Lexington, KY	21c Museum	109	164	199	None

Source: OIG analysis of EPA travel data, and travel authorizations and vouchers from the Concur travel system.

* Justifications for these lodging costs were provided during the audit and were not in Concur.

Although not included in Table 6, the former Administrator's staff and PSD agents also had incurred lodging expenses in excess of per diem. We did not review all vouchers for the former Administrator's associated travelers but, based on a sample reviewed, the former Administrator's staff and PSD agents also submitted justifications and received second-line supervisor approval after the fact on numerous occasions. In addition, we identified three instances where the PSD agents incurred lodging costs in excess of 150 percent of per diem without justification or second-line supervisor approval. Another PSD agent who incurred lodging in excess of 150 percent of per diem submitted a justification, but it was approved by the first-line supervisor, not the second-line supervisor as required under EPA policy.

The PSD agents traveling with the former Administrator incurred approximately the same lodging rates as the former Administrator. According to the agency, it is necessary for PSD agents to lodge in the same hotel and in close proximity in order to provide security for the former Administrator. Staff other than the PSD agents who accompanied the former Administrator may or may not have incurred the same lodging rates. On one occasion, PSD agents stayed in the same hotel and incurred lower lodging rates than the former Administrator. For example, the former Administrator and his accompanying PSD agent were each charged a rate of \$669 to stay at the Cassa in New York City on September 18, 2017—more than double the per diem rate of \$301—while on the same day another PSD agent staying at the same hotel was charged a rate of \$389.

Conclusion

The former Administrator and associated staff and PSD agents claiming lodging expenses above 150 percent of per diem did not always have the justifications and/or approvals required under EPA policy. We believe that last-minute travel plans and changes, along with a continued lack of understanding of the EPA's travel policy by staff and management, contributed to the after-the-fact approval with limited or no justifications.

Exceedance of 150 percent of per diem without sufficient justification and second-line supervisor approval violates EPA travel policy. Exceeding per diem rates without proper approval results in unnecessary costs and contributes to the potential for waste and abuse of taxpayer dollars.

Actions Taken

This issue was discussed with the agency during a meeting on April 30, 2018. The OCFO has confirmed that no written justifications and approvals had been received for the three instances in which the former Administrator's lodging costs were claimed in excess of 150 percent of per diem (identified in Table 6 above).

Recommendation

We recommend that the Chief Financial Officer:

8. Implement controls to verify appropriate approval and adequate justification for lodging over 150 percent of per diem and minimize after-the-fact approvals.

Agency Comments and OIG Evaluation

The agency agreed with the recommendation and stated that the OCFO is implementing controls in Concur for lodging over 150 percent of per diem. The agency also proposed a corrective action completion date.

Subsequent to its formal response, the agency informed us that it has updated Concur to include a flag requiring additional justification be included for any voucher with lodging exceeding 150 percent of per diem. We accept the agency's corrective action and consider Recommendation 8 completed.

The agency's full response and our comments are in Appendix D, OIG Response 20.

Missing Detailed Support for Trips with Stops in Tulsa

Travel documentation for the former Administrator's stops in Tulsa for personal reasons while on business travel elsewhere did not contain adequate cost comparisons to verify that those stops did not result in additional costs to the government, as required under the FTR and EPA travel policy. OIG analysis of travel data obtained from the EPA's Compass Data Warehouse and vouchers and receipts from the agency's Concur travel system showed that of the 34 trips the former Administrator took from March through December 2017, six were exclusively to the former Administrator's hometown of Tulsa or other locations in Oklahoma for official business, and an additional 10 trips were taken elsewhere but included self-initiated weekend stays in Tulsa where no official business was conducted. Additional details on these trips are in Chapter 2.

We identified no specific criteria that would limit the former Administrator's travel to, or stops in, Tulsa for the weekend or otherwise. However, FTR §301-10.7 requires travelers to travel to their destination "by the usually traveled route unless the agency authorizes or approves a different route as officially necessary." If an indirect route is used for personal convenience, government reimbursement is limited to the cost of travel by a direct route and the traveler is responsible for any additional cost, as required by FTR §301-10.8.

Similarly, EPA policy under RMDS 2550B, Section IV, *Responsibilities*, requires authorizing officials to verify that travel is by the direct or usually traveled route

and mandates that use of indirect routes requires justification and approval. The EPA travel policy reiterates that “employees are responsible for additional costs when indirect routes are for personal convenience.”

The trips with stops in Tulsa for personal convenience while on business travel elsewhere were not the direct or usually traveled routes. Therefore, the stops needed to be justified and the agency needed to determine and limit reimbursement to the costs of the direct routes. The justifications stated in the travel documents for the stops in Tulsa for personal reasons were generally either that the former Administrator paid his own way or that it was cost-effective for him to fly through Tulsa. However, the travel authorizations did not contain the required detail and support to verify these comments. For example, printed copies of the flights and prices for the direct routes were not uploaded to Concur or provided by the agency.

Furthermore, the agency did not consider all factors when comparing the former Administrator’s travel costs with a stop in Tulsa to the costs of the direct routes. For example, for some of the former Administrator’s trips home for the weekend, the cost comparison and/or justification was that the former Administrator paid his own way to Tulsa from his place of business.¹⁴ These comparisons did not document the airfare differences between flying back to Washington, D.C., from his original place of business versus from Tulsa. On another trip, the cost comparison was based on the prices for business class when in fact the former Administrator flew first class, but a less expensive business fare does not guarantee a less expensive first-class fare. The additional travel costs of the PSD agents and other staff who accompanied the former Administrator were also not addressed.

Conclusion

The OIG could not determine a specific cause for the lack of adequate cost comparison and supporting documents. However, the examples discussed show a general lack of understanding of cost-comparison requirements in the EPA’s travel policy by staff and management responsible for the former Administrator’s travel. Without proper cost comparisons and documentation, we were unable to determine whether additional costs were incurred for those stops in Tulsa the former Administrator made for personal convenience.

¹⁴ The OIG did not verify the former Administrator’s method of payment used in the cost comparison, i.e., cash, credit card or frequent-flyer miles.

Recommendation

We recommend that the Chief of Staff:

9. Implement controls within the Office of the Administrator to confirm that adequate cost comparisons are provided before approving travel authorizations where an alternative travel method is used (i.e., when the direct or usually taken routes are not used).

Agency Comments and OIG Evaluation

The agency disagreed with the recommendation, stating that sufficient controls were in place to verify proper justification and approval for use of other than coach-class travel.

The agency's comment is nonresponsive to the recommendation. The agency addressed the use of other than coach-class travel although our recommendation addresses the former Administrator's trips with side stops in Tulsa for personal reasons. We consider Recommendation 9 unresolved with resolution efforts in progress.

The agency's full response and our comments are in Appendix D, OIG Responses 3 and 21.

Inaccurate and Incomplete International Trip Reports

International trip reports were not submitted by all travelers, and those submitted by the PSD and other staff associated with the former Administrator's travel were inaccurate and incomplete. This situation occurred due to limited guidance on the requirements for trip reports in the EPA's travel policy and a lack of controls to verify that the reports are submitted and those submitted are accurate and complete. A lack of trip report submissions and inaccurate and incomplete reporting affect proper monitoring of international engagements. OITA and other EPA offices need trip reports to avoid unnecessary international trips and track agency commitments to international partners. Without proper monitoring, the EPA cannot determine that international trips achieved expected results, commitments made during the trips are in line with agency missions and are honored by the agency, and trips are in the best interest of the taxpayer and not duplicative of other international trips.

The EPA's RMDS 2550B, Section VII, *Administrative Requirements for International Trip Report*, states that a trip report must be completed in the Fast International Approval of Travel (FIAT) database within 15 days of the final date of travel. The policy also requires each National Program Manager and region to monitor, at least annually, the completion of international travel reports by their

travelers. However, the policy does not specify whether all travelers must individually prepare a trip report.

Based on discussions with OITA, each traveler is required to submit a report in FIAT with the standard form provided, but the amount of information in the report varies depending on the individual traveler. Some travelers provide a detailed summary as an attachment to the form; others just submit the essential information required in the form. Sometimes a team of several people on the same trip would prepare a single trip summary and each attach it to their individual trip report form in FIAT. The main purposes of the trip report are to obtain a summary of the events and track any commitments the travelers may have made on behalf of the agency. The reports also are used as the information library for OITA's desk officers to avoid duplication of efforts in future trips.

OIG Analysis of Trip Reports

The former Administrator had planned four international trips: to Mexico City, Mexico; Sydney, Australia; Rome, Italy; and Rabat, Morocco. The trip to Mexico City was canceled without travel and did not require an international trip report. The Sydney trip was canceled prior to the former Administrator's departure date, but his advance teams had deployed and arrived 2 days before the trip was canceled, thus requiring a trip report. The remaining two trips—to Rome and Rabat—were taken and also required trip reports. We obtained and reviewed hard-copy reports from OITA for only two of the three trips through December 31, 2017, that required trip reports—Sydney and Rome.

Our analysis found that for the Sydney and Rome trips, not all travelers submitted a trip report. Within the reports submitted, there were numerous errors. For example, for the Sydney trip, three employees reported that the “trip was completed successfully without incident,” which was entirely untrue. The trip was canceled shortly after the deployment of two of these employees and before the third employee even started the trip. In addition, some of the travel dates in the reports did not match the travel vouchers.

The errors in the international trip reports reflect a lack of management oversight and employee understanding of the requirements to file a report or the need for an accurate report. Although a lack of submission of international trip reports was raised in a prior OIG audit report,¹⁵ the EPA's revised travel policy did not provide clarification about the requirements. Rather, the revised policy, effective during the period of our audit, provided less information about the requirements than the prior version. According to the Controller, it was the OCFO's intent to leave the international travel requirements out of the travel policy and only reference the requirements in the attachments to the policy because the OCFO does not have control over the OITA's FIAT system.

¹⁵ *EPA Needs Better Management Controls for Approval of Employee Travel*, Report No. [15-P-0294](#), issued September 22, 2015.

For the Rabat trip, a narrative report was prepared by the embassy to summarize the matters discussed. The report does not include the details at the employee level required in FIAT. As a result, we are unable to verify the trip information as we did for the Rome and Sydney trips. According to the agency, this is not at all unusual. One person can draft a trip report when a group travels for the same purpose.

Conclusion

The lack of trip report submissions affects proper monitoring of international engagements. Without accurate and complete reports, the EPA cannot confirm that commitments in the international community are honored and in line with the agency's priorities. Accurate and complete reports also provide essential information to OITA and other EPA offices to avoid duplication of efforts in future trips and afford efficient use of EPA resources.

Actions Being Taken

We were informed by the agency that OITA will release a new version of the FIAT database. The updated version will be internet-based and allow users to access it from anywhere. It will send travelers automated reminders of the requirement to complete a trip report within 15 days and include other features to help travelers complete the form. Detailed information also will be available in the user guide. In addition, the system will allow the National Program Manager and regional coordinator to identify travel plans with missing trip reports. According to OITA, as of November 13, 2018, the updated version had been loaded onto the agency's server and will be rolled out to the three selected OITA administrative staff for pilot testing.

In its response, the agency proposed an estimated corrective action completion date of March 31, 2019. We followed up with the agency on the status of the corrective actions, and on April 22, 2019, were advised that the new version of FIAT was rolled out to a test group within OITA during the second quarter of fiscal year 2019. Testing identified a critical coding issue that affected the operation of FIAT. Further roll-out of the new system was halted so that changes could be implemented, and the system rested. As of May 6, 2019, OITA continued encountering technical problems and has reached out to the Office of Environmental Information for advice and assistance. Once the technical issue is resolved and re-testing within OITA offices proves successful, the agency will begin expanding the new FIAT to other National Program Managers and regions. The agency's revised estimated corrective action completion date is September 30, 2019.

According to the agency, as a stop-gap measure to improve compliance rates with filing trip reports, OITA's Office of Management and International Services has been monitoring trip reports in the Lotus Notes version of FIAT and contacting travelers who have not filed a report within 7 business days to remind them of the trip report requirement.

Recommendations

We recommend that the Assistant Administrator for International and Tribal Affairs:

10. Clarify the requirement and importance of trip reports for all international travel.
11. Implement controls to verify that international trip reports are accurate and complete.

Agency Comments and OIG Evaluation

The agency agreed with the recommendations and proposed corrective action, noting that OITA will be releasing a new version of the FIAT system that will address the OIG's concerns. We accept the agency's corrective actions and proposed completion dates. We consider Recommendations 10 and 11 resolved with corrective actions pending.

The agency's full response and our comments are in Appendix D, OIG Responses 22 and 23.

Improper Approval of Staff and PSD Use of Business-Class Travel for International Trips

The use of business-class travel by the former Administrator's PSD agents and other staff for international trips was not always approved in accordance with the FTR and EPA travel policy. We found that several PSD agents and former Administrator's staff received approval for business-class travel without a formal request, as required by EPA policy. Others who submitted a formal request received approval without the required analysis.

Flight duration alone does not qualify as the basis for entitlement of business-class travel.

FTR §301-10.123(b)(6) and §301-10.125(a)(3) allow the use of business class if the scheduled flight time—including non-overnight stopovers and change of planes—is in excess of 14 hours and if the traveler is required to report to duty the following day or sooner. The EPA's policy under RMDS 2550B, Section V, *Travel in Excess of 14 Hours*, states that the approving officials should also consider the constructive costs and the purpose and urgency of the trip. Constructive costs include the cost of business class versus coach class plus the cost of reimbursements in conjunction with a rest stop. The purpose and urgency of the trip considers whether the travel is so urgent or unexpected that it cannot be delayed or postponed and the traveler is unable to schedule a rest stop or an earlier flight that would allow for a rest period before having to report for duty.

Per the EPA's RMDS 2550B, Section V, *Travel Accommodations*, EPA employees must use coach class for official travel unless delegated officials grant an exception for other than coach class. A request for an exception to use other than coach class (business class) requires a memorandum from the employee's office director or equivalent to the appropriate delegated officials for approval of business class. The designated approver for the use of business class for the Administrator's staff is the Deputy Chief of Staff; for all other employees it is their Assistant Administrator/Deputy Assistant Administrator.

The use of business-class travel for staff and PSD agents was related to international trips. The business-class travel identified included the Australia trip in August 2017 and one segment for an employee's flights for the Morocco trip in December 2017. We did not review all vouchers for these trips. For the four selected vouchers reviewed for the Australia trip (two each for PSD and the former Administrator's staff), all employees flew round-trip business class. The travel authorizations for the former Administrator's staff noted that the "airfare exceeded the daily threshold of \$5,000 due to the length of the flights—over 20 hours each way." However, the staff did not submit an exception request to their designated approving official—the Deputy Chief of Staff—for the upgrade to business class, as required under EPA policy. The length of the flight alone does not constitute sufficient justification to approve business-class accommodation.

The two PSD agents submitted exception requests and their Director submitted a written request to their acting Assistant Administrator as required by the EPA policy. The request was approved prior to the travel. However, the request and approval were based only on the fact that the travel time—including stopovers and change of planes—exceeded 14 hours. The request also included that the former Administrator's staff were traveling in business class. However, the approval did not address the constructive costs or the urgency of the business, as required under the FTR and EPA policy.

In another instance, the acting Deputy Chief of Staff approved the use of business class for a staff member traveling with the former Administrator on the Morocco trip without the required analysis. The use of business class pertained to the international segment of the return flight from Morocco and cost close to \$3,000 more than the coach-class fare. The approval was based solely on the fact that the flight time—including the stopover—exceeded 14 hours and did not include an analysis of the constructive costs or the urgency of the business, as required under EPA policy.

The use of business class for the Morocco trip was discussed with the agency. The Controller said the upgrade was fully justified and constructive costs and urgency of mission were considered, even though the factors were not documented in the approval memorandum. The agency provided no documentation to show these factors were considered. Without additional documentation, the OIG cannot confirm that the constructive costs and urgency of mission were considered.

Conclusion

Senior management officials approved the use of business-class travel for the PSD and the former Administrator's staff without meeting the requirements of the FTR and EPA policy. These approvals show a lack of understanding of the requirements for the use of business-class travel. Approving the use of business class without analyzing the constructive costs and justifying the urgency of mission violates EPA policy and results in unnecessary and/or unjustified costs.

Recommendations

We recommend that the Chief Financial Officer:

12. Implement controls to verify that the use of first/business-class travel complies with the requirements of the Federal Travel Regulation and EPA policy in Resource Management Directive System 2550B prior to approval of the travel authorization.
13. Provide guidance on documentation needed to support approval for first/business-class travel.
14. Identify and review all business-class travel claimed for the staff and Protective Service Detail agents who accompanied the former Administrator on travel from March 2017 through his resignation in July 2018 for proper approval. Where policy was not followed, recover any excess costs claimed for the use of business class.

Agency Comments and OIG Evaluation

The agency disagreed with Recommendations 12 and 14 and agreed with Recommendation 13.

For Recommendation 12, the agency believed sufficient controls were in place through the agency's travel policy and the Memorandum of Understanding with BCD, its travel management contractor, which requires compliance with the FTR. We disagree with the agency that adequate controls are in place. The agency's record shows otherwise. As explained in the report, we found that the use of business-class travel by the former Administrator's staff and PSD agents was not always approved in accordance with the FTR and/or EPA travel policy. We found that several PSD agents and the former Administrator's staff received approval for business-class travel without a formal request as required by EPA policy. Others who submitted a formal request received approval without the required analysis.

For Recommendation 13, the agency provided several agencywide training courses in 2018, including one specific for OA staff and management. However,

the training courses did not cover requirements for approval of first/business-class travel.

For Recommendation 14, the agency stated that proper approvals were provided to agency staff and PSD agents accompanying the former Administrator because sufficient approval authority exists and there is no need to recover any costs. The agency's comment is nonresponsive to our recommendation, which relates not to approval authority but compliance with the FTR and EPA policy. Specifically, a sample of the travel vouchers revealed that several PSD agents and the former Administrator's staff used business-class flights for international trips without a formal request for such accommodation, as required by EPA policy. Others who submitted a formal request received approval based solely on the fact that the total flight time exceeded 14 hours, and they did not include the required analysis to address the constructive costs and mission urgency, as required by the FTR and EPA policy.

As discussed in Chapter 4 of this report, in the subsection *First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern*, the Controller issued a memorandum retroactively approving all other than coach-class accommodations for former Administrator Pruitt, the PSD and support staff that occurred during fiscal years 2017 and 2018 due to security concerns. While the retroactive approval memorandum referenced approval of support staff's use of first-class travel due to security concerns, the agency previously had asserted that the justification for support staff travel in other than coach-class accommodations (business class) was for reasons unrelated to the security exception. The agency has provided no explanation of how support staff's use of business-class travel is related to the security concerns relating to the former Administrator.

We consider Recommendations 12, 13 and 14 unresolved with resolution efforts in progress.

The agency's full response and our comments are in Appendix D, OIG Responses 24, 25 and 26.

Justified Use of Military and Charter Flights

The former Administrator's use of military and charter flights was justified and in compliance with EPA policy and the FTR. The EPA's RMDS 2550B, Section V, *Federal Government Aircraft*, states that the EPA's use of a federal government aircraft—chartered or federal government-owned—must comply with Office of Management and Budget Circular A-126, *Improving the Management and Use of Government Aircraft*, May 22, 1992. The EPA must determine the service necessary to fulfill a mission requirement, including exceptional, scheduling, communication or security requirements, or if there is a substantial cost savings to

the government. These Office of Management and Budget guidelines are implemented in FTR §§301-10.261 through -10.264.

The former Administrator incurred travel costs of \$101,761 for three military and two charter flights. The purpose of the trips, along with dates and costs, are identified in Table 7.

Table 7: Use of military and charter flights

Travel date	Type	Destination	Purpose	Costs
03/15/17	Military	DC - Detroit	Travel to/from with President	\$45,000
06/07/17	Military	DC - Cincinnati – JFK (New York)	Travel to Cincinnati with President and to JFK without President	36,069
09/09/17	Military	DC - Camp David	Cabinet meeting with President	n/c
Total military flights				\$81,069
07/27/17	Charter	Tulsa – Guymon – Oklahoma City	<i>Waters of the United States State</i> Action tour	\$15,000
08/04/17	Charter	Denver - Durango	Gold King Mine meeting	5,692
Total charter flights				\$20,692
Total military and charter flights				\$101,761

Source: Cost data from the EPA’s Compass Data Warehouse provided by the agency.

The former Administrator’s use of military flights resulted from three trips associated with the President of the United States. The former Administrator participated in an event related to EPA regulations with the President in Detroit, Michigan. The cost of the Detroit trip and events was shared with the White House. The event costs included such items as staging, lighting, drapes and tables. The EPA’s share was paid for under a reimbursable agreement with the Executive Office of the President that was reviewed and approved by the agency’s Office of Acquisition Management. As the costs were not paid through the travel system and did not follow the travel voucher process, evaluating the validity of the procurement was outside of our audit scope.

The former Administrator was directed by the President to attend and participate in water infrastructure-related public events in Cincinnati, Ohio, prior to his previously scheduled flight from the John F. Kennedy International Airport in New York to Rome, Italy. After the events with the President, the former Administrator and his staff flew via military aircraft from Cincinnati to JFK to catch an evening flight to Rome, where the former Administrator represented the United States at the G-7 Environment Ministerial. The agency had determined this trip to be mission critical. According to the approval documents, there were no commercial flights that would allow the former Administrator to connect to the scheduled flight at JFK, nor were there other viable flight itineraries that would arrive in Italy on schedule for the former Administrator’s obligations. The FTR allows for the use of military flights to meet exceptional scheduling needs. The use was properly approved by the agency’s General Counsel.

The last military flight, to Camp David, was provided by the White House and did not result in any transportation costs to the EPA.

The former Administrator's use of chartered flights included a planned flight to Guyton, Oklahoma, as part of the *Waters of the United States* State Action tour. The charter was necessary because, due to the remote location of the meeting site, commercial flights were not available. The use of the second charter was an unplanned flight from Denver to Durango, Colorado, for a meeting at the Gold King Mine, where a major spill previously had occurred. The use of the charter resulted from weather delays with a booked commercial flight; the charter was needed to meet the former Administrator's schedule. Our audit found that the use of the charter flight was justified under the FTR, which allows for the use of charters to meet scheduling needs. These flights were properly approved by the agency's acting Principal Deputy General Counsel and acting General Counsel in accordance with EPA policy.

Conclusion

The costs incurred for the former Administrator's use of military and charter flights were properly approved. The agency's General Counsel determined that these actions complied with Office of Management and Budget Circular A-126 and FTR requirements. Based on supporting documentation, these actions were justified and allowed under the referenced regulations and EPA travel policy. Consequently, we make no recommendations regarding the use of military or chartered flights.

Agency Comments and OIG Evaluation

The agency provided no comments on this finding.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Potential Monetary Benefits (in \$000s)
1	16	Evaluate and determine whether the increased airfare costs estimated at \$123,942 related to former Administrator Pruitt's use of first/business-class travel without sufficient justification and proper approval, for the period March 1, 2017, through December 31, 2017, should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.	U	Chief Financial Officer		\$124
2	16	For the period January 1, 2018, through his resignation in July 2018, evaluate and determine whether any costs related to former Administrator Pruitt's use of first/business-class travel without sufficient justification and proper approval should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.	U	Chief Financial Officer		
3	24	Implement controls to verify the approving official has adequate authority prior to granting first/business-class exceptions.	C	Chief Financial Officer	03/28/19	
4	24	Implement controls agencywide to verify that the use of other than coach-class travel is properly justified and documented prior to approval of the travel authorization.	U	Chief Financial Officer		
5	27	Implement controls to verify contract fares are used unless the non-contract fares are properly justified and documented.	U	Chief Financial Officer		
6	29	Clarify EPA policy in Resource Management Directive System 2550B on the requirements for justifying and documenting carrier/flight/airfare selection when there are no contract fares.	U	Chief Financial Officer		
7	29	Implement controls within the Office of the Administrator to include adequate justification to support the use of first/business-class travel and for carrier/flight/airfare selection when there are no contract fares.	U	Chief of Staff		
8	33	Implement controls to verify appropriate approval and adequate justification for lodging over 150 percent of per diem and minimize after-the-fact approvals.	C	Chief Financial Officer	02/19/19	
9	35	Implement controls within the Office of the Administrator to confirm that adequate cost comparisons are provided before approving travel authorizations where an alternative travel method is used (i.e., when the direct or usually taken routes are not used).	U	Chief of Staff		
10	38	Clarify the requirement and importance of trip reports for all international travel.	R	Assistant Administrator for International and Tribal Affairs	09/30/19	
11	38	Implement controls to verify that international trip reports are accurate and complete.	R	Assistant Administrator for International and Tribal Affairs	09/30/19	

RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Potential Monetary Benefits (in \$000s)
12	40	Implement controls to verify that the use of first/business-class travel complies with the requirements of the Federal Travel Regulation and EPA policy in Resource Management Directive System 2550B prior to approval of the travel authorization.	U	Chief Financial Officer		
13	40	Provide guidance on documentation needed to support approval for first/business-class travel.	U	Chief Financial Officer		
14	40	Identify and review all business-class travel claimed for the staff and Protective Service Detail agents who accompanied the former Administrator on travel from March 2017 through his resignation in July 2018 for proper approval. Where policy was not followed, recover any excess costs claimed for the use of business class.	U	Chief Financial Officer		

¹ C = Correction action completed.

R = Recommendation resolved with corrective action pending.

U = Recommendation unresolved with resolution efforts in progress.

Cost Details for Trips Taken by Former Administrator

	Former Administrator's travel period ^a	Destinations	Former Administrator costs	Staff costs	PSD costs	Other costs ^b	Total
1	03/06/17 – 03/07/17	Scottsdale, AZ Tulsa, OK ^c	\$739	\$1,343	\$7,773	-	\$9,854
2	03/08/17 – 03/12/17	Houston, TX Tulsa, OK ^b	1,039	4,791	8,092	-	13,923
3	03/15/17 – 03/15/17	Detroit, MI Nashville, TN	-	36	2,816	^d \$45,000	47,852
4	03/23/17 – 03/27/17	Oklahoma City, OK Tulsa, OK ^b	615	1,901	5,588	-	8,104
5	04/12/17 – 04/24/17	New York, NY Pittsburgh, PA Tulsa, OK Chicago, IL Columbia, MO Dallas, TX Naples, FL	4,182	22,272	31,228	-	57,683
6	05/04/17 – 05/08/17	Tulsa, OK	1,043	1,017	3,285	-	5,345
7	05/11/17 – 05/15/17	Colorado Springs, CO Tulsa, OK ^b	3,052	2,336	8,515	-	13,903
8	05/16/17 – 05/17/17	New York, NY	2,055	3,910	4,937	-	10,903
9	05/19/17 – 05/22/17	Tulsa, OK	2,123	849	2,567	-	5,538
10	05/25/17 – 05/29/17	Tulsa, OK	2,997	2,090	8,964	-	14,051
11	06/05/17 – 06/06/17	New York, NY	2,201	2,564	369	-	5,134
12	06/07/17 – 06/11/17	Cincinnati, OH Rome, Italy Bologna, Italy	8,998	49,413	39,522	36,069	134,001
13	06/22/17 – 06/26/17	Tulsa, OK	2,799	857	6,850	-	10,506
14	06/30/17 – 06/30/17	Manhattan, NY	823	1,701	2,535	-	5,059
15	07/06/17 – 07/06/17	Birmingham/ Wilsonville, AL	2,623	5,795	3,069	-	11,487
16	07/07/17 – 07/07/17	Cochran, GA	1,963	613	1,953	-	4,528
17	07/17/17 – 07/20/17	Salt Lake City, UT Minneapolis, MN Little Rock, AK	5,768	20,419	15,888	-	42,076
18	07/24/17 – 07/14/17	Charleston, SC	1,644	4,637	1,233	-	7,514
19	07/26/17 – 07/30/17	Tulsa, OK Oklahoma City, OK Guymon, OK	2,933	6,731	9,258	^e 15,000	33,922
20	08/02/17 – 08/10/17	Indianapolis, IN Denver, CO Tulsa, OK ^b Des Moines, IA Grand Forks, ND	7,180	39,287	68,668	^f 5,692	120,827
21	08/30/17 – 09/05/17	Corpus Christi, TX Tulsa, OK ^b	3,931	83	11,146	-	15,161
22	09/09/17 – 09/10/17	Thurmont, MD	25	498	-	-	523

	Former Administrator's travel period ^a	Destinations	Former Administrator costs	Staff costs	PSD costs	Other costs ^b	Total
23	09/14/17 – 09/19/17	Houston, TX Tulsa, OK ^b New York, NY	4,407	9,441	14,342	-	28,189
24	09/27/17 – 09/28/17	New York, NY	2,672	4,868	6,496	-	14,035
25	10/04/17 – 10/09/17	Cincinnati, OH Colorado Springs, CO Phoenix, AZ Tulsa, OK ^b Lexington, KY	5,706	20,727	22,734	-	49,167
26	10/11/17 – 10/12/17	Jackson, MS	3,272	6,572	5,015	-	14,860
27	10/19/17 – 10/20/17	Houston, TX Omaha, NE	3,979	11,221	9,510	-	24,710
28	10/23/17 – 10/23/17	Nashville, TN	2,877	2,198	2,084	-	7,159
29	10/27/17 – 10/30/17	New Orleans, LA Tulsa, OK ^b	2,303	4,396	10,321	-	17,020
30	11/08/17 – 11/08/17	Chicago, IL	1,317	1,903	5,918	-	9,138
31	11/09/17 – 11/09/17	Kiawah Island, SC	3,155	4,574	2,794	-	10,523
32	11/27/17 – 11/27/17	Orlando, FL	2,221	3,253	5,149	-	10,623
33	11/30/17 – 12/04/17	Louisville, KY Des Moines, IA Tulsa, OK ^b	3,486	10,559	12,766	-	26,812
34	12/09/17 – 12/13/17	Rabat, Morocco Marrakech, Morocco	17,631	42,132	28,440	-	88,204
		Total	\$111,761	\$294,987	\$369,827	\$101,761	\$878,336

Source: OIG analysis of travel data from the EPA's Compass Data Warehouse.

Note: Numbers in *bold italics* are slightly off due to rounding.

^a Travel period for the former Administrator's advance staff and security detail will vary.

^b These are military and charter flight costs.

^c Trips to Tulsa for personal reasons, not for official business.

^d Military flight with the President of the United States.

^e Charter flight from Tulsa to Guymon, OK, return to Oklahoma City.

^f Charter flight from Denver to Durango, CO.

Cost Details for Former Administrator's Canceled Trips

	Former Administrator's travel period ^a	Destination	Former Administrator costs	Staff costs	PSD costs	Total	Note
	Domestic						
1	04/27/17 – 04/28/17	New York, NY	\$472	\$1,143	\$2,055	\$3,670	1
2	06/15/17 – 06/19/17	Tulsa, OK	68	49	95	212	2
3	06/21/17 – 06/21/17	Manhattan, NY	123	2,115	2,029	4,267	3
4	08/23/17 – 08/24/17	Lincoln, NE	68	326		394	4
		Domestic subtotal	\$731	\$3,633	\$4,179	\$8,543	
	International						
5	08/21/17 – 08/21/17	Mexico City, Mexico	\$68	\$177	\$203	\$448	4
6	08/31/17 – 09/08/17	Sydney, Australia	1,927	41,096	54,687	97,710	4
		International subtotal	\$1,995	\$41,273	\$54,889	\$98,158	
		Total	\$2,726	\$44,907	\$59,069	\$106,701	

Source: OIG analysis of travel data from the EPA's Compass Data Warehouse.

^a Travel period for the former Administrator's advance staff and security detail varied.

The explanations provided by the agency for trip cancellations are summarized in the notes below:

Note 1: After a 2-hour delay on a 10 p.m. flight, there was a decision made to cancel this trip. BCD was able to void the ticket and it was refunded by the airlines. However, it was already past the cancellation period according to hotel policy. As a result, there was a no-show charge for the hotel.

Note 2: The trip was canceled due to logistics.

Note 3: The former Administrator had been invited to speak at the Manhattan Institute and to participate in media interviews. This travel was canceled the day before departure due to a medical reason.

Note 4: These trips were canceled due to Hurricane Harvey. The former Administrator needed to remain in place to address the impact of the hurricane.

Former Administrator's Travel Costs by Cost Category

	Travel Period	Destination	Airfare ^a	Lodging ^b	Meals & incidental expenses	Other ^c	Total ^d
1	03/06/17 – 03/07/17	Scottsdale, AZ Tulsa, OK	\$594		\$89	\$56	\$739
2	03/08/17 – 03/12/17	Houston, TX Tulsa, OK	576	\$284	83	97	1,039
^e 3	03/15/17 – 03/15/17	Detroit, MI Nashville, TN					
4	03/23/17 – 03/27/17	Oklahoma City, OK Tulsa, OK	450		54	112	615
5	04/12/17 – 04/24/17	New York, NY Pittsburgh, PA Tulsa, OK Chicago, IL Columbia, MO Dallas, TX Naples, FL	2,480	554	665	484	4,182
6	04/27/17 – 04/28/17	New York, NY		252	111	109	472
7	05/04/17 – 05/08/17	Tulsa, OK	848		128	68	1,043
8	05/11/17 – 05/15/17	Colorado Springs, CO Tulsa, OK	2,691		134	228	3,052
9	05/16/17 – 05/17/17	New York, NY	1,316	450	111	178	2,055
10	05/19/17 – 05/22/17	Tulsa, OK	1,927		128	68	2,123
11	05/25/17 – 05/29/17	Tulsa, OK	2,628	145	137	87	2,997
12	06/05/17 – 06/06/17	New York, NY	1,588	340	111	162	2,201
13	06/07/17 – 06/11/17	Cincinnati, OH Rome, Italy Bologna, Italy	6,688	1,339	603	368	8,998
14	06/15/17 – 06/19/17	Tulsa, OK				68	68
15	06/21/17 – 06/21/17	Manhattan, NY				123	123
16	06/22/17 – 06/26/17	Tulsa, OK	2,604		128	68	2,799
17	06/30/17 – 06/30/17	Manhattan, NY	646		56	121	823
18	07/06/17 – 07/06/17	Birmingham/ Wilsonville, AL	2,438		44	141	2,623
19	07/07/17 – 07/07/17	Cochran, GA	1,847		38	78	1,963
20	07/17/17 – 07/20/17	Salt Lake City, UT Minneapolis, MN Little Rock, AK	4,627	693	212	237	5,768
21	07/24/17 – 07/24/17	Charleston, SC	1,154	269	52	169	1,644
22	07/26/17 – 07/30/17	Tulsa, OK Oklahoma City, OK Guymon, OK	2,604		179	151	2,933
23	08/02/17 – 08/10/17	Indianapolis, IN Denver, CO Tulsa, OK Des Moines, IA Grand Forks, ND	4,979	1,376	394	432	7,180
24	08/21/17 – 08/21/17	Mexico City, Mexico				68	68

	Travel Period	Destination	Airfare ^a	Lodging ^b	Meals & incidental expenses	Other ^c	Total ^d
25	08/23/17 – 08/24/17	Lincoln, NE				68	68
26	08/30/17 – 09/05/17	Corpus Christi, TX Tulsa, OK	3,703			228	3,931
27	08/31/17 – 09/08/17	Sydney, Australia	600	1,230		97	1,927
28	09/09/17 – 09/10/17	Thurmont, MD			10	15	25
29	09/14/17 – 09/19/17	Houston, TX Tulsa, OK New York, NY	3,330	804	194	79	4,407
30	09/27/17 – 09/28/17	New York, NY	1,791	595	111	174	2,672
31	10/04/17 – 10/09/17	Cincinnati, OH Colorado Springs, CO Phoenix, AZ Tulsa, OK Lexington, KY	4,813	468	198	228	5,706
32	10/11/17 – 10/12/17	Jackson, MS	2,978	93	65	137	3,272
33	10/19/17 – 10/20/17	Houston, TX Omaha, NE	3,610	107	96	166	3,979
34	10/23/17 – 10/23/17	Nashville, TN	2,744		44	88	2,877
35	10/27/17 – 10/30/17	New Orleans, LA Tulsa, OK	2,076		38	189	2,303
36	11/08/17 – 11/08/17	Chicago, IL	1,172		56	90	1,317
37	11/09/17 – 11/09/17	Kiawah Island, SC	2,866		52	238	3,155
38	11/27/17 – 11/27/17	Orlando, FL	2,056		44	121	2,221
39	11/30/17 – 12/04/17	Louisville, KY Des Moines, IA Tulsa, OK	3,197	109	89	91	3,486
40	12/09/17 – 12/13/17	Rabat, Morocco	16,164	863	529	76	17,631
		Total	\$93,783	\$9,972	\$4,976	\$5,757	\$114,487
		Percent of Total	81.9%	8.7%	4.3%	5.0%	100%

Source: OIG analysis of travel data from the EPA's Compass Data Warehouse and travel vouchers provided by the agency.

Note: Numbers in *bold italics* are slightly off due to rounding.

- ^a Starting early May 2017, most of the former Administrator's flights were premium class (first or business).
- ^b Lodging and meals and incidental expenses are a low percentage of the total costs because the former Administrator generally did not claim lodging and sometimes did not claim meal and incidental expenses for his trips to, and stops in, Tulsa; he generally stayed at his residence in Tulsa. However, costs were incurred by other, associated travelers.
- ^c Other costs included travel agent services fees, voucher fees and miscellaneous costs.
- ^d Total amount does not include military and chartered flight costs as they were mostly paid outside of the travel system and were not part of the former Administrator's vouchers.
- ^e The former Administrator did not incur costs related to this trip but costs were incurred by other, associated travelers.

Agency Response to Draft Report and OIG Comments



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

FEB 15 2019

MEMORANDUM

SUBJECT: Response to the November 26, 2018, Office of Inspector General’s Draft Report, “Actions Needed to Strengthen Controls over the EPA Administrator’s and Associated Staff’s Travel”, Project No. OA-FY17-0382

FROM: Ryan Jackson, Chief of Staff
Office of the Administrator

Holly Greaves, Chief Financial Officer
Office of the Chief Financial Officer

Susan Bodine, Assistant Administrator
Office of Enforcement and Compliance Assurance

Chad McIntosh, Assistant Administrator
Office of International and Tribal Affairs

TO: Charles Sheehan, Acting Inspector General
Office of Inspector General

Thank you for the opportunity to respond to the issues and recommendations presented in the Office of Inspector General Draft Report, Project No. OA-FY17-0382 pertaining to the former Administrator’s and associated staff’s travel. The agency has already completed corrective actions in accordance with certain recommendations prescribed in the Draft Report and has also implemented additional controls above and beyond those suggested by the OIG. For example, the former Administrator issued a memorandum requiring final approval over expenditures made by agency personnel over \$5,000 on his behalf to execute official duties by two of the three individuals: Deputy Administrator, Chief Financial Officer, or Chief of Staff. This control has continued since former Administrator Pruitt’s departure.

The agency does, however, disagree with some of the facts listed in the draft report. In some cases, the recommendations made in the Draft Report go above and beyond requirements in the Federal Travel Regulation. In other cases, full consideration of supporting documentation and/or justifications provided to support our response were not accepted and were not included in the Draft Report. Our specific comments are below.

OIG Response 1: Our responses are in the detail sections below under **OIG Responses 2 through 26.**

Chapter 2: Frequency, Cost, and Extent of the Former Administrator’s Official Travel

Chapter 2 of the draft report states that “Travel costs associated with the former Administrator’s official travel totaled \$985,037, including \$878,336 for the 34 trips taken and \$106,701 for the six trips canceled.” These totals include flights, hotels, and other travel expenses submitted to the Agency. However, of that amount, the OIG only “questioned excess airfare of \$123,941 associated with first/business-class trips taken by the former Administrator from March to December 2017.”¹⁶ We have performed an analysis of the \$123,941, as recommended by the OIG in recommendation No. 1, and discuss our findings in the next section below.

Chapter 2 of the draft report states that the “former Administrator canceled six trips consisting of four domestic and two international trips. Although trips were canceled, travelers incurred costs resulting from cancellation fees/no-show hotel charges, and service fees.” The agency provided detailed rationale and documentation for the trip cancellations, to include Hurricane Harvey and other justifiable and legitimate reasons.

OIG Response 2: Based on information provided by the agency, we added the trip cancellation rationales to Appendix B.

Chapter 2 of the draft report states that “six of the 16 Tulsa trips, the former Administrator cited being on official business.” The OIG also found that “[the OIG] identified no specific criteria that would limit the Administrator’s travel to, or stops in, Tulsa for the weekend or otherwise.”¹⁷ It appears that the OIG does not question the reasons for the former Administrator’s stops in Tulsa nor questions the official purposes for six of sixteen business reasons for visiting Tulsa.¹⁸ The OIG argues that the agency did not provide copies of requests from external parties for any of these six trips to Tulsa for official business and the travel documents did not contain the details to support the alternative travel required under EPA policy. The Agency provided OIG with travel authorizations and vouchers that articulated the official business descriptions in the justification section. The travel documents included justifications that shows that cost comparisons were completed and many of the trips turned out to be a “no cost” to the government. The Agency demonstrated that vouchers for “most of these trips indicated that the former Administrator paid his own airfare to Tulsa for the weekend.” The agency demonstrated that vouchers for “most of these trips indicated that the former Administrator paid his own airfare to Tulsa for the weekend.”¹⁹ Additionally, the Agency provided adequate cost comparison justification to determine the most advantageous method of travel.²⁰

¹⁶ US EPA, Office of Inspector General, Project No. OA-FY17-0382, *Draft Report “Actions Needed to Strengthen Controls over the EPA Administrator’s and Associated Staff’s Travel”* at pg 11. (February 11, 2019).

¹⁷ *Id.* at pg. 9.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *See generally*, Federal Travel Regulations, 41 Code of Federal Regulations, Chapters 300 through 304 (<http://gsa.gov/ftr>); EPA Travel Policy Procedure, “Resource Management Director System 2550B.” (April 27, 2018)

OIG Response 3: The rationale for the trips to Tulsa, and whether the trips were in line with the EPA’s mission, were within the discretion of the former Administrator and outside the scope of our audit. Our audit objectives were to provide factual information about the former Administrators’ travel to determine whether the EPA’s travel policy was adequately designed and if the policy and procedures were followed. For the former Administrator’s stops in Tulsa, our audit only addresses whether the stops resulted in additional costs to the government.

We accepted the official trip purposes stated in the travel documents and summarized the costs incurred in connection with the former Administrator’s trips based on the travel documents. When the travel documents state that the former Administrator paid his own way to or from Tulsa, it does not mean there were no costs to the government, as not all related costs, such as additional PSD costs, were considered. In Chapter 4 of this report, *Missing Detailed Support for Trips with Stops in Tulsa*, we cited examples of what factors the agency did not consider when stating there was “no cost” to the government.

Chapter 2 of the draft report states that “the former Administrator’s travel authorizations with alternative travel included some cost comparisons for his self-initiated weekend stops in Tulsa.” The OIG further states “the comparisons did not contain the required detail to support the alternative travel required under EPA policy.”²¹ The Agency disagrees with OIG’s presumption that the cost comparisons and detailed information to support alternative travel was not sufficient to support these facts. The agency’s travel policy provides instructions for the use of non-contract carriers. As long as the selected fare is compliant with the exceptions for use of non-contract carriers as stated in the agency’s travel policy and FTR, the traveler selects a reason for use of a non-contract carrier within the agency’s travel system (via a selection within Concur), along with justification, prior to approval. Furthermore, the costs associated with the former Administrator’s trips with stops in Tulsa included the most advantageous method of travel.

Finally, on April 27, 2018 the former Administrator issued an Agency policy regarding the Office of the Administrator approval process for Administrator expenses. Specifically, the policy states “effectively immediately, the Deputy Administrator, Chief of Staff, and Chief Financial Officer will have final approval over expenditures by agency personnel over \$5000 made on my behalf to execute my official duties. Implementation guidance will be forthcoming from the Deputy Administrator, Chief of Staff, and the Chief Financial Officer.”²² This Agency policy continues to be in effect in the Office of the Administrator and goes above and beyond the FTR and EPA’s travel policy. The Agency also provided to the OIG documentation that demonstrates implementation of this policy.

²¹ See fn. at pg. 3.

²² US EPA, Office of the Administrator, Final Policy from E. Scott Pruitt, Administrator, to Deputy Administrator, Assistant Administrators, and Regional Administrators, “Approval Process for Administrator Expenses. (April 27, 2018).

OIG Response 4: We addressed the agency’s comments on the use of non-contract carriers in **OIG Response 10** and under **Chapter 4**, in the *Justification for Use of Non-Contract Air Carriers Not Always Documented* section.

The new approval requirement in the agency’s policy for trips with expenditures over \$5,000 does not affect the travel information presented in **Chapter 2**. The purpose of this chapter is to summarize the former Administrator’s travel based on the travel documents and information provided by the agency. Our position on the new approval requirement is addressed in **OIG Responses 13, 14, 19 and 21** below.

Chapter 3: Administrator Pruitt’s Use of First/Business-Class Travel Questioned as Unnecessary

The **OIG** questioned airfare associated with first/business-class trips taken by the former Administrator. The estimated amount in question was \$123,941. As **Chapter 3, Table 3** demonstrates, the **OIG** attributes \$61,971 of the \$123,941 specifically to first class airfare associated directly with the former Administrator.²³ Our analysis of these trips concludes that all remaining charges attributed to the former Administrator are valid. Specifically:

- One trip, to Colorado Springs, CO and Tulsa, OK on May 11, 2017, did not contain all approval documentation as required by EPA policy. However, included instead was a memorandum, dated May 1, 2017, from the Office of Protective Services Detail advising against coach-class accommodations. Although the Office of the Administrator did not seek approval from the Office of the Chief Financial Officer for this trip, the justification for use of first-class accommodations was provided and consistent with Federal Travel Regulation §301-10.123. Based upon the provided justification from PSD, there is no legal justification to recover any additional costs incurred.
- One trip, to Tulsa, OK for the travel period May 4, 2017 – May 8, 2017 was cancelled.
- The stay in Tulsa before and after the trip during the period August 30, 2017 – September 5, 2017 was cited in Table 3, Note 2, as for personal reasons. It should be noted that the former Administrator was on personal leave and was then called back to duty. EPA’s travel policy states that employees who are on leave from their official duty station and are required to return to duty to perform official business receive reimbursement for the cost of returning to their official station and the cost of returning to leave after the official business is complete.

²³ See fn. 1.

OIG Response 5: The former Administrator's portion of the \$123,942 in excessive airfare included many more trips than the three noted. A detailed schedule of the costs by trip is included in Chapter 3 of this report. The agency has not provided the analysis to support its conclusion that the \$61,971 attributed to the former Administrator is valid.

Furthermore, the costs represent our estimate of the additional costs incurred by using first and business class compared to coach-flight accommodations and not the total airfare amounts. The costs are unrelated to the purpose of the trip and lack of justification for first class or any other issue. It is also important to note that the focus of our audit was to evaluate EPA compliance with the FTR, policy and procedures, not to determine the allowability of the travel expenditures, as we are not conducting a voucher audit.

Our response to the agency's comments on the details of the trips are summarized below:

- May 11, 2017, trip to Colorado Springs, CO, and Tulsa, OK
The May 1, 2017, memorandum was from a PSD agent to the former Administrator's travel coordinator. Neither employee had the authority to approve first-class accommodation. As a result, we do not consider the memorandum a valid justification for using first-class flights. These costs were retroactively approved by the Controller in a memorandum dated March 28, 2019. However, we disagree with the retroactive approval because the agency has not provided sufficient justification to support that valid security concerns existed at the time, as documented in Chapter 4 of this report and our PSD report noted in the *Prior Audit Reports* section (Report No. [18-P-0239](#)).
- May 4–8, 2017, trip to Tulsa, OK
The travel voucher indicated \$1,043.09 was incurred and reimbursed for this trip, including airfare of \$847.60 for flights from Washington, D.C., to Tulsa on May 4, 2017; and Detroit to Washington, D.C., on May 8, 2017. There was no indication of the trip being canceled.
- August 30–September 5, 2017, trip
Again, the cost represents the additional costs incurred for using first/business-class flights, not whether the agency should have paid for the trip. Therefore, the reason the former Administrator was in Tulsa before and after the trip has no impact on the excessive costs.

The remaining \$61,971 of the \$123,941 is attributed to the former Administrator's PSD. We noted that the OIG simply doubled the \$61,971 attributed to the former Administrator to account for the PSD travel costs under the assumption that a PSD agent always accompanied the former Administrator in first class. Furthermore, during our review we discovered that PSD agents were not always ticketed in first class for the trips in question. For example, the former Administrator travelled to Charleston, SC on November 9, 2017 in first class. However, the former Administrator's PSD did not travel to Charleston, SC on November 9, 2017 in first or business class.

OIG Response 6: We agree that the amount estimated for the PSD was simply doubling the amount determined for the former Administrator. As noted in the report, this was an estimate based on our understanding from discussions with the PSD that, due to security protocols, an agent was required to fly with and sit near the former Administrator.

On April 22, 2019, after the draft report response period, the agency provided a schedule of its estimate of the excess costs for the PSD agents accompanying the former Administrator in first and business class. The schedule shows there were no PSD agents accompanying the former Administrator in first and business class on eight trips, with a revised estimated excess airfare of \$35,980 for the PSD agents.

We performed a limited review of the cost schedule and noted several discrepancies between the schedule and the documents in the EPA's official travel system, Concur. For example, for four of the trips, the agency's PSD cost schedule shows "No PSD/Staff Premium Travel Costs" while travel documents in Concur show PSD agents on the same first-class flights as the former Administrator. As a result of the noted deficiencies, we cannot rely on the PSD cost schedule provided by the agency. Our estimated excess airfare amount of \$61,971 for the PSD agents for first/business-class travel will remain unchanged.

The agency's review and conclusion that the former Administrator was not accompanied by PSD agents in first and business class for several of trips raises a doubt as to whether the former Administrator's first/business-class flights were necessary for security reasons. The cornerstone of the agency's stated justification for PSD agents traveling first class was that the PSD agents could not always sit in close proximity to properly protect the former Administrator when flying coach class.

Chapter 3 of the draft report also states "Agency officials requested and granted first/business-class exceptions to the former Administrator and the PSD agents who accompanied him based on the security exception in the FTR. However, the exceptions were granted without sufficient justification to support endangerment of the former Administrator's life, one of the circumstances for exception contained in the FTR." We disagree with the OIG's presumption that the justification provided was not sufficient to support the exception. The security exception was granted based on a June 1, 2017 memorandum which made note of the prevailing security assessments provided by the PSD and potential threat information obtained from the EPA OIG. This documentation is consistent with the requirements for the exception outlined by the FTR. The draft report appears to assume that more complex assessment of threats against the Administrator can reduce or eliminate the need for physical protection of a particular standard, thereby reducing costs. That is not the case.

At EPA, the OIG Office of Investigations sets policy, coordinates, and has overall responsibility for criminal investigations of allegations of threats against EPA employees. If the threats are against the Administrator, the OIG shares its information with the PSD. The EPA Office of Homeland Security (OHS) provides information to the PSD on any potential national security threats – domestic or international. The PSD uses information from OHS and the OIG, as well as open-source information and information from our federal/state/local law enforcement partners, to provide protection. EPA will continue this information collection to identify risks to

the safety of the EPA Administrator and to mitigate known threats. The PSD will share this information with the Office of the Administrator to allow that Office to administratively determine if the threats or other indications of risk warrant continued provision of protective services and to learn the preferences of the protectee.

OIG Response 7: The OIG was not involved, and the agency did not provide evidence of its consultation with the Office of Homeland Security (OHS) prior to the approval of the former Administrator's exception on June 2, 2017. As stated in the report, the package the OIG provided at the agency's request was dated August 16, 2017—two-and-a-half months after the exception approval. We also met with the Controller and acting Deputy General Counsel, on separate occasions, to obtain background information on the exception. We were advised that the agency held two meetings prior to the exception approval. Both agency officials said the meetings were attended by the PSD, OGC and OA, and the OIG or OHS were never mentioned as attendees. The acting Deputy General Counsel also provided the meeting invitations with the listing of attendees, which did not indicate OIG or OHS representatives were invited. In meetings with the OIG, the acting Deputy General Counsel specifically confirmed that the OIG or OHS were not present and had not discussed any threat or threat assessments prior to the exception approval while she was present. The Controller and the acting Deputy General Counsel also stated that they did not have the security clearance needed to be involved in discussions regarding the security concerns.

The agency further stated that the PSD also used open-source information and information from federal/state/local law enforcement partners for its decision. However, the agency has not mentioned open-source information or law enforcement partners in prior meetings and the agency has not provided documentation to support this statement.

Chapter 4: Actions Needed to Strengthen Internal Controls over Travel

Delegation for Approval of Administrator's Travel and EPA Policy for Granting Exceptions

The report indicated two instances where it found that the approval of the Administrator's travel had been improper because the individual approving it did not have delegated authority. EPA's RMDS 2550B, Official Travel, Section V, Travel Accommodations requires that EPA employees use coach class for official travel unless delegated officials grant an exception for a higher class. The Chief Financial Officer and Deputy Chief Financial Officer are delegated the authority to approve the use of other than coach class for the Administrator. In accordance with EPA Delegation 1-17A, Domestic Travel, a formal signed delegation, from the former CFO in the previous administration to the Controller was in effect at the time the exception was granted. The Acting CFO and the Acting Controller were both unaware of a limitation in the redelegation that restricted the Controller's approval authority to agency employees at the office director level or below, which would not include the Administrator. However, the Acting CFO did not object to the Acting Controller's role of approving first class travel, and he orally concurred in the determination. Because the Acting Controller was operating pursuant to this implicit authority, the approvals for the Administrator's travel were valid. The Office of General Counsel has rendered an opinion on the delegated authority that is included at the end of this response.

OIG Response 8: The OIG identified more than two instances where the former Administrator’s travel above coach class had been approved without proper authority. Starting May 16, 2017, the former Administrator had traveled almost exclusively above coach class (mostly first class) based on an exception approved by an individual who at the time did not have the authority to grant such approval.

It should be noted that the OGC opinion was initiated internally within the agency and not at the OIG’s request. As stated in the report, we disagree with the opinion rendered by OGC staff contending that the acting Controller was operating pursuant to an implied delegation of authority from the acting Chief Financial Officer and, therefore, the approvals for the former Administrator’s travel were valid. The OGC’s contention is based on its understanding that the acting Chief Financial Officer did not object to the acting Controller’s role of approving first-class travel and he orally concurred in the determination.

The agency’s position contradicts the EPA’s expressed, written governing tenets for delegations and redelegations of authority—namely, that the agency officials must not exceed the authority granted to them and that all delegations and redelegations are to be made in writing. See EPA 1200 Delegation Manual, Introduction, Section 2(5)-(6).

The agency’s position would allow restrictions in explicit written delegations to be nullified by the mere claim by any agency official that he/she is unaware of the limits of his/her authority. The OIG believes such a position is entirely contrary to sound, principled management practices incumbent on all agencies. Furthermore, contrary to the OGC’s opinion, the agency’s March 28, 2019, memorandum acknowledges that the acting Controller did **not** have proper authority to approve other than coach-class accommodation.

Improper Granting of First/Business-Class Exceptions

The report indicated the agency did not comply with the FTR because “the former Administrator and PSD agents traveling with him used the same exception approval as the basis for justifying first/business-class travel for all trips taken after May 15, 2017- *the effective date of the approval*. There was no evidence of a trip-by trip analysis or separate approval by the Controller for each trip as required by the FTR.” Although this would be the best practice, the FTR does not require separate written approvals where, as here, the PSD agent affirmed before each trip that the threat continued to exist.

Counsel has rendered an opinion on the delegated authority that is included at the end of this response.

OIG Response 9: Note 2 to FTR §301-10.123 states that “blanket authorization of other than coach-class transportation accommodations is prohibited and shall be authorized on an individual trip-by-trip basis, unless the traveler has an up-to-date documented disability or special need.” The trip-by-trip approval is also required under EPA policy. The Office of the Controller confirmed through email correspondence with the OIG that first/business-class travel must be approved on a trip-by-trip basis. The agency did not provide any evidence to support that the PSD affirmed before each trip that the threat continued to exist. There is no evidence of trip-by-trip approval for the former Administrator from the Chief Financial Officer or Deputy Chief Financial Officer. In addition, there is no evidence of trip-by-trip approval for PSD agents. See Response 8 for our concerns about the OGC staff opinion on “implied delegation.”

On March 28, 2019, the Controller provided retroactive approval for all first-class accommodations during fiscal years 2017 and 2018 for the former Administrator, his protective detail and staff. However, we disagree with the retroactive approval because the agency has not provided sufficient justification to support that valid security concerns existed for the periods in question, as documented in Chapter 4 of this report and our audit of the PSD noted in the *Prior Audit Reports* section (Report No. [18-P-0239](#)).

Unjustified Use of Non-Contract Air Carriers

The agency disagrees with the assertion that the former Administrator, his staff and PSD agents used non-contract carriers without proper justification. As noted in the Draft Report, the EPA complies with GSA’s city-pair contract and our travel policy requires the use of contract carriers unless a specific exception applies.

The former Administrator, his staff and PSD agents each contacted the Travel Management Center (BCD), an EPA contractor, to purchase the non-contract carrier fares. BCD is required to follow the FTR per an MOU with the agency. There is no separate requirement in the EPA/BCD contract for BCD to document the justification for selecting non-contract carriers – only the requirement that BCD follow the FTR. The agency recommended that the OIG inquire of BCD regarding the questioned trips, and they did not. Without such additional evidence, we disagree with the assertion that the agency has not demonstrated that an FTR exception was met for using other than city-pair contract fares, and do not concur with recommendation No. 5.

OIG Response 10: BCD compliance with the FTR was beyond the scope of the audit. Further, the EPA’s use of BCD does not relieve either the traveler’s or agency’s responsibility for complying with the FTR and EPA policy.

The FTR and the EPA travel policy require the use of a contract carrier unless one of the FTR exceptions in §301-10.107 applies. FTR § 301-10.108 also requires the agency to determine that the proposed non-contract transportation is practical and cost effective for the government. The agency used the Concur selection *contract fare used or no contract fare exists for city-pair market*. The former Administrator did not include additional narrative in the text box to provide justification for the use of a non-contract carrier. For the staff and PSD agents, some of the trips had additional comments for justification in the vouchers or travel authorizations in addition to the Concur selection justification, but many did not.

Our analysis of the former Administrator’s travel showed that, in most instances, the statement in the Concur selection was not true. Our search showed that there were contract fares for the routes traveled but the travelers selected the non-contract carriers and did not always include an explanation. Use of the selection alone does not provide the details to verify that an exception applies or a cost-effectiveness determination was made.

Unjustified Use of First/Business-Class Flights and Carriers

Chapter 3 of the draft report states “Agency officials requested and granted first/business-class exceptions to the former Administrator and the PSD agents who accompanied him based on the security exception in the FTR. However, the exceptions were granted without sufficient justification to support endangerment of the former Administrator’s life, one of the circumstances for exception contained in the FTR. The exception for the former Administrator was also approved by an agency official who did not have the appropriate approval authority.”²⁴

The agency disagrees and concludes that the “services that the PSD provides to the Administrator are based on unsupported management decisions and discretion” were a justified level of protections services.²⁵ If the threats are against the Administrator, the OIG shares its information with the PSD. The EPA Office of Homeland Security provides information to the PSD on any potential national security threats – domestic or international. The PSD uses information from multiple sources, including open-source information and information from our federal/state/local law enforcement partners, to provide protection. Therefore, the Agency’s position is that the exceptions were granted with sufficient justification and analysis from PSD and multiple sources. The Agency concluded that there was sufficient justification to support the exception which made note of the prevailing security assessments provided by the PSD and high volume of potential threat information obtained from the EPA OIG.

²⁴ See fn. 9.

²⁵ US EPA, Office of Inspector General Draft Report, Project No. OPE-FY16-0265, “Response to the May 30, 2018, Office of Inspector General’s Draft Report, Agents Assigned to Protective Service Detail Lack Statutory Authority to Protect the EPA Administrator” at pg. 39 (June 29, 2018)

Lastly, as described above, we disagree with recommendation No. 6 as a requirement of our contract with BCD is compliance with the FTR, and our contract does not prescribe the manner by which they demonstrate such compliance. We would encourage the OIG to inquire of BCD regarding the questioned trips for documentation that the trips in question met an exception under the FTR.

OIG Response 11: As explained in OIG Response 7, the agency provided no evidence to support OIG involvement or the agency's consultation with the OHS prior to the former Administrator's June 2, 2017, exception approval. Further, the agency has not provided any documentation, either under this audit or our audit of the PSD noted in the *Prior Audit Reports* section (OIG Report No. [18-P-0239](#)), to support its statement that the PSD used open-source information and information from federal/state/local law enforcement partners for its decision.

Improper Approval of Staff and PSD Use of Business-Class Travel

The agency disagrees with recommendation No. 12, as sufficient controls are in place through agency travel policy and related agreements requiring compliance with the FTR that are agreed to by contractor provided travel related services. With respect to a review of all business class travel claimed for the staff and PSD agents who accompanied the former Administrator was properly reviewed and approved in accordance with agency policy. In reference to the PSD agent who flew from Oklahoma City to Washington D.C., the agency reviewed the travel voucher and determined the PSD agent traveled coach during the trip, not business class. In another instance, the agency disagrees with the assertion that the justification for a staff member traveling with the former Administrator did not contain sufficient analysis. Documentation was presented to the OIG to support the constructive costs and urgency of mission.

OIG Response 12: As previously discussed with the agency, the OIG removed discussion of the issue on the Oklahoma City trip from this report. For the remaining trips, the *Improper Approval of Staff and PSD Use of Business-Class Travel for International Travel* section provides detailed explanations to support our conclusion that the approvals did not address the constructive costs and mission urgency.

RESPONSE TO RECOMMENDATIONS:

RECOMMENDATION 1: *We recommend that the Deputy Administrator Evaluate and determine whether the increased airfare costs of \$123,941 related to the former Administrator's use of first/business class travel without sufficient justification and proper approval for the period March 1, 2017, through December 31, 2017, should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.*

- The agency agrees with the recommendation. The Office of the Controller completed an analysis and determined that all of the \$123,941 incurred between March 1, 2017, through December 31, 2017, is valid.
- In addition, the former Administrator issued a memorandum requiring final approval over expenditures made by agency personnel over \$5,000 on his behalf to execute official

duties by two of the three individuals: Deputy Administrator, Chief Financial Officer, or Chief of Staff. This control has continued since former Administrator Pruitt's departure. The agency has also provided additional training to those who prepare travel for senior officials.

OIG Response 13: We acknowledge that the agency determined and asserts that the \$123,942 represents valid costs. However, we disagree with the agency's determination. The agency has not provided support for its review of the 2017 costs.

Since its formal response, the agency has taken additional actions to redelegate the authority to the Controller and retroactively approve the other coach-class accommodations for all 2017 trips. We accept the agency's redelegation and retroactive approval as correcting the delegation and the Controller's retroactive approval authority issue. However, we disagree with the retroactive approval because the agency has not provided sufficient justification to support that valid security concerns existed for the periods in question, as documented in Chapter 4 of this report and our audit of the PSD noted in the *Prior Audit Reports* section (Report No. [18-P-0239](#)). Details are explained in this report's Chapter 4 and Appendix D, OIG Responses 7 to 9.

Although the agency's new policy requirement for trip expenditures over \$5,000 would increase the review by senior management, which could strengthen controls for the future, it does not resolve the excessive costs incurred in 2017 because the new policy was not issued until April 27, 2018.

Based on the discussions above, we consider Recommendation 1 to be unresolved with resolution efforts in progress.

RECOMMENDATION 2: *We recommend that the Deputy Administrator, for the period January 1, 2018, through his resignation in July 2018, evaluate and determine whether any costs related to the former Administrator's use of first/business class travel without sufficient justification and proper approval should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.*

- The agency agrees with the recommendation. The agency reviewed former Administrator's travel for the period January 1, 2018, through his resignation in July 2018. Travel reviewed had sufficient justification and proper approval.
- In addition, the former Administrator issued a memorandum requiring final approval over expenditures made by agency personnel over \$5,000 on his behalf to execute official duties by two of the three individuals: Deputy Administrator, Chief Financial Officer, or Chief of Staff. This control has continued since former Administrator Pruitt's departure. The agency has also provided additional training to those who prepare travel for senior officials.

OIG Response 14: We disagree with the agency’s determination that the former Administrator’s travel for the period January to July 2018 had sufficient justification and proper approval. The agency conducted a voucher review for the time period.

Since its formal response, the agency has taken additional actions to redelegate the authority to the Controller and retroactively approve the 2018 other than coach-class accommodations. However, we disagree with the retroactive approval because the agency has not provided sufficient justification to support that valid security concerns existed for the periods in question, as documented in Chapter 4 of this report and our report on the PSD noted in the *Prior Audit Reports* section (Report No. [18-P-0239](#)).

While the new approval requirement for trip expenditures over \$5,000 would increase the review by senior management and strengthen the controls for the future, the policy memorandum was issued on April 27, 2018; therefore, the new requirement would not have covered the costs incurred from January 1 to April 27, 2018.

Due to reasons stated in the paragraph above, we consider Recommendation 2 unresolved with resolution efforts in progress.

RECOMMENDATION 3: *We recommend that the Chief Financial Officer implement controls to verify the approving official has adequate authority prior to granting first/business class exceptions.*

- The agency disagrees with the recommendation as sufficient controls were established for first/business class trips. An approved justification, in accordance with Federal Travel Regulations, is required for first and business-class travel before an exception is granted. The agency followed these policies based on consultation with GSA and OGC.

OIG Response 15: We disagree that sufficient controls were established to verify that the approving official had adequate authority. As explained in the *First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern* section, the first/business-class exception for the former Administrator was approved by the Controller who, at the time, had not been delegated the authority for such approval.

Subsequent to the draft report response, the agency has taken steps to redelegate the approval authority to the Controller and retroactively approve all other than coach-class accommodations (first-class) for former Administrator Pruitt, the PSD and support staff that occurred during the fiscal years 2017 and 2018. Details are explained in the *Actions Taken* section under *First/Business-Class Exceptions Granted Without Sufficient Justification to Support Security Concern*. We consider Recommendation 3 to be completed.

RECOMMENDATION 4: *We recommend that the Chief Financial Officer implement controls agency-wide to verify that the use of other than coach-class travel is properly justified and documented prior to approval of the travel authorization.*

- The agency disagrees with this recommendation as sufficient controls are in place to ensure proper justification and approval for use of other than coach-class travel exist and are being followed.

OIG Response 16: We disagree that sufficient controls are in place. As discussed in the report, the first/business-class exception for the former Administrator was granted without adequate support for security exceptions.

We consider Recommendation 4 unresolved with resolution efforts in progress.

RECOMMENDATION 5: *We recommend that the Chief Financial Officer implement controls to verify contract fares are used unless they are properly justified and documented.*

- The agency disagrees with this recommendation. The agency’s travel policy provides instructions for the use of non-contract carriers. As long as the selected fare is compliant with the exceptions for use of non-contract carriers as stated in the agency’s travel policy and FTR, the traveler selects a reason for use of a non-contract carrier within the agency’s travel system (via a selection option within Concur), along with justification, prior to approval.
- All travel accommodations prepared by the Travel Management Center (BCD) are booked in accordance with Federal Travel Regulations and the contract with Concur.

OIG Response 17: We disagree with the agency’s statement “along with justification, prior to approval.” As discussed in OIG Response 10, the Concur selection menu was used, but there was a lack of narrative justification. Also, the use of BCD does not relieve either the traveler’s nor the agency’s responsibility for complying with the FTR and EPA policy.

We consider Recommendation 5 unresolved with resolution efforts in progress.

RECOMMENDATION 6: *We recommend that the Chief Financial Officer Clarify EPA policy in Resource Management Directive System 2550B on the requirements for justifying and documenting carrier/flight/airfare selection when there are no contract fares.*

- The agency disagrees with this recommendation as RMDS 2550B (page 50 – under “Use of City Pair Program”) discusses the requirement for agency employees to use a contract carrier while traveling on official business unless one of the exceptions listed in the Federal Travel Regulations §301-10.17 is met.
- As long as the selected fare is compliant with the exceptions for use of non-contract carriers as stated in the agency’s travel policy and FTR, the traveler selects a reason

for use of a non-contract carrier within the agency's travel system (via a selection within Concur), along with justification, prior to approval.

- All travel accommodations prepared by the Travel Management Center (BCD) are booked in accordance with Federal Travel Regulations.

OIG Response 18: We disagree with the agency's comments. The referenced RMDS section only stated that EPA employees must use a contract carrier when one is available unless a specific FTR §301-10.107 exception applies. It does not address how the exception is to be documented and approved. For example, it does not discuss the use of the selection nor the additional written narrative for justification in Concur. Also, the use of BCD does not relieve either the traveler's nor agency's responsibility for complying with the FTR and EPA policy.

We consider Recommendation 6 unresolved with resolution efforts in progress.

RECOMMENDATION 7: *We recommend that the Chief of Staff implement controls within the Office of the Administrator to include adequate justification to support the use of first/business-class travel and for carrier/flight/airfare selection when there are no contract fares.*

- The agency disagrees with this recommendation as sufficient controls are in place to ensure proper justification and approval for use of other than coach-class travel exist and for carrier/flight/airfare selection when there are no contract fares are being followed. The former Administrator issued a memorandum requiring final approval over expenditures made by agency personnel over \$5,000 on his behalf to execute official duties by two of the three individuals: Deputy Administrator, Chief Financial Officer, or Chief of Staff. This control has continued since former Administrator Pruitt's departure. No separate or additional controls are required for the Office of the Administrator.

OIG Response 19: We disagree with the agency that sufficient controls are in place. Between May and December 2017, the former Administrator traveled mostly first class. The travel authorizations and vouchers did not provide documentation to justify that the carrier and flights selected were the lowest cost available or the most advantageous to the government.

The agency's new approval requirement for trip expenditures over \$5,000 would not resolve Recommendation 7. Since the agency continues to rely on BCD for FTR compliance and does not believe that additional controls are needed to verify that adequate justification to support the use of first/business-class travel and carrier/flight/airfare selection, such documentation is unlikely to be reviewed by senior management. Therefore, additional layers of review would not address the recommendations.

We consider Recommendation 7 unresolved with resolution efforts in progress.

RECOMMENDATION 8: *We recommend that the Chief Financial Officer implement controls to verify appropriate approval and adequate justification for lodging over 150% of per diem and minimize after-the-fact approvals.*

- The agency agrees with the recommendation and OCFO is implementing controls in Concur to strengthen adequate justification and approval for lodging over 150% of per diem. Additionally, the former Administrator issued a memorandum requiring final approval over expenditures made by agency personnel over \$5,000 on his behalf to execute official duties by two of the three individuals: Deputy Administrator, Chief Financial Officer, or Chief of Staff. This control has continued since former Administrator Pruitt's departure.

Corrective Action Completion Date: Second quarter 2019

OIG Response 20: Subsequent to its formal response, the agency informed us that it has updated Concur to include a flag requiring additional justification be included for any voucher that exceeds lodging over 150 percent of per diem. We accept the agency's corrective action and consider Recommendation 8 completed.

RECOMMENDATION 9: *We recommend that the Chief of Staff implement controls within the Office of the Administrator to confirm that adequate cost comparisons are provided before approving travel authorizations where an alternative travel method is used.*

- The agency disagrees with this recommendation as sufficient controls are in place to ensure proper justification and approval for use of other than coach-class travel exist and are being followed. Additionally, the former Administrator issued a memorandum requiring final approval over expenditures made by agency personnel over \$5,000 on his behalf to execute official duties by two of the three individuals: Deputy Administrator, Chief Financial Officer, or Chief of Staff. This control has continued since former Administrator Pruitt's departure.

OIG Response 21: The agency's comment is nonresponsive to the OIG's recommendation. The agency addressed the use of other than coach-class travel but our recommendation is related to the former Administrator's trips with stops in Tulsa for personal reasons.

The agency's new approval requirement for trip expenditures over \$5,000 is not sufficient to resolve Recommendation 9. While additional layers of senior management review could help to strengthen the overall controls, it is unclear as to whether they would address the cost comparison issue if the agency accepts that "paying his own way" to the personal convenience travel location is sufficient to justify the choosing of an indirect travel route. In addition, the agency does not enforce its policy requirement for uploading to Concur the cost comparison supporting documents—such as the printed copy of the flights and prices for the direct route.

We consider Recommendation 9 unresolved with resolution efforts in progress.

RECOMMENDATION 10: *We recommend that the Assistant Administrator for International and Tribal Affairs clarify the requirement and importance of trip reports for all international travel.*

- The agency agrees with the recommendation as The Office of International and Tribal Affairs will be releasing a new version of Fast International Approval of Travel (FIAT) system. This updated database sends travelers automated reminders of the requirement to complete a trip report in FIAT within 15 days of returning from international travel.

Corrective Action Completion Date: Second Quarter FY 2019

OIG Response 22: The agency concurred with our recommendation and provided an acceptable planned corrective action and completion date. Since its report response, the agency has revised its corrective action completion date to the fourth quarter of fiscal year 2019. We consider Recommendation 10 resolved with corrective action pending.

RECOMMENDATION 11: *We recommend that the Assistant Administrator for International and Tribal Affairs implement controls to verify that international trip reports are accurate and complete.*

- The agency agrees with the recommendation as The Office of International and Tribal Affairs will be releasing a new version of Fast International Approval of Travel (FIAT) system. The Office of International and Tribal Affairs has begun using the new version of FIAT, with the goal of releasing the system agency-wide in the early second quarter of FY 2019. This updated database sends travelers automated reminders of the requirement to complete a trip report in FIAT within 15 days of returning from international travel. The system also automatically fills in the dates of the trip based on the information that was entered in the International Travel Plan. To help National Program Offices and Regions ensure that their travelers' ITPs are complete and accurate, the trip report section of the new FIAT and the system's users guide will feature guidance for travelers regarding the type of information that a trip report should contain (i.e., a description of all major activities/meetings during the trip, the names of any foreign government officials with whom the traveler met, and any follow-up activities required of the EPA). The new system also will allow each NPM and regional International Travel Coordinator to view which ITPs do not contain trip reports.

Corrective Action Completion Date: Second Quarter FY 2019

OIG Response 23: The agency concurred with our recommendation and provided an acceptable planned corrective action and completion date. Since its report response, the agency has revised its corrective action completion date to the fourth quarter of fiscal year 2019. We consider Recommendation 11 resolved with corrective action pending.

RECOMMENDATION 12: *We recommend that the Chief Financial Officer implement controls to verify that the use of first/business-class travel complies with the requirements of the Federal Travel Regulation and EPA policy in Resource Management Directive System 2550B prior to approval of the travel authorization.*

- The agency disagrees with the recommendation as sufficient controls are in place through agency travel policy and related agreements requiring compliance with Federal Travel Regulations, that are agreed to by contractor provided travel related services.

OIG Response 24: We disagree that the agency has adequate controls in place. As explained in the report, we found that the use of business-class travel by the former Administrator's staff and PSD agents was not always approved in accordance with the FTR and/or EPA travel policy. We found that several PSD agents and the former Administrator's staff received approval for business-class travel without a formal request, as required by EPA policy. Others, who submitted a formal request, received approval without the required analysis.

We consider Recommendation 12 unresolved with resolution efforts in progress.

RECOMMENDATION 13: *We recommend that the Chief Financial Officer provide guidance on documentation needed to support approval for first/business-class travel.*

- The agency agrees with the recommendation and provided training to those who prepare travel for senior officials.

Corrective Action Completion Date: June 2018

OIG Response 25: The corrective action did not completely address the recommendation. Training was provided, but there is no guidance for what documentation is required to support approval of first/business-class travel.

We consider Recommendation 13 unresolved with resolution efforts in progress.

RECOMMENDATION 14: *We recommend that the Chief Financial Officer identify and review all-business-class travel claimed for the staff and Protective Service Detail agents who accompanied the former Administrator on travel from March 2017 through his resignation in July 2018, for proper approval. Where policy was not followed, recover any excess costs claimed for the use of business class.*

- The agency disagrees with the recommendation as proper approvals were provided to agency staff and Protective Service Detail agents accompanying the former Administrator on travel. As sufficient approval authority exists, there is no need to recover any costs.

OIG Response 26: The agency's comment is nonresponsive to our recommendation, which relates to the improper approval of business-class flights. Specifically, a sample of the travel vouchers revealed that several PSD agents and the former Administrator's staff used business-class flights for international trips without a formal request for such accommodation as required by EPA policy. Others, who submitted a formal request, received approval based solely on the fact that the total flight time exceeded 14 hours, and did not include the required analysis to address the constructive costs and mission urgency, as required by EPA policy and the FTR.

We consider Recommendation 14 unresolved with resolution efforts in progress.

CONTACT INFORMATION

If you have any questions regarding this response, please contact Bob Trent, Agency Audit Follow Up Coordinator on (202) 566-3983, or via email trent.bobbie@epa.gov or Michael Benton, OA's Audit Follow Up Coordinator on (202) 564-2860, or via email benton.michael@epa.gov.

cc:

Jane Nishida
Helena Wooden-Aguilar
Jeanne Conklin
Kevin Christensen
John Trefry
Richard Gray
Aileen Atcherson
Greg Luebbering
Sherri' Anthony
Vickie Spencer
Khary Nelson
Nikki Wood
Angela Bennett
Lenore Connell
Gwendolyn Spriggs
Michael Benton
Bob Trent
Lela Wong



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

FEB 11 2019

OFFICE OF
GENERAL COUNSEL

SUBJECT: Authority to Grant First Class Exceptions under Delegations 1-17A and 1-17B

FROM: Angelia Talbert-Duarte 
Acting Associate General Counsel
Civil Rights and Finance Law Office

TO: Charles Sheehan
Acting Inspector General

This is in response to your request for a legal opinion on whether the Acting Controller had the delegated authority to grant exceptions for the Administrator's first class travel. As discussed below, the Acting Controller did have the authority to grant the first class exceptions.

Both Delegations 1-17A (for domestic travel) and 1-17B (for international travel) specifically state in section 2.b. that the Chief Financial Officer and the Deputy Chief Financial Officer have the authority to approve business class accommodations for the Administrator and first class accommodations for agency employees (which includes the Administrator). Section 3.e. in Delegation 1-17B also states that the Administrator must obtain approval from the Chief Financial Officer, Deputy Chief Financial Officer, or designee in order to travel in business class. Both delegations also provide (Delegation 1-17A, section 4.e and Delegation 1-17B, section 4.h.) that the Chief Financial Officer and the Deputy Chief Financial Officer may redelegate the authority to approve first class travel to the Director of the Office of the Controller (the Controller).

On March 1, 2012, the authority to approve first class travel was redelegated to the Director of the Office of Financial Management. In March 2016, the Office of Financial Management became the Office of the Controller, under an office reorganization, and on April 30, 2018 the authority was redelegated to the Controller, Office of the Controller. Both redelegations contain a limitation that restricts the approval authority to agency employees at the office director level or below, which would not include the Administrator.

The two first class travel exceptions at issue were granted on June 2, 2017 and June 5, 2017 by the Acting Controller. When the exceptions were granted, the Acting Chief Financial Officer and the Acting Controller were both unaware of the limitation in the redelegations. Not aware of this limitation, both the Acting Chief Financial Officer and the Acting Controller believed that the Acting Controller had been redelegated the authority to approve the Administrator's first class travel. Further, on May 3, 2017 an oral request to grant an exception, based on the Protective

Security Detail's (PSD) threat assessment, was presented to the Acting Controller. The Acting Controller met with the Acting CFO on May 11, 2017 and discussed that they would rely on the security professionals to determine that there was a threat. At that meeting, the Acting CFO agreed that the office would grant an exception for first class travel based on PSD's assessment.

While EPA's policy is to delegate authorities in writing, one court has found that if the supervisor is aware that an authority is being carried out by a subordinate and the supervisor does not object, the actions of that subordinate are valid pursuant to an "implied delegation." See *Parrish v. Shinseki*, 24 Vet. App. 391 (2011). Here, the Acting CFO was aware that the Acting Controller was approving first class travel for the Administrator. The Acting CFO was under the impression that the authority had been redelegated to that position, and further, did not object to the Acting Controller's role of approving first class travel. In fact, the Acting CFO expressed his approval of the determination when he met with the Acting CFO on May 11. Because the Acting Controller was operating pursuant to this implied redelegation, the exceptions for the Administrator's travel were valid.

Please contact me on 202-564-8158 or Elise Packard, Acting Deputy General Counsel on 202-564-7729 if you have any further questions.

cc: Holly Greaves
Kevin Christensen
John Trefry
Bobbie Trent



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

MAR 5 - 2019

OFFICE OF THE
CHIEF FINANCIAL OFFICER**MEMORANDUM**

SUBJECT: Redlegation of Authority to Approve Other than Coach-Class (First-Class) Accommodations for Official Travel

FROM: Holly W. Greaves, Chief Financial Officer
Office of the Chief Financial Officer *Holly W. Greaves*

THRU: *David A. Bloom*
David A. Bloom, Deputy Chief Financial Officer
Office of the Chief Financial Officer

TO: Jeanne Conklin, Controller
Office of the Controller

PURPOSE

This memorandum supersedes the memo dated April 30, 2018 and redelegates the authority to approve other than coach-class (first-class) accommodations for official travel.

BACKGROUND

Delegation 1-17-A, Domestic Travel, dated June 28, 2018, Section 4.e., states the Chief Financial Officer and the Deputy Chief Financial Officer may redelegate to the Controller, in the Office of the Controller, the authority to approve other than coach-class (first-class) accommodations, including after-the-fact or post-travel waivers, for agency employees under the criteria provided in the Federal Travel Regulation and the agency travel policy. *Further redelegation is not permitted.*

Delegation 1-17-B, International (Foreign and Invitational-Foreign) Travel, dated June 28, 2018, Section 4.h., states the Chief Financial Officer and the Deputy Chief Financial Officer may redelegate to the position of the Controller, in the Office of the Controller, the authority to approve other than coach-class (first-class) accommodations, for agency employees under the criteria provided in the FTR and the agency travel policy. *Further redelegation is not permitted.*

EPA's travel delegations are available at <http://intranet.epa.gov/ohr/rmpolicy/ads/dm/toc.htm>.

REDELEGATIONS

1. Domestic Travel – Effective immediately, the CFO and DCFO redelegate to the Controller the authority to approve other than coach-class (first-class) accommodations, including after-the-fact or post-travel waivers, for agency employees under the criteria provided in the FTR and agency travel policy. *Further redelegation is not permitted.*
2. International Travel - Effective immediately, the CFO and DCFO redelegate to the Controller the authority to approve other than coach-class (first-class) accommodations, including after-the-fact or post-travel waivers, for agency employees under the criteria provided in the FTR and agency travel policy. *Further redelegation is not permitted.*

Any official who redelegates an authority retains the right to exercise or withdraw authority. Redelegated authority may be exercised by any official in the chain of command to the official to whom it has been specifically redelegated.

LIMITATIONS

As a matter of agency policy and ethical considerations, the Controller must not authorize or approve his or her own domestic or international travel. The CFO, DCFO or designee will approve all travel for the Controller.

cc: OCFO Senior Managers
Senior Resource Officials



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

MAR 28 2019

OFFICE OF THE
CHIEF FINANCIAL OFFICER

MEMORANDUM

SUBJECT: Retroactive Approval of Other Than Coach-Class Accommodations

FROM: Jeanne Conklin, Controller
Office of the Controller *Jeanne Conklin*

TO: Khary Nelson, Travel Chief
Cincinnati Finance Center

This memorandum serves as a retroactive approval for the prior Administrator, Scott Pruitt and his Protective Services Detail, support staff and, for all other than Coach-Class accommodations (First-Class) that occurred during the Fiscal Years 2017 and 2018, due to security reasons. The attachment is a listing of all First-Class accommodations for the stated timeframe requiring retroactive approval.

Delegation of Authority 1-17A Domestic Travel and Delegation of Authority 1-17B International (Foreign and Invitational) Travel both delegate the authority to approve First-Class accommodations for all agency employees to the Chief Financial Officer and Deputy Chief Financial Officer, which may be redelegated to the Controller, Office of the Controller.

During a review of Other Than Coach-Class Accommodations associated with the prior Administrator, his protective detail and staff, it was discovered that the Controller did not have redelegated authority to approve Other Than Coach-Class Accommodations (First-Class), for the Administrator. As a result of this review, the authority to approve First-Class accommodations needed to be redelegated to the Controller, and all First-Class accommodations during the Fiscal Years 2017 and 2018 for the prior Administrator, his protective detail and staff, needed to be retroactively approved.

Per the memorandum, "*Redelegation of Authority to Approve Other than Coach-Class (First-Class) Accommodations for Official Travel*", dated March 5, 2019, the Chief Financial Officer redelegated the authority to approve first-class accommodations to the Controller, the Office of the Controller. Per Federal Travel Regulations §301-10.123 and §301-10.124, approval of "Other Than Coach-Class" (First of Business-Class) is allowable when one or more of the following are met:

- No Coach-Class Accommodation Reasonably Available
- Medical Disability or Special Need (with documentation)
- Mission Critical
- Security Reasons
 - o Use of coach-class accommodations would endanger your life or Government property;

- You are an agent on protective detail and you are accompanying an individual authorized to use other than coach-class accommodations; or
- You are a courier or control officer accompanying controlled pouches or packages.

Agency requirements for the use of Other Than Coach-Class Accommodations are also discussed in Resource Management Directives System 2550B – Official Travel, located at http://intranet.epa.gov/ocfo/policies/direct/2550/2550b_official_travel.pdf. A copy of this memorandum should be attached to the travel vouchers. If you have any questions or need assistance, please contact Aileen Atcherson, Acting Director, Policy, Training & Accountability Division at (202) 564-2283.

Attachment

cc: OCFO-OC-MGRS
Helena Wooden-Aguilar
Henry Barnet



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

March 22, 2019

THE ADMINISTRATOR

MEMORANDUM

SUBJECT: Amendments to Delegations 1-17A and 1-17B Relating to Other than Coach-Class Travel

FROM: Andrew R. Wheeler

A handwritten signature in black ink, appearing to read "Andrew Wheeler", written over the printed name.

TO: Holly W. Greaves, Chief Financial Officer
Office of the Chief Financial Officer

Donna J. Vizian, Principal Deputy Assistant Administrator
Office of Mission Support

I hereby approve the following amendments to Delegations 1-17A, 4.e and 4.i and 1-17B, 4.h and 4.k:

4. REDELEGATION OF AUTHORITY.

1-17A

4.e. The Chief Financial Officer and Deputy Chief Financial Officer redelegate to the Director, Office of the Controller, the authority to approve other than coach-class, first-class, accommodations, including after-the-fact or post-travel waivers, for the agency under the criteria provided in the federal travel regulation and agency travel policy. Further re delegation is not permitted.

4.i. Any official who redelegates an authority retains the right to exercise or withdraw the authority. Redelegated authority may be exercised by any official in the chain of command to the official to whom it has been specifically redelegated.

1-17B

4.h. The Chief Financial Officer and Deputy Chief Financial Officer redelegate to the position of Director, Office of the Controller, the authority to approve other than coach-class, first-class, accommodations for the agency under the criteria provided in the federal travel regulation and agency travel policy. Further re delegation is not permitted.

4.k. Any official who redelegates an authority retains the right to exercise or withdraw the authority. Redelegated authority may be exercised by any official in the chain of command to the official to whom it has been specifically redelegated.

Distribution

The Administrator
Associate Deputy Administrator and Chief of Operations
Chief of Staff
Deputy Chief of Staff
Chief Financial Officer
Assistant Administrator for Enforcement and Compliance Assurance
Assistant Administrator for International and Tribal Affairs
General Counsel
Agency Follow-Up Coordinator
Associate Administrator for Congressional and Intergovernmental Relations
Associate Administrator for Public Affairs
Deputy Chief Financial Officer
Associate Chief Financial Officer
Controller, Office of the Controller, Office of the Chief Financial Officer
Deputy Controller, Office of the Controller, Office of the Chief Financial Officer
Principal Deputy Assistant Administrator for Enforcement and Compliance Assurance
Deputy Assistant Administrator for Enforcement and Compliance Assurance
Principal Deputy Assistant Administrator for International and Tribal Affairs
Principal Deputy General Counsel
Associate General Counsel, General Law Office, Office of General Counsel
Director, Office of Criminal Enforcement, Forensics and Training, Office of Enforcement
and Compliance Assurance
Director, Office of Continuous Improvement, Office of the Administrator
Audit Follow-Up Coordinator, Office of the Administrator
Audit Follow-Up Coordinator, Office of the Chief Financial Officer
Audit Follow-Up Coordinator, Office of Enforcement and Compliance Assurance
Audit Follow-Up Coordinator, Office of International and Tribal Affairs
Audit Follow-Up Coordinator, Office of General Counsel