

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of Inspector General



Memorandum

August 29, 2006

To: Gloria J. Joseph
Designated Agency Ethics Official

Karl E. Rohrbaugh
Finance Branch Chief

From: Jane E. Altenhofen
Inspector General

A handwritten signature in cursive script, reading "Jane E. Altenhofen", is written over the printed name of the sender.

Subject: Inspection Report No. OIG-INS-43-06-03: Reimbursable Travel

We initiated this inspection in May 2006 to determine whether travel reimbursed to the National Labor Relations Board (NLRB or Agency) by outside parties is properly approved and reimbursed in accordance with the Federal Travel Regulation (FTR). Generally, employees were reimbursed for travel in accordance with the FTR and reports to the Office of Government Ethics (OGE) were complete and accurate. Reports to OGE contained some inaccuracies that we attribute to clerical errors.

A significant number of employees traveled before trips were authorized by an appropriate official and some traveled before the Designated Agency Ethics Official (DAEO) concurred with the authorization to accept payment. Also, employees were not consistently using the Agency's travel agent and travel agent fees were not always being billed to the sponsoring organizations. The Agency's response to our draft report acknowledged our suggestion to implement procedures to bill the sponsoring organizations for the travel agent fees when allowed by the reimbursable agreement.

One trip was approved and performed, but not billed to the sponsoring organization. We brought this trip to the attention of the Finance Branch (Finance), which promptly billed the sponsor for \$1,164. A check was received from the sponsoring organization on July 6, 2006.

SCOPE

We reviewed laws and regulations related to reimbursable travel and Agency policies, including Administrative Policy Circular (APC) 00-01, NLRB's Guidance on Following the FTR and APC 05-01, Procedures Regarding Acceptance of Travel Expenses Paid by a Non-Federal Source. We interviewed personnel in the Director of Administration's office and Finance

regarding the processes and procedures for approving reimbursable travel, reimbursing Agency employees for costs incurred, obtaining reimbursement from the sponsoring organizations, and reporting to OGE.

We tested 25 payments made to Agency employees for reimbursable travel performed in Fiscal Year (FY) 2005 or the first 6 months of FY 2006 to determine whether travel was in accordance with the FTR and that the correct amounts were reimbursed. For these payments we reviewed documentation maintained by Finance. We also tested the accuracy of Agency reports to OGE.

We conducted this review from May through August 2006. This review was done in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

BACKGROUND

NLRB employees may be approved to perform reimbursable travel paid for by a non-Federal source. A non-Federal source includes any person or entity other than the United States Government. The travel and reimbursement must be in accordance with the FTR and approved in advance. Travel reimbursed by a non-Federal source must have the concurrence of the DAEO and be reported to OGE. The Director of Administration is the NLRB DAEO. Reports to OGE are available to the public.

Procedures for reimbursable travel entail coordination between the traveling employee, approving official, DAEO, and Finance. If an employee receives an invitation for reimbursable travel, an NLRB Form 5475, Request for Authorization of Acceptance of Travel Expenses from a Non-Federal Source, is prepared and provided to the approving official. The Chairman and the Board Members are the authorized approving officials for their immediate staffs. The Executive Secretary is the approving official for the remaining Board staff. The Chief Administrative Law Judge approves for all administrative law judges. The General Counsel is the approving official for his immediate staff and Division Directors or equivalents. Division Directors and equivalents may approve for their subordinate staff.

Upon approval, the Form 5475 is sent to the DAEO for concurrence. The DAEO reviews the Form 5475 for a possible conflict of interest. After the DAEO concurs on the form, the original is sent back to the approving official and a copy of the form is provided to a financial specialist who is responsible for billing the sponsoring entity for agreed-upon charges. A copy is placed in the employee's Financial Disclosure file. For travelers not subject to disclosure, the Form 5475s are maintained together in a separate file. Copies are retained for 2 years.

During the period October 1, 2004 to March 31, 2006, the Agency was reimbursed \$94,794 for 126 trips. These included 61 trips for \$54,350 that were reimbursed by the American Bar Association or other bar associations. Other trips were reimbursed by educational institutions, law firms, or groups sponsoring labor relations conferences. Close to 80 percent of the trips were taken by Board Members, the General Counsel, or their immediate staff.

RESULTS

Approval to Accept Payment and Travel Authorization

The FTR states that an agency may accept payment from a non-Federal source for travel to a meeting or authorize an employee to accept payment on an agency's behalf if acceptance of such payments is approved in advance of travel. The purpose of this approval is to eliminate any source that might present a conflict of interest. The approval process at the NLRB includes a concurrence by the DAEO. The FTR also requires that the employee be issued a travel authorization before the travel begins.

Approval to Accept Payment for Travel Expenses

We identified five trips that were taken before the DAEO concurred that accepting travel expenses from a non-Federal entity was appropriate. Three of these trips were in our sample and two were identified by management.

Travel Authorization

Ten trips reviewed were taken before a travel authorization was issued. Five of the 10 trips taken by Presidential appointees and 5 of the 15 trips taken by non-Presidential appointees were either authorized after travel began or lacked documentation of the authorization.

Travel authorizations should be processed in advance and reviewed and approved by an official at the highest practical administrative level who can evaluate the travel in accordance with regulatory requirements. Although Presidential appointees may be designated to authorize their own travel, we believe an independent review of reimbursable travel authorizations would provide the traveler with added assurance that the travel authorization is correct.

Travel Management System

The FTR requires employees at agencies that do not have an eTravel Service to use the Agency's existing Travel Management System (TMS) to make travel arrangements. The FTR defines a TMS as a service for booking common carrier, lodging accommodations, car rental services, and providing basic management information on those activities. Carlson Wagonlit Travel is the Agency's TMS.

APC 00-01 states that the traveler is expected to use the Agency's Travel Management Center to procure all common carrier tickets for official travel. Agency employees did not use the TMS for 8 of the 25 trips tested.

Travel Agent Fees

Reimbursable agreements may provide that the Agency be reimbursed for all costs incurred, for only certain costs, for limited amounts, or a flat amount. Finance is responsible for billing the travel sponsor for travel costs incurred based upon the terms of the agreement.

The Agency was inconsistent in how it billed sponsoring organizations for travel agent fees. Generally, when an outside travel agent was used, the sponsoring organization was billed for the travel agent fee. However, when the Agency's TMS was used, the fees were not billed. For three trips, Agency employees booked the airline travel using an outside agent that charged a fee, the fee was included with the airfare amount on the employee's voucher and was collected by Finance from the sponsor. For 13 trips, the employees booked the airline travel using the Agency's TMS and the travel agent fees were not billed or collected from the sponsor.

The fees charged by NLRB's travel agent were billed to and paid directly by Finance and therefore were not vouchered by the employee. Carlson Wagonlit Travel charges \$10.50 for each airline reservation booked online and \$24.50 for each reservation booked by telephone. NLRB may, depending upon the agreement, be able to recover the travel agent fees from the travel sponsoring organizations. Such reimbursements would provide additional funds for Agency use.

Semiannual Report of Payments from a Non-Federal Source

Agencies are required to report to OGE payments for travel, subsistence, and related expenses received from non-Federal sources in connection with the attendance of employees at certain meetings or similar functions. These items are reported semiannually using Standard Form 326 (SF-326), Semiannual Report of Payments Accepted from a Non-Federal Source.

The amounts reported to OGE were generally accurate. The reports for the three semiannual periods in our review reported approximately \$100 more than was received by the Agency. This amount was related to four trips. We attributed these differences to clerical errors. Additionally, one trip was identified on the SF-326 for which there was no reimbursable agreement. In this instance an organization was incorrectly billed for the trip and did not reimburse the Agency.

SUGGESTION

We suggest that the Finance Chief:

Implement procedures to bill the sponsoring organizations for the travel agent fees when allowed by the reimbursable agreement.

cc: Board
General Counsel