

Pentagon Wasted Millions on Airline Tickets, GAO Says

by Larry Margasak - The Washington Post

9 June 2004

The Defense Department spent an estimated \$100 million for airline tickets that were not used over six years and failed to seek refunds even though the tickets were reimbursable, congressional investigators say.

The department compounded the problem by reimbursing employee claims for tickets the Pentagon bought, the investigators said.

To demonstrate how easy it was to have the Pentagon pay for airline travel, the investigators posed as defense employees, had the department generate a ticket and showed up at the ticket counter to pick up a boarding pass.

The General Accounting Office of Congress issued the findings in two reports on the Pentagon's lack of control over airline travel, copies of which the Associated Press obtained yesterday. A prior report, issued last November, found that the Pentagon bought 68,000 first-class or business-class airline seats for employees who should have flown coach.

"At a time when our soldiers are patrolling the streets of Iraq in unarmored Humvees, and when the Bush administration is asking for record defense spending, Secretary [Donald H.] Rumsfeld is letting hundreds of millions of dollars that could be used to protect our troops and our country

go to waste," said Rep. Janice D. **Schakowsky** (D-Ill.), one of three lawmakers -- along with Republican Sens. Charles E. Grassley (Iowa) and Susan Collins (Maine) -- who ordered the studies.

The GAO estimated that between 1997 and 2003, the Defense Department bought at least \$100 million in tickets that were not used or used only partially by a passenger who did not complete all legs of a flight. The waste went undetected because the department relied on individuals to report the unused tickets. They did not.

The Pentagon said in a written statement that it is working to ensure it receives credit in the future for each unused ticket.

"We take this deficiency in our procedures very seriously and are moving swiftly to establish proper management controls. The long-term answer will be the automated Defense Travel System [DTS] that controls the travel order and payment process from beginning to end," the statement said. "DOD is researching the data presented in the GAO report and will continue to pursue the amounts we determine are recoupable."

The reimbursable tickets had no advanced purchase requirements, minimum or maximum stays or penalties for changes or cancellations under department agreements with the airlines.

While one GAO report focused on the unused tickets, the second investigation found potential fraud. It said the department paid travelers for tickets the department bought and reimbursed employees for tickets that had not been authorized.

A limited review of records for 2001 and 2002 identified 27,000 transactions totaling more than \$8 million in reimbursements to employees for tickets bought by the government. These figures represent only a small portion of the potential fraud, the GAO said.

It is a crime for a government employee knowingly to request reimbursement for goods and services he or she did not buy.