
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**SOCIAL SECURITY ADMINISTRATION
EMPLOYEES' USE OF
DISCOUNTED AIRFARES**

December 2010

A-02-09-29089

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: December 8, 2010

Refer To:

To: The Commissioner

From: Inspector General

Subject: Social Security Administration Employees' Use of Discounted Airfares
(A-02-09-29089)

OBJECTIVE

The objective of our review was to determine whether Social Security Administration (SSA) employees complied with Federal Travel Regulations (FTR) and SSA's policy on the use of (1) discounted airfares; (2) coach-class service (or its equivalent); and (3) the automated reservation system to make air travel reservations.

BACKGROUND

The General Services Administration (GSA) contracts with commercial air carriers to provide discounted airfares to Federal employees traveling on official business. Under these contracts, commercial air carriers offer discounted airfares between specified destinations, which are called City Pairs.

For many City Pairs, both a discounted fare (which we will refer to as the Government fare) and a highly discounted fare (which we will refer to as the discounted Government fare) are available. Discounted Government fares are only available for a limited number of seats per flight. An advance purchase is not required for either fare, and both are fully refundable.

SSA's Division of Travel Management develops and revises SSA's official travel policies for Agency employees. Per SSA's policies, all its employees are required to select the method of travel most advantageous to the Agency. According to SSA, transportation expenditures for Fiscal Year (FY) 2009 were over \$14.6 million,¹ with \$8.4 million spent on air travel.

¹ The Agency's transportation expenditures for FY 2009 comprised air travel--\$8.4 million; use of privately owned vehicles--\$5.8 million; car rental--\$315,871; rail travel--\$171,878; and bus--\$0.

According to FTR,² Federal employees should purchase airline tickets at the discounted Government fare when it is available and meets mission needs. If the discounted Government fare is not available, employees should, subject to certain exceptions,³ purchase tickets at the Government fare.⁴ The exceptions must be documented in an approved travel authorization.⁵ The reasons include the following.⁶

- Space on a Government fare flight is not available in time to accomplish the purpose of the trip.
- Taking the flight would require the traveler to incur unnecessary overnight lodging costs that would increase the total cost of the trip.
- A non-contract carrier offers a lower fare to the general public that, if used, will result in a lower total trip cost to the Government.

According to SSA's Administrative Instructions Manual System (AIMS), SSA employees are required to use coach-class accommodations, unless a higher class of service is approved.⁷ There are a few exceptions to this rule. For example, first-class accommodations may be authorized if they are necessary because of an employee's documented disability or other physical impairment, and the employee's condition is substantiated in writing by a competent medical authority.⁸ Purchasing first-class accommodations can only be authorized by the Chief of Staff of the Office of the Commissioner.⁹

Employees must use SSA's contracted travel management center, Carlson Wagonlit Travel Sato Travel (CWT Sato), to make their travel arrangements.¹⁰ CWT Sato provides SSA access to E2 Solutions, an electronic travel management system that

² FTR § 301-10.107, Note 3, 41 C.F.R. § 301-10.107, Note 3.

³ FTR § 301-10.107, 41 C.F.R. § 301-10.107.

⁴ FTR § 301-10.106, 41 C.F.R. § 301-10.106.

⁵ FTR § 301-10.108, 41 C.F.R. § 301-10.108.

⁶ FTR § 301-10.107, 41 C.F.R. § 301-10.107.

⁷ SSA, AIMS, Financial Management Manual (FMM) 07.09.09 A. SSA, AIMS, FMM 07.09.09 B. defines "coach-class airline accommodations" as the basic class of accommodations offered by an air carrier to passengers that includes a level of service that is available to all passengers regardless of the fare paid. The term "coach-class airline accommodations" applies when an airline offers only one class of accommodations; the term also includes tourist-class accommodations and economy-class accommodations.

⁸ SSA, AIMS, FMM 07.09.09 C.1.

⁹ Id.

¹⁰ SSA, AIMS, FMM 07.08.03 A.

allows SSA employees to request travel authorization, and submit travel vouchers once travel is completed.

GetThere, an online reservation tool in E2 Solutions, allows SSA employees to make travel reservations for official business.¹¹ Per AIMS, GetThere is the preferred method to make travel reservations.¹² CWT Sato charges SSA a lower transaction fee for online reservations when compared to reservations made by calling a CWT Sato travel agent. In FY 2009, SSA incurred \$400,385 in transaction fees for air travel reservations.¹³

To meet our objective, we identified all 8,656 SSA employee-ticketed air reservations made for official business from April 1 through July 31, 2009. From this population, we reviewed multiple samples of ticketed reservations. In total, we reviewed 298 ticketed reservations, 186 of which were ticketed reservations for flights where a City Pair rate was available. Each ticketed reservation contained one or more flight segments. A flight segment consists of a one-way trip from an originating city to a destination city. In total, the 298 ticket reservations had 684 flight segments. For each ticketed reservation in our samples, we determined whether SSA employees followed airfare-related policies. We also surveyed the employees who made the flight reservations to gain an understanding of their travel practices. See Appendix B for details of our scope and methodology.

RESULTS OF REVIEW

Most SSA employees used Government discounted fares as required. Of the ticketed reservations made when a Government fare was available, 86 percent was purchased at or below the Government fare. While most SSA employees flew at or below the Government fare, a smaller percentage of SSA employees in our sample purchased airline tickets at the discounted Government fare when compared to employees at other Federal agencies. However, because of data limitations, we were unable to determine whether the discounted Government fare was available each time an SSA employee purchased an airline ticket.

SSA employees purchased coach seats when flying on official business, as required. SSA employees did not use GetThere, the online ticket reservation tool, for all reservations. More than half the reservations that could have been made using the

¹¹ GetThere cannot be used to make rail or international air reservations. SSA employees must call a CWT Sato Travel Representative to make such reservations.

¹² SSA, AIMS, FMM 07.08.04 A.1.

¹³ The total transaction fee for making air travel reservations in FY 2009 was \$400,385. Of this amount, \$329,805 was for reservations made by calling an agent; \$70,580 was for reservations made with GetThere. SSA incurs a cost of \$7.99 for each online transaction and \$29.74 for each telephone-assisted transaction that results in a ticketed reservation. Using the online booking tool saves the Agency \$21.75 per reservation.

online tool were made by calling an agent instead, which resulted in SSA being charged higher transaction fees.

SSA EMPLOYEES' USE OF GOVERNMENT FARES

Of the 186 ticketed reservations reviewed, SSA employees reserved a flight at or below the Government airfare for 160 (86 percent) reservations made when a Government fare was available. The remaining 26 ticketed reservations (14 percent) were purchased above the Government fare, though 13 of the 26 ticketed reservations had sufficient justification for purchasing a fare above the Government fare. For example, one employee purchased a ticket above the Government fare because the contract carrier flights were outside working hours. Please see the following chart.



The remaining 13 ticketed reservations did not have a justification. SSA would have saved \$5,881 if these 13 ticketed reservations had been purchased at a Government fare. Ten of the 13 authorizations that did not have a justification used a non-contract carrier. We could not determine whether these employees were aware the airfares purchased from air carriers not participating in GSA's Airline City Pair Program were sold at a higher cost than the Government fare. The remaining three ticketed reservations were with a contract carrier but were purchased above the Government fare.

While most SSA employees in our sample purchased tickets for the Government fare, they used the more discounted Government fare less frequently than Federal

employees Government-wide. The discounted Government fare was listed for 122 of the 186 ticketed reservations that had a Government fare available. SSA employees used the discounted Government fare for 48 of these ticketed reservations, or about 39 percent of the time, when both Government and discounted Government fares were listed. As reported by GSA, Federal civilian employees Government-wide used discounted Government fares 55 percent of the time in FY 2009 when both Government and discounted Government fares were listed.

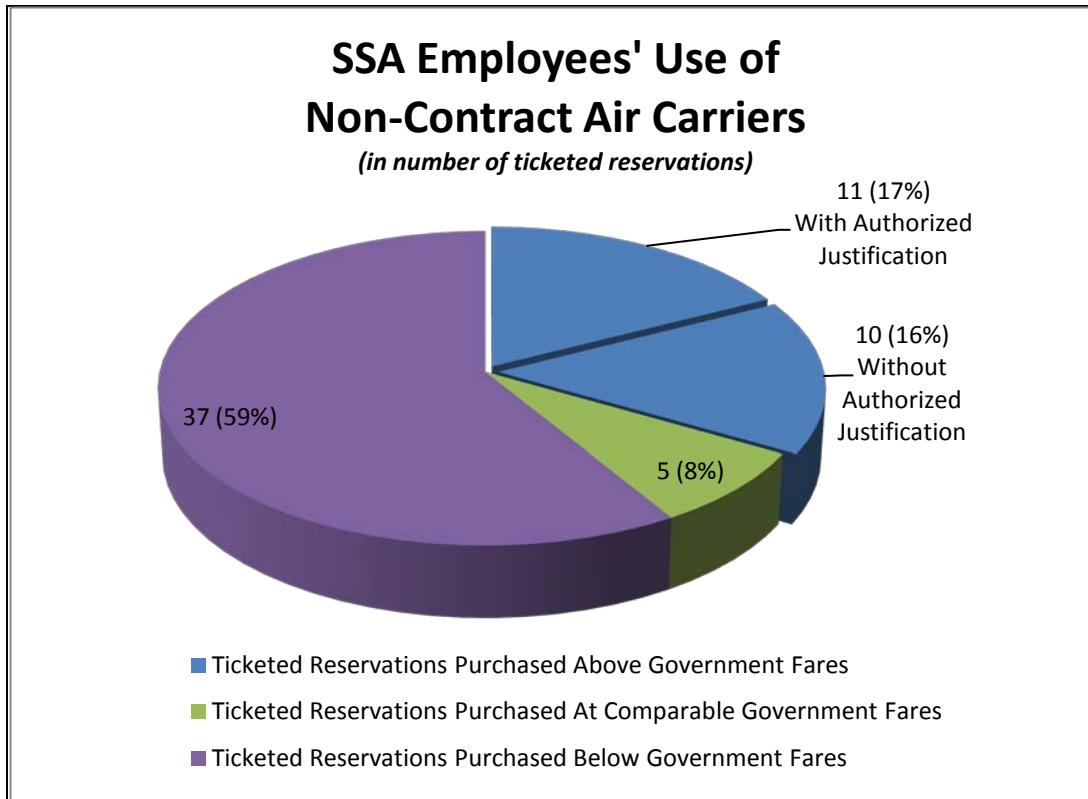
CWT Sato did not maintain historical data on the availability of discounted Government fares when each employee made a reservation. As a result, we could not determine whether the discounted Government fare was still available when each SSA employee reserved an airline ticket. While the discounted Government fare was listed for 122 of the 186 ticketed reservations that had a Government fare available, the discounted Government fare was only available for a limited number of seats per flight. As a result, we were unable to calculate the actual savings the Agency could have achieved by using discounted Government fares.

Use of Non-Contract Air Carriers

When a Government fare was available, employees reserved a ticket with a contract air carrier for 123 (66 percent) of 186 ticketed reservations. The remaining 63 (34 percent) ticketed reservations had 1 or more flight segments for which an SSA employee used a non-contract air carrier. The use of non-contract air carriers, such as discount airlines, does not always result in the lowest airfare cost. Of the 63 non-contract carrier ticketed reservations, 21 were purchased above the Government fare. Of those that were purchased above the Government fare, 10 were without an authorized justification for flying with a non-contract carrier at a greater cost to the Government. These employees cost the Agency \$4,294¹⁴ more since they purchased tickets above the Government fare. The remaining 11 non-contract ticket reservations were authorized before their purchase.

Of the 63 non-contract carrier ticketed reservations, 5 were the same price as the corresponding Government fare tickets, and 37 cost less than a comparable Government fare ticket. The SSA employees who purchased non-contract carrier airline tickets below the Government fare saved the Agency \$6,732. Less than half of the non-contract ticketed reservations purchased at or below the Government fare had an authorized justification for flying with a non-contract carrier. Please see the following chart for fares charged by non-contract carriers.

¹⁴ These 10 employees are a subset of the 13 employees who had reservations above the Government airfare without proper justification, which were reported on page 4 in this report. Therefore, the \$4,294 reported savings is a subset of the \$5,881 reported on page 4.



USE OF COACH-CLASS SERVICE AIRFARE

In general, SSA employees purchased coach seats when flying on official business, as required. While nine SSA employees in our sample flew premium class, the use of premium-class tickets was properly justified. Five of these ticketed reservations had a valid justification and approval from the travel authorizer to obtain a higher than coach class of service. For example, premium-class service was approved for a ticketed reservation for international travel between Baltimore, Maryland, and Tokyo, Japan. According to SSA's AIMS,¹⁵ premium-class service was permissible because the duration of the flight exceeded 14 hours, and the employee did not have a stopover for a rest period. We found that the remaining four ticketed reservations were charged a Government fare even though the employee sat in the plane's first-class cabin. To maximize the quantity of seats sold per flight, airlines sometimes offer Federal travelers premium- or first-class seating at the Government fare.

¹⁵ SSA, AIMS, FMM 07.09.07 E. The use of premium-class, other than first-class airline accommodations in lieu of a rest period stopover may be authorized or approved when travel is direct between authorized origin and destination points which are separated by several time zones, and either the origin or destination point is outside the continental United States, and the scheduled flight time (including stopovers) is in excess of 14 hours. When this authority is exercised, an employee shall not be eligible for a rest stop en route or a rest period upon arrival at the duty site

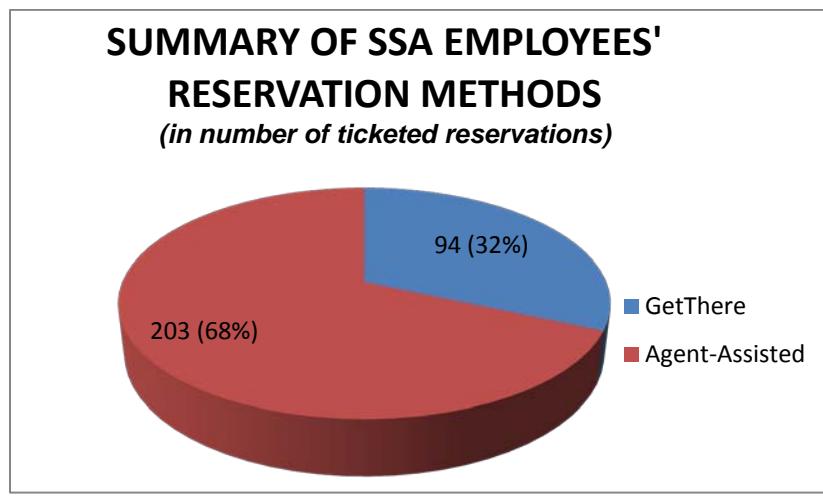
SSA EMPLOYEES' USE OF GETTHERE

Per AIMS,¹⁶ GetThere is the preferred method of making travel arrangements. Similarly, the FTR¹⁷ indicates employees should generally use online reservation tools to make their travel arrangements when they are made available to the employee. GetThere provides the same flight and fare information on unrestricted¹⁸ airline tickets as a CWT Sato agent because both use information from the same global distribution system (GDS).¹⁹

There are a few types of reservations that cannot be made with GetThere. Employees have to call an agent when a reservation involves

- rail travel,
- international travel,
- booking dates within 24 hours of departure date,
- non-refundable fares,
- penalty fares, and
- premium-class travel (First & Business).

Of the 298 reservations we reviewed, 203 (68 percent) were made by calling an agent. Please see the following chart.



¹⁶ SSA, AIMS, FMM 07.08.04 A.1.

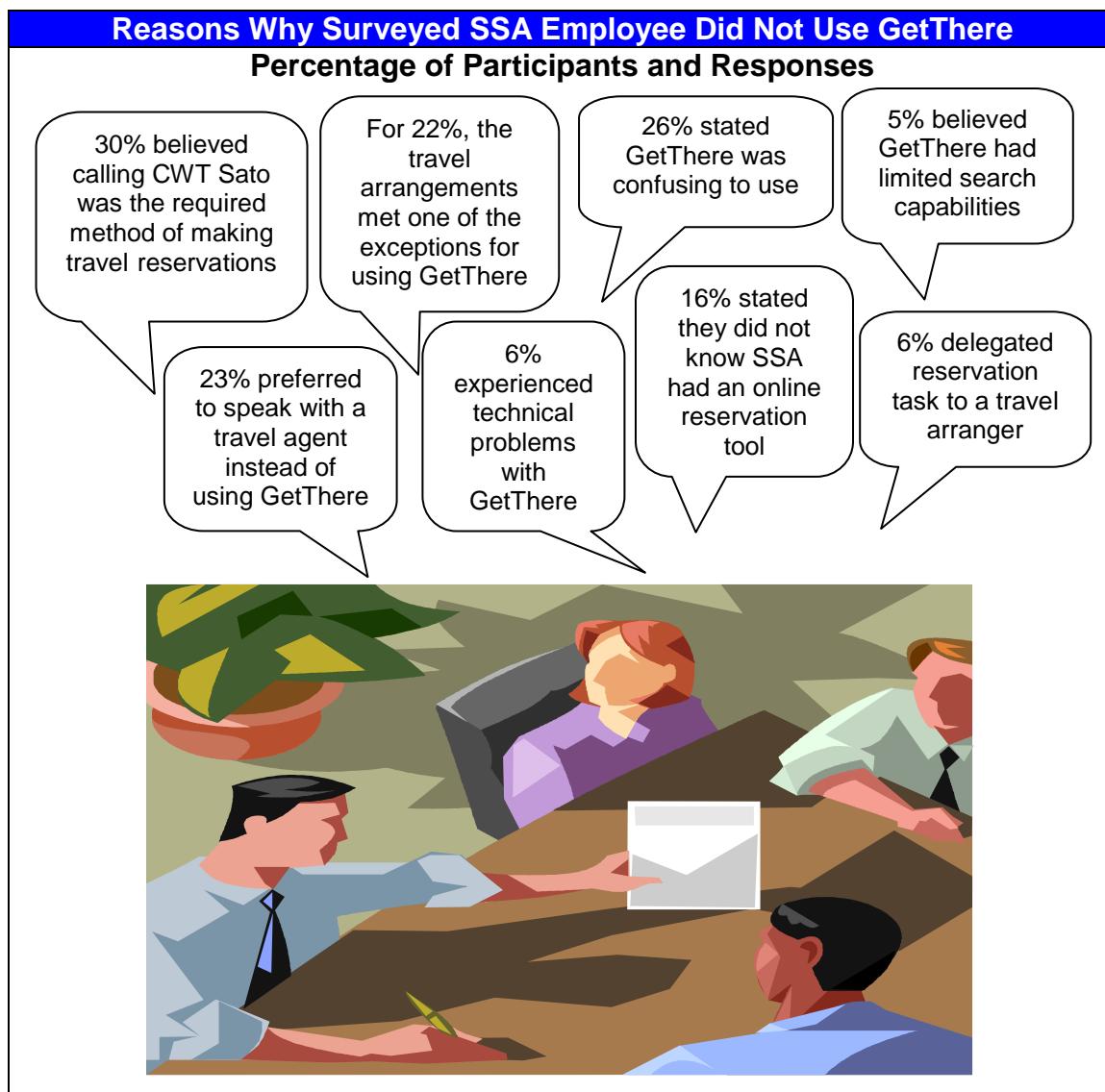
¹⁷ FTR § 301-50.7, 41 C.F.R. § 301-50.7.

¹⁸ Unrestricted airline tickets are fully refundable, exchangeable, and penalty free in the event of a cancellation or change in travel plans.

¹⁹ GDS is a world-wide computerized reservation network used as a single point of access for reserving airline seats, hotel rooms, rental cars, and other travel related items by travel agents, online reservation sites, and large corporations.

Of the 203 agent-assisted reservations made, 152 (75 percent) could have been booked using GetThere because they did not meet any of the above-mentioned exceptions. It costs the Agency an additional \$21.75 in transaction fees for each agent-assisted flight reservation made in lieu of using GetThere. SSA could have saved \$3,306 if each of the 152 agent-assisted reservations were made using GetThere.

Of the 86 employees we surveyed who made their reservations by calling an agent and provided a reason as to why they telephoned,²⁰ 30 percent indicated they believed calling CWT Sato was the required method of making travel reservations. Other SSA employees preferred to speak with a travel agent or stated they were unaware of GetThere. Please see the following chart.



²⁰ The reported responses are from Question 5 of our survey. Some individuals provided more than one reason as to why they phoned. Therefore, the percentages above add to more than 100 percent.

OTHER AIRFARES AVAILABLE TO THE PUBLIC

For its City Pair program, GSA contracts with commercial airlines to provide refundable discounted airline tickets to Federal travelers on official business. While the City Pair tickets are discounted, airlines may offer more deeply discounted tickets that are non-refundable. SSA employees who take advantage of cheaper non-refundable tickets without approval from their travel authorizing official, do so at their own risk.²¹ If an employee makes a non-refundable commercial airline reservation without prior approval, CWT Sato requires that the traveler sign a waiver that states the traveler (and traveler's approving official) understands the ticket is non-refundable and, in the event of a cancellation, the traveler would be liable for the cost of the ticket. Some airlines allow the traveler to use the value of an unused non-refundable ticket, less a penalty, against the cost of a future flight arranged through CWT Sato. The specific airline determines whether such a credit will be given, any penalty will be deducted, and the credit is transferable.

Even though there is a risk to the employee, employees may purchase cheaper, non-refundable tickets since they gain some advantage over the City Pair refundable tickets. For example, the nonrefundable tickets may be for a direct flight, as opposed to a City Pair flight with a stopover.

The FTR and SSA policy require that employees use the Agency's contracted travel agent, CWT Sato, to purchase airline tickets for official business. CWT Sato provides information on all City Pair flights, but also provides information on non-refundable flights. Employees who fail to use CWT Sato to purchase airline tickets may bear all additional costs incurred.

CWT Sato uses the GDS for fare and flight availability when purchasing tickets for SSA employees. While the GDS includes information on non-refundable flights, it does not always provide the most discounted price for such flights. Airlines provide their fares and flight availability to the GDS at their discretion. Airlines typically provide their cheapest fares and flight options through their own websites since they are able to avoid fees incurred for placing flight information on the GDS or by travel agencies who facilitate the bookings. Accordingly, the same flight may cost less if purchased from the airline's Webpage when compared to purchasing it via CWT Sato. Since SSA employees must use CWT Sato, they cannot always take advantage of the airlines' most discounted fare available without facing the possibility of disciplinary action. The

²¹ Employees are not always responsible for the cost of non-refundable tickets. There are times when non-refundable fares are economical, and SSA authorizes their use (See AIMS, FMM 07.09.09.F Promotional/Restricted "Super-Saver" Fares). If employees obtain prior approval, they may purchase promotional or restricted fares on noncontract airlines if the following conditions are met: (1) the traveler can meet all applicable restrictions at a lower overall cost to the Government, including both transportation and per diem; (2) the service provided by the noncontract carrier is equal to or better than the contract service with respect to en route travel times; and (3) agencies should consider any penalty fees imposed by carriers when reservations for promotional/restricted fares are cancelled or changed, which may increase the cost of transportation by as much as 100 percent.

requirement for employees to use CWT Sato and for CWT Sato to use the GDS prevents employees from purchasing cheaper airline tickets that may be available outside the GDS.

As a result, even if an employee chooses to assume all responsibility for any cancelled flight fees for non-refundable tickets, under SSA's current rules, the employee may not be reimbursed for the flight. We believe an employee should be allowed to purchase airline tickets that save the Agency money if the employee is willing to assume responsibility for any cancellation fees.

CONCLUSION AND RECOMMENDATIONS

Most SSA employees who flew for official business from April 1 through July 31, 2009 purchased coach class, Government fare airline tickets. We found the Agency could have saved \$5,881 had 13 employees who purchased an airline ticket above the Government rate without justification purchased them at the Government rate. Also, SSA could have saved at least \$3,306 if GetThere was used for all ticketed reservations that could be made through the online reservation system. We also believe that SSA could save funds if employees were allowed to book the lowest fare available to the public without fear of disciplinary action.

Accordingly, we recommend that SSA:

1. Continue to educate and periodically remind employees of their responsibilities to ensure all air travel complies with pertinent policies and regulations, is properly authorized, and is being performed in the most economical and advantageous manner, including using GetThere to make airline reservations.
2. Change its policies to allow employees to purchase airline tickets that save Agency funds if the employee is willing to assume responsibility for any cancellation fees.

AGENCY COMMENTS

SSA agreed with Recommendation 1 and disagreed with Recommendation 2. SSA noted that its travel policy allows for the use of nonrefundable fares without the employee assuming any cancellation fees as long as certain conditions are met and the airfare is properly authorized. In commenting on our draft report, SSA also stated that during the first 9 months of FY 2010, over 50 percent of reservations were made using GetThere. SSA's comments are included in Appendix D.

OIG RESPONSE

While SSA allows employees to purchase nonrefundable fares, it only allows them to do so through the Agency's travel management center. The travel management center does not allow employees as many flight options as are available on airline Websites. Our recommendation refers to situations where SSA employees on official travel can realize greater savings by purchasing airline tickets outside the Agency's travel management center. For example, at the Government rate, a round trip fare on an airline purchased through E2 Solutions from Baltimore, Maryland, to Birmingham, Alabama, cost \$451.40. However, the same round trip flights purchased directly from the airline's website cost \$239.40. Though the airfare purchased through E2 Solutions is at the Government rate and is refundable, the traveler could have potentially saved \$212.00 if he or she were allowed to purchase the flights on the airline's website instead of using the Agency's travel management center.

The main reason for using the airfares available in the Agency's travel management center is that the flights are refundable. While airfares purchased outside the travel management center may be non-refundable, we found that only 9 percent of tickets issued for SSA staff travel in FY 2010 were refunded.²² The potential savings from purchasing tickets outside the Agency's travel management center, as highlighted in our example, may outweigh any costs associated with unused, non-refundable tickets. Ninety-one percent of airline tickets issued to SSA staff in FY 2010 did not need to be refunded, and therefore did not need to be purchased at the higher, refundable fare. SSA could have saved money on these fares by allowing staff to purchase them at the lowest fare available, which may not have been through the travel management system. While the Agency's contract with CWT Sato restricts SSA employees to purchasing tickets from CWT Sato, we believe SSA should work with GSA to ensure future contracts allow SSA employees to take advantage of the cheapest airfare available for official travel.



Patrick P. O'Carroll, Jr.

²² CWT Sato Program Management Center - Executive Statistical Summary report on airfare data from October 1, 2009 to September 30, 2010.

Appendices

[**APPENDIX A**](#) – Acronyms

[**APPENDIX B**](#) – Scope and Methodology

[**APPENDIX C**](#) – Survey Results

[**APPENDIX D**](#) – Agency Comments

[**APPENDIX E**](#) – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

AIMS	Administrative Instructions Manual System
CAN	Common Accounting Number
C.F.R.	Code of Federal Regulations
CWT Sato	Carlson Wagonlit Travel Sato Travel
FMM	Financial Management Manual
FTR	Federal Travel Regulation
FY	Fiscal Year
GDS	Global Distribution System
GS	General Schedule
GSA	General Services Administration
OIG	Office of the Inspector General
SSA	Social Security Administration

Scope and Methodology

To accomplish our objectives, we:

- Reviewed the Federal Travel Regulations and the Social Security Administration's (SSA) Administrative Instructions Manual System (AIMS) guides related to the policy and procedures that govern air travel.
- Obtained a list of ticketed reservations and related flight segments¹ for air travel with a departure date April 1 through July 31, 2009 from Carlson Wagonlit Travel Sato Travel Program Management Center database.
- Established eight distinct samples based on specific criteria. See Sampling Methods for details of the samples and related criteria.
- Determined whether the contracted air carrier was used for flight segments that had matching Airline City Pairs. We reviewed travel documents to determine whether justifications were recorded for the use of non-contracted air carriers.
- Compared the base fare for each of our sampled flight segments to the applicable Airline City Pair fare to determine whether the airfares matched.
- Calculated the potential savings from flight segments where the Government airfare was available but not selected.
- Reviewed the class of service used for each flight segment to determine whether a coach² service class or higher was used. If a premium- or first-class³ service was used, we determined whether justifications for such use were included in approved travel authorizations.

¹ A flight segment consists of a one-way trip from an originating city to a destination city. A ticketed reservation may consist of one or more flight segments. We excluded portions of a reservation that had flights with a departure date later than July 31, 2009 in our sample.

² SSA, AIMS, FMM 07.09.09 B. The term "coach-class airline accommodations" means the basic class of accommodations offered by an air carrier to passengers that includes a level of service that is available to all passengers regardless of the fare paid. The term "coach-class airline accommodations" applies when an airline offers only one class of accommodations; the term also includes tourist-class accommodations and economy-class accommodations.

³ SSA, AIMS, FMM 07.09.09 B. defines "premium-class airline accommodations" as any class of accommodations above coach-class airline accommodations, for example, first or business class. The term "premium-class other than first-class airline accommodations" means any class of accommodations between coach- and first-class airline accommodations, for example, business-class. The term "first-class airline accommodations" means the highest class of accommodations on a multiple-class commercial air carrier.

- Determined whether ticketed air reservations were made through GetThere or by a travel agent. We calculated the costs incurred when reservations that could have been made on GetThere were made via an agent.
- Surveyed a sample of 169 travelers to gain an understanding of their air travel practices. See Appendix C for survey questions used and the related results.

We performed our review in New York between December 2009 and July 2010. We determined that the data used in this report were sufficiently reliable given the review objective and intended use. The entity reviewed was the Office of the Deputy Commissioner for Budget, Finance and Management. We conducted our audit in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

SAMPLING METHODS

We obtained detailed information on 8,656 ticketed reservations for air travel with a departure date April 1 through July 31, 2009⁴ from Carlson Wagonlit Travel Sato Travel Program Management Center database. From this population, we established eight categories of travel reservations based on specific criteria, which are described in the following table.

⁴ We excluded portions of a reservation that had flights with a departure date later than July 31, 2009 in our sample.

Data Set	Criteria	Ticketed Reservations in Data Set	Description of Sampled Items and Method of Selection
1	Ticketed reservations with base fare \$1,500 or higher	65	Reservations were sorted from highest to lowest base fare, and we selected the 25 reservations with the highest base fares.
2	Passengers who had eight or more ticketed reservations during review period	338	We reviewed 70 ticketed reservations. We sorted the reservations according to passengers who had the most air reservations. We selected the five passengers who had the most reservations.
3	Ticketed reservations for foreign travel	25	We reviewed all 25 foreign ⁵ flights.
4	Multiple ticketed reservations made with identical travel authorization numbers	1,311	We reviewed 27 ticketed reservations. We sorted the reservations according to the travel authorization number associated with the most ticketed reservations. We selected the five sets of travel authorization numbers with the highest number of ticketed reservations.
5	Ticketed reservations without a Common Accounting Number (CAN), Sub-Object Classification, ⁶ or travel authorization numbers	1,583	Reservations were sorted from highest to lowest base fare amount, and we selected the 25 reservations with the highest base fares.
6	Ticketed reservations without both CAN Sub-Object Classification, or travel authorization numbers	402	Reservations were sorted from highest to lowest base fare amount, and we selected the 25 reservations with the highest base fares.
7	Passengers who made multiple ticketed reservations for the same departure date	582	We reviewed 67 ticketed reservations. We sorted reservations by passenger name according to the number of reservations made for the same departure date. We selected the first 25 passenger names, which consisted of 67 reservations.
8	Random sample	8,404	We reviewed 50 ticketed reservations randomly selected from the remaining population. We excluded reservations selected for review in Data Sets 1-7.
Total Reservations Reviewed - 314⁷			

⁵ Domestic travel is defined as Continental United States, Alaska, Hawaii, Puerto Rico, Virgin Islands, Guam, Canal Zone, American Samoa, Wake Island, Trust Territory of Pacific, and U.S. territories and possessions. Foreign travel is defined as all travel other than domestic travel.

⁶ The CAN and Sub-Object Classification Codes are required on all documents that commit or obligate SSA to expend appropriated funds. The accounting office uses these codes to properly charge the correct appropriation and SSA component for all commitments, obligations, and costs.

⁷ There were 16 ticketed reservations selected more than once for Data Sets 1-7. There were a total of 298 non-duplicated ticketed reservations in our review.

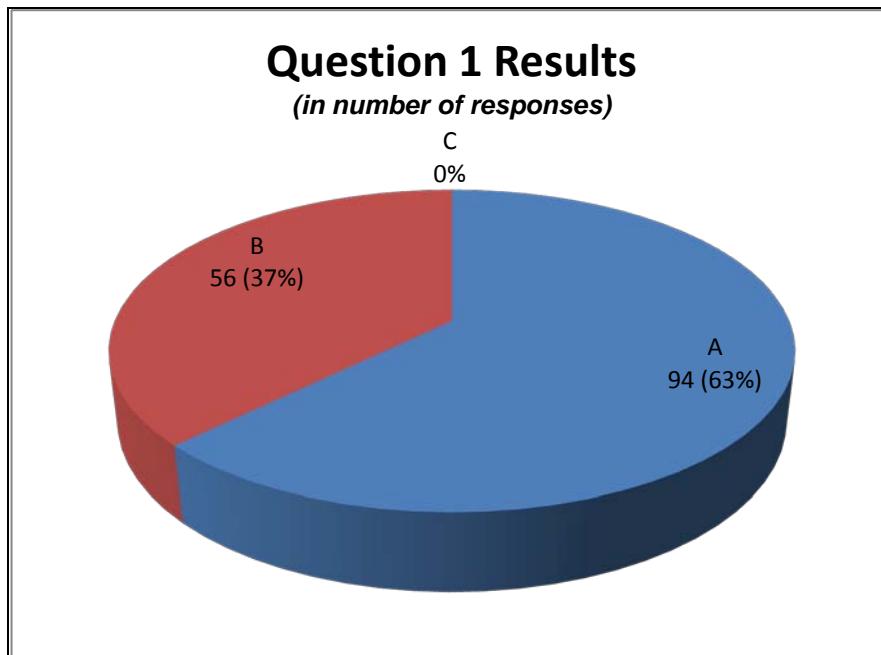
Survey Results

We selected 169 individuals who traveled using our sampled airfares and electronically disseminated a survey to gain an understanding of their air travel practices. We received 150 responses, a response rate of 89 percent.

Question 1

Generally, in Fiscal Year (FY) 2009, did you make your own flight reservations or did administrative/support staff make reservations for you? Check one:

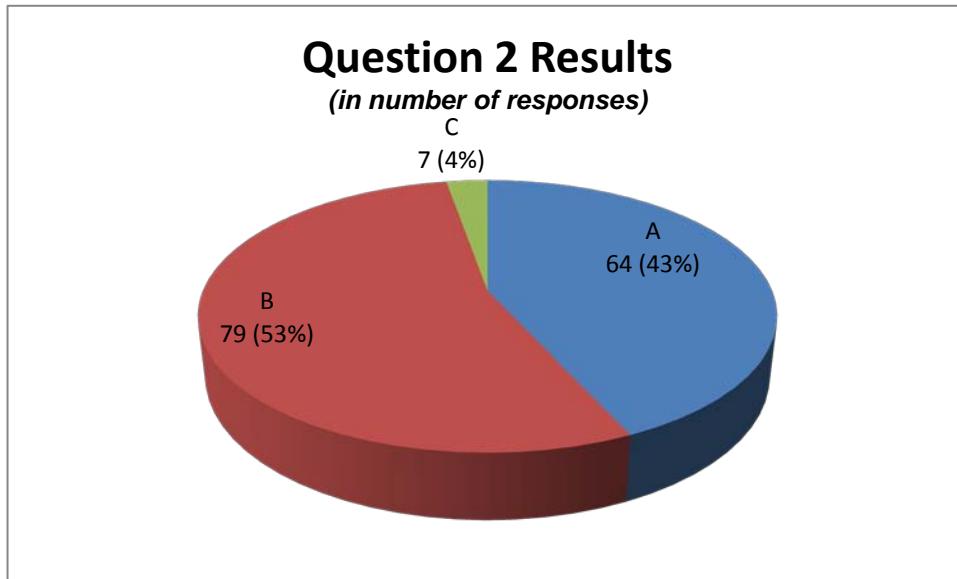
- A) Made own flight reservation
- B) Administrative/support staff made flight reservation. (Even if you did not make your own reservation, continue with the next question.)
- C) I did not use air transportation in FY 2009. (Go to question 8.)



Question 2

Generally, in FY 2009, how were your airline reservations made? Check one:

- A) Used SSA's online tool to make reservations. (Go to question 7.)
- B) Phoned an SSA contracted travel agent to make reservations. (Go to question 4.)
- C) Used some other method of making reservations.

**Question 3:**

If you chose "C" for question 2, please specify what other method of making airline reservations was used. Once completed, skip to question 8.

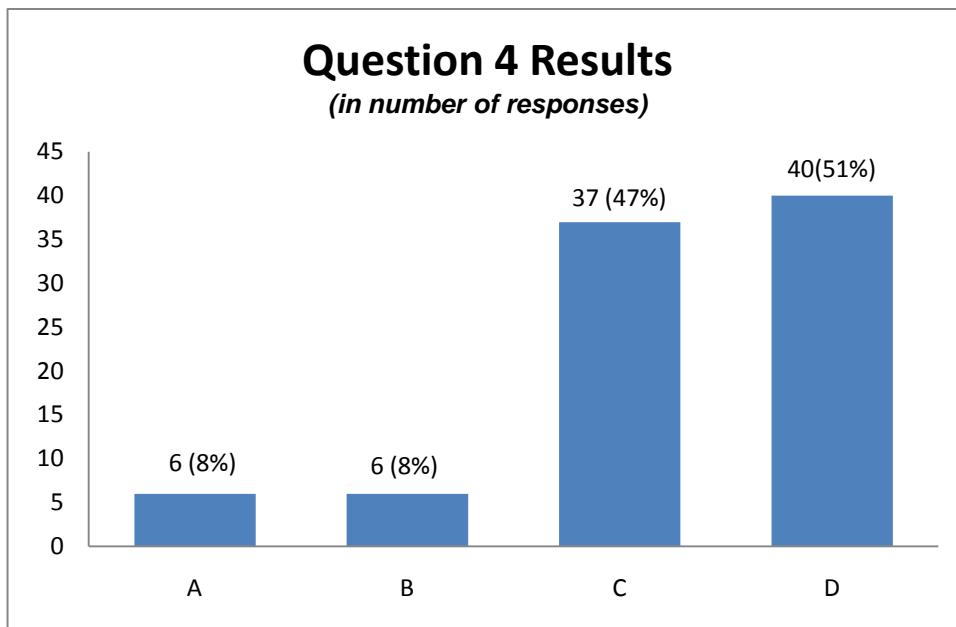
Comments included:

- I made online reservations with the airline.
- I combined using SSA's online tool with Web searches for cheaper fares. Two places I traveled did not have contract carriers.

Question 4:

If an agent was used to make your airline reservation, did the agent: (Check all that apply)

- A) Explain to you that there were two different types of Government discounted airfares.
- B) Explain to you that one type of Government discounted airfare is more deeply discounted, but limited to a number of seats per flight.
- C) Inform you of the available flights at the Government discounted rate.
- D) Do not recall what the agent said about the airfares.

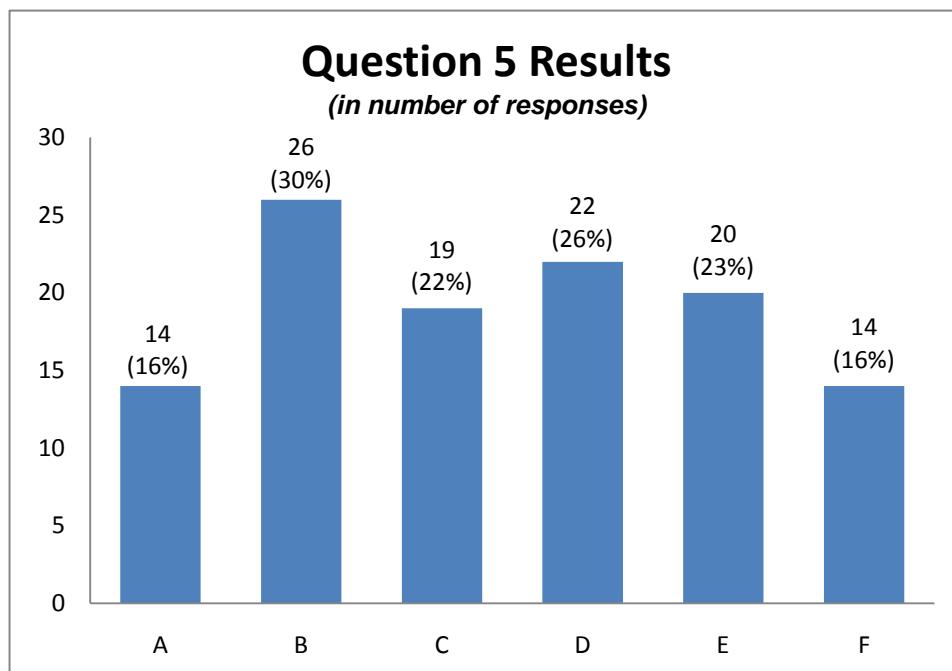


Note: Respondents were able to choose more than one response to question four. Seventy- eight individuals responded, providing 89 responses. The percentages above reflect the percentage of individuals out of the 78 respondents that chose the particular response. Since some respondents selected more than one choice, the percentages add to more than 100 percent.

Question 5:

If an agent was used to make your airline reservation, check all that would explain why you did not use the online reservation tool. (Once completed, skip to question 8, unless you answer “other.” If you answer “other,” please go to question 6.)

- A) I did not know about the online reservation tool.
- B) I thought phoning an SSA contracted travel agent was the required method.
- C) The online tool was not applicable for my reservation (i.e., flew internationally, travel included train reservation, etc.).
- D) The online reservation tool is confusing to use.
- E) I generally prefer to speak with a travel representative.
- F) Other.



Note: Respondents were able to choose more than one response to question five. Eighty-six individuals responded, providing 115 responses. The percentages above reflect the percentage of individuals out of the 86 respondents that chose the particular reason for not using the online reservation tool. Since some respondents selected more than one choice, the percentages add to more than 100 percent.

Question 6:

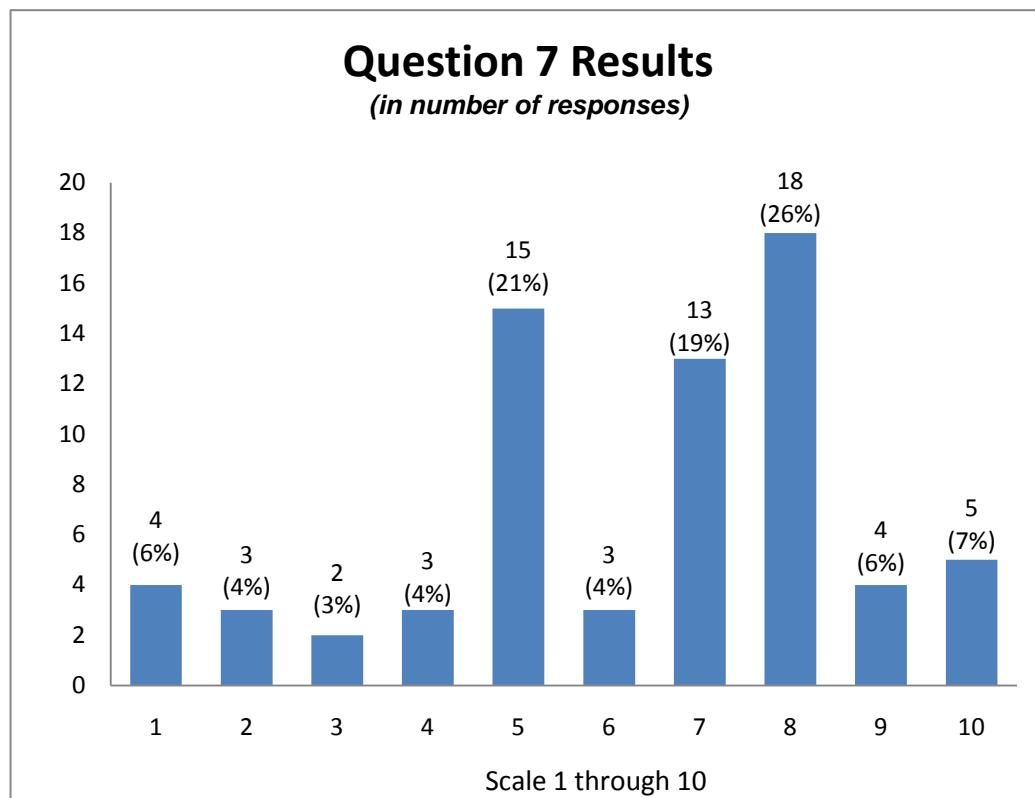
If you chose “Other” for question 5, please specify why the online reservation tool was not used. Once completed, skip to question 8.

Comments included:

- I attempted to use the online reservation, but it would not allow me book the flight I wanted to reserve.
- I have always called CWT Sato to make air travel arrangements. Thanks to this survey, I now know that the Agency prefers I make reservations using E2, so I will in the future unless one of the exceptions applies.
- The web site was not always available and is not at all user friendly. Sometimes problems arose that we could not get resolved online.
- A few of the flights were complicated, multi-stop, or international trips.
- An administrative person makes my travel arrangements. I do not know why he chose his methods.

Question 7:

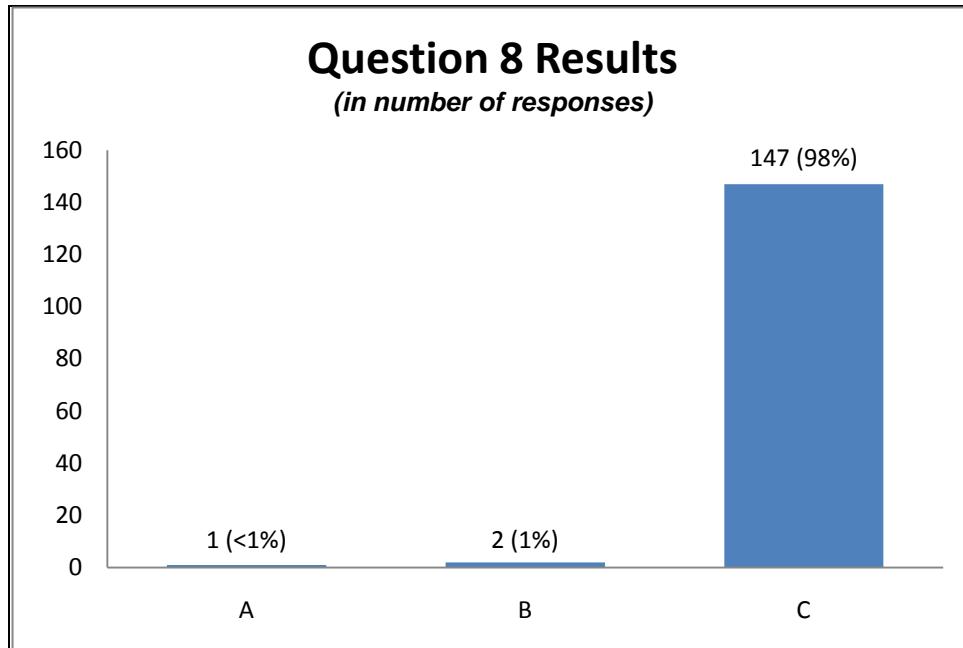
If SSA's online reservation tool was used, please rate your experience in booking your air travel on a scale 1 through 10. A rating of 1 means the online reservation tool was too confusing to use and required the support from another person to complete the reservation; a rating of 5 means the online reservation tool required some effort to navigate through the screens, but you were able to complete the reservations without any assistance from another person; a rating of 10 means the online reservation tool was easy to use and reservations were made in a relatively short period of time.



Question 8:

Which best describes SSA's policy on the use of travel agents or websites to make reservations. Please check one:

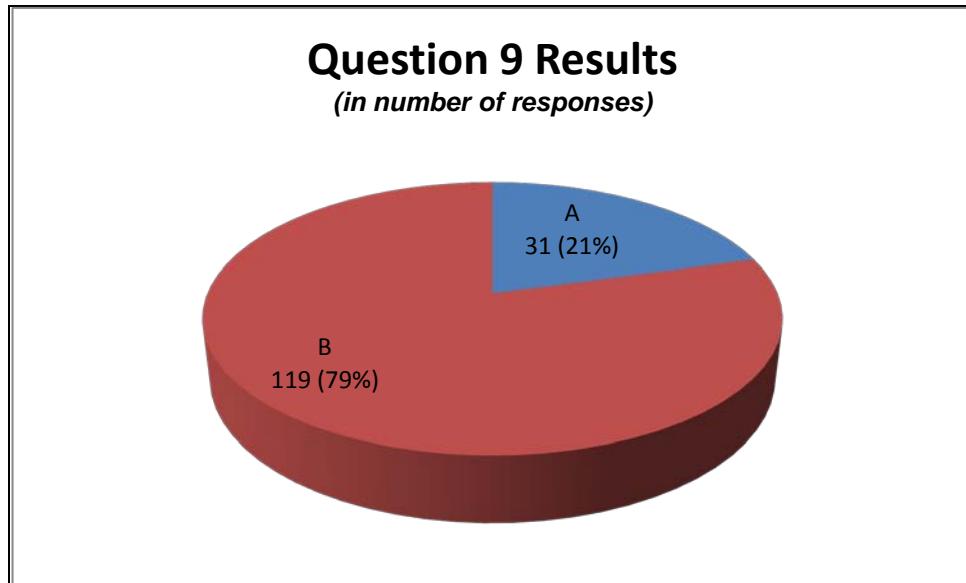
- A) SSA air travelers can make travel arrangements through any travel agent.
- B) SSA travelers can make travel arrangements through discount online travel websites.
- C) SSA air travelers should use CWT Sato, the travel agent SSA has contracted with, to make all travel arrangements.



Question 9:

Which method of booking travel reservations with the Agency's travel management center does SSA prefer employees to use when applicable? Please check one:

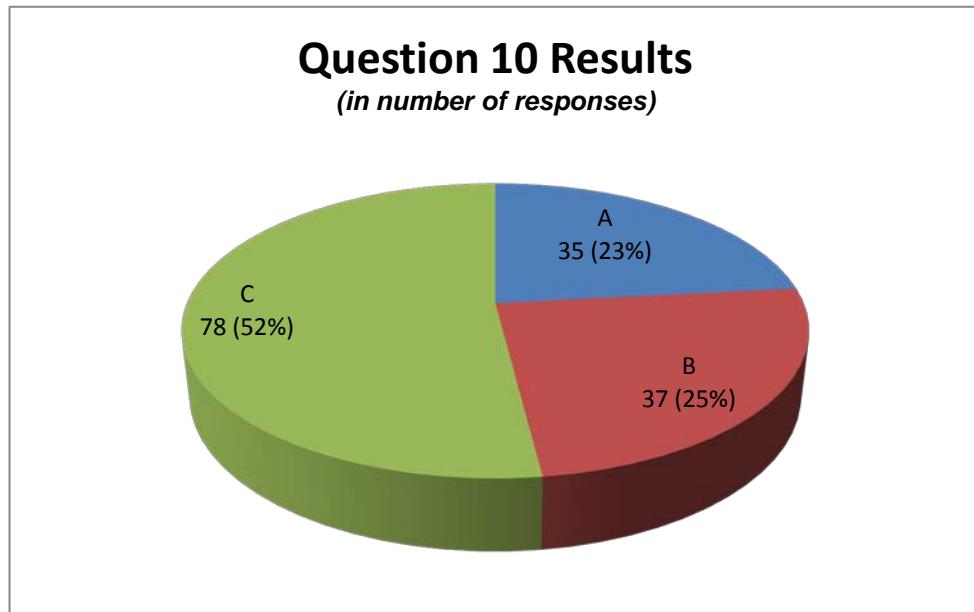
- A) Phoning a travel representative of the Government travel management center (CWT Sato).
- B) Using the online reservation tool.



Question 10:

Which best describes your pay schedule?

- A) Executive Schedule
- B) General Schedule (GS)-15 or GS-14
- C) GS-13 or below



Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: November 5, 2010 **Refer To:** S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: James A. Winn /s/
Executive Counselor to the Commissioner

Subject: Office of the Inspector General (OIG) Draft Report, "Social Security Administration Employees' Use of Discounted Airfares" (A-02-09-29089)—INFORMATION

Thank you for the opportunity to review the subject report. Please see our attached comments.

Please let me know if we can be of further assistance. Please direct staff inquiries to Rebecca Tohero, Acting Director, Audit Management and Liaison Staff, at extension 66975.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “SOCIAL SECURITY ADMINISTRATION EMPLOYEES’ USE OF DISCOUNTED AIRFARES” (A-02-09-29089)

Thank you for the opportunity to review the subject report. We offer the following comments and responses to your recommendations.

GENERAL COMMENTS

We are pleased with your findings. Your review confirms that we strive to administer travel in a cost-effective manner as required by the Federal Travel Regulation (FTR). On March 31, 2009, we implemented the E2 Solutions Travel Management System to assist us in this effort. We have also taken other actions such as instituting the E-Gov Travel Service Survey – an ongoing study that captures user satisfaction rates and provides us with important management information. We will continue to take similar actions to improve services to our employees and to make sure they comply with the FTR and agency policies.

Use of the Online Booking Engine “GetThere”

You make several statements concerning online booking usage rates, including the following:

Page 3, 4th paragraph, last sentence: “More than half the reservations that could have been made using the online tool were made by calling an agent instead, which resulted in SSA being charged higher transaction fees.”

Page 7, the sentence above the pie chart: “Of the 298 reservations we reviewed, 203 (68 percent) were made by calling an agent.”

Comment

When you selected travel transactions for review, you chose the period of April 1, 2009 through July 1, 2009. That period is not indicative of our recent experience. The E2 Solutions/GetThere online booking engine was literally brand new at that time. We implemented the system on March 31, 2009 and expected that usage would be low at first. Before we migrated to E2 Solutions/GetThere, our annual online booking engine rate averaged 12 percent. In the first nine months of fiscal year 2010, the average usage rate increased to 51 percent. We reached our highest rate in June 2010 at almost 59 percent.

In your study, you identify several “Reasons Why Surveyed SSA Employees Did Not Use GetThere.” We conduct similar research. Since November 13, 2009, when we began our survey, we have elicited comments from more than 1,400 employees. We used their ideas to refine our procedures, and GetThere user satisfaction rates rose to 83 percent.

We encourage travelers to use the most economical means to book airline reservations and to use GetThere whenever possible. On July 30, 2010, we issued a memorandum to senior staff

highlighting the usage rate and emphasizing the cost savings associated with GetThere. We also provided a link to an online training video that assists employees in using the tool. Because of these efforts, we expect the GetThere usage rate to continue to grow.

Use of Non-Contract Carriers

You found there were instances where travelers used non-contract carriers in accordance with our policies and instances where they used them, but did not follow our policies:

For example:

Page 4, 2nd paragraph, 3rd sentence reads:

“Ten of the 13 authorizations that did not have a justification used a non-contract carrier.”

Comment

We already take actions to address these situations. For example, on December 8, 2009, we issued a memorandum titled “Mandatory Use of Contract Carriers When Traveling.” In that memorandum, we reiterated the rules for purchasing non-contract fares. In addition, our April 2010 Travel Update Newsletter reminded employees about the rules regarding use of non-contract carriers. We will continue to take similar actions to make sure employees and approving officials are aware of the policies for booking non-contract carrier flights.

Comparisons with Other Government Travelers

In this instance, it is invalid to compare our usage of discounted fares with other Federal agencies.

For example:

Page 3, 3rd paragraph, 3rd and 4th sentences read:

“While most SSA employees flew at or below the Government fare, a smaller percentage of SSA employees in our sample purchased airline tickets at the discounted Government fare when compared to employees at other Federal agencies. However, because of data limitations, we were unable to determine whether the discounted Government fare was available each time an SSA employee purchased an airline ticket.”

Comment

You acknowledge data limitations prohibited you from determining whether the discounted fares were available. Without this information, your comparison lacks merit.

RESPONSE TO RECOMMENDATIONS

Recommendation 1

“We recommend that SSA continue to educate and periodically remind employees of their responsibilities to ensure all air travel complies with pertinent polices and regulations, is properly authorized, and is being performed in the most economical and advantageous manner, including using GetThere to make airline reservations.”

Response

We agree. We have issued several agency-wide memoranda and newsletters on a variety of travel policy issues. We emphasize mandatory use of contract carriers, mandatory use of our contracted travel management service, the need to maintain documentation when using a non-contract carrier, and the benefits of using GetThere.

We will continue to remind employees about the rules regarding use of the most economical and advantageous modes of transportation and the benefits of using the online booking engine when making airline reservations. We will:

- Provide articles in our Quarterly and “Special” Travel Update communications.
- Conduct transportation policy training sessions via the web.
- Prepare training quizzes on air transportation policy via the web.
- E-mail employees booking agent-assisted airline reservations when they could have used GetThere.
- Issue Senior Staff memoranda on the use of the online booking engine and the mandatory use of the GSA City-Pair Contract Program, when deemed necessary.

We will always work to educate our employees in this area. Because it is an ongoing process, we consider this recommendation closed for tracking purposes.

Recommendation 2

“We recommend that SSA change its policies to allow employees to purchase airline tickets that save Agency funds if the employee is willing to assume responsibility for any cancellation fees.”

Response

We disagree. We do not need to change our policy. As we state in our technical comments that follow, there are times when non-refundable fares are economical, and we authorize their use.

Similarly, AIMS FMM 07.09.09.F provides that under certain conditions, employees may not be responsible for cancellation fees. Specifically:

- The authorizing official must determine the penalty was unavoidable and was incurred because of official necessity.
- The travel arrangements must have been made by the employee after being reasonably certain that he/she could meet all the requirements of the promotional or restricted fare.
- A determination must be made that the employee acted reasonably and prudently in attempting to obtain a refund or otherwise took steps to minimize the penalty.
- A cost comparison clearly substantiated that the penalty does not exceed what the reservations would have cost under a non-restricted coach fare.
- Written justification, including the above, must be provided to support the payment of the penalty fee.

[In addition to the information listed above, SSA provided technical comments which have been addressed, where appropriate, in this report.]

Appendix E

OIG Contacts and Staff Acknowledgments

OIG Contacts

Tim Nee, Director, New York Audit Division, (212) 264-5295

Christine Hauss, Audit Manager, (212) 264-5826

Acknowledgments

In addition to those named above:

Susan Yuen, Program Analyst, (212) 264-1338

Pat Kennedy, Lead IT Specialist

William Kearns, IT Specialist

For additional copies of this report, please visit our Website at
www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-02-09-29089.

DISTRIBUTION SCHEDULE

Commissioner of Social Security
Chairman and Ranking Member, Committee on Ways and Means
Chief of Staff, Committee on Ways and Means
Chairman and Ranking Minority Member, Subcommittee on Social Security
Majority and Minority Staff Director, Subcommittee on Social Security
Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives
Chairman and Ranking Minority Member, Committee on Oversight and Government Reform
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Committee on Finance
Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy
Chairman and Ranking Minority Member, Senate Special Committee on Aging
Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.