Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

THE OFFICE OF THE SECRETARY OF HEALTH AND HUMAN SERVICES DID NOT COMPLY WITH FEDERAL REGULATIONS FOR CHARTERED AIRCRAFT AND OTHER GOVERNMENT TRAVEL RELATED TO FORMER SECRETARY PRICE

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Inspector General

July 2018
A-12-17-00002

Office of Inspector General

https://oig.hhs.gov

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief

Date: July 2018
Report No. A-12-17-00002

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

Why OIG Did This Review

Federal Travel Regulations limit the circumstances in which chartered aircraft can be used for official Government business. The Office of Inspector General (OIG) conducted an audit of the use of chartered aircraft and other types of transportation for Federal travel by the former Department of Health and Human Services (HHS) Secretary Thomas E. Price during his tenure from February 10 through September 29, 2017. HHS's Office of the Secretary had the primary responsibility for decisions that determined the need for chartered aircraft.

Our objective was to determine whether former Secretary Price's use of chartered aircraft for Federal travel complied with applicable Federal regulations and HHS policies and procedures. We also reviewed his Federal travel using Military Aircraft (MilAir), commercial flights, and the Presidential fleet.

How OIG Did This Review

We reviewed former Secretary Price's Federal travel during his tenure at HHS. This included 21 trips totaling about $1.2 million using chartered aircraft, MilAir, commercial aircraft, and the Presidential fleet. We reviewed processes to authorize the use of and procure chartered aircraft services. We also reviewed travel authorizations and vouchers, travel receipts, flight manifests, and former Secretary Price's repayment of $59,390.

The Office of the Secretary of Health and Human Services Did Not Comply with Federal Regulations for Chartered Aircraft and Other Government Travel Related to Former Secretary Price

What OIG Found

Former Secretary Price's use of chartered aircraft, MilAir, and commercial aircraft did not always comply with applicable Federal regulations and HHS policies and procedures. As a result, the Office of the Secretary improperly used Federal funds related to former Secretary Price's Government travel. Of the 21 trips, we determined that for one trip all applicable Federal requirements had been followed. The remaining 20 trips did not comply with Federal requirements, including all 12 chartered aircraft trips. Examples of noncompliance related to use of chartered aircraft included not completing a cost comparison to commercial airline service, not adhering to contract requirements, and not properly authorizing the use of chartered aircraft. We also found specific instances of noncompliance related to the travel records for former Secretary Price and certain HHS travelers. Insufficient review of authorizations and vouchers and many employees' failure to complete required travel card training contributed to these instances of noncompliance. Overall, we determined that the use of chartered aircraft and identified noncompliance issues resulted in waste of Federal funds totaling at least $341,000.

What OIG Recommends

We recommend that the Office of the Secretary review the lack of compliance with Federal requirements, and based on the review, determine appropriate administrative actions to recoup (1) $333,014 related to the authorization and use of chartered aircraft; (2) $4,926 related to travel that started or ended in locations other than the official duty station; and (3) $2,960 related to other excess travel costs. We also make procedural recommendations to improve processes and internal controls related to the use of chartered aircraft and to ensure compliance with applicable Federal regulations and HHS policies and procedures.

In written comments on our draft report, HHS concurred with most of our recommendations and described actions that it has taken or planned to take to address them, such as implementing mandatory travel policy training to all non-career personnel and issuing new policy. HHS also asked us to clarify amounts used in our first monetary recommendation to estimate waste totaling $333,014. In response, we updated the recommendation to reflect the specific waste amounts.

The full report can be found at https://oig.hhs.gov/oas/reports/region12/121700002.asp.

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INTRODUCTION

WHY WE DID THIS REVIEW

Federal travel regulations limit the circumstances in which chartered aircraft[1] can be used for official Government business. The Office of Inspector General (OIG) conducted an audit of the use of chartered aircraft and other types of transportation for Federal travel[2] by the former Department of Health and Human Services (HHS or the Department) Secretary Thomas E. Price during his tenure from February 10 through September 29, 2017.

OBJECTIVE

The objective of this audit was to determine whether former Secretary Price's use of chartered aircraft for Federal travel complied with applicable Federal regulations and HHS policies and procedures. As part of this audit, we reviewed former Secretary Price's Federal travel using other-than-chartered aircraft, including Military Aircraft (MilAir), commercial flights, and the Presidential fleet[3] and other costs related to the Federal travel covered by this audit.

BACKGROUND

The mission of HHS is to enhance and protect the health and well-being of Americans by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services. During former Secretary Price's tenure at HHS, his administration identified three priorities for the Department—the opioid epidemic, childhood obesity, and mental health—and used Government aircraft[4] to help carry out these priorities. From February 10 through September 29, 2017, former Secretary Price took 21 trips[5] using either chartered aircraft, MilAir, commercial flights, Presidential fleet, or a combination thereof to speak at or attend events. On 12 of the 21 trips, charter aircraft were used, and for the remaining 9 trips, other modes of air travel, including Government aircraft, were used. According to Office of Management and Budget (OMB) Circular No. A-126,

[1] "Chartered aircraft" refers to an aircraft flight that has been reserved and arranged for the sole use of the Government for a specific trip.

[2] Federal travel is travel that was booked or contracted for through Federal systems and paid for using Federal funds.

[3] Aircraft that are equipped to transport the President or Vice President.

[4] "Government aircraft" refers to an aircraft that is operated for the exclusive use of an executive agency and is either a Federal aircraft owned by an executive agency or a commercial aircraft that an executive agency charters, rents, or hires as part of a full-service contract or inter-service support agreement (Federal Travel Regulation (FTR) 41 CFR § 300-3.1). Government aircraft includes chartered aircraft, MilAir, and the Presidential fleet. Government aircraft does not apply to commercial flights on which seats are available for purchase by the public.

[5] Generally, we defined a trip as any trip that started or ended in either Atlanta, GA, or Washington, DC. One contracted charter included a stop in DC for 1 night that we counted as two individual trips.

§ 7, *Improving the Management and Use of Government Aircraft,* Government aircraft use is only authorized for official purposes. OMB Circular No. A-126 defines official purposes as the operation of Government aircraft for (1) mission requirements; and (2) other official travel. "Mission requirements" means activities that constitute the discharge of an agency's official responsibilities but do not include official travel to give speeches, to attend conferences or meetings, or to make routine site visits.[6] When official travel is not mission required or required-use travel,[7] the use of Government aircraft for official travel is limited to those occasions when (1) no commercial airline or aircraft is reasonably available—for instance, does not meet the traveler's departure or arrival requirements within a 24-hour period to fulfill the agency's travel requirement; or (2) the actual cost of using a Government aircraft is less than the cost of using a commercial airline or aircraft.[8]

Within HHS, the Office of the Secretary is responsible for administering and overseeing the agency and its programs. The Office of the Secretary comprises 14 Staff Divisions; two of them—the Assistant Secretary for Administration (ASA) and Office of the General Counsel (OGC)—in coordination with the Immediate Office of the Secretary (IOS), had the primary responsibility for decisions that determined the need for chartered aircraft. These responsibilities included selecting events for former Secretary Price's schedule, creating a chartered aircraft justification memo, and authorizing the chartered aircraft use. In addition, HHS's Program Support Center (PSC) was used to procure the chartered aircraft services. Each of these offices' responsibilities are described below.

Immediate Office of the Secretary

The IOS is responsible for operations and coordination of the work of the Secretary, including preparing the Secretary's daily schedule. The IOS has a designated scheduling team comprising (1) staff from Scheduling and Advance,[9] (2) staff from the Chief of Staff for the Secretary, (3) staff from the Executive Secretariat, and (4) other senior officials that oversee human service and public health policies at HHS. Members of the scheduling team were generally

[6] OMB Circular No. A-126 §§ 5(b) and (c).

[7] Required use travel is when Government travel is required because of bona fide communications, security needs, or exceptional scheduling requirements. OMB Circular No. A-126 § 5(d).

[8] OMB Circular No. A-126 § 8(a).

[9] IOS's Scheduling and Advance suboffice had an individual or team precede former Secretary Price to all locations on the itinerary and make necessary travel arrangements in advance of his arrival.

noncareer appointees.[10] The scheduling team reviewed requests from the general public, requests for press interviews and speaking engagements, and other internal or external requests seeking former Secretary Price's participation. Upon collective agreement within the scheduling team and consultation with former Secretary Price, the Scheduling and Advance staff prepared former Secretary Price's schedule for speaking engagements and events. In addition, the Scheduling and Advance staff would make the determination as to whether and when chartered aircraft or another type of aircraft was required to transport former Secretary Price and his team to scheduled events. As part of this determination, the Scheduling and Advance staff would notify the ASA if there was a need for chartered aircraft.

Assistant Secretary for Administration

The ASA provides leadership for HHS departmental administration in several areas, including human resources policy, equal employment opportunity, diversity, facilities management, information technology, and the Department's service operations. Based on input from the Scheduling and Advance staff, ASA prepares a memo containing the justification for the chartered aircraft, gives the memo to the ASA Assistant Secretary for signature, and then forwards the signed memo to the OGC to authorize the use of chartered aircraft.

Office of the General Counsel

The OGC supports the development and implementation of the Department's programs by providing legal services to the Secretary of HHS and the Department's various agencies and divisions. OGC responsibilities also include authorizing the use of chartered aircraft.[11] During former Secretary Price's tenure, the Deputy General Counsel was the official designated to authorize the use of chartered aircraft. The Deputy General Counsel reviewed the ASA Assistant Secretary's signed memo, conducted any followup, and signed the memo authorizing the use of chartered aircraft if appropriate. This, in effect, created a dual-signature memo from the ASA Assistant Secretary and the OGC Deputy General Counsel authorizing former Secretary Price to use chartered aircraft. OGC then forwarded the dual-signature memo to ASA for its records. After OGC authorized the use of chartered aircraft, ASA and HHS's PSC would begin the process to contract for a chartered aircraft.[12]

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[10] Noncareer appointees may be appointed to any Senior Executive Service General position. There is no requirement for competitive staffing, but the agency head must certify that the appointee meets the qualification requirements for the position. Any noncareer appointee may be removed by the appointing authority at any time; individuals removed from a noncareer appointment do not have any appeal rights. See the Office of Personnel Management, *Temporary Transition Schedule C Authority and Temporary Transition Senior Executive Service Appointing Authorities* (January 9, 2017), available online at https://chcoc.gov/content/temporary-transition-schedule-c-authority-and-temporary-transition-senior-executive-service. Accessed on April 30, 2018.

[11] An agency's senior legal official or his or her principal deputy must authorize the use of chartered aircraft on a trip-by-trip basis in advance and in writing (FTR § 301-10.262).

[12] Periodically, the ASA contacted PSC to solicit bids at the same time that the justification memo was sent to OGC.

In addition, OGC's Ethics Division was responsible for reviewing the events and speaking engagements that the scheduling team had tentatively selected for former Secretary Price to identify potential or actual conflicts of interest. Officials from the Ethics Division had weekly meetings with the Scheduling and Advance staff to discuss potential events and speaking engagements for former Secretary Price. Prior to the meetings, Ethics personnel provided the Scheduling and Advance staff a checklist to populate pertinent event information (referred to as the "B" Checklist). During these meetings, the Ethics Division reviewed each event topic on the "B" Checklist; determined whether the event aligned with HHS's mission; assessed whether the event was or could be construed as a political event;[13] and determined, using the information available, whether there were any existing or potential conflicts of interest that would prevent former Secretary Price from attending an event. The Ethics Division would advise the Scheduling and Advance staff of any areas that might be problematic with attending each event.

Program Support Center

The PSC is a component of ASA that provides comprehensive acquisition management services to HHS and other Federal agencies. These services include acquisition planning; soliciting and assessing offers; and negotiating, awarding, administering, and closing Government contracts. PSC contracting officers must ensure that all legal requirements have been met when awarding contracts.[14] To procure chartered aircraft services for HHS, the PSC used the list of chartered aircraft services vendors approved by the General Services Administration (GSA) to solicit bids for requested charter services.[15] Incoming bids from chartered aircraft vendors were shared with the ASA, which made a contract award recommendation to the contracting officer.

Federal Requirements

The FTR is the primary regulation applicable to all Federal civilian employees and others authorized to travel at Government expense (41 CFR chapters 300 through 304). The FTR specifies authorized modes of travel (including chartered aircraft, MilAir, and the Presidential fleet) for all Government employees and that travel should be completed using the method most advantageous to the Government.[16] The FTR implements statutory requirements and

[13] FTR states for political travel on Government aircraft (i.e., for any trip or part of a trip during which travelers engage in political activities), the Government must be reimbursed the excess cost had the trip not included political activities. It also notes that except for required-use travel, any use of Government aircraft for personal or political activities will not cause an increase in the actual costs to the Government of operating the aircraft (§ 301-10.264). Required-use travel is travel for which Government aircraft must be used for bona fide communications or security reasons or because of exceptional scheduling requirements.

[14] The Federal Acquisition Regulation (FAR) lists the authority and responsibilities of contracting officers (48 CFR § 1.602).

[15] Available online at https://www.gsaadvantage.gov/advantage/s/search.do?q=1:4ELIB.SRV.593.832.834*&db=1. Accessed on April 16, 2018.

[16] FTR § 301-10.4.

Executive Branch policies used for travel, including the OMB Circular No. A-126, which further clarifies Government-wide guidance with respect to the use of Government aircraft to restrict the use to defined official purposes, requires special review of such travel by senior officials or non-Federal travelers, and codifies reimbursement policies for the use of Government aircraft. The *HHS Travel Policy Manual* provides supplemental policy and guidance on key provisions of the FTR and should be followed by HHS employees, invited travelers, consultants, and others authorized to travel on behalf of the Department. In addition, the *HHS Travel Policy Manual* focuses on the financial management policies pertaining to travel, as governed by the FTR.

Memorandum M-17-32[17] reiterates policies that Government-owned, -rented, -leased, or -chartered aircraft should not be used for travel by Government employees, except with specific justification.[18] This memorandum emphasizes the responsibility of agencies to manage taxpayer money wisely, stating "all travel on Government-owned, rented, leased, or chartered aircraft, except space-available travel and travel to meet mission requirements . . . shall require prior approval from the White House Chief of Staff." The memorandum states that further guidance will be forthcoming, but as of the end of our fieldwork, it had not been released.

HOW WE CONDUCTED THIS REVIEW

We reviewed former Secretary Price's use of chartered aircraft and other Federal travel during our audit period, February 10 through September 29, 2017. Specifically, we reviewed the travel costs related to 21 trips taken by former Secretary Price that totaled about $1.2 million. See Table 1 on the next page for a breakdown of the total trips and travel costs by mode of transportation used. The 21 trips comprised 61 legs[19] using chartered aircraft, MilAir, commercial aircraft, and the Presidential fleet.[20] For each of the 21 trips, we reviewed HHS travelers' authorizations and vouchers, any related travel receipts provided, and the flight manifests. In addition, we conducted interviews with more than 20 individuals, including senior officials in the Office of the Secretary with responsibilities for travel arrangements and authorizations, representatives from the 2 chartered aircraft companies, and GSA officials. However, we did not interview individual HHS travelers, including former Secretary Price, regarding their travel authorizations and vouchers.[21] We also reviewed HHS travelers' and

[17] Available online at https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/m-17-32.pdf. Accessed on April 16, 2018.

[18] Executive Office of the President, "Travel on Government-Owned, Rented, Leased, or Chartered Aircraft," Sept. 29, 2017.

[19] A leg is a segment of a flight involving a stopover, change of aircraft, or change of airline.

[20] The 21 trips included 3 trips that used a combination of MilAir, chartered aircraft, commercial aircraft, and the Presidential fleet. We factored this into the count of 21 trips to avoid any double counting.

[21] The primary purpose for our review of HHS travelers' authorizations and vouchers was to obtain costs associated with each of the 21 trips.

approvers' training records to determine whether they had completed the required travel training courses.

Table 1: Total Trips and Costs Associated With Federal Travel Reviewed February 10 Through September 29, 2017

Travel by Aircraft Type	Number of Trips	Airfare Cost
Chartered	12	$481,765
MilAir*	3	700,850
Commercial†	4	2,430
Presidential Fleet‡	2	0
Total	**21**	**$1,185,045**
* Former Secretary Price's travel included four MilAir flights consisting of two international and two domestic trips. The White House designated one international flight as reimbursable by HHS at a cost of $432,419. The other three MilAir flights were designated as non-reimbursable, and OIG estimated the lowest cost of these flights.		
† This value represents the cost of commercial flights for former Secretary Price and his personal assistant only because the Office of the Secretary could not produce records identifying all HHS employees on commercial trips, as required.		
‡ The Office of the Secretary did not have documentation related to the cost of the Presidential fleet, so we could not determine the cost.		

The Office of the Secretary awarded 11 contracts to 2 different GSA-approved vendors totaling $481,765 to procure chartered aircraft services for 12 separate trips related to former Secretary Price. We reviewed the 11 contracts and related documentation maintained in the contract files. We also performed a cost comparison analysis for each of the 12 chartered aircraft trips to determine whether the cost of using the chartered aircraft was the method most advantageous to the Government. In addition, we reviewed the reimbursable agreement[22] between HHS and the White House for the use of MilAir related to one of these trips.

When reviewing former Secretary Price's use of chartered aircraft, MilAir, and commercial aircraft, we determined whether specific costs were wasteful. In making this assessment, we adopted substantially the same definition of waste used by other Offices of Inspector General.[23] For purposes of this audit, we consider the definition of waste to be the extravagant, careless,

[22] Only one of the four MilAir flights was designated as reimbursable by the Department of Defense Executive Secretariat. The process to request MilAir is available online at http://execsec.defense.gov/Programs/MILAIR-Request-Process/. Accessed April 16, 2018.

[23] According to information on their respective websites, these offices include the Offices of Inspector General for the Air Force, Department of Defense, Environmental Protection Agency, GSA, Department of the Interior, Department of State, and United States Postal Service.

or needless expenditure of Government funds or the consumption of Government property that results from deficient practices, systems, controls, or decisions.

We also reviewed former Secretary Price's $59,390 repayment to the Government for his use of chartered aircraft. This amount consists of $51,887[24] for former Secretary Price's travel and $7,503 for his wife's travel on both the Asia and the Europe and Liberia trips covered later in this report (calculated by determining the cost of a coach fare ticket for the same flights).

We did not review the overall internal control structure of the Office of the Secretary. Rather, we limited our review to understanding the process and controls in place at the Office of the Secretary related to the use of chartered aircraft, MilAir, and commercial aircraft.

We conducted this performance 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

See Appendix A for the details of our scope and methodology. See Appendix B for details of the 21 trips related to former Secretary Price's travel. See Appendix C for a summary of Federal requirements referred to in this report.

FINDINGS

Former Secretary Price's use of chartered aircraft, MilAir, and commercial aircraft did not always comply with applicable Federal regulations and HHS policies and procedures. As a result, the Office of the Secretary improperly used Federal funds related to former Secretary Price's Government travel. Of the 21 trips related to former Secretary Price's travel, we determined that for one trip all applicable Federal requirements had been followed. The remaining 20 trips did not comply with Federal requirements, including all 12 chartered aircraft trips. Specifically, we found instances of noncompliance related to some of the travel authorizations and travel vouchers for former Secretary Price and certain HHS travelers accompanying him on the trips. In addition, we noted that the amount repaid by former Secretary Price did not include the cost of his wife's seat on one chartered flight. Overall, we determined that the use of chartered aircraft and identified noncompliance issues resulted in waste of Federal funds totaling at least $341,000.

[24] The Office of the Secretary provided former Secretary Price's repayment amount, which it calculated by dividing the total flight cost by the number of passengers for each chartered flight.

THE USE OF CHARTERED AIRCRAFT AND OTHER FEDERAL TRAVEL BY FORMER SECRETARY PRICE DID NOT ALWAYS COMPLY WITH FEDERAL REGULATIONS AND HHS POLICIES AND PROCEDURES

FTR § 301-10.4 states that an agency must select the method most advantageous to the Government, when cost and other factors are considered. The FTR § 301-10.5 continues by outlining the order of precedence for choosing the method of transportation for a Government traveler as common carrier, Government automobile, rental car, and privately owned vehicle.

FTR § 301-10.261 contains many requirements for using a Government aircraft, which includes chartered aircraft, for official travel. It states that this is allowed only when "[n]o scheduled commercial airline service is reasonably available (i.e., able to meet your departure and/or arrival requirements within a 24-hour period, unless you demonstrate that extraordinary circumstances require a shorter period) to fulfill your agency's travel requirement" It also states, "the cost of of non-productive or lost work time while in travel status and certain other costs should be considered when comparing the cost of using a Government aircraft in lieu of scheduled commercial airline service." It further states that Government aircraft may be used "for required-use travel only when you are required to use Government aircraft for bona fide communications (e.g., 24-hour secure communications) or security reasons (e.g., highly unusual circumstances that present a clear and present danger) or exceptional scheduling requirements (e.g., a national emergency or other compelling operational considerations)."

OMB Circular No. A-126 paragraph 5b defines mission requirements as not including official travel to give speeches, attend conferences or meetings, or make routine site visits. Section 4 of OMB Circular No. A-126 further states that this does not apply to aircraft while in use by or in support of the President or Vice President.

The Office of the Secretary procured chartered aircraft for 12 trips on which former Secretary Price conducted official Government travel to attend various speaking engagements and events. According to OMB Circular No. A-126 and considering solely the purpose of each trip, chartered aircraft should not have been authorized. See Appendix B for a summary of all trips. We found several noncompliance issues related to the use of chartered aircraft, as shown in Table 2 on the next page.

Table 2: 12 Chartered Aircraft Trips With Noncompliance Issues
February 10 Through September 29, 2017

Trip Location(s) Travel Date(s)	No Cost Comparison Analysis Completed	Quote Selection Rationale Inadequate	Approval/ Authorization Completed During or After Trip	Travel To/From Other Than Official Duty Station	Authorization/ Voucher Not Completed Within the Required Time
Wilmington, OH 4/26	✔	✔	✔		✔
Lansing, MI; Charleston, WV* 5/9	✔		✔		✔
Augusta, ME; Concord, NH* 5/10	✔		✔		
Nashville, TN 6/6	✔	✔			✔
San Diego, CA; Aspen, CO; Salt Lake City, UT 6/24–6/26	✔				✔
Chattanooga, TN* 7/6	✔			✔	✔
Colorado Springs, CO; Quincy, IL; Raleigh, NC; Brunswick, GA 8/1–8/4	✔		✔	✔	✔
Morristown, NJ 8/8	✔				✔
Seattle, WA† 8/25	✔	✔	✔		✔
Augusta, ME; Portsmouth, NH 9/13–9/14	✔				✔
Philadelphia, PA* 9/15	✔		‡		✔
Marathon & Miami FL; Stillwater & Tahlequah, OK 9/18–9/21	✔		‡	✔	✔

* White House staff accompanied HHS personnel on chartered aircraft.

† MilAir flight from Asia ended in Seattle and HHS personnel used a chartered aircraft to fly from Seattle to DC.

‡ OIG could not determine because OGC's approval signature was not dated.

Office of the Secretary Did Not Complete a Cost Comparison When Using Chartered Aircraft

The FTR specifies that a Government employee may generally "travel on Government aircraft only when a Government aircraft is the most cost-effective mode of travel."[25]

OMB Circular No. A-126 states that the cost comparison supporting the use of a Government aircraft for a proposed trip should be made when the agency is justifying the travel, to show that the cost of the Government aircraft travel is less than using a commercial airline. OMB Circular No. A-126 does not require a cost comparison worksheet for required-use travel or when Government aircraft travel is justified because no commercial airline flight is reasonably available.[26] However, *HHS Travel Policy Manual* 11.3.1.4 states that the justification must include a cost analysis.

For each of the 12 chartered aircraft trips, the Office of the Secretary did not compare the cost of using chartered aircraft to the cost of commercial travel.

To determine whether the cost of using the chartered aircraft was the method most advantageous to the Government, we compared the contracted Government rates to the amount the Office of the Secretary paid for the chartered aircraft. See Table 3 on the next page for this analysis. In no instance was the cost of the chartered aircraft less than the cost of the commercial aircraft. Taking into account former Secretary Price's repayment of $51,887, the cost of using chartered aircraft exceeded the cost of the commercial aircraft by $333,014. We determined this cost difference was extravagant, careless, or needless and thus considered it waste.

[25] 41 CFR § 301-10.260.

[26] OMB Circular No. A-126 § 8(a)(ii); Appendix 1, "Justify Use of Aircraft."

Table 3: OIG Cost Comparison of Chartered Aircraft and Commercial Aircraft February 10 Through September 29, 2017

Trip Location(s) Travel Date(s)	Chartered Aircraft Cost	Average Commercial Cost*	Repayment From Former Secretary Price	Waste (Cost Difference)
Wilmington, OH 4/26	$14,120	$3,682	$2,017	$8,421
Lansing, MI; Charleston, WV† 5/9	44,531	20,162	4,048	20,322‡
Waterville, ME; Concord, NH† 5/10				
Nashville, TN 6/6	17,760	3,045	2,537	12,178
San Diego, CA; Aspen, CO; Salt Lake City, UT 6/24–6/26	50,420	6,904	7,203	36,313
Chattanooga, TN§ 7/6	14,570	4,130	0	10,440
Colorado Springs, CO; Quincy, IL; Raleigh, NC; Brunswick, GA 8/1-8/4	87,435	6,566	8,744	72,126‡
Morristown, NJ 8/8	21,824	4,319	3,118	14,387
Seattle, WA 8/25	121,500	2,490	12,150	106,860
Augusta, ME; Portsmouth, NH 9/13–9/14	39,900	10,405	4,433	25,062
Philadelphia, PA 9/15	14,955	3,594	1,360	10,001
Marathon & Miami, FL; Stillwater & Tahlequah, OK 9/18–9/21	29,770**	6,588	6,278	16,904
Total	**$456,785**	**$71,885**	**$51,887**	**$333,014‡**

* While we are unable to retroactively determine the exact rates that would have been available for the commercial flights, contracted rates are based on unrestricted coach and capacity-controlled rates. To determine the average commercial cost, the high and low Government contracted rates were averaged and multiplied by the number of passengers on each trip.

† Costs are included in the same contract.

‡ The amounts do not add because of rounding.

§ Former Secretary Price was not on the chartered aircraft.

** We determined that the Florida portion of this chartered aircraft trip was for an emergency response to the hurricane aftermath and would be considered "required use" according to the FTR § 300-3.1. Therefore, we calculated and included only the cost for the Oklahoma portion of the trip.

Examples of wasteful spending related to the use of chartered aircraft are discussed below.

June 6 Chartered Aircraft Trip

For the chartered trip on June 6 to Nashville, TN, former Secretary Price traveled by chartered aircraft for a 1-hour morning tour of the Dispensary of Hope and a half-hour speaking engagement in the afternoon at the Healthy Tennessee Summit First Amendment Center. The justification for using chartered aircraft was the possibility of a meeting at the White House on the morning of the scheduled Nashville events. On June 4, the Office of the Secretary confirmed there would be no White House event the morning of June 6. Rather than cancelling the scheduled chartered flight, the Office of the Secretary chose to continue with the chartered flight at a cost of $17,760. While we are unable to retroactively determine the availability of seats on commercial flights, we identified two non-stop flights that would have enabled former Secretary Price to arrive well in advance of his scheduled 11:30 a.m. tour and leave on a flight that evening after the event.

June 24–26 Chartered Aircraft Trip

For the trip that began on June 24 to San Diego, CA, and continued to Aspen, CO, former Secretary Price traveled by chartered aircraft in the morning for a half-hour speaking engagement at the California Association of Physicians Group conference. That evening, he flew from San Diego to Aspen. The following morning, June 25, former Secretary Price was scheduled for a half-hour meeting, followed by a half-hour speaking engagement, at the Aspen Ideas Festival. The following day, June 26, former Secretary Price spoke at an event scheduled for 2 hours at the Colonial Flag store near Salt Lake City, UT, as part of the listening tour for health care reform related to the Affordable Care Act. We determined that the trip itinerary provided sufficient time in the schedule for the Office of the Secretary to use commercial flight options for this trip. While we are unable to retroactively determine the availability of seats on commercial flights, we identified one or more commercial flights that would have enabled former Secretary Price to attend his scheduled events. For the 3.5 hours of official engagements, the Government spent $50,420 for the use of a chartered aircraft, when other options, including commercial travel, would have accommodated his schedule.[27]

September 15 Chartered Aircraft Trip

For the trip on September 15 to Philadelphia, PA, former Secretary Price traveled by chartered aircraft to an event in the Philadelphia area scheduled from 9:30 a.m. to 11:30 a.m., which was followed by a meeting with the Vice President at 2 p.m. The events in the Philadelphia area included (1) an opioid roundtable, (2) a press conference, (3) a facility tour of an addiction

[27] While we recognize the duration of events is not among the factors that the FTR requires to be considered when choosing a mode of travel, we determined that $50,420 spent for the 3.5 hours of official engagements meets our waste definition of an extragavant, careless, or needless expenditure. When taking into account the average commercial cost of $6,904 and former Secretary Price's repayment of $7,203, the total amount of identified waste totaled $36,313 as shown in Table 3 of this report.

treatment center, and (4) an employee "town hall" with the treatment center's staff. We determined that while the schedule prepared did not provide sufficient time for alternate means of transportation, the scheduling team could have rearranged the morning events to finish slightly earlier. This would have enabled former Secretary Price to use alternate means of transportation, including either commercial rail or vehicles, and still attend his afternoon meeting. For example, we found several train departure times that would have enabled former Secretary Price to arrive in time for his scheduled afternoon meeting. However, the Office of the Secretary opted to charter an aircraft at a cost of $14,955.

Effects of Not Completing a Cost Comparison

Chartered aircraft were often used because the Office of the Secretary's scheduling team did not consider the mode of transportation when selecting events for former Secretary Price to attend. Once event selection was completed and finalized, transportation options were considered. Often the event schedule allowed little opportunity for the use of commercial flights or other options. Without making the mode of transportation a primary consideration during the scheduling process, the team limited the available transportation options that were most advantageous to the Government and that would enable former Secretary Price to arrive at scheduled events on time.

Without Justification, the Office of the Secretary Did Not Always Select the Lowest Quote and Once Used a Sole-Source Contract When Contracting for Chartered Aircraft

The FAR outlines the evaluation factors and significant subfactors to be considered once bids are received from contractors. Price or cost to the Government must be evaluated in every source selection (FAR § 15.304(c)(1)).

FAR § 15.1 describes some of the acquisition processes and techniques that may be used, including the best value continuum and tradeoff process. FAR § 15.101 states the agency can obtain the best value and "in different types of acquisitions, the relative importance of cost or price may vary." FAR § 15.101-1 describes the tradeoff process as a technique for evaluating "when it may be in the best interest of the Government to consider an award to other than the lowest priced offeror or other than the highest technically rated offeror." When the lowest priced offeror is not selected, the rationale for tradeoffs must be documented in the file.

FAR § 15.406 outlines the documentation requirements for contract pricing including (1) pre-negotiation objectives, (2) a certificate for current cost or pricing data, and (3) documenting the negotiation.

The Office of the Secretary awarded 11 contracts for the use of chartered aircraft for 12 trips at a cost of $481,765. The Office of the Secretary submitted request for quotes (RFQs)[28] to six

[28] An RFQ is a contracting process that asks companies to submit a bid or quote for providing a service—in this case, providing requested travel on chartered aircraft. An RFQ is also commonly referred to as a request for proposal.

GSA-approved companies[29] and awarded contracts to two of those companies. For 3 of the 11 contracts, the Office of the Secretary did not select the lowest quote, nor was a justification written during the contracting process stating why the lowest bid was not chosen. Table 4 identifies the three chartered aircraft trips for which the Office of the Secretary did not select the lowest quote.

Table 4: Chartered Trips for Which The Lowest Quote Was Not Selected February 10 Through September 29, 2017

Trip Date	Location	Lowest Quote	Quote Selected	Difference
8/25	Seattle, WA, to Washington, DC (one way)	$75,829	$121,500	$45,671
6/6	Washington, DC, to Nashville, TN (roundtrip)	10,980	17,760	6,780
4/26	Washington, DC, to Wilmington, OH (roundtrip)	12,425	14,120	1,695
			Total	**$54,146**

In addition, for one of the three contracts, the Office of the Secretary used a sole-source contract to procure chartered aircraft services. The contract included Federal travel from Seattle to DC; however, HHS did not have documentation justifying the use of a sole source, as required.[30] Although we were unable to calculate the cost of not competing the sole-source contract, the Office of the Secretary did not select the lower of two quotes received from the same company, at an additional cost of $45,671. This was the Office of the Secretary's most expensive contract for chartered aircraft, at a cost of $121,500 for a one-way flight, and comprised approximately 25 percent of all costs for the 12 chartered aircraft trips.

Further, from the documentation the Office of the Secretary provided, we found no evidence that it considered commercial aircraft as an option for the flight from Seattle to DC. HHS contracted for this one-way flight to return former Secretary Price to DC when he returned from the Asia trip 1 day early because of an impending hurricane in Texas. We identified two direct flights from Seattle to DC that arrived before and after the charter aircraft's arrival and

[29] Generally, the Office of the Secretary submitted RFQs to all six GSA-approved companies; however, for 3 RFQs the email used a "blind carbon copy" making it impossible to determine the number of companies to which the RFQ was submitted.

[30] It is unclear which circumstance permitting other than full and open competition applied to HHS's justification to use a sole-source contract within FAR § 6.302. FAR § 6.303-1 outlines the requirements that must be met to use the sole-source contracting option. It states that a contracting officer must not commence negotiations for a sole-source contract, commence negotiations for a contract resulting from an unsolicited proposal, or award any other contract without providing for full and open competition unless the contracting officer (1) justifies, as required in 6.302, the use of such actions in writing; (2) certifies the accuracy and completeness of the justification; and (3) obtains the approval required.

would have afforded former Secretary Price the time needed to prepare for his scheduled 10:30 a.m. teleconference with the President on August 26, 2017. Specifically, the chartered aircraft arrived at Dulles International Airport at 12:14 a.m. on August 26, 2017. The non-stop commercial flights would have arrived at Dulles International either at 11:38 p.m. on August 25, 2017, or at 6:19 a.m. on August 26, 2017. Although former Secretary Price repaid the Government for his seat on 11 of the 12 chartered aircraft trips, he did not repay the Government for his wife's seat on this flight, for which we estimated the cost at $716.[31] Initially, the Office of the Secretary told us that the lowest quotes for chartered aircraft were "not selected because it was not deemed to be an efficient safe option for the mission." However, for these three trips we found that at least one lower bid met HHS's requirements included in the RFQ. In addition, one quote submitted for a specific model of plane was rejected by the Office of the Secretary as not being a suitable aircraft for the Seattle to DC flight but that same model of plane had been used by former Secretary Price on a previous HHS chartered aircraft flight.

The Office of the Secretary provided additional information on the three quotes that were not selected; however, we determined that none of the additional information was sufficient to justify not selecting the lowest quote. For the Seattle to DC flight contract, the Office of the Secretary added there were concerns around the weather that could affect the plane and concerns on size and luggage storage because of plane configuration. We compared the specifications for the two planes submitted in the quotes and did not identify any significant differences in performance capability, size of luggage storage, or configuration between the two planes. The Office of the Secretary also provided additional information for the DC to Nashville contract stating, "Quote was received after due date and time for quotes. Late quotes are not considered in Government contracting." However, we determined that only a time and not a date was included in the RFQ. In addition, the contractor submitted the lower bid 4 days before the contract was selected. Lastly, on the DC to Wilmington, OH, contract, the Office of the Secretary added that the plane listed on the lower quote did not adequately seat eight passengers. However, from our review, we determined the plane could sufficiently seat seven passengers, which was the number of passengers on the actual trip. As a result, we determined the plane listed on the lower quote was sufficient.

While the FAR states that source selection is within the broad discretion of agency acquisition officials, it also states that price or cost to the Government shall be evaluated in every source selection (FAR § 15.304(c)(1)). Additionally, when using the sole-source contracting option, the contracting officer must ensure the sole-source justification is in writing, must certify the accuracy and completeness of the justification, and must obtain the proper approval (FAR § 6.303-1). For the sole-source contract related to the chartered aircraft, the contracting officer's certification would have served as approval because the contract amount did not

[31] While we are unable to retroactively determine the exact airfare that would have been available for the commercial flight, we searched a travel website for the cost of a non-stop commercial coach airfare for a one-way flight from Seattle to DC.

exceed $700,000. According to the contracting officer, he requested a justification from the Office of the Secretary, but none was ever provided.

The Office of the Secretary did not select the lowest quotes on three occasions and did not demonstrate its rationale for its selections. As a result, the Office of the Secretary paid an additional $54,146 in chartered aircraft contract costs that represented an extragavent, careless, or needless expenditure of Government funds and thus is waste. This amount is already included in the chartered aircraft total of $333,014 that we considered waste, which we discussed earlier in the report.

Office of the Secretary Did Not Properly Authorize the Use of Chartered Aircraft

FTR § 301-10.262 states that for travel by senior Federal officials, the agency's senior legal official or his or her principal deputy must authorize all travel on Government aircraft by senior Federal officials on a trip-by-trip basis. According to FTR § 301-70.803(a), this is also true of required-use travel unless the President has determined that all of an agency head's travel requires the use of Government aircraft. The requirement for advance written authorization by the senior legal official is waived only in emergency situations and, even in those cases, a verbal authorization must be given before the trip and be followed by written authorization.

For 5 of the 12 chartered aircraft trips, the senior legal official authorized the use of chartered aircraft only during the trip or after the trip occurred. For three of the five chartered aircraft trips, the OGC acknowledged that its authorization had not been documented before each trip occurred. However, during our audit (in October 2017), the OGC provided charter authorizations for each of the three trips stating that "given the circumstances presented they would have approved the charter flight at the time of the trip." For the remaining two trips, OGC authorized the use of chartered aircraft during the trip. Further, we found that two different charter trips had an OGC-signed charter authoriziation, but these authorizations were undated.

We also noted that the Office of the Secretary generally used standard language for each chartered aircraft trip authorization[32] that frequently included assertions such as "government contract flights cannot be procured that enable sufficient protection of the Secretary" or that "no commercial flights" between locations were available. However, the Office of the Secretary provided no documentation to support these assertions for the use of chartered aircraft. While

[32] The chartered aircraft trip authorization language is aligned with one or more of the following authorized uses in the FTR. FTR § 301-10.261 outlines three authorized uses for Government aircraft (which includes chartered aircraft): (1) no scheduled commercial airline service is reasonably available (i.e., able to meet your departure and/or arrival requirements within a 24-hour period, unless it is demonstrated that extraordinary circumstances require a shorter period) to fulfill the agency's travel requirement; (2) Government aircraft is needed for bona fide communications (e.g., 24-hour secure communications) or security reasons (e.g., highly unusual circumstances that present a clear and present danger); or (3) exceptional scheduling requirements (e.g., a national emergency or other compelling operational consideration). FTR § 301-10.261(a)(2) also authorizes the use of a Government aircraft when it is the cheapest alternative.

we noted that when former Secretary Price first began using chartered aircraft, the Office of the Secretary had email communications indicating it had looked at the availability of commercial flights, there was no underlying documentation (such as screenshots from the airline companies' webpages) that listed days and times of available commercial flights. For chartered aircraft flights taken later in the year, the Office of the Secretary provided no evidence to demonstrate that it considered the availability of commercial flights.

Similarly, we found no evidence that the Office of the Secretary had consulted with our OIG's Protective Operations Branch (which provides security for the Secretary of HHS) before each chartered trip to determine whether security of former Secretary Price would be negatively affected had commercial flights been used. OIG officials that oversee the Protective Operations Branch told us that the Scheduling and Advance staff did not consult their office on security matters when arranging travel for former Secretary Price nor consult them when each charter authorization was prepared.

We also found inconsistencies with the standard language used for each chartered aircraft trip authorization when compared to the actual travel arrangements for former Secretary Price. For example, the authorization that was completed for the July 6 trip to Chattanooga stated: "government contract flights cannot be procured that enable sufficient protection of the secretary; specifically, it is not possible to guarantee that seating will be assigned on government contract-provided commercial air transportation in a manner that allows the security detail to be within sufficient proximity to the secretary putting him at risk."

However, this language did not reflect the actual mode of transportation for former Secretary Price. For this chartered aircraft trip, former Secretary Price was not on the aircraft[33] flight either traveling to Chattanooga or on the return flight to DC. Instead, on the morning of the event, former Secretary Price was driven by the Protective Operations Branch from his home in Georgia to the event in Chattanooga.

The OIG officials stated that protection for former Secretary Price was provided regardless of the mode of travel and that commercial airlines generally work with the security personnel to provide the necessary security, including moving seating assignments when possible.

On the basis of the deficiencies we identified, we concluded that the Office of the Secretary did not adequately evaluate each authorization on a trip-by-trip basis and thus did not ensure chartered aircraft was the most advantageous mode of transportation for the Government.

[33] However, one senior HHS Federal traveler was on the chartered aircraft flight, as required by the FTR, and members of the White House staff.

Former Secretary Price Traveled From and Returned to Locations Other Than His Official Duty Station

HHS Travel Policy Manual 3.1.1 states a travel authorization is the official authorization to travel to a temporary duty station (TDY). Travel should be from the official station to the TDY location or from one TDY location to another.

For six trips, former Secretary Price either started or ended his Federal travel in his home State of Georgia, which he traveled to by chartered aircraft more than any other State, even though his official duty station was DC. For three trips, former Secretary Price used commercial air to return to his home State and did not incur additional charges to the Government. For another three trips, former Secretary Price used chartered aircraft or a Government automobile to travel to or from locations other than his official duty station. See Table 5 for these three trips.

Table 5: Traveled From and Returned to Locations Other Than Official Duty Station February 10 Through September 29, 2017

Trip Date	Start Location	End Location
7/6	Atlanta, GA	Chattanooga, TN
8/1	Raleigh, NC	Brunswick, GA
9/18	Atlanta, GA	Marathon, FL

These three chartered aircraft trips resulted in additional unnecessary Federal expenditures that could have been avoided had the trips begun or ended at former Secretary Price's official duty station. Details of these three trips are discussed below.

July 6 Chartered Aircraft Trip

Former Secretary Price was not on the July 6 chartered aircraft flight from DC to Chattanooga. On the flight was one senior HHS official, as required, [34] and White House officials. Former Secretary Price traveled by car from his home in Atlanta to Chattanooga. In addition, the day before the July 6 trip, a meeting was scheduled between former Secretary Price and one of his

[34] Although former Secretary Price was not on the chartered aircraft, the Office of the Secretary determined that one of the HHS travelers on the aircraft met the FTR definition required for chartered aircraft use. The FTR § 300-3.1 defines a senior Federal official as:

> An individual who is paid according to the Executive Schedule established by 5 U.S.C. 53, Subchapter II, including Presidential appointees who are confirmed by the Senate; employed in the U.S. Government's Senior Executive Service or an equivalent "senior" service; who is a civilian employee of the Executive Office of the President; who is appointed by the President to a position under section 105(a)(2)(A), (B), or (C) of title 3 U.S.C. or by the Vice President to a position under section 106(a)(1)(A), (B), or (C) of title 3 U.S.C; or who is a contractor working under a contract with an executive agency, is paid at a rate equal to or more than the minimum rate for the Senior Executive Service, and has senior executive responsibilities.

staff. Because former Secretary Price was already in Atlanta on July 5, the staff person traveled by commercial air from DC to Atlanta.[35] This same staff person rented a car in Atlanta and drove separately to meet former Secretary Price in Chattanooga to participate in a July 6 opioid roundtable discussion and press conference at an alcohol and drug treatment facility.

For the July 5 portion of the trip, the staff person incurred commercial flight and per diem costs totaling $679 and rental car costs totaling $205. Had the staff person flown from DC to Chattanooga on the chartered aircraft, rented a car from the airport, and driven to the July 6 event, the estimated car rental costs for an economy car using the same vendor would have been about $66, or $139 less than what the Government actually paid. We determined that the Federal Government incurred $818 in travel costs ($679 + $139) that could have been avoided had former Secretary Price met with the staff person in DC on July 5.

August 1 Chartered Aircraft Trip

For the August 1 trip, the Office of the Secretary chartered an aircraft from August 1 through 4 so former Secretary Price could participate in discussions and site visits of health care facilities, the U.S. Olympic Training Center, and the Phoenix Multisport Gym, all in Colorado Springs, CO, and the Sequirus vaccine production facility in Raleigh, NC. Former Secretary Price's official duties ended in Raleigh. Instead of returning to his duty station in DC, the final leg of the flight on August 4 went from Raleigh to Brunswick, GA, so that former Secretary Price could speak at and mentor students at the Georgia Physicians Leadership Academy over the weekend. According to email communication between the OGC's Ethics Division and the event sponsor, former Secretary Price was not being requested to attend the event in an official capacity on behalf of HHS but rather in a personal capacity.

The Ethics Division proposed two options[36] to enable former Secretary Price legally to attend the weekend event. According to the Office of the Secretary, former Secretary Price was informed of the advice that the Ethics Division provided during meetings with the Acting General Counsel and with the Director of the Scheduling and Advance office. According to the Ethics Division, had former Secretary Price attended the Georgia Physicians Leadership Academy in an official capacity, the Office of the Secretary would have reimbursed him for meals and lodging. However, former Secretary Price did not attend the meeting in his official

[35] The Federal observance of Independence Day was Tuesday, July 4, 2017. According to the Office of the Secretary, former Secretary Price had spent the Federal holiday weekend at his home in Georgia. Rather than travelling back to his duty station on the first duty day after the holiday (July 5), he toured the National Ebola Training and Education Center in Atlanta the afternoon of July 5, was driven to the Chattanooga event on the morning of July 6, and returned to Georgia that afternoon.

[36] The first option had former Secretary Price attending the event in his official capacity and claiming costs for meals and lodging, whereas the second option had former Secretary Price attending in his personal capacity. The Ethics Division advised that if former Secretary Price used the chartered aircraft to attend the event in his personal capacity, he would "need to reimburse the Department for any increased costs for flying him to St. Simons Island rather than back to DC."

capacity.[37] We calculated the cost of the Raleigh to Brunswick leg of the chartered aircraft at $12,346.[38] Because former Secretary Price was attending the Georgia Physicians Leadership Academy in a personal capacity, we determined the entire leg was personal travel. In addition, five HHS travelers accompanied former Secretary Price to Raleigh. On the flight from Raleigh to Brunswick, former Secretary Price and three HHS travelers continued on the chartered aircraft to Brunswick. The remaining two HHS travelers who had flown on the chartered aircraft to Raleigh flew on a commercial aircraft back to DC at a cost of $580. In total, $12,926 in travel costs could have been avoided had the chartered aircraft not continued from Raleigh to Brunswick.

September 18 Chartered Aircraft Trip

For the September 18 trip, former Secretary Price traveled to Marathon, FL, and Stillwater, OK. He was scheduled to visit the Marathon Emergency Management Center in Marathon. For this event, the chartered aircraft departed from Atlanta. Six HHS staff accompanying former Secretary Price at the event traveled from DC to Atlanta on Sunday, September 17 (the day before the event), to fly on the chartered aircraft. Although it was less expensive for the chartered aircraft to depart from Atlanta, where the aircraft was located, the price reduction for the entire trip could not be determined because the company also provided a price reduction when the Office of the Secretary merged the Florida and Oklahoma trips. The vendor did not separately identify each price reduction, and thus, we did not factor these price reductions into the cost of the trip. We determined that travel costs incurred for the six HHS staff to meet former Secretary Price in Atlanta totaled $2,160. These costs could have been avoided had former Secretary Price been in DC and the chartered aircraft left from DC.

After the Florida trip, the chartered aircraft returned to DC and the same chartered aircraft flew to Stillwater the next day. While former Secretary Price was in Oklahoma, the media reported on his use of chartered aircraft; the Office of the Secretary cancelled the last leg of the trip to Atlanta, and the chartered aircraft returned to Atlanta without any HHS passengers. The chartered aircraft vendor discounted the total cost of the trip by $1,750. Cancelling the final leg of the trip resulted in net costs to HHS of approximately $8,675[39] ($9,058 for the final leg of the trip, plus the cost of the added commercial flights totaling $1,368 for HHS passengers to return

[37] Former Secretary Price did not claim reimbursement for meals or lodging for the weekend trip. Rather, according to the Office of the Secretary, former Secretary Price stayed with the person in charge of coordinating the event, free of charge.

[38] Former Secretary Price paid $1,235 in his repayment for the chartered aircraft leg from Raleigh to Brunswick, which totaled $12,346. When applying former Secretary Price's repayment amount, the resulting net cost to HHS totaled $11,111. This amount is already included in the chartered aircraft total of $333,014 that we considered waste, which is discussed earlier in the report.

[39] Since the net cost from the cancelled leg of $9,058 and discount of $1,750 is already included in the chartered aircraft total of $333,014 that we considered waste, we are including only the cost of commercial flights of $1,368 from the net cost of $8,675 in our calculations.

to DC, minus the discount of $1,750). In total, the Office of the Secretary incurred additional travel costs of $3,528 ($2,160 + $1,368) related to this trip.

Because three of the chartered aircraft trips started and ended in Georgia, the Office of the Secretary paid an additional total cost of $4,926 that represented an extravagant, careless, or needless expenditure of Government funds and thus is waste.[40]

Authorizations and Vouchers Not Completed Within the Required Time

The *HHS Travel Policy Manual* states that travel authorizations are to be completed and approved before the start of a trip (3.1.1.5) and that vouchers for domestic travel are required to be completed within 5 work days of returning from a trip (3.2.2).

For 11 of the 12 trips, including 7 trips for former Secretary Price, 22 HHS travelers did not complete authorizations and vouchers within required timeframes.[41] For example, on the June 6 trip to Nashville, former Secretary Price's voucher was not created until August 24, 79 days after the trip was completed. Former Secretary Price's authorization for the September 15 trip was not completed until October 31, or 45 days after trip completion. Further, the corresponding voucher was not created until December 14, or 3 months after the trip's completion. Lastly, an HHS employee who traveled on a chartered aircraft on September 13 with a return of September 14, 2017, should have prepared his voucher within 5 days of his return, but it was not created in the travel system until February 20, 2018.

The approval of travel authorizations before travel allows an agency to approve expenses and notify the traveler what it will pay for and provide financial information necessary for budgetary planning. After travel authorization approval, funds are obligated on the basis of estimated travel costs.

According to the Office of the Secretary, timely creation of authorizations and vouchers is affected by several factors, including workload priorities, travel system glitches, and a lack of communication with the HHS document preparer. By not creating authorizations and vouchers in a timely manner, the Office of the Secretary risked not having sufficient funding available to pay the incurred travel costs.

[40] The $4,926 of additional costs that we considered waste includes the (1) $818 travel costs related to the July 6 trip, (2) $580 travel costs related to the August 4 trip, and (3) $3,528 travel costs related to the September 18 trip.

[41] At least one traveler did not create the travel authorization or voucher within the required time on more than one trip. In addition to the chartered trips, we found similar instances of HHS travelers, including former Secretary Price, not completing authorizations and vouchers within the required time for two MilAir trips, two Presidential fleet trips, and three commercial trips.

OFFICE OF THE SECRETARY USED MILITARY AIRCRAFT BUT ALSO PAID FOR ONE COMMERCIAL FLIGHT FOR THE SAME TRIP

Under FTR §301-72.301(b), for unused or partially used tickets purchased under centrally billed accounts,[42] an agency must obtain the unused ticket from the traveler, return it to the issuing office that furnished the airline ticket, obtain a receipt indicating a credit is due, and confirm that the value of the unused ticket has been credited to the centrally billed account.

For one international trip, the Office of the Secretary used MilAir but reserved and paid for one commercial flight for the same international trip before the use of MilAir was approved. The Office of the Secretary submitted a request[43] to the White House dated August 9, 2017, for use of MilAir for travel to China, Vietnam, and Japan (Asia trip). The purpose of the Asia trip was for former Secretary Price to reinforce the importance of the Administration's commitment to global health security, recognizing in particular the pivotal role of the U.S.'s relationships and investments in Asia in securing the health of Americans. The Asia trip was scheduled to occur from August 17 through August 25, 2017, and the White House approved the MilAir request as a reimbursable mission on August 16. The White House charged HHS $432,419 for the use of MilAir.

Before approval of the MilAir request, the Office of the Secretary reserved and paid for a commercial flight for former Secretary Price totaling $11,584. On the same day that the White House approved the MilAir request, the Office of the Secretary requested the contracted travel company cancel and refund the commercial flight. However, the flight was not cancelled and the Office of the Secretary did not confirm that the payment of $11,584 for the unused ticket had been refunded. When we discovered the payment, we informed senior officials at the Office of the Secretary that they had an opportunity to request a refund. On March 27, 2018, the Office of the Secretary provided us documentation that the $11,584 had been refunded to its account. The Office of the Secretary's existing process did not identify that a payment had been made for an unused ticket or that a credit was due to HHS's centrally billed account. Although officials stated that the payment for the unused ticket would have been identified during reconciliation of HHS's centrally billed account, this process had not identified this error 6 months after the trip date and the error was identified only as a result of our audit. Because the Office of the Secretary took action to obtain a refund during our audit, we are not making a recommendation to recoup the $11,584.

[42] A centrally billed account is an account used by Government agencies to purchase air, rail, or bus tickets and hotel accommodations for official Government travel.

[43] To procure MilAir flights, the Office of the Secretary submitted a White House Mission Request for approval. The request included details of each proposed flight itinerary, passengers that would be accompanying former Secretary Price, dates of travel, and the purpose of the trip as justification for approval of the MilAir flight. The White House Military Office either approves or disapproves each request and if approved, designates the trip as either reimbursable by the requesting agency or non-reimbursable.

OFFICE OF THE SECRETARY PAID OTHER EXCESS TRAVEL COSTS

The FTR outlines responsibilities of the Government traveler and the authorizing and approving officials when completing travel authorizations and vouchers, as well as the review process for completed travel claims. The validity of completed authorization and travel vouchers hinges on the completion of appropriate travel training and a thorough review of completed claims.

Annually, effective October 1, GSA establishes the per diem rates for the lower 48 continental United States. These rates are the maximum allowances that Federal employees are reimbursed for expenses incurred while on official travel. The per diem rate consists of three allowances: lodging, meals, and incidental expenses.

The Defense Travel Management Office's U.S. Government Rental Car Agreement[44] (rental car agreement) establishes maximum rental car rates for authorized rental vehicles.

The Office of the Secretary paid other excess travel costs totaling $2,960:

- $1,568 excess lodging costs that were not pre-authorized,
- $727 excess costs paid for a rental vehicle and pre-paid fuel, and
- $665 costs not eligible for reimbursement.

No Pre-Authorization of Excess Lodging Costs

FTR § 301-11.30 states that if the cost of available lodging exceeds Government lodging rate plus applicable taxes, an individual may request reimbursement on an actual expense basis, which is not to exceed 300 percent of the maximum per diem allowance. Approval of actual expenses is usually in advance of travel and at the discretion of the agency.

For five chartered aircraft trips and two commercial trips, the travel authorization forms for seven HHS travelers lacked pre-authorization for hotel charges totaling $1,503 that exceeded the maximum per diem allowance. The authorization forms approved before travel listed the destination city's allowable per diem amount for each hotel instead of the actual cost of the hotel. As such, the approved travel authorization forms provided pre-authorization only for the per diem amount of hotel cost and not the amount in excess of the per diem. *HHS Travel Policy Manual* 3.1.1.3 states, "every effort should be made to obtain authorization in advance of travel for the allowance." In addition, on one of the related travel vouchers, we found that the hotel cost listed did not match the hotel receipt. Specifically, the approved voucher for reimbursement to the traveler showed the hotel cost at $266.00, but the hotel receipt showed the actual cost at $200.66. This likely transposition error resulted in an overpayment of $65 to

[44] Available online at http://www.defensetravel.dod.mil/site/rental.cfm. Accessed on April 3, 2018.

the HHS traveler. In total, the Office of the Secretary incorrectly reimbursed the HHS traveler $1,568 ($1,503 + $65) for excess lodging costs that were not pre-authorized.

Excess Costs Were Paid for a Rental Vehicle

FTR § 301-10.450(a) states that when authorized to rent a vehicle for official travel, the agency must determine that use of a rental vehicle is advantageous to the Government and must specifically authorize such use. Paragraph (b) further states that when authorized to use a rental vehicle, travelers should consider renting a vehicle from a vendor that participates in the rental car agreement to take advantage of the rental car agreement's benefits, which include that rates established by the rental car agreement cannot be exceeded by the vendor. Paragraph (d) further states that travelers are not to be reimbursed for purchasing pre-paid fuel for rental cars. Similarly, *HHS Travel Policy Manual* 4.1.10.2 states that travelers are not authorized to purchase pre-paid fuel.

For one chartered aircraft trip, the Office of the Secretary reimbursed one HHS traveler for rental costs included on the travel voucher that exceeded the average rate established in the rental car agreement. Specifically, the Office of the Secretary authorized a 3-day car rental at a cost of $307, which reflects an amount below the allowable, average rental cost of $126 per day.[45] However, the travel voucher showed actual rental costs at $345 per day, which exceeds the allowable average amount of $126. The per-day car rental costs exceeded the allowable amount by $219 per day or a total of $657. In addition to the excess rental costs, the HHS traveler improperly paid for pre-paid fuel totaling $70, which the Office of the Secretary reimbursed as well. In total, the Office of the Secretary incorrectly reimbursed the HHS traveler $727 ($657 + $70) for excess rental vehicle costs.

Some Travel Costs Were Incorrectly Reimbursed

FTR § 301-11.19 states that when a traveler crosses the International Date Line (IDL), the traveler's actual elapsed travel time will be used to compute the per diem entitlement rather than calendar days.

FTR § 301-52.8 states that an agency may disallow payment of a claimed item if the traveler (1) does not provide proper itemization of an expense; (2) does not provide receipts or other documentation required to support the claim; and (3) claims an expense that was not authorized.

[45] Available online at http://www.defensetravel.dod.mil/Docs/DomesticCeilingRates.pdf. Accessed on April 3, 2018. The rental car agreement established a range of $125 to $130 during our review. For purposes of our review, we used an average rate of $126.

The Office of the Secretary incorrectly reimbursed some HHS travelers for (1) meal charges not subtracted from hotel receipts, (2) an additional day when crossing the IDL, and (3) excess commercial air costs.

For the Asia trip (August 17–25), we found that the approved travel vouchers for two HHS travelers included the cost of meals totaling $66 that were listed on the hotel bill and reimbursed to the travelers as lodging. Similarly, for the Europe and Liberia trip (May 17–24), we found that the approved travel voucher for former Secretary Price included the cost of meals totaling $153 that were identified on the hotel bill and reimbursed to former Secretary Price. The travelers, including former Secretary Price, should have excluded the meal charges when entering the hotel cost on their vouchers for reimbursement. In addition, we determined that the Office of the Secretary incorrectly reimbursed excess per diem totaling $446 claimed on approved travel vouchers related to four HHS travelers for travel crossing the IDL on the Asia trip. This trip consisted of 10 travel days but the four travelers received per diem for 11 days. In total, the Office of the Secretary incorrectly reimbursed an additional $665 to six Government travelers for excess per diem.

For one trip on July 14, 2017, the travel voucher for former Secretary Price included costs of $1,022 for commercial air charges that were incorrectly charged to the centrally billed account. The cost identified on the receipt showed the actual round trip cost as $511, half of the total amount actually claimed. Once we discovered the overpayment, we informed senior officials at the Office of the Secretary and they provided us documentation that the $511 had been refunded to its account. Because the Office of the Secretary took action to obtain a refund during our audit, we are not making a recommendation to recoup the $511.

Insufficient Review of Travel Authorizations and Vouchers and Staff Not Completing Required Travel Card Training Contributed to Excess Costs

HHS Travel Policy Manual 1.3.9 states that travelers are required to take the necessary training for the use of the E-Gov Travel System, which includes both Approver and Traveler training. Further, *HHS Travel Policy Manual* 1.3.7 states that Authorizing/Approving Officials are required to take the necessary training for the use of the E-Gov Travel System.

OMB Circular No. A-123, Appendix B, *Improving the Management of Government Charge Card Programs*, paragraph 3.3, states that all program participants, including cardholders and charge card managers (including the agency/organization program coordinator, approving officials, and other accountable/billing officials), must be trained in charge card management. Paragraph 3.4 further states that all program participants must be trained prior to appointment; and all program participants must take refresher training at a minimum of every 3 years.

We reviewed the training results for all of the 40 HHS travelers who completed one or more of the 21 trips, including former Secretary Price. In addition, for the 21 trips, we identified and reviewed the training results for 7 HHS individuals who prepared a travel authorization or voucher for at least one of the 40 HHS travelers and for an additional 12 HHS individuals who

were responsible for approving travelers' authorizations and vouchers and who reviewed their training records. A breakdown of the number of travelers, preparers, and approvers who completed the applicable required HHS training courses is shown in Table 6.

We reviewed the supporting documentation such as receipts associated with the HHS travelers' vouchers when provided by HHS. However, we did not request supporting documentation for each traveler to determine the extent of the issue because it was not the primary focus of this audit. The excess costs we identified resulted in part from incorrect preparation and insufficient review when approving travel authorizations and vouchers. This might have been because some travelers, preparers, and approvers had not completed the travel training and travel card training courses they were required to take. Before official travel, newly assigned HHS personnel and employees responsible for preparing travel documents are required to complete both "Travel Training for Travelers and Preparers" and "HHS Travel Charge Card Training" courses. While the "Travel Training for Travelers and Preparers" course is required to be completed only once, the "HHS Travel Charge Card" course must be completed at least every 3 years. In addition, employees responsible for certification and approval of travel authorizations and vouchers are required to complete the "Travel Training for Certifiers and Approvers" training course. Regarding the review of the travel authorizations and vouchers, we found that the individuals responsible for approving them did not identify these errors before approving authorizations and vouchers. It is likely these errors would have remained undetected had we not found them during our audit.

Table 6: HHS Compliance with Travel Training Requirements Related to the 21 Trips February 10 Through September 29, 2017

	Required Travel Training Courses				
	Travel Training for Travelers and Preparers			**HHS Travel Charge Card Training**	**Travel Training for Certifiers and Approvers**
Number Required to Take Training	40 HHS Travelers	7 Preparers	12 Approvers	40 HHS Travelers	12 Approvers
Number Who Completed Required Course Before a Trip	6	3	5	16	7
Number Who Completed Required Course After a Trip	1	0	1	3	0
Number Who Did Not Complete Required Training	33	4	6	21	5
Note: Figures as of March 21, 2018					

Of the 40 HHS travelers, only 6 completed the "Travel Training for Travelers and Preparers" course before traveling, while 33 of the 40 HHS travelers did not complete this training at all, including former Secretary Price.[46] Similarly, 4 of the 7 travel preparers did not complete the required course. Additionally, 5 of the 12 approvers did not complete the training required for certifiers and approvers. These training courses cover travel requirements, such as completion of travel vouchers within 5 working days and requirements related to rental cars, that were not followed by all HHS travelers. Because they did not take the required training, individuals responsible for the preparation of travel documents and those responsible for voucher review and approval might have lacked understanding of what constitutes an allowable charge or might not have adequately reviewed supporting travel documentation such as receipts submitted with travel vouchers.

RECOMMENDATIONS

We recommend that the Office of the Secretary:

- Review the lack of compliance with the OMB Circular No. A-126, the FTR, and the *HHS Travel Policy Manual* related to the authorization and use of chartered aircraft during former Secretary Price's tenure, and on the basis of the review, determine and take appropriate administrative actions to recoup $333,014 of identified waste, including:

    - the $12,178 for the June 6 trip to Nashville for which the chartered aircraft was not cancelled after receiving confirmation that the White House event would not occur, providing an opportunity for the use of commercial flights,

    - the $36,313 for the June 24–26 trip to San Diego, Aspen, and Salt Lake City that included only 3.5 hours of official engagements,

    - the $10,001 for the September 15 trip to Philadelphia for not using options other than chartered aircraft,

    - the $12,346 for the Raleigh to Brunswick travel leg in which former Secretary Price used the chartered aircraft to attend an event in a personal capacity,

    - the net cost of the cancelled leg of approximately $8,675 from the Marathon and Stillwater trip starting on September 18, and

    - the remaining $253,501 for not comparing the cost of chartered aircraft to the cost of commercial travel and not selecting the most cost-effective mode of travel.

[46] Former Secretary Price was amongst the 21 travelers who did not complete the required "HHS Travel Charge Card Training" course.

- Review the lack of compliance with the *HHS Travel Policy Manual* related to travel that started or ended in locations other than former Secretary Price's official duty station, and on the basis of the review, determine and take appropriate administrative actions to recoup $4,926 identified as waste:

    - the $818 for the July 6 trip to Chattanooga in travel costs for an employee to travel to Atlanta on July 5,

    - the $580 for the Raleigh to Brunswick leg in which HHS travelers had to fly commercially back to DC because former Secretary Price used the chartered aircraft to attend an event in a personal capacity, and

    - the $3,528 for the September 18 trip to Marathon and Stillwater.

- Review the lack of compliance with the FTR and the *HHS Travel Policy Manual* related to other excess travel costs, and on the basis of the review, determine and take appropriate action to recoup $2,960 of identified waste:

    - the $1,568 of excess lodging costs that were not pre-authorized,

    - the $727 of excess costs incurred for a rental vehicle and pre-paid fuel, and

    - the $665 to Government travelers for travel costs that included unallowable meal costs and incorrect amounts entered on vouchers.

- Request a repayment totaling $716 for former Secretary Price's wife's use of one flight aboard a chartered aircraft.

- Train responsible HHS personnel and put controls in place to ensure that the following requirements are met for future procurements:

    - preparing and maintaining documentation regarding the rationale for quote selections when the lowest quote is not selected is prepared and included in the contract file as required by the FAR; and

    - verifying that sole-source justification requirements are adhered to and documentation related to sole-source awards is prepared in accordance with the FAR.

- Train responsible HHS personnel and put controls in place to ensure that the following requirements are met for future travel:

    - conducting a cost analysis and maintaining documentation to support each use of chartered aircraft that is consistent with each charter justification and ensure

compliance with the FTR and the *HHS Travel Policy Manual*;

- following the *HHS Travel Policy Manual* when making travel decisions for the Secretary and accompanying staff when they are not traveling from or to their official duty stations;

- ensuring authorizations and vouchers are completed in accordance with the FTR and the *HHS Travel Policy Manual*;

- cancelling travel reservations to ensure that the value of an unused ticket is not charged to HHS's centrally billed account and then paid, in accordance with the FTR;

- ensuring existing and newly assigned individuals complete all required training before Government travel in compliance with OMB Circular No. A-123 and the *HHS Travel Policy Manual*; and

- ensuring HHS individuals responsible for approving travel receive initial and refresher training to comply with OMB Circular No. A-123 and the *HHS Travel Policy Manual*.

- Assess the roles, responsibilities, and actions of Federal personnel involved in scheduling, preparing, procuring, and approving the use of chartered aircraft for former Secretary Price's travel and take all appropriate actions related to their performance or conduct.

DEPARTMENT OF HEALTH AND HUMAN SERVICES COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

DEPARTMENT OF HEALTH AND HUMAN SERVICES COMMENTS

In written comments on our draft report, HHS concurred with five of our recommendations (recommendations 2, 3, 5, 6 and 7) and did not indicate concurrence or nonconcurrence on two of our recommendations (recommendations 1 and 4). HHS also provided general concurrence with our findings and described actions it had taken to address our recommendations. Specifically, HHS concurred that instances of unnecessary spending occurred in relation to the air travel of the former Secretary. HHS also concurred that the Office of the Secretary has undertaken a detailed review of these instances in order to identify appropriate administrative actions. HHS also suggested we conform our monetary recommendations to condition any recoupment on the Department's legal analysis that would support such legal recoupment. Lastly, HHS provided examples of actions it has taken to address our recommendations. For example, regarding our sixth recommendation, HHS mandated a travel policy training course,

which was given to all non-career staff by the Office of the General Counsel beginning in May 2018. Also, Assistant Secretary for Administration issued a new policy memorandum, supplemental guidance, and a template to ensure consistency with the HHS Travel Policy Manual and federal travel regulations and policies. HHS notes that these, combined with the requirements instituted by the White House Chief of Staff (OMB Memorandum M-17-32), are considered to be the strictest travel review requirements ever enacted by HHS.

For our first and fourth recommendations HHS did not indicate concurrence or nonconcurrence. Regarding our first recommendation, HHS asked for clarification with regard to the $50,420 estimate of waste for the June 24-26 trip that included 3.5 hours of official engagements and that further facts, in their view, would be necessary to determine whether the entire trip, and others, were waste. HHS believes, based on the facts as described, that the $36,313 estimate of waste related to the June 24-26 trip would be more appropriate because it incorporates $7,203 paid by Secretary Price for this trip. Regarding our fourth recommendation, HHS stated former Secretary Price previously provided payment for Mrs. Price's round trip travel but will examine the travel reimbursement requirements associated with this payment.

The comments from HHS and two memoranda are included in their entirety as Appendix D.

OFFICE OF INSPECTOR GENERAL RESPONSE

After reviewing HHS's comments, we modified our first recommendation to show the $36,313 waste amount (instead of the $50,420 chartered aircraft cost) as the amount for the June 24-26 trip when considering appropriate administrative actions for recoupment. The $36,313 was already reflected in the $333,014 of identified total waste as shown in Table 3. The updated recommendation now aligns with this calculation. We also reviewed and updated two other sub-bullets associated with our first monetary recommendation to reflect the waste amount to be recouped. In determining the waste amount of $333,014 related to the 12 chartered aircraft trips, we considered the purpose of each trip. Based on OMB Circular No. A-126, the chartered aircraft should not have been authorized for those trips as mission requirements do not include official travel to give speeches, attend conferences or meetings, or make routine site visits. We also considered HHS's comment that the first recommendation, as well as our other monetary recommendations, be modified to reflect that any recoupment be conditioned on the basis of the Department's yet to be conducted legal analysis. The intent of our three monetary recommendations which in part state "on the basis of review, determine and take appropriate administrative actions" would include HHS's stated intent to take any action deemed necessary, including any legal analysis as part of that process. Regarding our fourth recommendation, the documentation provided during our audit did not demonstrate that HHS had been repaid for the final leg of Mrs. Price's travel from Asia. We acknowledge HHS's planned action to examine the travel repayment requirements associated with this payment as it addresses our recommendation.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We reviewed all Federal travel completed by former Secretary Price for our audit period from February 10 through September 29, 2017. We reviewed former Secretary Price's travel on 21 trips consisting of 61 legs by chartered aircraft (12 trips/33 legs), MilAir (3 trips/14 legs), commercial aircraft (4 trips/9 legs), and the Presidential fleet (2 trips/5 legs).[47] Our review included 11 contracts used to procure chartered aircraft. The contracts represent 2 different contractors that were awarded contracts for chartered aircraft for 12 separate trips that either began or ended in Atlanta or DC. The 11 contracts included obligations totaling $481,765 and the total costs associated with former Secretary Price's travel of at least $1,185,045.

We reviewed former Secretary Price's travel repayment of $59,390 consisting of $51,887 (calculated by taking total flight cost divided by number of passengers for each chartered aircraft flight) for former Secretary Price's travel and $7,503 for his wife's travel on the overseas Asia trip and the Europe and Liberia trip (calculated by determining the cost of coach fare tickets for the same flights). The repayment does not include the cost of the one seat on the chartered aircraft flight for his wife.

We conducted our audit from September 29, 2017, through March 30, 2018.

METHODOLOGY

To accomplish our objectives, we:

- reviewed the FTR, *HHS Travel Policy Manual*, and the FAR;

- obtained an understanding of the processes and controls in place at the Office of the Secretary related to the use of chartered aircraft, military aircraft, and commercial aircraft;

- conducted interviews with more than 20 individuals, including senior officials within the Office of the Secretary with responsibilities for travel arrangements and authorizations, OIG officials that oversee the Protective Operations Branch, representatives from the two chartered aircraft companies, and GSA officials;

- reviewed documentation to determine whether the use of chartered aircraft had been authorized;

[47] The 21 trips included three trips that used a combination of MilAir, charter aircraft, commercial aircraft, and the Presidential fleet. We factored this into the count of 21 trips to avoid any double counting.

- reviewed contract file documentation to determine contractor and dates and locations of service and reviewed contract funding documents and payment invoices to determine what appropriations were obligated, recorded, and expended;
- reviewed travel authorizations, vouchers, and receipts (when provided);
- calculated excess travel costs;
- calculated estimated MilAir flight costs;
- conducted analyses of (1) chartered aircraft costs compared to commercial aircraft costs, (2) bid quotes to procure chartered aircraft, and (3) travel training requirements for HHS travelers, preparers, or approvers associated with one or more of the 21 trips; and
- discussed the results of our review with officials in the Office of the Secretary and gave them the detailed findings.

We conducted this performance 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: DESCRIPTION OF THE 21 TRIPS FROM FEBRUARY 10 THROUGH SEPTEMBER 29, 2017

Trip Date(s)	# MilAir & Charter Travelers	Departure Location	Arrival Location	Mode	Trip Purpose	Airfare Cost
2/18	Unknown	Atlanta, GA W Palm Beach, FL	W Palm Beach, FL Washington, DC	Presidential Presidential	Principal's meeting	$0*
3/3	Unkown	Washington, DC Milwaukee, WI	Milwaukee, WI Atlanta, GA	Presidential Commercial	Event Speech	132
3/10–3/12	Unknown	Washington, DC Atlanta, GA Jacksonville, FL	Atlanta, GA Brunswick, GA Washington, DC	Commercial Commercial Commercial	Speech	809
3/15	7	Andrews AFB, MD New York, NY	New York, NY Andrews AFB, MD	MilAir MilAir	President-directed meeting	7,806†
4/14–4/19	Unknown	Washington, DC Atlanta, GA	Atlanta, GA Washington, DC	Commercial Commercial	Speeches, attend drug abuse summit	316
4/26	7	Washington, DC Wilmington, OH	Wilmington, OH Washington, DC	Chartered Chartered	Tour, town hall, press conference	14,120
5/9	11	Washington, DC Lansing, MI Charleston, WV	Lansing, MI Charleston, WV Washington, DC	Chartered Chartered Chartered	Recognize grants, meetings	44,531
5/10	11	Washington, DC Waterville, ME Concord, NH	Augusta, ME Concord, NH Washington, DC	Chartered Chartered Chartered	Meetings, recognize grants	
5/17–5/24	11	Washington, DC Monrovia, LIB Berlin, GER Geneva, SWI	Monrovia, LIB Berlin, GER Geneva, SWI Washington, DC	MilAir MilAir MilAir MilAir	Reinforce global health security	234,412†
6/6	7	Washington, DC Nashville, TN	Nashville, TN Washington, DC	Chartered Chartered	Speech, tour	17,760
6/24–6/26	7	Washington, DC San Diego, CA Aspen, CO Salt Lake City, UT Dallas, TX	San Diego, CA Aspen, CO Salt Lake City, UT Dallas, TX Washington, DC	Chartered Chartered Chartered MilAir MilAir	Speeches, health care reform, reinforce legislation need	50,420 26,213†
7/6	7	Washington, DC Chattanooga, TN	Chattanooga, TN Washington, DC	Chartered Chartered	Opioid discussion, tour	14,570
7/14–7/15	Unknown	Washington, DC Providence, RI	Providence, RI Washington, DC	Commercial Commercial	Spoke at national meeting	1,022

continued

Trip Date(s)	# MilAir & Charter Travelers	Departure Location	Arrival Location	Mode	Trip Purpose	Airfare Cost
8/1–8/4	9	Washington, DC Colorado Spr, CO Quincy, IL Washington, DC Raleigh, NC	Colorado Spr, CO Quincy, IL Washington, DC Raleigh, NC Brunswick, GA	Chartered Chartered Chartered Chartered Chartered	Site visits, tour vaccine facility, discussions	87,435
8/8	6	Baltimore, MD Morristown, NJ	Morristown, NJ Washington, DC	Chartered Chartered	President's meeting	21,824
8/17–8/25	12	Washington, DC Anchorage, AK Beijing, CHN Ho Chi Minh City, VNM Hanoi, VNM Tokyo City, JPN	Anchorage, AK Beijing, CHN Ho Chi Minh City, VNM Hanoi, VNM Tokyo City, JPN Seattle, WA	MilAir MilAir MilAir MilAir MilAir MilAir	Reinforce global health security	432,419
8/25	12	Seattle, WA	Washington, DC	Chartered	Early return for hurricane meetings	121,500
8/29	Unknown	Washington, DC Houston, TX	Houston, TX Washington, DC	Presidential Presidential	Assess hurricane damage	0*
9/13–9/14	9	Washington, DC Augusta, ME Portsmouth, NH	Augusta, ME Portsmouth, NH Washington, DC	Chartered Chartered Chartered	Speech, tour, press conference	39,900
9/15	13	Washington, DC Philadelphia, PA	Philadelphia, PA Washington, DC	Chartered Chartered	Meeting, tour, town hall meeting	14,955
9/18–9/21	11	Atlanta, GA Marathon, FL Miami, FL Washington, DC Stillwater, OK Tulsa, OK	Marathon, FL Miami, FL Washington, DC Stillwater, OK Tahlequah, OK Atlanta, GA	Chartered Chartered Chartered Chartered Chartered Commercial	Site visit after hurricane, meetings, and tours	54,750 151
					Total	**$1,185,045**

* The Office of the Secretary did not have documentation related to the cost of the Presidential fleet, so we could not determine the cost.

† OIG estimated calculation.

APPENDIX C: FEDERAL REQUIREMENTS

FEDERAL REGULATIONS

3 U.S. Code, Chapter 2 § 105, Assistance and Services for the President

This section outlines the authority of the President to appoint and fix the pay of employees.

31 U.S. Code § 3528, Responsibilities and relief from liability of certifying officials

This section states a certifying official certifying a voucher is responsible for—(1) information stated in the certificate, voucher, and supporting records; (2) the computation of a certified voucher under this section and section 3325 of this title; (3) the legality of a proposed payment under the appropriation or fund involved.

41 CFR, FEDERAL TRAVEL REGULATION

FTR § 300-3.1, What do the following terms mean

This section defines the term Government aircraft as an aircraft that is operated for the exclusive use of an executive agency and is either a (1) Federal aircraft, which an executive agency owns (i.e., holds title to) or borrows for any length of time under a bailment or equivalent loan agreement. See 41 CFR 102-33.20 for definition of all terms related to Federal aircraft, or (2) commercial aircraft hired as commercial aviation services, which an executive agency either leases or lease-purchases with the intent to take title, charters or rents, or hires as part of a full-service contract or inter-service support agreement.

This section defines the term Senior Federal official as an individual who is paid according to the Executive Schedule established by 5 U.S.C. 53, Subchapter II, including Presidential appointees who are confirmed by the Senate; employed in the U.S. Government's Senior Executive Service or an equivalent "senior" service; who is a civilian employee of the Executive Office of the President; who is appointed by the President or Vice President to a position under title 3 U.S.C., or who, as a contractor working under a contract with an executive agency, is paid at a rate equal to or more than the minimum rate for the Senior Executive Service, and has senior executive responsibilities.

FTR § 301-2.1, Must I have authorization to travel

This section states that as an individual, generally, you must have written or electronic authorization prior to incurring any travel expense. If it is not practicable or possible to obtain such authorization prior to travel, your agency may approve a specific authorization for reimbursement of travel expenses after travel is completed.

FTR § 301-10.3, What methods of transportation may my agency authorize me to use

This section outlines the order of precedence for the method of transportation for a Government traveler as common carrier, Government automobile, rental car, and privately owned vehicle.

FTR § 301-10.4, How does my agency select the method of transportation to be used

This states that an agency must select the method most advantageous to the Government, when cost and other factors are considered.

FTR § 301-10.111, When may I use a reduced group or charter fare

This section states a reduced group or charter fare may be used when an agency has determined, on an individual case basis prior to travel, that use of such a fare is cost effective.

FTR § 301-10.260, May I use a Government aircraft for travel

This section states you may use Government aircraft for travel only if you have authorization from an executive agency under the rules specified in this part. Because the taxpayers should pay no more than necessary for your transportation, generally you may travel on Government aircraft only when a Government aircraft is the most cost-effective mode of travel.

FTR § 301-10.261, When may I use a Government aircraft for travel

This section outlines when Government aircraft may be used. It states you may use a Government (chartered) aircraft for official travel only when no scheduled commercial airline service is reasonably available (i.e., able to meet your departure and/or arrival requirements within a 24-hour period, unless you demonstrate that extraordinary circumstances require a shorter period) to fulfill your agency's travel requirement. Additionally, Government aircraft may be used if the cost of using a Government aircraft is less than the cost of the city-pair fare (set airfare rates based on one-way flights on commercial airlines contracted by GSA for Government travel) for scheduled commercial airline service or the cost of the lowest available full coach fare if a city-pair fare is not available to you. This section further states that Government aircraft may be used for required-use travel only when a Government aircraft is needed for bona fide communications (e.g., 24-hour secure communications) or security reasons (e.g., highly unusual circumstances that present a clear and present danger) or exceptional scheduling requirements (e.g., a national emergency or other compelling operational consideration).

FTR § 301-10.262, How will my agency authorize travel on Government aircraft

This section outlines the process by which an agency will authorize travel on Government aircraft for both required-use travelers as well as senior Federal officials. It states an agency's senior legal official or his/her principal deputy must authorize travel in advance and in writing.

This section further states that in an emergency situation, prior verbal approval with an after-the-fact written authorization by your agency's senior legal official is permitted.

FTR Note to § 301-10.264, What amount must the Government be reimbursed for travel on Government aircraft

This section states that except for required-use travel, any use of Government aircraft for personal or political activities shall not cause an increase in the actual costs to the Government of operating the aircraft. For any required-use travel, you must reimburse the Government for the excess of the full coach fare for all flights taken over the full coach fare for the flights that you would have taken had you not engaged in personal activities during the trip, i.e., for a wholly personal trip, you must pay the full coach fare for the entire trip.

FTR § 301-10.450, What are the policies when authorized to rent a vehicle for official travel

This section covers the policies to be used when authorized to rent a vehicle for official travel. Namely, the agency must determine that use of a rental vehicle is advantageous to the Government and must specifically authorize such use. Paragraph (b) states that when authorized to use a rental vehicle, you should consider renting a vehicle from a vendor that participates in the Defense Travel Management Office's U.S. Government Car Rental Agreement. This section also states that travelers are not to be reimbursed for pre-paid fuel.

FTR § 301-11.9, When does per diem or actual expense entitlement start/stop

This section states per diem or actual expense entitlement starts on the day you depart your home, office, or other authorized point and ends on the day you return to your home, office, or other authorized point.

FTR § 301-11.19, How is my per diem calculated when I travel across the international dateline

This section states that when you cross the IDL your actual elapsed travel time will be used to compute your per diem entitlement rather than calendar days.

FTR § 301-11.30, What is my option if the Government lodging rate plus applicable taxes exceeds my lodging reimbursement

This section states that travelers may be reimbursed on an actual expense basis, not to exceed 300 percent of the maximum per diem allowance. Approval of actual expenses is usually in advance of travel and at the discretion of your agency.

FTR § 301-52.7, When must I submit my travel claim

This section states that unless your agency administratively requires you to submit your travel claim within a shorter timeframe, you must submit your travel within 5 working days after you complete your trip or period of travel; or every 30 days if you are on continuous travel status.

FTR § 301-52.8, May my agency disallow payment of a claimed item

This section states claimed items may be disallowed by an agency if the traveler fails to properly itemize an expense, fails to provide a receipt or other required documentation, or if the traveler claims an unauthorized expense.

FTR § 301-70.803, How must we authorize travel on a Government aircraft

This section outlines the requirements for authorizing travel for both required-use as well as senior Federal officials. For required-use, an agency must first establish written standards for determining the special circumstances under which it will require travelers to use Government aircraft. Further, the section states that for both instances, an agency's senior legal official or his/her principal deputy must authorize required-use travel on a trip-by-trip basis in advance and in writing. For emergency situations, a prior verbal approval with an after-the-fact written authorization by your agency's senior legal official is permitted. This section further states that trip-by-trip authorizations are not required if the traveler is an agency head, and the President has determined that all of his or her travel, or travel in specified categories, requires the use of Government aircraft; or the agency head has determined in writing that all travel, or travel in specified categories, by another traveler requires the use of Government aircraft.

FTR § 301-70.904, Must travelers whom we carry on Government aircraft be authorized to travel

This section states every traveler on a Government aircraft must have a written travel authorization from an authorizing executive agency, and he/she must present that authorization before the flight.

FTR § 301-72.301(b), How do we process unused, partially used, and exchanged tickets

This section states that for unused or partially used tickets purchased under centrally billed accounts: You must obtain the unused ticket from the traveler, return it to the issuing office that furnished the airline ticket, obtain a receipt indicating a credit is due, and confirm that the value of the unused ticket has been credited to the centrally billed account.

48 CFR, FEDERAL ACQUISITION REGULATION

FAR § 1.602-2, Responsibilities

This section outlines the contracting officer's responsibilities, including ensuring performance of all necessary actions for effective contracting, compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships.

This section states an agency can obtain best value in negotiated acquisitions by using any one or a combination of source selection approaches. In different types of acquisitions, the relative importance of cost or price may vary. For example, in acquisitions for which the requirement is

clearly definable and the risk of unsuccessful contract performance is minimal, cost or price may play a dominant role in source selection.

FAR § 6.3, Other Than Full and Open Competition

This section outlines the circumstances permitting other than full and open competition. Included are instances when only one responsible source and no other suppliers or services will satisfy agency requirements or instances involving, for example, national security or unusual and compelling urgency.

FAR § 6.303-1, Requirements

This section outlines the requirements for using the sole-source contracting option. It states that a contracting officer shall not commence negotiations for a sole-source contract, commence negotiations for a contract resulting from an unsolicited proposal, or award any other contract without providing for full and open competition unless the contracting officer—

(1) justifies, if required in 6.302, the use of such actions in writing;

(2) certifies the accuracy and completeness of the justification; and

(3) obtains the approval required.

FAR § 15.1, Source Selection Processes and Techniques

This subpart describes some of the acquisition processes and techniques that may be used to design competitive acquisition strategies.

FAR § 15.101, Best Value Continuum

This section states the agency can obtain the best value and "in different types of acquisitions, the relative importance of cost or price may vary."

FAR § 15.101-1, Tradeoff Process

This section describes the tradeoff process which is a technique for evaluating "when it may be in the best interest of the Government to consider an award to other than the lowest priced offeror or other than the highest technically rated offeror." When the lowest priced offeror is not selected, the rationale must be documented in the file.

FAR § 15.304, Evaluation Factors and Significant Subfactors

This section outlines the evaluation factors and significant subfactors to be considered once bids are received from a contractor. It states the award decision is based on evaluation factors and significant subfactors that are tailored to the acquisition. These factors must represent the key areas of importance and support meaningful comparison and discrimination between and

among competing proposals. While the evaluation factors and significant subfactors that apply to an acquisition and their relative importance are within the broad discretion of agency acquisition officials, price or cost to the Government shall be evaluated in every source selection.

FAR § 15.406, Documentation

This section outlines the documentation requirements for contract pricing including (1) pre-negotiation objectives, (2) a certificate for current cost or pricing data, and (3) documenting the negotiation.

HHS TRAVEL POLICY MANUAL

***HHS Travel Policy Manual* 1.3.7, Responsibilities of the Authorizing Official/Approving Official**

This section outlines the responsibilities of the individual who authorizes and approves travel, stating that they must consider the need for travel, use of travel substitutes, most cost effective routing and means of travel, and the employees' travel plans. This section further states that to meet this obligation, authorizing officials are required to take the necessary training for the electronic travel system, E-Gov, which includes both Approver and Traveler training.

***HHS Travel Policy Manual* 1.3.9, Responsibilities of the Traveler**

This section states that travelers need to be aware of all the rules and regulations, including those in the FTR and the *HHS Travel Policy Manual*, as well as particular HHS Operating Division and Staff Division (OpDiv/StaffDiv) policies that govern official travel and how they pertain to an individual traveler. It further states that a traveler's lack of knowledge of the applicable regulations will not justify reimbursement for expenses that are not authorized by statute, regulation, or per the *HHS Travel Policy Manual* and OpDiv/StaffDiv policy. In order to meet this obligation, travelers are required to take the necessary training for the use of the electronic travel system, E-Gov, which includes Traveler training.

***HHS Travel Policy Manual* 3.1.1, Travel Authorizations—General**

This section states a travel authorization is the official authorization to perform TDY travel. Travel must be most advantageous to the Government, when cost and other factors are considered; travel must be by the most expeditious means of transportation practicable and commensurate with the nature and purpose of the duties involved. Travel should be from the official station to the TDY location or from one TDY location to another. This section further states that travel expenses may not be incurred until the authorizing official has approved the travel authorization; it also outlines travel authorization during emergencies.

***HHS Travel Policy Manual* 3.1.1.5, Travel Authorization Timeframe**

This section states that travel authorizations for travel within the continental United States should reach the authorizing official at least 5 days prior to travel. For overseas travel, authorizations should reach the authorizing official at least 30 days prior to travel.

***HHS Travel Policy Manual* 3.1.4, Travel Authorizations**

This section outlines the items that must be in travel orders. It states that they must include the name of the traveler(s); proper authorization from the delegated authorizing official; the purpose of the travel; an estimate of the travel costs authorized; and an indication as to why the travel is important and in the best interest of the Department, among other requirements.

***HHS Travel Policy Manual* 3.2.2, Vouchers Submitted in a Timely Manner**

This section states vouchers must be submitted in a timely manner. In accordance with FTR 301-52.7, an employee must file a voucher claim within 5 working days following completion of an official business trip.

***HHS Travel Policy Manual* 4.1.10.2, Rental Vehicles**

This section states that travelers are not authorized to purchase pre-paid fuel for rental vehicles.

***HHS Travel Policy Manual* 11.3.1.4, Chartered Aircraft**

This section states that justification must include the purpose of the trip, the reason why commercial flights cannot be used, the number of people traveling, and a cost analysis.

OFFICE OF MANAGEMENT AND BUDGET CIRCULARS

OMB Circular No. A-123, Appendix B, Paragraph 3.3, Who is required to take charge card management training

This section states all program participants, including cardholders and charge card managers (including Agency/Organization Program Coordinator, Approving Officials, and other accountable/billing officials), must be trained in charge card management.

OMB Circular No. A-123, Appendix B, Paragraph 3.4, What are the general training requirements for all charge card programs

This section of the circular outlines the training requirements for all charge card programs.

OMB Circular No. A-126, Improving the Management and Use of Government Aircraft, May 22, 1992

This circular prescribes policies to be followed by executive agencies in acquiring, managing, using, accounting for the costs of, and disposing of aircraft. Paragraph 4 of this circular states that it applies to all Government-owned, -leased, -chartered, and -rental aircraft and related services operated by executive agencies except for aircraft while in use by or in support of the President or Vice President. Government aircraft use is authorized for official purposes, including mission requirements and other official travel.

Paragraph 5b defines mission requirements as not including official travel to give speeches, attending conferences or meetings, or making routine site visits. Paragraph 5c further states that official travel means travel to meet mission requirements, required-use travel, and other travel for conducting agency business.

Paragraph 8a states that official travel that is not also required-use travel or to meet mission requirements shall be authorized only when no commercial airline or aircraft is reasonably available, for instance, does not meet the traveler's departure or arrival requirements within a 24-hour period to fulfill the agency travel requirement. It also states that Government aircraft shall be used only when the actual cost of using a Government aircraft is not more than the cost of using a commercial airline service.

APPENDIX D: DEPARTMENT OF HEALTH AND HUMAN SERVICES COMMENTS

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Assistant Secretary for Administration
Washington, D.C. 20201

JUN 2 8 2018

TO: Amy J. Frontz, Assistant Inspector General for Audit Services

FROM: Heather Flick, Acting Assistant Secretary for Administration

SUBJECT: HHS Comments on OIG Draft Report: A-12-17-00002

The Department of Health and Human Services (HHS) appreciates the opportunity to review and comment on the Office of Inspector General's (OIG's) draft report, A-12-17-00002. HHS appreciates the professionalism shown by OIG during its review. HHS also appreciates the incorporation by the OIG into its report estimates of former Secretary Price's good-faith payment to the government of $51,887.

General Comments:

Since the period examined by the OIG, February 10 through September 29 of 2017, significant changes have occurred in the travel policies of HHS and throughout the Administration, so that going forward, spending on chartered air travel similar to those examined here are unlikely to recur.

Under OMB Memorandum M-17-32 (September 29, 2017), all agencies have been directed to go beyond regulatory requirements to assure that any deviations from the use of commercial air travel should be and will be very rare, generally requiring approval from the White House Chief of Staff, and that our role as careful stewards of taxpayer resources will be paramount when considering modes of travel even at the secretarial level. At HHS, to implement M-17-32 and prevent noncompliant and excessive travel expenditures, HHS has instituted new review procedures applicable to all political appointees – including the Secretary – that require careful consideration by the potential traveler before any taxpayer-funded travel can occur, as well as a systematic review by the Ethics Division of the Office of the General Counsel, and as necessary, the HHS Chief of Staff. (See Policy Memorandum from Chief of Staff and Acting Assistant Secretary of Administration, May 9, 2018 which is attached to these comments). HHS notes that these, combined with the requirements instituted by the White House Chief of Staff, are considered to be the strictest travel review requirements ever enacted by HHS and requests that these two memoranda be appended to the OIG report for context with our comments.

HHS concurs that instances of unnecessary spending occurred in relation to the air travel of the former Secretary. HHS also concurs that the Office of the Secretary undertake (which it has) a detailed review of these instances in order to identify appropriate administrative actions. This review is ongoing and will be informed by the findings of the OIG. Comments with regard to the recommendations of the report follow. These comments will be informed by the OIG's final report and addenda may be provided.

1

Recommendations and Comment

- *Review the lack of compliance with the OMB Circular No-A-126, the FTR, and HHS Travel Policy Manual related to the authorization and use of chartered aircraft during former Secretary Price's tenure, and on the basis of the review, determine and take appropriate administrative actions to recoup $333,014 of identified waste[.]*

  HHS comment: It is unclear as a matter of law whether recoupment in this setting is legally appropriate. However, given your detailed report, it is a matter worthy of further review and study by our Office of the General Counsel. We suggest that you conform your recommendation to condition any recoupment on the Department's legal analysis that would support such legal recoupment. HHS seeks clarification with regard to the $50,420 estimate of waste for the June 24-26 trip to San Diego, Aspen, and Salt Lake City that included 3.5 hours of official engagements. HHS believes, based on the facts as described, the estimate for this trip should be based, similar to other trips, on the difference between charter costs and commercial air travel, which is how the OIG reflects it on Table 3 of the draft report (showing and using an estimate of $36,313). The $36,313 estimate of Table 3 is more appropriate, first, because it incorporates $7,203 paid by Secretary Price with regard to this trip. It is also appropriate to deduct the commercial cost rather than deem the entire trip as waste based on the set of facts. A quantitative metric of the Secretary's public calendar during travel is relevant, but in our view is not a determinative measure of whether the travel is in the best interests of the Department, given the significant *qualitative* impact that even limited duration Secretarial engagements can have in key national or international venues, where a large number of policy stakeholders are present. In this instance the Aspen Ideas Festival (and other events described in the OIG report) may be considered such a venue, and further facts would be necessary, in our view, to determine the entire trip, and others, as waste. We therefore request that the OIG clarify in the text its use of the waste estimate in Table 3.

- *Review the lack of compliance with the HHS Travel Policy Manual related to travel that started or ended in locations other than former Secretary Price's official duty station, and on the basis of the review, determine and take appropriate administrative actions to recoup $4,926 identified as waste[.]*

  HHS comment: HHS appreciates this recommendation and concurs that a review of these matters is warranted. It is unclear as a matter of law whether recoupment in this setting is legally appropriate. However, given your detailed report, it is a matter worthy of further review and study by our Office of the General Counsel. We suggest that you conform your recommendation to condition any recoupment on the Department's legal analysis that would support such legal recoupment.

- *Review the lack of compliance with the FTR and the HHS Travel Policy Manual related to other excess travel costs, and on the basis of the review, determine and take appropriate action to recoup $2,960 of identified waste[.]*

  HHS comment: HHS concurs that such a review is warranted and is ongoing. It is unclear as a matter of law whether recoupment in this setting is legally appropriate. However, given your detailed report, it is a matter worthy of further review and study by our Office of the General Counsel. We suggest that you conform your recommendation to condition any recoupment on the Department's legal analysis that would support such legal recoupment.

- *Request a repayment totaling $716 for former Secretary Price's wife's use of one flight aboard a chartered aircraft.*

  HHS comment: This recommendation involves the final leg of Mrs. Price's travel from Asia. Former Secretary Price previously provided payment to HHS for a commercial fare equivalent cost of Mrs. Price's roundtrip travel to Asia in the form of a check for $1,489. HHS will examine the travel reimbursement requirements associated with this payment.

- *Train responsible HHS personnel and put controls in place to ensure that the following requirements are met for future procurements[.]*

  HHS comment: HHS concurs with this recommendation, has communicated this to PSC leadership, and implementation of the listed changes is being confirmed by the PSC office and the HHS Agency Senior Travel Official.

- *Train responsible HHS personnel and put controls in place to ensure that the following requirements are met for future travel[.]*

  HHS comment: HHS concurs with this recommendation, and implementation of the listed changes is ongoing, including via the controls instituted by the May 9, 2018 memorandum attached to these comments as well as a mandatory travel policy training course which was given to all non-career staff by the Office of the General Counsel beginning in May 2018. This training remains available to, and mandatory for, all non-career personnel. At PSC's request, OGC has reviewed and provided comments on a new ASA policy memorandum, supplemental guidance, and template to ensure consistency with the HHS Travel Policy Manual and federal travel regulations and policies.

- *Assess the roles, responsibilities, and actions of Federal personnel involved in scheduling, preparing, procuring, and approving the use of chartered aircraft for former Secretary Price's travel and take all appropriate actions related to their performance or conduct.*

HHS comment: HHS concurs with this recommendation, noting that certain involved personnel are no longer employed by HHS, limiting the scope of actions available. For context, as shown in Appendix B, the first chartered flight occurred more than two months into Secretary Price's tenure. Previously (when not traveling with the President) he had flown only on commercial aircraft. However, in April 2017, staff began requesting the use of chartered aircraft, although, as the OIG found, not always fully complying with all elements of what was, at least initially, an unfamiliar set of processes. These requests were approved by the Assistant Secretary for Administration (who has since departed HHS) and then reviewed by the career Deputy General Counsel (who has since retired) both of whom approved these requests on grounds which included urgent scheduling requirements (including hurricane response), security concerns, and other factors. HHS believes that these approvals by the Office of the General Counsel were legally appropriate in light of the facts presented. HHS also recognizes, as does the OIG, that the documentation could have been more fulsome. HHS notes that in addition to the training, control, and documentation concerns raised by the OIG, a regular reassessment of security needs and alternate solutions, in consultation with the Secretary's protective detail, would have been an appropriate method to justify, and document, any non-standard travel expenses.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington, D.C. 20201

TO: All HHS Political Appointees

FROM: Peter Urbanowicz, Chief of Staff
Heather Flick, Acting Assistant Secretary for Administration

DATE: May 9, 2018

RE: TRAVEL OPTICS REVIEW POLICY FOR POLITICAL APPOINTEES

This policy applies to any travel outside an appointee's "local travel area" (as defined by the HHS Travel Policy Manual) which is paid or reimbursed with government funds ("Official Travel"), regardless of the mode of transportation.

In addition to complying with the Federal Travel Regulations, HHS political appointees must complete the applicable travel review process below before finalizing any Official Travel reservations.[1]

Op Div/Staff Div Heads & Senate Confirmed Appointees

If you are an Op Div/Staff Div Head or Senate Confirmed Appointee you must submit a completed Travel Optics Self-Assessment Checklist ("Checklist") to the OGC Ethics Division ("Ethics") at travelrequest@hhs.gov. Ethics will review the Checklist and submit any concerns to the Chief of Staff for further review. You may contact Ethics with any questions by calling 202-690-7258.

If you have a regular Scheduling Meeting with an Ethics attorney where adequate travel information is provided for optics review, you do not need to complete a Checklist for each trip. Your Ethics attorney will submit any optics concerns to the Chief of Staff for further review.

Travel should be reviewed as far in advance as possible. In the unusual circumstance where expedited review is warranted, call the Immediate Office of the General Counsel at 202-690-7741.

All Other Political Appointees

All other political appointees must submit a completed Checklist to their Op Div or Staff Div Head (or the Division Head's designee) for approval prior to finalizing travel.

The Checklist is attached to this memo and is available from the OGC Ethics Division.

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1 Departure time changes due to the carrier's delay or cancellation do not require additional review; however, changes to the mode of transportation or the date of travel must be approved.

TRAVEL OPTICS SELF-ASSESSMENT CHECKLIST

NOTICE

Optics review provided as a result of information collected by this assessment does not constitute approval of the proposed travel. Travelers are responsible for complying with requirements under the Federal Travel Regulations (FTR), the HHS Travel Policy Manual, and all other relevant regulations and policies.

If requesting government reimbursement for anything of value (e.g., meals, taxi, hotel, or other expenses) political appointees must present a hard copy of the original receipt to their travel officer.

Submit to: travelrequest@hhs.gov

Office of the General Counsel
Ethics Division
Department of Health and Human Services
202-690-7258

TRAVEL OPTICS SELF-ASSESSMENT CHECKLIST

Traveler Name: _____ Title: _____ OpDiv/StaffDiv: _____
Email: _____ Phone: _____

Do Not Use For: *Offers of sponsored travel paid by non-federal entities (see HHS Form 348), national disaster response, or personal, including political, travel.*

If you need more space to respond, please use page 3 of this document.

TRAVEL DOCUMENTS

- **Attach** your draft travel itinerary including: estimated times of departure and arrival, all destinations, and modes of transportation. Provide detailed justification if requesting premium travel service (*e.g.*, upgrade, Acela, government-owned, military, or chartered aircraft).
- **Attach** your draft daily schedules and meeting agendas, showing time to be spent on official vs. personal activity.
- **Attach** any invitations to events during the proposed trip.

DEPARTMENTAL INTEREST AND OTHER CONSIDERATIONS

- Explain how each stop on the trip supports the Department's mission, (*e.g.*, announcing new information, participating in Q&A, outreach with stakeholders, etc.):
- Explain why travel, rather than teleconference, WebEx, or phone, is the best means for mission accomplishment:
- Describe the official purpose of any staff accompanying you:
- In the past year, have you traveled in an official capacity to any of the same destinations or for this same purpose/event? No ☐ If yes, provide specifics:
- Do you have ethics recusal obligations for any party you will meet or an event host or attendee? No ☐ If yes, provide specifics:
- Do you expect to receive any complimentary meal, event attendance, entertainment, award, honorary degree, or other gift? No ☐ If yes, please state the value:

NON-OFFICIAL ACTIVITIES

- Do you have a personal or other connection to any destination, inviting organization, or entity with whom you will meet (*e.g.*, family members or personal friends live there, you worked/resided there, you are seeking employment there, etc.). No ☐ If yes, provide specifics:
- Will you be taking annual leave in conjunction with this trip? No ☐ If yes, how many days?
- Will you be accompanied by family, friends, or others? No ☐ If yes, who?
- Will you be participating in any partisan political activity on this trip? No ☐ If yes, you must seek additional guidance from the OGC Ethics Office.

_____

Traveler Signature

_____

Traveler's Supervisor Signature

TRAVEL OPTICS SELF-ASSESSMENT CHECKLIST

Additional information:

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

September 29, 2017

M-17-32

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney
Director

SUBJECT: Travel on Government-Owned, Rented, Leased, or Chartered Aircraft

In light of recent events, the President has asked me to remind the heads of all executive departments and agencies of Administration policies on travel.

First, as to law and formal policy: Government-owned, rented, leased, or chartered aircraft should not be used for travel by Government employees, except with specific justification — per the Office of Management and Budget (OMB) Circular A-126 (May 22, 1992), *Improving the Management and Use of Government Aircraft,* and the Federal Travel Regulation (FTR).

However, beyond the law and formal policy, departments and agencies should recognize that we are public servants. Every penny we spend comes from the taxpayer. We thus owe it to the taxpayer to work as hard managing that money wisely as the taxpayer must do to earn it in the first place.

Put another way, just because something is legal doesn't make it right. Even when the criteria of Circular A-126 and the FTR allow for the use of Government-owned, rented, leased, or chartered aircraft, departments and agencies should still consider whether commercial air travel is a more appropriate use of taxpayer resources. Accordingly, with few exceptions, the commercial air system used by millions of Americans every day is appropriate, even for very senior officials.

Therefore, all travel on Government-owned, rented, leased, or chartered aircraft, except space-available travel and travel to meet mission requirements (as those situations are defined in Circular A-126) shall require prior approval from the White House Chief of Staff. Full-time required use travelers are exempted from this requirement. Further guidance from the White House Chief of Staff on the approval process will be forthcoming. OMB is also reviewing longstanding guidance pertaining to the use of Government-owned, rented, leased, and chartered aircraft and welcomes any suggestions that would strengthen existing controls. In the meantime, departments and agencies are reminded that they are required to adhere to the FTR and Circular A-126.