



DEPARTMENT OF THE NAVY
PERSONNEL SUPPORT ACTIVITY
937 NORTH HARBOR DRIVE
SAN DIEGO, CALIFORNIA 92132-5190

PERSUPPACTSANDIEGOINST 7510.2B
Code 70
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PERSUPPACT SAN DIEGO INSTRUCTION 7510.2B

Subj: FRAUD, WASTE, AND ABUSE (FWA) IN TRAVEL CLAIMS PROCESSING

Ref: (a) Joint Federal Travel Regulations (JFTR)
(b) Joint Travel Regulations (JTR)
(c) NAVCOMPT Manual Vol. 4
(d) Navy Travel Instructions (NTI)

Encl: (1) Fraud, Waste, and Abuse Desk Guide (PERSUPPACT San Diego 5370/1)

1. Purpose. To establish policy, responsibility, and reporting requirements regarding fraud, waste, and abuse (FWA) with regard to travel claims processing.

2. Cancellation. PERSUPPACTSANDIEGOINST 7510.2A

3. Policy. The policy of the Department of the Navy is to manage well and free of fraud, waste, and inefficiency the resources of the United States entrusted to the Department and, by vigorous action, to detect, deter, and eliminate fraud, waste, inefficiency, and related improprieties whenever they occur. All naval personnel shall be vigilant to the possibility of such illegal or improper acts, and shall report to proper authority, per Navy regulations, the existence of any improprieties in this regard. Commanding officers and others in authority shall cause inquiries or investigations into such reports to be initiated and, if confirmed by inquiry or investigation, take or cause to be taken disciplinary or administrative action that supports the above policy. Navy audit, inspection, and investigative components will discharge their assigned responsibilities in support of command efforts to detect, deter, and eliminate fraud, waste, inefficiency, and related improprieties.

4. Assignment of Responsibilities

a. Commands. Official travel has and continues to receive high levels of visibility, primarily due to its vulnerability to FWA. Commands are the first line of control in travel management since, generally, the requirements, approvals, and actions all transpire at that level. Aggressive command actions to control FWA in travel should include the following:

(1) Establishing and publishing a command policy for the authorization of official travel. Such policy should be a command directive that prescribes procedures for requesting travel

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authority, criteria for approval, fiscal clearance required, order preparation, proper use of transportation facilities, and designation of command officials authorized to approve travel.

(2) Ensuring that travelers understand their responsibility and the penalties for submitting false or fraudulent travel claims. Generally, travelers should be guided by the prudent traveler rule contained in paragraph C1058 of reference (b), which requires travelers to "exercise the same care in incurring expenses in accomplishing a mission that a prudent person would exercise if traveling on personal business."

(3) When requests for certification of reasonableness are received from the DO, the questioned expenses should be reviewed with the traveler to determine if the expenses were justified. "Rubber stamp" approval or delegation of authority to relatively low echelons of command is considered inappropriate. Command procedures for adjudicating such claims should be formally established to ensure even and impartial application command wide.

(4) As a bare minimum, recoupment of all per diem or actual expense allowance (lodging and incidental expenses), as applicable, paid for any day, any of these items of expense are tainted by fraud is required. Additionally, recoupment of any miscellaneous expense items such as taxi fares not included in the incidental expense portion of per diem or actual expense allowance tainted by fraud is also required. These actions may be accomplished by an administrative determination of fraud without regard to a criminal conviction.

b. Disbursing Officers

(1) Under the provision of paragraph 041330 of reference (c), DO's are accountable for payments based on fraudulent claims even though not a participant in the fraud. Paragraph 041357 of reference (c) assigns primary responsibility for determination of fraud to the DO. The latter reference also prescribes general guidelines on which fraud determinations should be based, provide for referral of such claims, and contains administrative procedures for processing. Prior to referral of claims, a DO may request additional evidence from the claimant to support questionable items. Under no circumstances will a suspected fraudulent claim be returned to the claimant, since such action would allow the claimant the opportunity to destroy evidence which might be relevant to a criminal investigation by the Naval Investigation Service (NIS).

(2) The DO should closely examine all travel claims or potential fraud using guidelines contained in paragraph 041357-3 of reference (c) and the suggested following indexes:

(a) Claim includes lodging receipts which appear altered or are "stationary store" receipt forms.

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(b) Military Permanent Change of Station (PCS) claims showing Privately Owned Conveyance (POC) as mode of travel used for the entire trip when circumstances indicate that the travel would have been performed at least partially by commercial means. Example:

1 Member detaches from last permanent duty station in Norfolk, Virginia and reports to the Oakland International Airport, Oakland, for onward travel to a ship homeported in San Diego but currently deployed to the Western Pacific. Since the aerial port of embarkation (Oakland) is not the homeport of the ship, the question arises as to what disposition was made of the POC used to travel to Oakland.

2 Member ordered from a ship deployed to the Mediterranean to a CONUS activity who enters CONUS at other than the ship's homeport. Since the aerial port of debarkation was not the homeport of the ship, the question arises as to how the member obtained a POC to perform travel from the port of debarkation.

(3) Under the authority of paragraph 041321-3 of reference (c), and paragraph 1056 of reference (d), DO's may request additional amplifying data in the form of written explanatory statements signed by the claimant, command endorsements, receipts, vehicle registration, proof of base registration of vehicle at current duty station, or any other form of evidence to alleviate doubt. When, in the opinion of the DO, evidence provided fails to remove the suspicion of fraud, the DO's commanding officer should refer the claim to the NIS for appropriate action. At the appropriate time during the investigation, the NIS will apprise the claimant's commanding officer of the action contemplated. Lack of a formal finding of fraud, criminal prosecution, or other disciplinary/administrative action or a formal NIS investigation does not preclude the DO from making an administrative determination of fraud when, in the DO's opinion, available evidence supports such determination. In such instances, claims will be computed/recomputed disallowing any per diem or expense items tainted with fraud. Overpayments resulting from administrative determinations of fraud are to be collected in the same manner as any other excess travel advance. Claimants should be advised of their right to reclaim disallowed items and to have claims reviewed by the General Accounting Office (GAO).

5. The GAO has consistently ruled that travel expense reimbursement shall be limited to actual and necessary expenses incurred in the conduct of official business. Additionally, GAO has held that the employing agency is responsible for determining necessary and reasonable expense that may be reimbursed. DON policy is that "employing agency" in this context is the claimant's commanding officer. Accordingly, DO's will refer claims containing reimbursement items that, while not suspected of being fraudulent,

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appear excessive or unnecessary, to the appropriate commanding officer for determination of reasonableness. When referring questionable items of expense to commanding officers, DO's should state in writing why the item is being questioned.

6. The DO shall make payment after receipt of the commanding officer's certification, subject to reference (b) limitations, append the original commanding officer's signed certification to the original voucher and include a copy of the DO's retain file.

7. Requests for NIS investigations should be carefully considered beforehand to ensure that probable fraud exists. Generally speaking, the NIS, in the absence of aggravated circumstances, will not investigate suspected fraud which involves nonreceipt items such as laundry expenses and tips. 'Aggravated circumstances' might include situations where an individual claimant, during a series of travel claims or one claim covering an extended period of temporary duty, repeatedly claims no receipt for miscellaneous expense items that the DO has legitimate cause to suspect are fraudulent. Again, lack of a formal investigation does not preclude a DO from making administrative determinations of fraud or questioning certain items of expense that appear to be excessive or unnecessary. Under these circumstances, follow guidelines contained in this instruction and paragraph 041357 of reference (c). In those cases where doubt continues to exist, the claim (or reclaim) will be forwarded as a doubtful claim in accordance with the provisions of paragraph 4010-2 of reference (d) and transmitted by a covering letter from the DO stating specific information as to why the claim is considered doubtful.

8. NAVPTO. Transportation Officers (TO) should ensure that travel orders are reviewed to ascertain if they improperly direct a more costly means/mode of transportation, provide for unauthorized stopovers, indicate an attempt to circumvent a law regarding entitlements, or a regulation enforcing DOD/Navy policies concerning transportation facilities or accommodations. Under no circumstances will transportation be provided in contradiction to DOD/Navy policies or based upon orders which contain questionable/improper orders will request an explanation from the order approving authority and in the absence of a satisfactory explanation or action, the TO's commanding officer should be requested to refer the matter to NIS for appropriate action.

9. Travel Voucher Examiners/Lead Voucher Examiner. Utilizing the FWA guidelines outlines in paragraph 2(a), para 041357-3 of reference (c), and enclosure (1), voucher examiners should constantly be alert to any conditions where discrepancies are glaring, involve great sums of money, involve excessive frequency, and are without satisfactory explanations from the claimant. In such cases, the Lead Voucher Examiner shall obtain advice from the PERSUPPACT San Diego Senior Voucher Examiner, located at PERSUPPDET Naval Station at 556-1978 or the PERSUPPACT San Diego Disbursing Officer at 532-1990. If circumstances warrant, suspected fraudulent claims will be referred to NIS under the signature of the Executive

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Officer without referral to the commanding officer involved. The Director of Internal Review shall be kept fully informed of all claims referred to NIS. All claims referred to NIS will be held in abeyance per reference (c), para 041357 until a determination of fraud is made.



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Distribution:

PERSUPPACTSANDIEGOINST 5216.1G, Lists I and II

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FRAUD, WASTE AND ABUSE DESK GUIDE

THE FOLLOWING IS A LIST OF SOME OF THE ITEMS THAT SHOULD AROUSE SUSPICION:

LODGING RECEIPTS

- HANDWRITTEN OR 'DIME-STORE' VARIETY
- ROOM NUMBER OR NUMBER OF OCCUPANTS ERASED OR ALTERED
- DIFFERENT TYPE OF RECEIPTS FOR SAME MOTEL/HOTEL
- RECEIPTS FOR SAME MOTEL/HOTEL SHOW DIFFERENT DAILY RATES
- TWO OR MORE MEMBERS TRAVELING DURING SAME PERIOD TO SAME DESTINATION, AND SOME MEMBERS CLAIM THEY LOST THEIR RECEIPT

OTHER RECEIPTS

- AIRLINE TICKET SHOULD BE FOR SAME DATES AS ORDERED TRAVEL AND AS SHOWN ON ITINERARY
- GASOLINE RECEIPTS SHOULD SHOW PURCHASES IN AREA OF TAD/TDY AND DURING PERIOD VEHICLE WAS RENTED

DEPENDENTS TRAVEL

- HOUSEHOLD GOODS NOT SHIPPED
- OLD ADDRESS ON CLAIM DIFFERENT THAN SHOWN ON OLD PAGE 2

TRAVEL TIME

- POC SHOWN AS MODE OF TRAVEL, BUT DATES OF TRAVEL MORE CONSISTENT WITH TRAVEL VIA AIR
- POC WOULD APPEAR NOT TO HAVE BEEN READILY AVAILABLE, E.G., MEMBER ARRIVES AT PORT OF DEBARKATION FROM OVERSEAS

THIS LIST IS NOT ALL INCLUSIVE AND IT SHOULD BE REMEMBERED THAT YOUR EXPERIENCE AS A TRAVEL EXAMINER IS THE MOST IMPORTANT RESOURCE IN ENSURING THAT THE FRAUD, WASTE, AND ABUSE PROGRAM IS EFFECTIVE.