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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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Dear Senator Tower:

Your April 25, 1972, letter requested us to consider the comments of Mr. Jim Beard, Beard Transfer and Storage Co., Bryant, Texas, regarding the method of reimbursing Government employees for moving expenses. Specifically Mr. Beard was concerned that Government employees (1) could falsify weight tickets and be reimbursed for more weight than they actually moved and (2) were banding together to obtain reduced rates from household goods carriers for mass moves thereby saving money for themselves but not for the Government.

You also requested that we direct our attention to the current method of reimbursing Government employees for moving expenses.

We met with Mr. Beard and he stated that in the past he has been asked to falsify a weight ticket. However, he was unable to furnish any documentation concerning the incident and he could not furnish us with names, dates, or other specifics necessary to verify the incident.

In his letter Mr. Beard cited a move made by 18 to 20 people from Texas A & M University to New Jersey as an example of how Government employees could save money for themselves by obtaining mass-movement rates. Our review of this particular move confirmed that there had been a potential for savings, but, that because of a breakdown in communications, the transportation officer at origin had not been aware of the group transfer. We found that, had the transportation officer managed the transfer in accordance with existing regulations, the Government--not the individuals--would have saved money.

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CURRENT POLICY FOR REIMBURSING GOVERNMENT EMPLOYEES FOR MOVING EXPENSES

To put Mr. Beard's statements in the proper context, we believe it may be helpful to review the current policies and procedures for reimbursing Government employees for travel expenses.

The basic authority for paying Government civilian employees' travel and transportation expenses, including costs of shipping household goods and personal effects, is subchapter II, chapter 57, title 5, United States Code. The Department of Defense (DOD) Joint Travel Regulations, volume II, pertains to DOD civilian personnel and is based on the Office of Management and Budget Circular A-56 (Government employees relocation allowances regulations). The regulations provide that, when transfer of household goods is authorized within the continental United States, shipments may be made under the commuted-rate system or the actual-expense method, depending on cost.

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Under the commuted-rate system, employees make their own arrangements for transporting household goods between points within the continental United States. They select and pay the carriers or they transport their household goods and are reimbursed by the Government in accordance with schedules of rates compiled and distributed by the General Services Administration (GSA). Reimbursements are made on the basis of weights and distances involved.

Claims for reimbursement under the commuted-rate system are to be supported by receipted copies of the commercial bills of lading, including weight certificates. If no bills of lading are involved, other evidence showing points of origin and destination and the weight of the goods must be submitted. Employees transporting their own household goods are cautioned to obtain proper weight certificates showing gross weight (weight of vehicle and goods) and tare weight (weight of vehicle only).

Under the actual-expense method, the Government assumes responsibility for awarding contracts and for negotiating with carriers. The household goods are shipped on a Government bill of lading, and the Government pays transportation charges directly to the carriers. The Government--not the employee--is the shipper. It is responsible for selecting the carrier, arranging for carrier services, preparing the bill of lading, paying charges, and processing any claims for loss and damage.

When the commuted-rate system is used the Government is relieved of the responsibility and administrative expense of selecting and dealing with carriers and making other arrangements for transporting employees' household goods; however, the Government cannot take advantage of special discounts which carriers may offer. When the actual-expense method is used, the Government is responsible for the additional expenses of selecting and dealing with carriers, preparing bills of lading, auditing and paying transportation vouchers, supervising packing of household goods, handling employee loss and damage claims, and other incidentals.

The general policy is to use the commuted-rate system when individual transfers are involved. However, the actual-expense method may be used if the costs to the Government for packing and other accessorial services can be predetermined and if it is expected to save the Government \$100 or more.

On mass moves or whenever 10 or more shipments of household goods will be transported between the same two points at approximately the same time, civil agencies are supposed to notify GSA and military agencies are supposed to notify the appropriate military management organization.

12 Either GSA or DOD should attempt to arrange with carriers for worthwhile reductions in rates and should advise the agencies concerned of their efforts. If savings will result after all direct and indirect costs have been considered, the actual-expense method should be used; otherwise the commuted-rate system should be used.

NO EVIDENCE OF FALSIFICATION
OF WEIGHT TICKETS

Mr. Beard advised us that, on one occasion in the past, he had been offered \$20 to falsify a weight ticket. However, he did not have any documented evidence concerning the incident and he could not furnish us names, dates, or other specifics. Without such information we could not verify his statement or examine into the basis of payment to the employee. We did check with representatives of two national moving companies, and neither representative remembered being offered a bribe to falsify a weight ticket.

We believe the severity of the penalties for falsifying a weight ticket acts as a deterrent to any widespread alterations or falsifications by Government employees. Falsifying a travel voucher subjects the employee to both civil and criminal liability; the United States Code (31 U.S.C. 231) imposes civil liability on persons making false claims. The employee must forfeit \$2,000 and must pay double the amount of damages which the United States may have sustained by his action. Anyone who presents to an agency a false claim against the United States, knowing such claim to be false, can under 18 U.S.C. 287 be fined up to \$10,000 or imprisoned up to 5 years.

Falsifying weight tickets in Mr. Beard's State is a State violation which is under the jurisdiction of the Commissioner of Agriculture, State of Texas. The penal code of that State provides for a fine of \$25 to \$200 and a possible jail sentence of 30 days to 6 months for requesting or paying a public weigher to weigh any article falsely or for requesting a false or incorrect certification of weights and measures.

GOVERNMENT COULD HAVE REALIZED
SAVINGS ON MASS MOVE

We found that the Government employees involved in the mass move cited in Mr. Beard's letter had been stationed at the Intern Training Center, Texarkana, Texas. They had participated in an engineering graduate program conducted by the Army Materiel Command and had been transferred to permanent job sites after completing the program.

We found that these employees had banded together and obtained a reduced rate from a commercial carrier for the total weight of all the

shipments. If the employees had contacted the commercial carrier individually, the rates would have been considerably higher. By consolidating their shipments, they were able to save themselves money because they were reimbursed at the commuted rate, which is usually aligned with the carriers' rates for individual moves.

Although we were unable to verify Mr. Beard's estimate that the Government could have saved \$2,500, we did find a potential for savings to the Government had the move been properly managed. However, we could not determine the full potential without a complete inventory of the personal property transferred to estimate the cost for packing and other accessorial services. These inventories had been retained by the individuals involved and were not available for our inspection.

We did determine that there had been a breakdown in communications and that the origin transportation officer had not been aware of the group transfers. As a result, no effort had been made to negotiate for reduced mass-movement rates as required by the regulations.

We brought our findings to the attention of the Director, Intern Training Center, and he agreed to contact the appropriate transportation office for advice and assistance in making future moves at the lowest possible cost to the Government.

We have not solicited the comments of the military departments on the matters discussed in this letter. We plan to make no further distribution of this report unless copies are specifically requested and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

As requested, the material you furnished is returned for your records.

Sincerely yours,



Acting Comptroller General
of the United States

Enclosure

The Honorable John D. Tower
United States Senate