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Inspector General

United States
Department of Defense



REPORT OF INVESTIGATION:
MR. BERND McCONNELL
SENIOR EXECUTIVE SERVICE
DIRECTOR, INTERAGENCY COORDINATION
UNITED STATES NORTHERN COMMAND

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I. INTRODUCTION AND SUMMARY

We initiated this investigation to address allegations that Mr. Bernd McConnell, while serving as the Director, Interagency Coordination, North American Aerospace Defense Command (NORAD), United States Northern Command (USNORTHCOM), failed to follow applicable regulations relating to official and unofficial travel and misused his position.¹

We conclude Mr. McConnell violated applicable sections of the Joint Travel Regulations (JTR) and the Joint Ethics Regulation (JER) by failing to use the Defense Travel System (DTS) and a Government-contracted commercial travel office (CTO) to schedule official air travel and rental vehicles. We found Mr. McConnell self-procured commercial air transportation, failed to use the City-Pair program or the Government-contracted lowest cost airfares, and self-procured rental vehicles at charges exceeding rental rates available through DTS and the CTO without proper authorization. We further found Mr. McConnell was reimbursed for air travel and rental vehicles charged to his Government Travel Charge Card (CTCC), including for amounts that exceeded rates available through DTS.

We also conclude Mr. McConnell failed to conserve Government resources and misused his position for personal gain in violation of the JTR, JER, and USNORTHCOM policy. We found that Mr. McConnell arranged his air travel with specific commercial carriers, rather than the Government contracted carrier, and consistently rented non-compact vehicles from one vendor without proper authorization. We also found that Mr. McConnell obtained TDY lodging at specific hotels for his personal convenience at rates exceeding the maximum authorized lodging rate for his temporary duty (TDY) location. We found Mr. McConnell received reimbursement for rental vehicle and lodging expenses incurred on TDY, including sums that exceeded maximum authorized rates for his locations.

By letter dated August 21, 2012, we provided Mr. McConnell the opportunity to comment on the initial results of our investigation. In correspondence dated September 4, 2012, Mr. McConnell contested our preliminary conclusions but acknowledged personally procuring air travel from time to time and routinely procuring rental vehicles from Hertz in connection with TDY travel. He denied ever having used Government resources for personal gain and implied that his frequent, rigorous official travel justified his efforts to maximize personal convenience during such travel.

¹ For ease of reference, we refer to duty positions in this report as being assigned only to United States Northern Command (USNORTHCOM). In all instances, unless otherwise specifically noted in the report, said duty positions are part of both the North American Aerospace Defense Command (NORAD) and USNORTHCOM.

We disagree with Mr. McConnell's assertions. While he may not have profited financially from his official travel and the manner in which his travel vouchers were processed, the evidence does not support his claim that he personally would pay the difference between expenses claimed on his travel vouchers and what was authorized for reimbursement.² We address his response in more detail with regard to our findings and conclusions in Part IV, Findings and Analysis, below.³

We recommend that the Secretary of the Air Force consider appropriate action with respect to Mr. McConnell.

This report sets forth our findings and conclusions based upon a preponderance of the evidence.

II. BACKGROUND

USNORTHCOM was created and established in 2002 as a geographic combatant command and the lead DoD agent responsible for the defense and security of the United States homeland. USNORTHCOM's mission includes support to civil authorities as part of a national interagency and intergovernmental collaboration to respond to natural and man-made threats against the homeland. USNORTHCOM's area of responsibility includes the 50 states and 4 U.S. territories.

USNORTHCOM's interagency presence is the largest of all combatant commands. USNORTHCOM interacts with more than 40 non-DoD Government organizations to carry out its mission, including but not limited to the Departments of Agriculture, Justice, and Homeland Security, United States Customs and Border Protection, the National Oceanographic and Atmospheric Administration, and the Federal Emergency Management Agency. The Directorate for Interagency Coordination (NC/IC) facilitates interagency and Federal-state responses to threats and disasters. NC/IC's structure includes three divisions and employs more than 50 military and civilian employees.

Mr. McConnell has been a member of the Senior Executive Service since 1997. He has been the Director of NC/IC since 2004. He is a retired Air Force officer and reports directly to the Commander, USNORTHCOM.

² We do not comment in this report on personal benefits, if any, Mr. McConnell received from his rental vehicle and airline frequent traveler programs. We recognize that, generally, a traveler without a frequent traveler rewards program may incur additional expenses for travel upgrades.

³ We have attempted to summarize Mr. McConnell's comments in a thorough, objective, and complete manner. However, recognizing that a summary may not capture the full import or substance intended by Mr. McConnell in his response, a copy of his response is attached to this report.

III. SCOPE

We interviewed Mr. McConnell and 12 additional witnesses. We reviewed travel documentation, including itineraries, correspondence, travel vouchers, TDY payment records, airline ticket receipts, and other documents covering more than 100 trips taken by Mr. McConnell between June 2007 and December 2011.⁴ We reviewed email and other documents retrieved from USNORTHCOM staff members' official email user accounts. We also analyzed travel claim documentation obtained from the Defense Finance and Accounting Service (DFAS) records relating to Mr. McConnell's travel claims in connection with TDY.

Based on an anonymous complaint to the Office of the Inspector General, United States Air Force, and information gathered in the course of the investigation, we focused our investigation on allegations concerning travel expenses incurred and claimed by Mr. McConnell in connection with TDY travel.

IV. FINDINGS AND ANALYSIS

A. Mr. McConnell fail to use DTS and the Government-contracted CTO to schedule official travel air travel and rental and otherwise authorization?

Standards

JTR, Volume 2, Chapter 1, "Department of Defense (DoD) Employee Travel Administration," December 1, 2011⁵

Part A, "Application and General Rules," states in Paragraph C1008, "Defense Travel System (DTS)," that DTS covers individual TDY travel for business, travel for schoolhouse training and deployment or personnel traveling together with or without reimbursement, and certain travel under special circumstances. DTS does not cover permanent change of station travel or evacuation travel.

⁴ We define the term "trip" in the report to include travel to one or more locations in connection with specific travel for temporary duty (TDY). For example, if a TDY trip called for travel to El Paso, Texas, and Albuquerque, New Mexico, we considered it be one "trip" rather than two.

⁵ The references to the Joint Travel Regulations (JTR) in this report show the date of the most recent revisions to cited provisions in the JTR. Unless otherwise noted, the provisions referred to herein were in effect at all times relevant to the allegations under investigation.

Subparagraph C1008(C), "AO's Responsibilities," states that an AO [Authorizing Official] must determine the travel purpose for TDY travel on the DTS-generated trip record, and that the information provided by the DTS Reservation Module or directly from the CTO is central in helping meet those responsibilities.

Subparagraph C1008(D), "Traveler Rights and Responsibilities," states a traveler should promptly update his/her trip record and confirm or modify arrangements when communication with the CTO is not possible. (Subparagraph C1008(E), "A Typical Business Trip," states that the CTO updates the trip record with confirmed reservations and commercial ticket information.)

JTR, Volume 2, Chapter 2, "Transportation Modes, Accommodations, Transportation Requests, Baggage & Mileage Rates," December 1, 2011

CTO Use

Part E, "Travel by Common Carrier," Section 2, "Arranging Official Travel," Paragraph C2203, sets forth DoD mandatory policy that DoD civilian employees shall use an available CTO to arrange official travel, including transportation and rental cars.

Paragraph C2203(D), "Transportation Reimbursement," states that when a CTO is available but not used by the traveler, reimbursement for the transportation cost is not to exceed the amount the Government would have paid if travel arrangements had been made directly through a CTO.

Part E, Section 3, "Commercial Air Transportation," Paragraph C2204, provides it is mandatory to arrange official transportation through an available CTO.

City-Pair Airfares

Part A, "Travel Policy," Paragraph C2001, "Transportation Mode," Paragraph A.2(a), "Contract Air Service," states the use of City-Pair airfares, offered by a contract air carrier between certain cities, is to the Government's advantage, and such fares should be used for official air transportation between cities.

Paragraph C2001(A)(2)(a), "Contract Air Service," provides that except as otherwise noted in the JTR, City-Pair airfares should be used for official air transportation. If City-Pair airfares are not available for particular travel, the traveler should use a lower unrestricted economy/coach-class airfare offered to a Government traveler on official business.

Paragraph C2001(A)(2)(b), "Non-contract Air Service," provides the use of non-contract air service may be authorized only when justified, and that advance authorization with the specific justification reason must be shown on the travel order before travel begins (unless circumstances make advance authorization "impossible"). The approval and justification must be stated on or attached to the travel voucher.

Paragraph C2001(A)(3)(d), “Traveler’s Cost Liability when Selected Mode Not Used,” states an employee should use the transportation mode administratively authorized or approved by the DoD component as being to the Government’s best advantage. Additional costs resulting from use of a transportation mode other than specifically authorized, approved, or required by regulation is the employee’s responsibility.

Appendix P, “City-Pair Program,” Part I, “City-Pair Program,” describes the City-Pair program and the use of contract carriers for official travel. It encourages travelers to reserve travel as far in advance as possible to increase the chance of obtaining unrestricted capacity-controlled GSA City-Pair airfares, which in general are significantly less expensive than an unrestricted airfare.

Paragraph A(6), “Exception to the Use of Contract Carriers,” provides that one or more express travel conditions must exist and be certified on the travel order, voucher, or other document provided by the traveler or authorizing official if a non-contract carrier or contract carrier other than the primary contractor is used for travel within a contract route. Those conditions include the following:

- Space on a scheduled contract flight is not available in time to accomplish the travel purpose, or contract service would require the traveler to incur overnight lodging costs that would increase the total trip cost.
- The contract carrier’s flight schedule is inconsistent with explicit agency policies to schedule employee travel during normal working hours.
- A DoD-approved non-contract U.S.-certificated carrier offers a lower airfare available to the general public, the use of which results in a lower total trip cost to the Government, to include the combined costs of transportation, lodging, meals, and related expenses. Certain exceptions apply.
- Cost-effective rail service is available and consistent with mission requirements.

Paragraph A(7), “Requirements that must be met to use a non-contract airfare (FTR §301-10.108),” states the traveler’s agency must determine that the proposed non-contract transportation is practical and cost effective for the Government before the traveler purchases a non-contract airfare.

Paragraph A expressly states, “carrier preference is not a valid reason for using a non-contract airfare.”

Appendix P, Part 2, states the use of a Government-contracted CTO is mandatory when such services are available.

Rental Vehicles

Part C, “Travel by Taxicab, Bus, Streetcar, Subway, or Other Public or Special Conveyance,” Paragraph C2102(A)(2), authorizes a rental vehicle when it is to the Government’s advantage, and adds that a traveler’s personal preference or minor inconvenience must not be the basis for authorizing such use.

Paragraph C2102(B), "Selecting a Rental Vehicle," states the lowest cost vehicle service meeting mission requirements must be selected for commercially rented vehicles. It adds that the authorizing official may approve an appropriately sized vehicle in accordance with mission requirements "when a compact car (the 'standard' for TDY travel) does not meet the requirement."

Paragraph C2102(B)(1)(c) states that the use of rental car vendor participating in the DTMO [Defense Travel Management Office] rental car agreement is encouraged, because the Government rate includes full liability and vehicle loss and damage insurance coverage for the traveler and the Government.

Paragraph C2102(B)(1)(d) states that a traveler disregarding rental car arrangements made by the CTO may be required to provide justification for additional rental car cost before reimbursement is allowed.

Paragraph C2102(D), "Use Limited to Official Purposes," limits the use of rental vehicles to official purposes including transportation to and from duty sites, lodgings, dining facilities, and other expressly authorized locations a traveler may have need to visit during TDY.

JTR, Appendix O, "Temporary Duty (TDY) Travel Allowances," February 1, 2011

Paragraph T4020, "TDY Travel Policy," Paragraph B, "Traveler Rights and Responsibilities," states a traveler must follow the policies and procedures established in the JTR, and use good judgment in incurring official travel-related expenses, as if traveling using personal funds.

Paragraphs T4020(B)(3) and (B)(4) require that a traveler arrange official travel, transportation, and rental cars through a contracted CTO. Paragraph T4020(B)(3) provides that DTS estimates the total cost for the trip forming the basis for reimbursement to the traveler.

Paragraph T4020(B)(4) provides that only in extremely unusual circumstances in which the traveler cannot communicate with the CTO should the CTO not be used. Paragraph T4020(B)(4) further states a traveler must use economy-class for all official Government funded travel unless other class accommodations are authorized or approved by the appropriate approving official.

Paragraph T4025, "Arranging Official Travel," Paragraph A(1), "Mandatory Policy," mandates that all civilian employee travelers use an available CTO for all official transportation requirements. It adds that a command must not permit a CTO to issue other than the least expensive unrestricted economy/coach-class tickets purchased at Government expense without prior proper authority.

Paragraph T4050, "Taking a Typical Business Trip," provides in subparagraph A(1), "Cost Estimate," that a traveler should obtain a cost estimate for a trip to provide the traveler and AO up-front standard and actual arrangements, associated costs, and maximum allowances. The

estimate includes transportation costs to and from the TDY location, lodging costs, and fees determined by the DTS Reservation Module or directly from the CTO.

Paragraph T4060, "AO [Authorizing Official] Responsibilities," Paragraph A, "General," provides that the information provided by the DTS Reservation Module or obtained directly from the CTO is central in helping an AO exercise his/her responsibilities. Paragraph T4060(B)(6), "Rental Car," states an AO may authorize a rental car when it is the most cost-effective or efficient way to complete the mission. Compact cars should be authorized unless a large vehicle is justified under JTR paragraph C2102-C1.

DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMR)," Volume 9, Chapter 2, "Defense Travel System," August 2011⁶

Section 020302, "Traveler," provides that the traveler is responsible for preparing initial authorizations, amendments, and post trip vouchers. It adds the traveler also is liable for any false or fraudulent written or oral statements under the False Claims Act (18 U.S.C. 287, 18 U.S.C. 1001 and 31 U.S.C. 3729).

Paragraph 020302(D) states the traveler is required to provide justification to the authorizing official in the comment field of an authorization, amendment, or voucher for variations from policy and/or any substantial variances between an authorized "should cost" estimate and the final travel claim.

DoD 7000.14-R, FMR, Volume 9, Chapter 3, "Department of Defense Government Travel Charge Card (GTCC)," August 2010

Paragraph 030101 states it is DoD policy that the GTCC will be used by all DoD personnel to pay for all costs related to official Government travel. Official Government travel is defined as travel under competent orders while performing duties pertaining to official Government assignments such as TDY.

Paragraph 030103 provides that commanders and supervisors at all levels shall ensure compliance with the regulation.

Paragraph 030501 states that unless otherwise exempt, all DoD personnel are required to use the GTCC for all authorized expenses relating to official travel.

DoD 5500.7-R, "Joint Ethics Regulation (JER)," August 30, 1993, including changes 1-6 (March 23, 2006)

The JER provides a single source of standards of ethical conduct and ethics guidance for DoD employees. Chapter 2 of the JER, "Standards of Ethical Conduct," incorporates Title 5,

⁶ DoD 7000.14-R, "Financial Management Regulations", is revised periodically. The date shown reflects the date of the last revision of the published regulation.

Code of Federal Regulations (C.F.R.), Part 2635, “Standards of Ethical Conduct for Employees of the Executive Branch,” in its entirety.

Section 2635.101, “Basic obligation of public service,” provides general ethical principles applicable to every employee. Section 2635.101(b)(14) states that employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in Part 2635.

Section 2635.704(a), “Use of Government property,” states, “An employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes.” Consequently, employees have an affirmative responsibility to conserve resources.

Under Secretary of Defense Memorandum, Subject: “Mandatory Use of the Defense Travel System (DTS),” dated March 28, 2008

The memorandum mandates that DTS shall be the single, online travel system used for all official travel functions in DoD.

Defense Travel Management Office, “DoD Defense Travel System (DTS) Best Practices,” November 8, 2011

Section 9, “Travel Reservations,” provides in Paragraph 9.1, “Commercial Travel Office,” that the CTO is the commercial entity providing a full range of travel and ticketing services for official travel under a contract or memorandum of understanding with the Government.

The DTS Reservation Module is used for reserving travel to be ticketed through a CTO. Paragraph 9.9, “Ticketing,” provides that ticketing of travel is normally completed 3 business days before scheduled departure. When the CTO issues the ticket, an email is sent to the traveler with the reservation and cost information.

Paragraph 9.17, “DTS-Tailored Organizations,” states that if the CTO interface is not used, travelers are not able to request travel reservations through the DTS Travel module and must make arrangements offline directly with the CTO, then enter the information into DTS.

The complaint alleged that Mr. McConnell personally procured airline tickets for official travel rather than use DTS or the Government-contracted CTO. Records for Mr. McConnell’s TDY travel showed that between 2007 and November 29, 2011, Mr. McConnell traveled on TDY more than 100 times. The complaint alleged that Mr. McConnell selected specific flights for TDY rather than obtaining flights through DTS and the CTO.

2008 USNORTHCOM Travel Review

We obtained documentary and testimonial evidence indicating that issues involving Mr. McConnell's official travel had been the subject of an internal USNORTHCOM review in 2008. The evidence showed that in September 2008, (b)(6) (b)(7)(C) reported concerns to an attorney assigned to the Office of the Staff Judge Advocate (OSJA), USNORTHCOM, regarding travel-related issues surrounding Mr. McConnell's official travel.

After meeting with (b)(6) (b)(7)(C) the attorney informed his supervisor, the SJA, who in turn notified the USNORTHCOM IG. The USNORTHCOM IG briefed the Commander, USNORTHCOM, concerning the issues and recommended an informal review of Mr. McConnell's official travel. The Commander, USNORTHCOM, concurred in the recommendation and approved an informal audit of Mr. McConnell's records for official travel.

(b)(6) (b)(7)(C), testified that the USNORTHCOM IG requested that (b)(6) (b)(7)(C) office review records for Mr. McConnell's TDY travel.⁷ (b)(6) (b)(7)(C) stated the scope of the review was to conduct an informal travel audit. USNORTHCOM's Directorate for Programs and Resources (J8) staff reviewed Mr. McConnell's TDY records for travel during a 6-month period in 2008. The J8 informal travel audit covered various issues including:

- Alleged self-procurement of travel requirements and the use of a specific airline tied to a personal interest (mileage rewards);
- Selection of specific airlines and car rental companies;
- Arranging for sports utility vehicles (SUVs) instead of appropriate vehicles when selecting rental cars; and
- Departing for TDY from record and the official departure airport are in ' .

At the conclusion of J8's informal audit of Mr. McConnell's travel records, the (b)(6) (b)(7)(C) and the (b)(6) (b)(7)(C) met with Mr. McConnell to brief him on the results of the review and provided recommendations concerning their findings.

The J8 review of Mr. McConnell's travel records revealed a number of inconsistencies and irregularities regarding Mr. McConnell's TDY travel. The informal audit identified more than 25 potential irregularities or inconsistencies for which additional documentation, explanation, or justification was necessary. The inconsistencies included Mr. McConnell's self-procurement of tickets for TDY air travel, rental vehicle issues during TDY travel, Mr. McConnell's apparent use of his GTCC for expenses that appeared unrelated to his official travel, and lodging issues.

(b)(6) (b)(7)(C) testified (b)(6) personally briefed Mr. McConnell concerning J8's review of his travel records and provided a copy of the review results to him during the briefing to ensure he was aware of the identified issues and the steps he needed to take to resolve them.

Table 1, below, shows representative examples of J8's analysis and recommendations concerning Mr. McConnell's TDY travel and travel record keeping. A copy of J8's complete post-travel findings and recommendations is attached as an Appendix to this report.

2 Jun - 6 Jun	<p>1. Airfare - Personally purchased \$769.51 (COSIAD-DEN) -- No Travel Cost Comparison Worksheet (TCCW) or Waiver from 21 Logistics Readiness Squadron (LRS). 2. Rental car - Full Size 3. The National Defense University (NDU) symposium (4 -5 Jun), departed 2 Jun (a day early). 4. There were 2 entries for "Lodging balance" --non-reimbursable entry.</p> <p><i>Recommendation: 1. Traveler needs to amend the voucher to correct the lodging claims, thereby requires to complete (sic) an Actual Expense Allowance (AEA) letter. 2. Traveler needs to provide a comment to the Approving Official (AO) for not using the Compact car. 3. Traveler needs to provide comment for traveling a day early. 4. Traveler needs to provide comment on how the registration fee was paid. NDU site shows a registration fee.</i></p>	n/a
8 Jun-11 Jun	<p>1. Airfare thru DTS (WingGate Travel). 2. Rental car - Intermediate, missing receipt for the \$82 fee. 3. Missing an Actual Expense Allowance (AEA) Letter for 8/9 Jun. Max Lodging \$93.00, AO paid \$149 and \$113 respectively</p> <p><i>Recommendation: Amend the paid voucher and attach the missing AEA letter, missing rental car receipt, and provide comment to why the Compact car was not used.</i></p>	<p>1. Voucher is missing the \$13.58 CTO fee (ref: 0167197147928, dated 3 Jun 2008). 2. BoA statements do not show an entry to the \$82.00 (rental car).</p> <p><i>Recommendation: 1. Cardholder needs to amend voucher and claim the CTO fee. 2. Cardholder needs to review personal records or the missin recei</i></p>
29 Jul		<p>United Airlines Rosemont, IL (Ticket # 0162179637550) \$234.</p> <p><i>Recommendation: Cardholder needs to provide explanation to the GTC Agency Program Coordinator (APC ,</i></p>
10 Aug - 14 Aug	<p>1. Airfare - Personally purchased \$473.50 -- No TCCW or Waiver from 21 LRS 2. Rental Car - Full Size (b)(7)(C)</p> <p><i>Recommendation: 1. Prepare and attach the TCCW to the voucher and provide a comment to the AO why Full Size car was used instead of the Compact car. 2. Traveler needs to amend the voucher to prorate rental car claims (3 days)</i></p>	<p>Casa Benavides Taos, NM \$197.64. Transaction can be linked to this travel authorization. Cardholder claimed a leave in or near Albuquerque, NM. GTC should have not been used while on leave status.</p> <p><i>Recommendation: The GTC Agency Program Coordinator needs to counsel cardholder [on] the proper use o GTC.</i></p>

25 Aug – 27 Aug	1. Airfare - Personally purchased \$410.00 (DENDCA-DEN, submitted Travel Cost Comparison Worksheet, a savings of \$36.38 2. No Rental Car 3. Missing AEA letter, max lodging \$154, AO Approved \$174 <i>Recommendation: Traveler needs to attach the missing Actual Expense Allowance letter to the voucher.</i>	n/a
29 Aug	n/a	United Air E-Tkt (0162181082522), HI \$323.49 <i>Recommendation: Cardholder needs to provide explanation to the CTC Agency Coordinator (APC).</i>
7 Oct – 10 Oct	1. Airfare - Personally purchased \$ 756.00 -- No TCCW or Waiver from 2) LRS 2. Rental car - Full Size <i>Recommendation: Prepare and attach the TCCW to the voucher and provide a comment to the AO why Full Size car was used instead of the car.</i>	

testified that after the [redacted] and [redacted], and [redacted] each briefed the audit findings to Mr. McConnell, no one performed any follow up with Mr. McConnell or the NCIC staff concerning the issues or recommended corrective actions addressed in J8's report.

[redacted] testified Mr. McConnell seemed to appreciate the review to ensure his staff helped him do things correctly. However, [redacted] added [redacted] believed Mr. McConnell did not necessarily agree that the J8 should have questioned certain travel concerns. [redacted] specifically recalled discussing rental vehicles with Mr. McConnell and Mr. McConnell saying, "I'm not putting my fat ass in an economy or a compact car." [redacted] added [redacted] told him he did not have to, but he was obligated to pay the difference between an authorized vehicle and the vehicle he rented.

[redacted] testified that [redacted] and the [redacted] met with Mr. McConnell in late 2008 to discuss the results of the J8's staff assistance visit. [redacted] stated that [redacted] role during the meeting was limited, as the travel issues were not within [redacted] area of expertise. [redacted] testified that in a personal conversation with Mr. McConnell [redacted] to convey [redacted] view to Mr. McConnell that [redacted] had not concluded Mr. McConnell committed criminal wrongdoing. [redacted] stated [redacted] reached this conclusion even though Mr. McConnell's travel records were incomplete and required explanation, clarification, or additional supporting documents.

Mr. McConnell testified he did not recall meeting with the [redacted] and [redacted] and [redacted]. He recalled the [redacted] discussing the results with him and telling him the review showed no evidence of criminal wrongdoing. Mr. McConnell testified he believed his staff had fulfilled the recommended corrective actions identified by the J8. However, he added he did not engage in any post-review follow up with the [redacted]

J8, _____, or others. We found no evidence indicating Mr. McConnell or his staff took corrective action or followed up with the J8 after the travel review.

We reviewed travel records relating to Mr. McConnell's TDY travel, including records that were the subject of the 2008 J8 staff assistance visit. The evidence we obtained detailed the following with respect to Mr. McConnell's official travel.

Air Travel

Travel records disclosed nine occasions on which Mr. McConnell personally purchased tickets for TDY travel directly from a commercial airline instead of having his travel ticketed through DTS and the Government-contracted CTO. The records showed that on three of those occasions, in 2009, 2010, and 2011, Mr. McConnell obtained tickets for adjoining seats for himself and (b)(6), (b)(7)(C) in connection with travel from Colorado to the east coast. Mr. McConnell claimed reimbursement for the cost of his personally procured airfare on his travel vouchers. We found no evidence Mr. McConnell sought Government reimbursement for any airfare costs associated with (b)(6), (b)(7)(C) travel.

_____ testified that when Mr. McConnell scheduled TDY involving air travel, he routinely used specific commercial carrier's Web sites to determine available flights for his planned travel. _____ stated Mr. McConnell _____ flights that best met his travel schedule, then directed _____ him on those flights. _____ added that Mr. McConnell chose his preferred travel schedules after reviewing flights through the airline's online scheduling and reservation system. (b)(6), (b)(7)(C) testified that, in many instances, the ticket for his preferred flight could not be purchased with a City-Pair fare.

_____ testified that on occasion Mr. McConnell directly purchased airline tickets _____ Mr. McConnell

_____ would go straight to United Airlines and he would get on the phone with them. He got the military fare, but he would get on the phone with United, instead of booking through the CTO. I didn't know that's what he was doing. I didn't know that's how he was getting his airfare through United until there was a time he asked me to change a flight for him, and he had self-procured straight through United, and he told me how he was doing it.

(b)(6), (b)(7)(C) stated that in instances when Mr. McConnell self-procured air travel, he purchased his ticket with his personal credit card, then provided (b)(6), (b)(7)(C) with documentation confirming the ticket purchase for (b)(6), (b)(7)(C) use in preparing and processing his travel authorization and, at the end of this TDY travel, the travel voucher.

_____ testified that on many occasions, the airfare Mr. McConnell purchased directly was not a City-Pair fare for his specific TDY location. (b)(6), (b)(7)(C) added that while sometimes the airfare was less expensive than the City-Pair fare for the travel, on occasion it was more expensive than the City-Pair fare would have been for the same travel.

Testimony by several witnesses established that Peterson Air Force Base, on which NC/IC is located, has a Government-contracted CTO serving USNORTHCOM.

Mr. McConnell testified he occasionally purchased airline tickets directly from a commercial carrier for TDY travel when (b)(6), (b)(7)(C) planned to travel with him to a particular location. He added he also purchased airline tickets directly from a commercial carrier when he planned to take annual leave in conjunction with his TDY travel. (b)(6), (b)(7)(C) testified that when Mr. McConnell scheduled TDY travel, he personally chose the flights he sought to take for his travel. (b)(6), (b)(7)(C) added that while (b)(6), (b)(7)(C) made all of his travel arrangements through DTS, Mr. McConnell would tell (b)(6), (b)(7)(C) “what he wanted, when he wanted to fly out, you know, his preferred timeframes, things of that nature.” (b)(6), (b)(7)(C) continued that 9 times out of 10, (b)(6), (b)(7)(C) would be able to “give him the flights he wanted,” but that on occasion he did not like the flights that were available within DTS.

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) stated that in scheduling travel for Mr. McConnell and the (b)(6), (b)(7)(C) used DTS to review and match available flights to the traveler’s expressed desire to leave Colorado at a certain time or return from TDY at a specific time.

(b)(6), (b)(7)(C) testified that when Mr. McConnell planned travel for TDY, he would tell (b)(6), (b)(7)(C) specific flights he wanted to take for the TDY travel and (b)(6), (b)(7)(C) would attempt to obtain those flights through DTS. (b)(6), (b)(7)(C) added that if (b)(6), (b)(7)(C) could not find the flights in DTS, Mr. McConnell instructed (b)(6), (b)(7)(C) to reserve them anyway. Mr. McConnell testified that he did not personally schedule any of his TDY travel through DTS. Instead, he stated he authorized (b)(6), (b)(7)(C) to log into his DTS account using his common access card (CAC) and personal identification number and create the travel authorization for his TDY. Once (b)(6), (b)(7)(C) had created the document, Mr. McConnell digitally signed the authorization request in DTS.

Mr. McConnell’s travel records show he was reimbursed for airfares charged to his GTCC (via direct payment to the CTCC carrier) and airfares charged to his personal credit card for official TDY travel.

Rental Vehicles

Documentation for Mr. McConnell’s TDY travel showed that between March 2008 and November 2010, Mr. McConnell rented automobiles from the Hertz Corporation (Hertz) on 20 occasions.⁸ We found no records showing that Mr. McConnell rented a vehicle during TDY from any other rental car company.

⁸ Mr. McConnell’s travel records showed no car rentals in December 2010 or 2011. Hertz categorizes vehicles in nine major groupings, subcompact through luxury class vehicles. Hertz codes its vehicles on an alphabetized system, beginning with Class “A” (subcompact). Vehicles coded as “Q4” are mid-size sport utility vehicles.

Our review of Mr. McConnell's TDY travel authorization documents showed one instance, in 2008, in which the travel authorization listed Hertz as the Government-contracted carrier from which the vehicle was to be obtained. In the remaining cases, travel authorization documents listed other car rental companies as the Government-contracted carrier, including but not limited to Alamo, Enterprise, and Budget.

Mr. McConnell testified he always used Hertz to obtain a rental vehicle if he needed one in connection with TDY. He added that when he rented a vehicle he routinely chose to rent a sports utility vehicle (SUV) as opposed to a sedan. Mr. McConnell stated he is a member of Hertz's Gold Club rewards program.

Our review of Hertz receipts Mr. McConnell submitted with his travel vouchers showed that he rented mid-size SUVs 5 times out of the 20 referenced rentals. The records indicated Mr. McConnell rented intermediate or larger vehicles for 14 of the remaining rentals with Hertz, and we found one receipt showing the rental of a compact vehicle during a June 2009 TDY trip to Riverside, California.

Travel records for Mr. McConnell's April 2008 TDY travel to Memphis, Tennessee; Vicksburg, Mississippi; Kansas City, Missouri; and San Antonio, Texas, showed that he rented a four-wheel drive Toyota 4 Runner for travel from Memphis, Tennessee, to Jackson, Mississippi. Mr. McConnell rented a Lincoln MKX for transportation in San Antonio, Texas, April 24 - 27, 2008. Mr. McConnell's travel voucher shows he took leave on _____, indicates that he calculated the pro-rated sums attributable to personal use of the vehicle during his leave period, and reveals he did not claim reimbursement for such costs. He claimed reimbursement for the rental costs attributable to his official use of the vehicle on April 24-25, 2008.⁹

Travel records showed two occasions in 2009 and 2010, when Mr. McConnell rented a car from Hertz during TDY in Washington, DC, but used taxis for local transportation during the same travel.

Mr. McConnell's travel records showed 11 instances where his travel authorization documents authorized a vehicle rental from vendors other than Hertz. In each instance, however, Mr. McConnell actually rented a vehicle from Hertz. Further, in every instance in which Mr. McConnell's travel authorization or travel voucher showed a daily or weekly rental rate for the authorized (non-Hertz) vehicle, the actual daily or weekly rate on the Hertz receipt exceeded the authorized rate. However, in those instances the total approved rental amount on Mr. McConnell's travel voucher matched the total amounts shown on receipts Mr. McConnell submitted in support of his claims for reimbursement. We provide the following examples:

- *March 31, 2009, TDY to Santa Fe, New Mexico.* Travel records show a vehicle rental approved through Enterprise for 3 days at a daily rate of \$25.60. Mr. McConnell's

⁹ The dates of the referenced TDY travel were outside the scope of the 2008 informal audit of Mr. McConnell's official travel performed by the USNORTHCOM J8 and, therefore, were not documented in the audit results briefed to Mr. McConnell.

rental receipt with Hertz showed a daily rate of \$145.99 for 3 days. The voucher approved vehicle rental reimbursement of \$462.83.

- *June 29, 2009, TDY to Riverside, California.* Mr. McConnell's travel records show an approved vehicle rental through Dollar for 1 day at a daily rate of \$18.00. Mr. McConnell's rental receipt with Hertz showed a daily rate of \$53.84. The voucher approved vehicle rental reimbursement of \$72.60.
- *November 30, 2009, TDY to Washington, DC.* Mr. McConnell's travel records show an approved vehicle rental through Budget at a weekly rate of \$146.00. Mr. McConnell's rental receipt with Hertz showed the rental of a mid-size SUV at a weekly rate of \$457.00. The voucher approved vehicle rental reimbursement totaling \$412.68.
- *September 7, 2010, TDY to Providence, Rhode Island.* Mr. McConnell's travel records show an approved vehicle rental through Alamo for 4 days at a daily rate of \$19.00. Mr. McConnell's rental receipt with Hertz showed the rental of a full-size sedan at a daily rate of \$59.49. The voucher approved vehicle rental reimbursement totaling \$240.04.

testified Mr. McConnell told (b) (6) he preferred to rent through Hertz rather than any other vendor. (b) (6), (b) (7) added Mr. McConnell usually procured his rental vehicle himself rather than through (b) (6) efforts in arranging travel through the CTO and DTS.

Mr. McConnell testified he did not make his own travel reservations and arrangements in DTS. He stated (b) (6), (b) (7)(C) did so. He added he always personally reserved a vehicle when he needed one for TDY. He did so by using Hertz's online Web site to reserve a vehicle through his Gold Club membership. Mr. McConnell testified he did not prepare his own travel authorizations or travel vouchers. He stated when it was time to certify a TDY authorization or voucher in DTS either he logged into DTS on his computer using his U.S. Government common access card (CAC), then turned the computer over to (b) (6), (b) (7)(C), or he simply gave (b) (6), (b) (7)(C) his CAC and his personal identification number. Mr. McConnell acknowledged certifying the documents electronically, but stated he did not personally prepare them.

Mr. McConnell's travel records show that he received reimbursement for his incurred rental vehicle expenses associated with official travel, including sums that exceeded daily rates he would have received had he rented through DTS and the CTO.

Discussion

We conclude Mr. McConnell personally procured air travel and rental vehicles in connection with TDY travel rather than use the automated DTS process and Government-contracted CTO, in violation of the JTR, the FMR, and the JFR.

We found Mr. McConnell did not personally prepare his travel vouchers and he did not ensure the accuracy of the data submitted for reimbursement. We also found Mr. McConnell had personal responsibility as the traveler to ensure the documentation submitted on his behalf was correct.

Air Travel

We found that Mr. McConnell personally procured airline tickets for TDY air travel on nine occasions rather than obtain his travel through DTS and the CTO serving USNORTHCOM. We also found Mr. McConnell submitted travel vouchers after TDY travel to obtain reimbursement for his personally procured air tickets. We found that Mr. McConnell submitted receipts for his personally procured air tickets and obtained reimbursement of sums charged to his personal credit card.

The JTR requires that travelers and approving officials use DTS when it is available for creating TDY trip records and reserving air travel for ticketing by a CTO. Additionally, the JTR requires travelers to use a CTO when one is available to purchase air tickets for TDY travel. Government travelers are required to pay for the purchases of tickets with their GTCC, unless specific exceptions apply. We found no evidence showing that the personal purchase of air tickets outside of DTS or paid for with a personal credit card was required due to exigent circumstances or other exceptions set forth in the JTR and the FMR.

The JTR requires travelers to travel on City-Pair carriers for official travel when available. Further, if a traveler purchases a non-contract airfare, the traveler's agency must first determine that non-contract transportation is practical and cost-effective for the Government. The JTR states that carrier preference is not a valid reason to choose a non-contract airfare.

The JER requires a traveler to conserve and protect Government property and resources and not to use it except for authorized purposes.

Rental Vehicles

We found that Mr. McConnell personally procured rental vehicles in connection with TDY travel rather than obtain them through DTS and the available CTO, and at rental rates exceeding the lowest cost rental service meeting mission requirements, in violation of the JTR and JER. We found Mr. McConnell regularly obtained rental vehicles through Hertz when he needed a rental vehicle on TDY travel. We further found Mr. McConnell directly reserved and rented such vehicles on his own, rather than through the USNORTHCOM CTO.

We found the daily or weekly rental rates charged by Hertz for Mr. McConnell's rental vehicles consistently were higher than the rates shown for the Government-contracted vehicle reserved through DTS. We found Mr. McConnell received reimbursement for his rental vehicle expenses.

We found Mr. McConnell rented mid-size SUVs or mid-size vehicles for his personal convenience. We further found no evidence Mr. McConnell provided justification to the approving official to support his decision to rent an SUV or mid-size vehicle from Hertz.

The JTR requires the traveler to use DTS to reserve auto rentals and to select the lowest cost vehicle service meeting mission requirements for commercially rented vehicles. Further, the JTR requires that a traveler use a CTO to obtain a rental vehicle when a CTO is available. The

JTR also states compact cars should be authorized unless a larger vehicle is specifically justified under the JTR.

We determined Mr. McConnell did not use DTS or the CTO to reserve and obtain rental vehicles, did not select the lowest cost vehicle service meeting mission requirements, and did not provide required justification to rent vehicles larger than compact cars. Accordingly, we conclude Mr. McConnell violated the JTR and JER in directly procuring and renting vehicles through Hertz rather than through the CTO.

Based on the foregoing, we conclude Mr. McConnell personally reserved and obtained air travel and rental vehicles for TDY travel rather than use DTS and the CTO, in violation of the JTR, FMR, and JER, respectively. We additionally conclude that in the course of obtaining air travel for TDY, Mr. McConnell occasionally purchased flights with his personal credit card rather than his GTCC, in violation of the FMR.

Mr. McConnell's

In his September 4, 2012, response, Mr. McConnell acknowledged self-procuring airline tickets on occasion, as well as proposing to (b)(6), (b)(7)(C) flights that in his view best fit requirements for a particular trip. He also acknowledged that he did not personally use DTS for planning or accounting for official travel. He stated that, instead, he relied on the technical expertise of his staff members to perform the mechanics within DTS.

Mr. McConnell stated that he pursued convenience in traveling on Government business, however, did so under the principle that he would be responsible for any cost in excess of authorized reimbursement. He did not deny using Hertz routinely as a matter of convenience when renting automobiles on TDY travel. However, he asserted that his staff understood that rental car costs exceeding the Government allowed rate would be deducted from any TDY reimbursement or paid out of pocket. Mr. McConnell stated that with respect to air travel, he did not seek reimbursement above the Government rate on those occasions that he personally procured airline tickets. He added that he sometimes saved the Government money when the self-procured tickets were less expensive than the Government rate.

Witness testimony did not support or corroborate Mr. McConnell's assertion that excess rental car costs were to be deducted from amounts to be reimbursed to him. The evidence showed that Mr. McConnell's reliance on the technical expertise of his staff enabled him to obtain and use travel facilities in a manner contrary to the requirements of governing travel standards. With regard to rental cars, the evidence showed that his staff processed his travel vouchers to reimburse the rates actually charged to Mr. McConnell, even though those rates significantly exceeded available rental rates through DTS. We found no evidence that NC/IC staff members reduced reimbursement amounts to be paid to Mr. McConnell to account for any excess costs in the DTS voucher process.

Mr. McConnell challenged our finding that no corrective action was taken following the J8's issuance of its report after concluding its 2008 travel review. Mr. McConnell pointed out that his staff began preparing AEA documentation to account for lodging costs exceeding

prevailing allowable rates for his TDY locations. However, as we note in more detail in Part IV, Paragraph B, below, we did not find that the AEA letters represented appropriate corrective action. To the contrary, the evidence showed that the manner in which AEA letters were produced was indicative of an ongoing disregard of the governing travel standards.

After carefully considering Mr. McConnell's response and reevaluating the evidence, we stand by our conclusions.

B. Did Mr. _____ misuse his _____ for _____ and fail to conserve Government resources?

Standards

DoD 5500.7-R, JER, August 30, 1993, including changes 1-6 (March 23, 2006)

The provisions set forth in Paragraph A., above, apply.

Subpart G, "Misuse of Position," Section 2635.702, "Use of public office for private gain," states that an employee shall not use or permit the use of his Government position or title or any authority associated with his public office in a manner that is intended to coerce or induce others, including subordinates, to provide any benefit, financial or otherwise, to himself or to friends, relatives, or persons with whom the employee is affiliated in a non-Governmental capacity.

JTR, Volume 2, Chapter 1, "DoD Employee Travel Administration," December 1, 2011

The provisions set forth in Paragraph A., above, apply.

Paragraph C1058, "Obligation to Exercise Prudence in Travel," states that a traveler must exercise the same care and prudence for incurring Government paid expenses as he would when traveling at personal expense. Paragraph C1058(3) additionally states that excess costs and luxury accommodations that are unnecessary or unjustified are the traveler's financial responsibility.

JTR, Volume 2, Chapter 2, "Transportation Modes, Accommodations, Transportation Requests, Baggage & Mileage Rates," December 11, 2011

The provisions set forth in Paragraph A., above, apply.

JTR, Volume 2, Chapter 4, "Employee Travel," December 11, 2011

Part B, "Per Diem Allowances," Paragraph C4553, "Lodging-Plus Per Diem Method Computation," states in Sub-paragraph C.1., "Maximum Lodging Expense Allowance," that per diem rates include a maximum amount for lodging expenses. It further provides that

reimbursement may not exceed actual lodging costs or the applicable maximum amount unless an actual expense authorization (AEA) is prescribed.

Part C, "AEA," provides in Paragraph C4600, "General," that an AEA allows a traveler to be reimbursed in unusual circumstances for actual and necessary expenses that exceed the maximum locality per diem rate.

Paragraph C4602, "Justification," states that an AEA may be authorized when the per diem rate is insufficient for part or all of a travel assignment. Sub-paragraph C4602(B), "Reasons for authorizing/approving AEA," includes the following:

- Actual and necessary expenses (especially lodgings) exceed the maximum per diem;
- Special duties require such authorization; or
- Costs associated with specific functions or events have escalated temporarily due to special or unforeseen events.

Paragraph C4604, "Authority/Approval," provides that an AEA may be authorized before travel begins or approved after travel is performed.

Paragraph C4606, "Limitations," Sub-paragraph A, "Conditions," states that an AEA may not be issued as blanket authority for all travel to an area, and is prescribed only on an individual trip basis, "and only after consideration of the facts existing in each case."

Paragraph C4606, "Limitations," Sub-paragraph B, "Personal Preference/Convenience," states that a traveler is financially responsible for excess costs and additional expenses incurred for personal preference or convenience.

Under Secretary of Defense Memorandum, Subject: "Mandatory Use of the Defense Travel System (DTS)," dated March 28, 2008

The memorandum mandates that DTS is the single, online travel system used for all official travel functions in DoD.

NORAD-USNORTHCOM/J8 Memorandum for All Directors, Special Staff and Subordinate Commands, "Subject: Approval of TDY Actual Expense Allowance (AEA) Payments," February 15, 2007

The memorandum establishes AEA processing guidance for all USNORTHCOM personnel.

Paragraph 2 states that the per diem rate for a TDY location is normally adequate, but that a lodging allowance may be inadequate for particular locations. It provides that in such cases an AEA may be authorized in advance of travel. Paragraph 2 further states that if an AEA is repetitively required on a continuing basis for a particular area, a per diem rate adjustment should be requested.

Paragraph 3 provides examples of circumstances under which an AEA may be approved, including:

- The traveler accompanies a dignitary and is required to lodge in the same hotel;
- Costs in an area have escalated during special functions, such as sporting events, missile-launching periods, etc.
- Affordable lodging is not available within a reasonable commuting distance of the TDY location, and commuting costs from less expensive locations would offset the savings from occupying the less expensive lodging.
- Special TDY duties require upgraded quarters.

Paragraph 5 states the need for an AEA is determined before the travel occurs. The traveler must submit a letter to his AO detailing the reasons why the per diem allowance is not adequate.

Paragraph 6 provides that USNORTHCOM directorates using DTS should attach the approved AEA to the travel authorization or travel voucher. Further, an AEA is required whenever actual lodging costs exceed the maximum allowed lodging amount.

The complaint alleged Mr. McConnell personally procured airline tickets on specific airlines in order to obtain or use frequent flyer mileage rewards, rented vehicles larger than those authorized by the JTR, and lodged at hotels when on TDY travel at rates that exceeded the maximum lodging rate for the TDY location.

We incorporate facts set forth in Part IV, Paragraph A, by reference and provide additional facts with respect to these allegations below.

Travel records showed Mr. McConnell personally procured airline tickets for TDY travel. Mr. McConnell testified he purchased airline tickets directly from commercial carriers when he traveled with (b)(6), (b)(7)(C) or took leave in conjunction with official travel. He stated that one reason he purchased tickets directly was to ensure he sat with (b)(6), (b)(7)(C). He testified,

Well, frankly, a couple times a year, (b)(6), (b)(7)(C), likes to go back East, where we used to live, with me. Well, first of all, let me go back to your earlier thing, there. The nature of my job is such — I almost always have a reason to go to DC I could go to DC every week on government official business, if I chose to. But I already travel a lot. Anyway, when I travel with (b)(6), (b)(7)(C) a couple times a year, I have this habit of wanting to sit with (b)(6), (b)(7)(C) and if you're not on the same reservation, you can't choose seats together, or whatever. So yes, I have purchased tickets for me separately, for (b)(6), (b)(7)(C) just so that we can travel together.

Mr. McConnell him he should not self-purchase tickets. He stated, “I know I should not, but given wrath versus (b)(6), (b)(7)(C) wrath, I chose to go ahead and buy the ticket myself for the convenience of traveling together.”

Testimony by Mr. McConnell and other witnesses established that when Mr. McConnell traveled for TDY, he regularly directed (b)(6), (b)(7)(C) to ticket flights he personally selected from reservations and ticketing systems on commercial airline Web sites.

(b)(6) (b)(7)(C) testified Mr. McConnell preferred to fly on United Airlines and that there were occasions when United Airlines was not the Government-contracted carrier for a particular flight in question.¹⁰ (b)(6), (b)(7)(C) stated one reason Mr. McConnell preferred to travel on United instead of other available carriers was that he had frequent flyer miles with United.¹¹

(b)(6) (b)(7)(C) testified that (b)(6) repeatedly explained to him that there were City-Pair or GSA low-cost fares available for the TDY travel he had scheduled, instead of the flights he selected on an airline’s Web site. (b)(6) stated that on (b)(6) printed excerpts from the JTR to show Mr. McConnell the rules governing TDY air travel that (b)(6) printed Mr. McConnell’s travel itinerary and available Government-contracted airfares shown in DTS, and went over the information with Mr. McConnell to compare the Government-contracted flights that were available with those he had initially selected.

(b)(6) testified that on more than one occasion Mr. McConnell became for coming to him and discussing his flight choices. (b)(6), (b)(7) stated he used language

I don’t give a goddamn what the GSA city carrier is. These are the fucking flights I want and these are the fucking flights you’re going to get me.

(b)(6) recalled one particular occasion when (b)(6) discussed his air travel choices with him. (b)(6) testified (b)(6) told Mr. McConnell he constantly used United Airlines and self-procured tickets with United, and added that doing so was “all fine and dandy” so long as he chose a flight with a GSA carrier. (b)(6) stated that when (b)(6) told Mr. McConnell his actions could be construed as a violation of the JTR, he responded by telling (b)(6) he wanted (b)(6) to have the “JAG” (the Staff Judge Advocate) tell him what he was doing was illegal.¹²

(b)(6) described the flight and Mr. McConnell used to arrange for his TDY travel. (b)(6) testified

¹⁰ The travel documents we reviewed showed that the primary commercial carriers for most air travel from Colorado Springs, Colorado, to the destinations to which Mr. McConnell traveled on TDY were United Airlines, American Airlines, and Frontier Airlines.

¹¹ Travel documents showed that Mr. McConnell was a member of United Airlines’ Mileage Plus frequent flyer rewards program.

¹² We summarized the communication with a staff attorney from the office of the Staff Judge Advocate and the results of that communication in Part IV, Paragraph A, of this report.

Mr. McConnell first informed (b) (6) of the dates on which he was traveling. (b) (6) stated (b) (6) placed the TDY travel dates on the NC/IC calendar, and added that Mr. McConnell then informed (b) (6) of specific flights that he wanted to take for the travel. (b) (6), (b) (7)(C) testified,

He [Mr. McConnell] will go back on his computer, look up the flights on civilian airlines, and print the scheduling, and ask me to match that in DTS. I will then look in DTS for the flight. If I can't find the flight, then I will tell him, 'These flights I can't see because they're not City-Pair.'

(b) (6), (b) (7)(C) testified that if (b) (6) could not find his preferred flight in DTS, Mr. McConnell directed (b) (6) to contact the CTO to find out if personnel there could find his preferred flights in the reservation system. (b) (6) added that most of the time, the flights Mr. McConnell desired to take were not City-Pair flights, but that he directed (b) (6) to schedule them anyway.

(b) (6), (b) (7)(C) testified that on one occasion (b) (6) informed Mr. McConnell that his desired TDY travel was available on less expensive City-Pair routes offered by Sky West Airlines and Frontier Airlines. (b) (6) stated that he rejected (b) (6) suggestion and told (b) (6), (b) (7) "My fat ass can't sit in those seats."

Rental Vehicles

(b) (6), (b) (7)(C) testified Mr. McConnell stated he preferred to rent through Hertz rather than any other (b) (6) added Mr. McConnell usually procured his rental vehicle himself rather than (b) (6) in arranging travel through the CTO and DTS.

Mr. McConnell testified he preferred to rent vehicles through Hertz, and that when he did rent a car, he preferred to rent a sport utility vehicle. He added he rented with Hertz because he preferred the convenience afforded him as a Hertz Gold Club member to be able to simply walk directly to his reserved car's parking space location, enter the vehicle, and depart without having to fill out rental forms, wait in line, or take other steps to obtain the vehicle and depart the rental location. Mr. McConnell confirmed that he rented his vehicles personally, not through DTS.

As we noted above, travel records showed that Mr. McConnell rented Hertz vehicles 20 times between 2008 and November 2010. Of those 20 rentals, Mr. McConnell rented a compact car once. The remaining 19 rentals were for an SUV or mid-size vehicle. Mr. McConnell received reimbursement for the rental vehicle expenses associated with official travel in each instance.

Mr. McConnell's travel records showed one occasion in 2010, when he rented a full-size vehicle for transportation during TDY travel, and used the vehicle for personal use during a leave period in conjunction with the official travel. In this instance, he calculated the pro-rated portion of the rental cost attributed to his official use and personal use of the vehicle and did not seek reimbursement for the costs attributed to the latter.

Lodging

The complaint alleged Mr. McConnell routinely stayed at hotels the costs of which exceeded the maximum lodging rate allowed under the JTR for his particular TDY location. We reviewed travel authorizations and vouchers, hotel receipts, and other documentation relating to Mr. McConnell's lodging expenses on TDY trips. We also interviewed Mr. McConnell and others with knowledge of his lodging and record keeping in connection with official travel.

Travel documents showed 26 occasions when Mr. McConnell obtained lodging in connection with TDY travel at costs that exceeded the maximum authorized lodging cost for the TDY locations. We found that in 15 of those instances, Mr. McConnell's travel documentation included an AEA letter purporting to address the excess lodging costs. Table 2, below, summarizes the referenced instances.

Table 2. Lodging and AEA Summary

Travel Date	TDY Location	Reimbursed Lodging Cost	Max Lodging Amt.	# of Nights	AEA (Y/N)
25-Mar-08	Warrenton, VA; Washington, DC	\$251.00	\$201.00	3	N
20-Apr-08	Memphis, TN Kansas City, MO San Antonio, TX	\$125.00 \$ 147.00	\$ 86.00 \$112.00		N N
8-Jun-08	Omaha, NE El Paso, TX	\$149.00 \$113.00	\$ 93.00 \$ 93.00	1 1	N N
25-Aug-08	Washington, DC	\$174.00	\$154.00	2	N
22-Sep-08	Washington, DC	\$241.00	\$201.00	2	N
14-Oct-08	Lakewood, CO	\$174.00	\$149.00	1	N
10-Mar-09	Washington, DC	\$229.00	\$209.00	2	N
23-Mar-09	Washington, DC	\$249.00	\$209.00	4	N
21-Apr-09	Knoxville, TN Austin, TX Washington, DC	\$139.00	\$ 83.00	1	Y
20-May-09	Washington, DC	\$261.00	\$209.00	1	Y
13-Oct-09	Washington, DC	\$286.00	\$229.00	2	Y

Travel Date	TDY Location	Reimbursed Lodging Cost	Max Lodging Amt.	# of Nights	AEA (Y/N)
8-Jan-10	Miami, FL Key West, FL	\$282.00	\$188.00	2	Y
1-Feb-10	Omaha, NE Washington, DC	\$129.00	\$101.00	1	Y
23-Feb-10	El Paso, TX Washington, DC	\$ 91.00 \$259.00	\$ 88.00 \$207.00	1 2	Y
2-Mar-10	Washington, DC	\$226.00	\$207.00	2	Y
22-Mar-10	Washington, DC	\$283.00	\$226.00	4	N
12-Apr-10	Washington, DC Norfolk, VA	\$241.00 \$115.00	\$226.00 \$ 95.00	3 2	Y
11-May-10	Washington, DC	\$254.00	\$226.00	3	Y
8-Jun-10	Baltimore, MD Dahlgren, VA	\$170.00 \$241.00	\$161.00 \$226.00	1 2	Y
20-Jun-10	Washington, DC	\$241.00	\$226.00	3	
27-Jul-10	Washington, DC	\$213.00	\$170.00	3	Y
29-Aug-10	Washington, DC	\$185.00 \$244.00	\$170.00 \$170.00	2 1	Y
8-Mar-11	Washington, DC	\$241.00	\$211.00	1	Y
29-Nov-11	Albuquerque, NM	\$ 84.95	\$ 81.00	1	Y

We calculated that for the above-referenced TDY travel, the daily lodging rate charged to Mr. McConnell exceeded the maximum authorized lodging amount on average by approximately \$34.00 per night, or almost 21% more than the maximum authorized lodging amount for Mr. McConnell's referenced TDY locations.

Testimony established that if actual lodging expenses were 150% or less of the maximum authorized lodging amount, AEA approval authority was exercised by approving officials within a traveler's directorate or division. If the actual lodging expenses exceeded 150% of the maximum authorized lodging amount for a location, the USNORTHCOM Comptroller exercised approval authority. We found no instances in which Mr. McConnell's lodging costs required NC/IC to submit an AEA letter to the USNORTHCOM Comptroller for approval.

AEA letters for Mr. McConnell's TDY travel included the following statements as justification for authorization exceeding the maximum authorized lodging amount for his TDY travel location:

- “Reservations were scheduled late due to briefing schedule. There were no government rates available during this time frame.” (October 13, 2009, travel to Washington, DC. Lodging at the Ritz Carlton)¹³
- “Government rate was quoted at \$129.” (February 1, 2010, travel to Washington, DC. Lodging at the Ritz Carlton)
- “Adequate lodging at government rate was not available at the time of scheduling.” (August 29, 2010, travel to Washington, DC. Lodging at the Ritz Carlton)
- “Traveler’s certification that no reasonable accommodations were available within the established per diem rates.” (March 11, 2011, travel to Washington, DC. Lodging at the Ritz Carlton); (November 29, 2011, travel to Albuquerque, New Mexico. Lodging at the Marriott)¹⁴

(b)(6) (b)(7)(C) testified that when Mr. McConnell traveled to Washington, DC, he lodged at the Ritz Carlton hotel. (b)(6) (b)(7)(C) added that he had a distinct preference to stay at the Ritz Carlton over any other hotel. (b)(6) (b)(7)(C) stated that he “wanted to stay at the Ritz at all costs,” and that most of the time (b)(6) (b)(7)(C) could arrange accommodations at the Ritz within the per diem rate. (b)(6) (b)(7)(C) continued, however, that even if (b)(6) (b)(7)(C) could not obtain accommodations there within the per diem rate, Mr. McConnell wanted to lodge there.

(b)(6) (b)(7)(C) testified that when Mr. McConnell stayed in lodging that exceeded the maximum authorized lodging rate, (b)(6) (b)(7)(C) would be directed to prepare an AEA, which the (b)(6) (b)(7)(C) would sign. (b)(6) (b)(7)(C) added that most of the time, (b)(6) (b)(7)(C) included “canned” reasons for the AEA that (b)(6) (b)(7)(C) did not like to use. (b)(6) (b)(7)(C) stated (b)(6) (b)(7)(C) told Mr. McConnell that one of the canned statements, that no lodging was available at the per diem rate, was not true because other rooms were available within the lodging rate. (b)(6) (b)(7)(C) added that Mr. McConnell responded, “Well, you know, we can do an AEA up to 300 percent.” (b)(6) (b)(7)(C) added, “most of the time, I knew that lodging was available at the Government rate in the DC area.”

(b)(6) (b)(7)(C) testified Mr. McConnell loved the Ritz Carlton. (b)(6) (b)(7)(C) added that (b)(6) (b)(7)(C) spoke with Mr. McConnell when (b)(6) (b)(7)(C) found lodging at a less expensive rate or when the rate offered by the Ritz Carlton exceeded the per diem amount. (b)(6) (b)(7)(C) stated,

I would say, “The Ritz is -- the per diem that they’re offering -- that they’re giving you, it’s not the per diem that’s authorized in DTS. So I can find you a nicer hotel.” And he said, “Well, I’m going to stay at the Ritz.”

(b)(6) (b)(7)(C) testified (b)(6) (b)(7)(C) and Mr. McConnell discussed his preference for lodging at the Ritz Carlton when he traveled to Washington, DC. (b)(6) (b)(7)(C) added that on one occasion (b)(6) (b)(7)(C) teased Mr. McConnell about staying at the Ritz Carlton or other resort hotels, because they cost more than other hotels, to which he responded, “Well, these are the hotels that I like.”

¹³ The AEA letter states the reason for the travel was to “visit the Pentagon on Homeland Security Matters.”

¹⁴ The AEA for the November 29, 2011, travel was dated December 6, 2011. It states in Paragraph 3, “Specific reason for travel: Visit to Pentagon on Homeland Security Matters.”

(b)(6) (b)(7)(C) stated (b)(6) brought the matter of Mr. McConnell staying at hotels exceeding the maximum lodging amount to the attention to the (b)(6) (b)(7) testified the (b)(6) (b)(7) told (b)(6) in those circumstances to put together an AEA letter for (b)(6) signature. (b)(6) believed that even though (b)(6) was hired to do the right thing, it was clear that when it came to his travel, “you just don’t tell – go in there and tell Bear [Mr. McConnell] you can’t do something.”

(b)(6) (b)(7)(C) testified that on one occasion, (b)(6) felt frustrated about having to draft an AEA letter for Mr. McConnell’s lodging. As a result, (b)(6) drafted the stated justification in the AEA letter to read, “This is what the traveler wanted.” When (b)(6) provided the draft to the (b)(6) (b)(7) (C) told (b)(6) (b)(7) could not include such a statement. (b)(6) testified (b)(6) asked why, since the statement was the truth. (b)(6) stated

(b)(6) (b)(7)(C) said, “You can’t do that, and you can’t put that on the AEA letter. I’ll tell you what. I’ll tell you what to put on the AEA letter.” So as I sat at my computer, (b)(6) stood at my counter, and (b)(6) told me to type exactly that ... the Government rate is not going to be available.

(b)(6) testified (b)(6) was aware the Mr. McConnell made his own hotel reservations at times. (b)(6) stated (b)(6) tried to scrutinize those arrangements closely. (b)(6) stated there were occasions when Mr. McConnell obtained lodging at the Ritz Carlton that were not charged at the Government rate for the entirety of the TDY trip. (b)(6) testified that while (b)(6) occasionally called other hotels in the Washington area to inquire if lodging existed at the per diem rate, (b)(6) did not do so each time Mr. McConnell’s travel authorization showed estimated lodging costs in excess of the maximum authorized lodging amount.

Mr. McConnell testified that when he traveled to Washington, DC, he preferred to stay at Pentagon City and the Ritz Carlton, if he could get the Government rate. He added it was strictly a matter of convenience. He stated that when he could not obtain lodging at the Ritz Carlton at the Government rate, his office prepared AEA letters with justification for why the lodging amount was “a little more.”

Mr. McConnell’s travel records showed that Mr. McConnell lodged at the Ritz Carlton almost every time he traveled on TDY to Washington, DC. His travel records also show that he was reimbursed for lodging expenses incurred in connection with his TDY travel, including lodging for which no AEA letter was submitted.

We asked Mr. McConnell if he could explain AEA letters stating that the traveler (i.e., Mr. McConnell) certified there were no rooms available for the TDY location at the Government rate. He stated that he did not call other hotels to determine if they had lodging at the Government rate. He testified, “I didn’t ever call anywhere. Any reservation I would make would be online.” We asked if he made online inquiries with other hotels in the Pentagon City area to determine if they had available lodging at the per diem rate. Mr. McConnell stated he recalled lodging at the Hilton or Embassy Suites in the area when the Government rate was not available, but he did not recall searching for other hotels the Washington, DC, area before he reserved lodging with the Ritz Carlton.

Mr. McConnell testified that until March 9, 2012, when we showed him an AEA letter we obtained from his travel records, he had not seen an AEA letter relating to his TDY travel and travel vouchers. He added he did not understand the significance of the justification language in the AEA letter, which stated "adequate lodging at the government rate was not available at the time of scheduling." Mr. McConnell stated he did not consult with (b)(6), (b)(7)(C) or the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) regarding the justification in his AEA letters and he did not approve AEA letters.

Discussion

We conclude Mr. McConnell misused his position and failed to conserve Government resources in connection with official travel by:

- obtaining air travel and directing the ticketing of air travel for TDY with specific commercial carriers rather than through the City-Pair program or the Government-contracted lowest cost airfares;
- obtaining rental vehicles with a specific vendor for his personal convenience and at rental rates that exceeded sums available by renting such vehicles through Government-contracted vendors;
- procuring lodging at rates that exceeded the maximum daily lodging rate for his particular TDY location without first obtaining proper authorization to do so; and
- obtaining lodging at costs exceeding the maximum authorized lodging amount and, in 11 instances, failing to submit an AEA justifying the excess lodging costs.

Air Travel

We found that Mr. McConnell personally procured airline tickets primarily for his personal convenience, such as to ensure he traveled with (b)(6), (b)(7)(C) and obtained seats together. We further found that Mr. McConnell received reimbursement for all airfares associated with his official travel, regardless of whether he selected such fares through DTS and the CTO.

The JTR requires travelers to use DTS and a CTO for ticketing air travel for TDY. Additionally, the JTR requires travelers to travel on City-Pair carriers for official travel when available. Further, the traveler's agency must determine that any non-contract transportation is practical and cost-effective for the Government before a traveler purchases a non-contract airfare. The JTR states that carrier preference is not a valid reason to choose a non-contract airfare.

The JER mandates that a Government employee conserve Government property and resources, and not to use his office or position for personal benefit or gain.

The JTR provides that a traveler is financially responsible for excess costs and additional expenses incurred for personal convenience or benefit.

Rental Vehicles

We found Mr. McConnell rented vehicles through Hertz for personal convenience rather than use lower cost vehicles reserved through DTS and the Government-contracted CTO. We also found Mr. McConnell acknowledged his preference for renting cars through Hertz, with whom he had a Gold Club membership in its rewards program.¹⁵ We found that (b)(6), (b)(7)(C) and members of his staff were aware of his preference to rent with Hertz and the fact that he obtained rental vehicles directly himself, rather than through the CTO. We further found that Mr. McConnell did not rent compact vehicles. Instead, he routinely rented SUVs or other large vehicles.

We determined Mr. McConnell rented vehicles through Hertz for his personal convenience. We also determined he did not select the lowest cost vehicle service meeting mission requirements, and he failed to provide any justification for vehicles larger than compact cars. We found he was reimbursed fully for his rental car expenses.

The JER mandates that a Government employee conserve Government property and resources and not use his office or position for personal benefit or gain.

The JTR provides that a traveler is financially responsible for excess costs and additional expenses incurred for personal convenience or benefit. The JTR further requires that official travel be provided through the lowest cost transportation available unless other, more expensive transportation is authorized.

Lodging

We found that in instances where Mr. McConnell's travel documents included an AEA, he did not participate in providing the specific factual grounds to justify issuance of the letter or the actual justification stated in the AEA letter. We found no evidence that the justifications specified in the AEA letters filed with respect to Mr. McConnell's TDY travel to Washington, DC, reflected factual justification offered by or known to the traveler prior to his departure for TDY. Further, we did not find evidence of special events or circumstances justifying a temporary increase in lodging costs in those instances when Mr. McConnell's lodging exceeded the maximum authorized lodging amount for a locale. We found that Mr. McConnell was fully reimbursed for his lodging expenses.

The JTR provides that a traveler may incur lodging costs exceeding the maximum authorized amount so long as the traveler obtains an AEA justifying the expense. The JTR expressly provides that a traveler's personal preference or convenience does not justify an AEA. Further, the JTR requires travelers to exercise prudence in travel.

¹⁵ Hertz's Gold Club membership is the highest rewards level offered by the company, enabling its members to obtain expedited rental service, discounts, vehicle upgrades, guaranteed reservations, and reward points.

USNORTHCOM's AEA guidance requires a traveler to submit a letter to his Director or Deputy detailing the need for an AEA letter and the reasons why the per diem allowance is not adequate to cover the traveler's lodging expense. It further states that the basis or justification for seeking an AEA letter must exist prior to the travel and lodging.

The JTR provides that a traveler is financially responsible for excess costs and additional expenses incurred for personal convenience or benefit.

The JER mandates that a Government employee conserve Government property and resources and not use his office or position for personal benefit or gain.

Based on the foregoing, we determined Mr. McConnell misused his office for personal benefit and failed to conserve Government resources by obtaining and directing that his subordinates obtain for his use air travel, rental vehicles, and lodging for his personal convenience and at extra cost to the Government without proper authorization.

Mr. McConnell's

In his September 4, 2012, response Mr. McConnell denied ever having used Government resources for personal gain. However, he acknowledged pursuing convenience when on official business if it was at no cost to the Government, and stated he did so with the understanding that he was responsible for excess costs beyond Government allowed rates.

Mr. McConnell asserted that his responsibility for cost differences between travel facilities he used for official travel and those that were authorized was clearly conveyed to his staff. He stated that if he has been overcompensated with respect to any official travel, it is his intent to repay. Further, Mr. McConnell noted that on some occasions the cost of self-procured flights or travel starting or ending in (b)(7)(C), saved the Government money. Mr. McConnell stated we failed to note the times when he received reduced reimbursement "for differences in rental car, airline or hotel costs," and contended that his agreement to such reductions showed his understanding and willingness to pay costs exceeding allowed Government rates. He contended that in instances where reimbursement was not reduced, it was the result of an accounting error rather than willful disregard of regulatory requirements or an attempt to defraud the Government.

We disagree with Mr. McConnell's assertions in his response. We found that Mr. McConnell planned his travel, including lodging, rental cars, and airline travel, for personal convenience. He specifically acknowledged doing so when procuring lodging and rental cars for TDY. Notwithstanding Mr. McConnell's claims to the contrary in his response, we found that in procuring airline travel, rental cars, and lodging for his personal convenience, Mr. McConnell did so for his personal benefit and gain.

As we noted above, for example, Mr. McConnell was not subjected to reduced reimbursement or out-of-pocket responsibility for costs associated with his lodging at the Ritz Carlton Hotel in the Washington, DC, area. When (b)(6), (b)(7)(C) told the (b)(6), (b)(7)(C) less expensive lodging was available on a particular trip to the Washington area,

(b)(6) (b)(7)(C) personally dictated the justification language (b)(6) was to place in an AEA letter authorizing the excess costs Mr. McConnell would incur by lodging at the Ritz Carlton. Further, when Mr. McConnell rented cars through Hertz, the costs claimed by him on his travel voucher were reimbursed. We did not find evidence of reduced reimbursement to Mr. McConnell for the difference between the DTS-approved rental rate and the higher rental rates charged by Hertz.

The evidence did not support Mr. McConnell's assertion that his responsibility to pay excess costs over allowed Government rates clearly had been conveyed to his staff. We note, for example, that after the internal 2008 informal review of Mr. McConnell's official travel, the (b)(7)(C) routinely approved travel authorizations and vouchers in which lodging, rental car costs, and airfare exceeded authorized rates for such travel facilities. Additionally, (b)(6), (b)(7)(C) confronted him with respect to travel requests that did not appear to be consistent with JER or FMR requirements. We did not find evidence supporting Mr. McConnell's claim that his agreement to pay the cost differences stemming from his desire to pursue convenience on official travel was clearly conveyed to his staff.

Mr. McConnell raised two additional matters in his response that merit a reply. He unequivocally denied making the statement attributed to him in the testimony cited on page 21 of this report.¹⁶ We acknowledge that no other witnesses testified to having heard Mr. McConnell make statements of a similar vein. However, assuming Mr. McConnell's recollection and statement in his response are accurate, our findings and conclusions are not affected and remain unchanged.

Mr. McConnell also stated in his response that in 2011 his staff "scrubbed" his travel account in anticipation of his retirement, and that he wrote checks to "balance the books." We note that Mr. McConnell's post-travel repayments to balance his travel account do not change our findings that he violated the governing standards cited above in this report. To the contrary, his belated efforts to balance the books support our findings and conclusions.

After carefully considering Mr. McConnell's response and reevaluating the evidence, we stand by our conclusions.

V.

During the course of our investigation, the evidence established that Mr. McConnell's (b)(6), (b)(7)(C), executed AEA letters in connection with Mr. McConnell's official travel even though (b)(6), (b)(7)(C) advised them, for example, that lodging was available at the applicable lodging rate. In one instance, the (b)(6), (b)(7)(C) dictated to (b)(6), (b)(7)(C) the words (b)(6) was to insert in an AEA to justify Mr. McConnell's lodging expense.

¹⁶ Mr. McConnell denied making the statements shown on "page 20" of our preliminary report. The text referred to is now found at page 21 of this report.

The evidence also indicated that the _____ approved Mr. McConnell's travel vouchers with reimbursement claims for airfare, lodging, and rental vehicles either that exceeded authorized rates or which Mr. McConnell did not obtain through DTS and the available CTO.

The JTR imposes specific obligations on AOs with respect to travelers' AEA requests and reimbursement claims for TDY travel expenses.

We refer these matters to the Commander, USNORTHCOM, for appropriate action.

VI.

We conclude Mr. McConnell:

A. Failed to use DTS and the Government-contracted travel office (CTO) to schedule official travel and rental vehicles, failed to use the City-Pair program or the Government-contracted lowest cost airfares, and upgraded his lodging and rental vehicle without proper authorization in violation of the JTR, FMR, and the JER; and

B. Failed to conserve Government resources and misused his position for personal gain in violation of the JTR and JER.

VII. RECOMMENDATION

We recommend the Secretary of the Air Force consider appropriate action with respect to Mr. McConnell.

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Report No. IH122569569



Inspector General
Department of Defense

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