
A U D I T M E M O R A N D U M N O . 3 4

January 22, 2004

To: Margaret Carpenter
From: Walter Stachnik
Re: Discounted Airfare Tickets

We received an allegation that in 2003 the Travel Management Center (TMC) for Headquarters inappropriately issued airline tickets with different prices for the same trip. Since the General Service Administration (GSA) requires Federal travelers on official business to use the contract carrier (which has a fixed price for each trip) unless a specific exception applies, we compared the contract prices to the purchase price for 14 trips by SEC employees. We did not find any discrepancies between the cost of the tickets and the contract price.

However, we learned that GSA now asks agencies to encourage their employees to reserve their trips within required timeframes so that they are qualified to purchase discounted tickets when the airlines offers them. The Federal Travel Regulations (FTR 301-10-107 (c)) allow the purchase of discount tickets from non-contract carriers if the use of the ticket will result in a lower total trip cost to the Government.

The contract fares are often substantially higher than the discount ticket fares offered for early reservations. For example, Delta offered a \$228 fare on November 14, 2003 for a flight between Washington and Atlanta on December 12, 2003. The corresponding contract fare was \$580, a difference of \$352.

The discount fares are generally more restrictive than the contract fares, and changes to the reservation may occasionally increase costs. Nevertheless, GSA believes that cumulative saving on discount tickets will more than offset these occasional costs.

Recommendation A

The Office of Financial Management (OFM) should issue a memorandum telling employees to make their travel arrangements through their TMC within required time frames to qualify for any available discounted tickets the airlines offer. The memorandum should explain that this procedure would save money.

Recommendation B

OFM should instruct all Commission TMCs to use discount fares (rather than the contract fare) when appropriate. OFM should confirm that the TMCs are following this procedure.