

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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June 30, 2023

The Honorable Gilbert Cisneros, Jr.
Under Secretary of Defense for
Personnel and Readiness
4000 Defense Pentagon
Washington, DC 20301

Dear Under Secretary Cisneros:

I am writing in regard to the Defense Department's (DoD) sudden cancellation of a \$374 million contract aimed at replacing its archaic, quarter-century old Defense Travel System (DTS) with MyTravel, a subscription-based, software as a service system.¹

The news was delivered in a May 24, 2023 internal memo you issued stating, "DoD organizations currently using MyTravel are no longer required to use the system....DoD will cease MyTravel operations on September 13, 2023."²

Just this past March, the Administration's Fiscal Year 2024 budget request called for full implementation of the new system, stating that MyTravel, "has been implemented for Fourth Estate Defense organizations and will be rolled out to the Services starting in late FY 2023."³ That request followed an October 21 memo you issued requiring use of the system across DoD components that stated, "MyTravel will be the single official travel system for currently supported travel functions as well as those supported in the future, as they become available."⁴

The rapid reversal on MyTravel—a system being developed for DoD for over four years at a direct cost of more than \$20 million—is troubling.⁵ It inevitably raises broader questions about DoD's ability to manage its finances and information technology.

The Defense Travel System (DTS) dates back to 1998. It has long been used for the vast majority of DoD trips and travel expenses—including \$8.4 billion in travel outlays in Fiscal Year 2022, the largest amount since Fiscal Year 2011.

¹ Memorandum from Gilbert R. Cisneros Jr., Under Sec'y, U.S. Dep't of Defense, to Senior Pentagon Leadership, U.S. Dep't of Defense, Repeal of Mandatory Use of MyTravel (May 24, 2023).

² *Id.*

³ DEFENSE HUMAN RESOURCES ACTIVITY, FISCAL YEAR 2024 BUDGET ESTIMATES (March 2023).

⁴ Memorandum from Gilbert R. Cisneros Jr., Under Sec'y, U.S. Dep't of Defense, to Senior Pentagon Leadership, U.S. Dep't of Defense, Mandatory Use of MyTravel (Oct. 21, 2022).

⁵ Jared Serbu, *DoD suddenly abandons \$374 million plan to replace Defense Travel System*, FEDERAL NEWS NETWORK (Jun 1, 2023).

Due to a legion of inefficiencies, DTS generated nearly \$1 billion in improper payments from Fiscal Years 2016 through 2018, according to a 2019 Government Accountability Office study.⁶ The system is also notoriously difficult and time-consuming to navigate. A reporter who surveyed DoD personnel about their experiences with DTS noted, “The current Defense Travel System has a reputation for being as user-friendly as the bubonic plague.”⁷

In August 2018, DoD worked to outsource the development of a new system by awarding an Other Transactional Agreement (OTA) procurement. Then, in September 2021, it issued a justification for a sole source award to SAP’s Concur Technologies, Inc. for implementation of a new system.⁸ In this justification, the DoD predicted that MyTravel would reduce the cost per trip for millions of DoD trips taken annually.

The new system would also reduce improper payments and improve financial management. The budget issued this past March⁹ states that:

MyTravel...will improve processes, reduce number of human touchpoints needed, automate travel management, and improve financial controls. MyTravel is an intuitive, fully integrated commercial application that is efficient, saves time, and improves the end-to-end travel and expense process. Built-in compliance mitigates risk and improves payments to improve post-payment review and audit results...

In a briefing earlier this month with committee staff, DoD officials indicated the primary reason the contract was terminated was that DoD components are unprepared to implement MyTravel. DoD officials attributed this to a delay in performing financial management system upgrades to integrate those systems with MyTravel. Absent this integration, the officials said, forced adoption of MyTravel would reduce the auditability of those components. With many components not using MyTravel, they argued, the projected volume of MyTravel transactions would be too low to justify the cost DoD would be obligated to pay.

This explanation raises several questions:

1. What developments occurred between the issuance of the President’s budget in March and the issuance of your termination memo in May that led you to cancel the MyTravel contract?
2. Why were the component financial management system integrations not completed on-time to coincide with scheduled implementation of the new MyTravel system? Can these upgrades be sufficiently accelerated to obviate the need to cancel the entire MyTravel contract?

⁶ U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-19-530, DOD SHOULD STRENGTHEN ITS ONGOING ACTIONS TO REDUCE IMPROPER TRAVEL PAYMENTS (Aug 2019).

⁷ Jeff Schogol, *The Defense Travel System’s days are numbered. Here’s why it sucks*, TASK&PURPOSE (May 12 2021).

⁸ Dep’t of Defense, *Defense Travel Modernization Award Notice/Justification & Approval* (Sep 13, 2021).

⁹ *Supra* n. 3.

3. Who was responsible for coordinating this change-management process, and why did it fail? Will anyone be held accountable? How?
4. How did DoD calculate that the best option was to cancel the contract? What were the cost-per trip savings that DoD would have accrued by using MyTravel instead of DTS? How do these potential savings compare to the expense of maintaining multiple travel systems until all components are able to migrate to MyTravel? How does the temporary expense of maintaining multiple travel systems compare to the future cost of starting over with a new travel system solicitation or attempting to modernize DTS? Wouldn't the former savings increase each year, and the latter be a time-limited cost?
5. DoD has yet to attain auditability and expected MyTravel to reduce improper payments and improve financial management. Does the termination of the contract make it more or less likely that DoD will be auditable in the near future? Did DoD weigh department-wide auditability against the short-term impact on the auditability of individual components?
6. What are the alternatives going forward? Will DoD continue to rely on DTS and suffer additional costs each year, as the system becomes more outmoded? Does DoD intend to start over with a new travel system solicitation? If so, what will it do differently to try to ensure a different outcome?
7. What lessons has DoD learned from this experience? Will any changes in management processes be implemented to improve internal coordination to allow for the implementation of department-wide initiatives?

I ask that you respond to each of the above inquiries in writing by July 14, 2023. In addition, please provide all documents and communications related to the following:

1. The developments that occurred between the issuance of the President's budget in March and the issuance of your termination memo in May that led to the decision to cancel the MyTravel contract;
2. The sole source production contract awarded to Concur Technologies, Inc. for the Defense Travel Modernization Services, including an unredacted version of the DTM Justification and Approval document;
3. The decision to submit a Fiscal Year 2024 budget request calling for full implementation of the MyTravel system.

The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any

time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Thank you for your attention to this important matter. If you have any questions, contact the Committee on Oversight and Accountability Majority staff at 202-225-5074.

Sincerely,



Nancy Mace
Nancy Mace
Chairwoman
Subcommittee on Cybersecurity, Information
Technology and Government Innovation

cc: The Honorable Gerry Connolly, Ranking Member
Subcommittee on Cybersecurity, Information Technology and Government Innovation

The Honorable William LaPlante
Under Secretary for Acquisition and Sustainment
Department of Defense