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Inspector General

United States Department of Defense

REPORT OF INVESTIGATION:

ADMIRAL JAMES G. STAVRIDIS, U.S. NAVY COMMANDER, UNITED STATES EUROPEAN COMMAND AND SUPREME ALLIED COMMANDER, EUROPE

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REPORT OF INVESTIGATION:
ADMIRAL JAMES G. STAVRIDIS, U.S. NAVY

I. INTRODUCTION AND SUMMARY

We initiated this investigation to address allegations that Admiral (ADM) James G. Stavridis, U.S. Navy, Supreme Allied Commander, Europe (SACEUR), and Commander, United States European Command (CDR, EUCOM), engaged in misconduct relating to official and unofficial travel and other matters.[1] Based on an anonymous complaint to this Office and information gathered in the course of the investigation, we focused our investigation on allegations against ADM Stavridis relating to his official travel, travel by family members on his dedicated military aircraft (MilAir), use of government resources and personnel, and the acceptance of gifts from foreign governments and non-governmental organizations.

We conclude ADM Stavridis:

- used MilAir for unofficial travel without obtaining approval on one occasion, in connection with travel from Chievres Air Base, Belgium (Chievres AB), to Dijon, France, to attend a ceremonial event hosted by a French regional nongovernmental organization, in violation of Office of Management and Budget (OMB) requirements, the Joint Federal Travel Regulations (JFTR), DoDD 4500.56, "DoD Policy on the Use of Government Aircraft and Air Travel," and DoD 5500.07-R, "Joint Ethics Regulation" (JER);

- claimed and collected per diem expenses to which he was not entitled in connection with seven instances of overlapping temporary duty (TDY) travel in his respective capacities as SACEUR and CDR, EUCOM, in violation of applicable provisions of Title 5, Code of Federal Regulations (C.F.R.), Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch," the JFTR and DoD 7000.14-R, "DoD Financial Management Regulation" (FMR);

- authorized his wife on two occasions to claim and collect per diem associated with official travel for TDY to which she was not entitled, in violation of the JFTR;

- failed to use his Department of Defense Government Travel Charge Card (GTCC) for travel-related expenses incurred during TDY travel, in violation of the JFTR and FMR;

- accepted gifts on three occasions from foreign governments and on two occasions from Non-Federal Entities (NFEs) without timely reporting or disposing of them in accordance with Title 5, United States Code (U.S.C.), Section 7342, "Receipt and disposition of foreign gifts and decorations," applicable provisions of 5 C.F.R. Part

[1] We notified the Secretary of Defense of the allegations and our investigation on February 23, 2011. We notified Admiral Stavridis on February 24, 2011.

2635, DoD Directive (DoDD) 1005.13, "Gifts and Decorations from Foreign Governments," the JER, and the FMR;

- permitted family members to accompany him on MilAir without properly documenting their unofficial travel or reimbursing the Government for such travel at the full coach fare, in violation of OMB Circular A-126, "Improving the Management and Use of Government Aircraft," dated May 22, 1992, the JFTR, the JER, and applicable DoD Directives;

- permitted a (b)(6), (b)(7)(C) employee and (b)(6) (b)(7) family member to accompany him on MilAir in connection with his travel to Dijon, France, without requiring the employee to reimburse the Government for [redacted] family member's unofficial travel at the full coach fare, in violation of OMB Circular A-126, the JFTR, the JER, and applicable DoD Directives;

- used a Government-provided cellular telephone for unofficial purposes, permitted staff members to use Government-provided cellular telephones for unofficial purposes, and permitted his wife to use a Government-provided cellular telephone for unofficial purposes, in violation of the JER; and

- failed to obtain proper authorization to transport his spouse in Government-provided vehicles, for official and unofficial travel in Belgium in violation of applicable Federal statutes, provisions of 5 C.F.R. Part 2635, and applicable DoD Directives and Instructions.

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

[redacted]

By letter dated February 28, 2012, we provided ADM Stavridis the opportunity to comment on the initial results of our investigation. In correspondence dated March 13, 2012, ADM Stavridis requested an extension of time in which to respond to our tentative conclusions. We extended the date for his response to April 6, 2012.

In his response, dated April 6, 2012, ADM Stavridis contested our preliminary findings and conclusions, with the exception of those concerning his failure to use a GTCC in connection with official travel, and our conclusions regarding the payment of per diem expenses to his wife. ADM Stavridis provided a summary commentary explaining the operational and strategic responsibilities and duties he faces as the CDR, EUCOM, and as SACEUR. He also provided a detailed memorandum in response to the particular findings and conclusions in our preliminary report.

We agree in part and disagree in part with ADM Stavridis' response. We note that in one instance, concerning whether ADM Stavridis (b)(6), (b)(7)(C) [redacted], the information he provided justified revising our preliminary findings to conclude that ADM Stavridis did not violate governing standards.

We address ADM Stavridis' comments regarding the remaining allegations in this report in detail with respect to each of our conclusions in Section IV, Findings and Analysis, below. In doing so, we provide a synopsis of ADM Stavridis' assertions, contentions, and argument, together with our consideration of and reply to his response. We have attempted to summarize ADM Stavridis' comments in a thorough, objective, and complete manner. However, recognizing that a summary may not capture the full import or substance intended by ADM Stavridis in his response, we attach an unredacted copy of the response, together with all exhibits he included in the response, to this report.

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

II. BACKGROUND

On June 30, 2009, ADM Stavridis assumed command of EUCOM and Allied Command Operations (ACO) of the North Atlantic Treaty Organization (NATO). In his latter capacity, ADM Stavridis assumed the post of SACEUR.

Prior to taking command of EUCOM and ACO, ADM Stavridis served as Commander of the United States Southern Command (USSOUTHCOM). ADM Stavridis is a native Floridian whose (b)(6), (b)(7)(C) [redacted]

In shore assignments prior to taking command at USSOUTHCOM, ADM Stavridis served as senior military assistant to the Secretary of Defense and as Executive Assistant to the Secretary of the Navy.

NATO includes 28 member nations in North America and Europe, as well as Turkey. NATO nations have more than 3 million active duty service members. As SACEUR, ADM Stavridis' responsibility includes the development of strategic defense plans in support of NATO's member nations, the determination of force requirements, deployment of NATO forces, and exercise of command and control over deployed forces. ADM Stavridis' responsibility includes the overall conduct and direction of NATO's military activities including more than 130,000 U.S. and allied troops from 50 countries engaged in Afghanistan, NATO peacekeeping forces in Kosovo, and NATO's former operations in Libya.

EUCOM is one of two DoD geographically forward unified combatant commands. The EUCOM area of responsibility (AOR) encompasses 51 nations, including NATO and non-NATO nations in Europe, Turkey, Russia, Israel, and Iceland. EUCOM's mission is to conduct military operations, international military engagement, and interagency collaboration to enhance transatlantic security and defend the United States forward. As CDR, EUCOM, ADM Stavridis

is responsible for EUCOM's various operations and missions in Europe, parts of the Middle East and Asia, and the Arctic and Indian oceans.

ADM Stavridis' permanent duty station is Supreme Headquarters Allied Powers Europe (SHAPE), in Mons, Belgium. His staff at SHAPE includes U.S. and NATO member nations' military officers, enlisted members, and civilian personnel. ADM Stavridis' EUCOM headquarters is located at Patch Barracks, Stuttgart, Germany. ADM Stavridis and his wife, (b)(6), (b)(7)(C) [redacted], reside at Chateau Gendebien (the Chateau), a 20-acre estate provided by the Kingdom of Belgium and NATO as SACEUR's residence since 1969.[2]

From July 17, 2009 until February 28, 2011, ADM Stavridis traveled on more than 150 trips to NATO nations, countries within the EUCOM area of responsibility, and the United States. When ADM Stavridis traveled by air, he used MilAir assets from the 86th Airlift Wing, U.S. Air Force, stationed at Ramstein Air Base, Germany (Ramstein AB), and Chievres AB. On several of his travels, Admiral Stavridis was accompanied on MilAir by his wife, daughter, and, on two occasions, his mother.

As CDR, EUCOM, ADM Stavridis is a "required use" traveler under DoDD 4500.56, concerning the use of MilAir for official travel. The Directive designates him as a "tier 2" required use traveler authorized to use MilAir for official use only.[3] ADM Stavridis testified that his air transportation as SACEUR has been by MilAir only, rather than by commercial air carriers, due to operational, security, and communications concerns and requirements.

III. SCOPE

We interviewed ADM Stavridis on three occasions and interviewed more than 30 additional witnesses. We reviewed travel documentation, including itineraries, correspondence, travel vouchers, TDY payment records, flight and passenger manifests and records, legal opinions, and other documents covering more than 150 trips between July 17, 2009 and February 28, 2011. We reviewed thousands of emails retrieved from staff members' user accounts at SHAPE. We also reviewed travel claim documentation received from the Defense Finance and Accounting Service (DFAS) relating to ADM Stavridis' and Mrs. Stavridis' respective travel claims in connection with TDY travel from July 2009 through March 2011.

We found four trips that were questionable and required additional analysis and investigation. (b)(6), (b)(7)(C) [redacted]

[2] The United States entered into a formal lease agreement with the Kingdom of Belgium in 1970, under which the U.S. is responsible to pay only for utilities costs and certain maintenance expenses.

[3] DoDD 4500.56 establishes four categories, or tiers, of required use officials entitled to use Government aircraft. Tier 1 officials are authorized to use Government aircraft for official and unofficial purposes. The only Tier 1 required use officials within DoD are the Secretary of Defense, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff (CJCS), and the Vice CJCS when he is serving as Acting CJCS.

We also examined MilAir travel in which Mrs. Stavridis accompanied her husband to determine whether she traveled in an official or unofficial status. We address this in more detail in Section IV, Findings and Analysis, below.

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

[redacted]

In the course of the investigation, we learned of potential impropriety involving the use of Government vehicles. We address that matter in Section IV, Findings and Analysis, Paragraph J, below. We also address classified matters in (classified) Appendix 2 to this report.

IV. FINDINGS AND ANALYSIS

A. Did ADM Stavridis improperly use MilAir for unofficial travel?

Standards

5 C.F.R. 2635.702, "Use of public office for private gain," dated January 1, 2010

An employee shall not use his public office for his own private gain, for the endorsement of any product, service or enterprise, or for the private gain of friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity, including nonprofit organizations of which the employee is an officer or member, and persons with whom the employee has or seeks employment or business relations.

5 C.F.R. 2635.704, "Use of Government Property," dated January 1, 2010

Paragraph 2635.704(a) provides that Government employees have a duty to protect and conserve Government property and not to use or allow the use of such property for other than authorized purposes.

Paragraph 2635.704(b) states that authorized purposes are those for which Government property is made available to members of the public or those purposes authorized in law or regulation.

Office of Management and Budget Circular A-126, "Improving the Management and Use of Government Aircraft," dated May 22, 1992

Paragraph 5(d) defines "required use" as use of a Government aircraft for travel where the use is required because of bona fide communications or security needs of the agency using the aircraft or exceptional scheduling requirements.

Paragraph 5(f) defines "full coach fare" to mean a coach fare available to the general public between the day that the travel was planned and the day the travel occurred.

Paragraph 7 provides that Government aircraft be used only for official purposes. "Official purposes" are defined to include the operation of Government aircraft for mission requirements and other official travel.

Paragraph 9(b) states that the Government shall be reimbursed for "required use travel" aboard a Government aircraft for a wholly personal or political trip, as well as for an official trip during which the Government employee flies to one or more locations for personal reasons.

DoDD 4500.56, "DoD Policy on Use of Government Aircraft and Air Travel," dated April 14, 2009

Paragraph 4, "Policy," states that it is DoD policy that all DoD employees shall restrict travel based on considerations such as the purpose of the trip, the transportation method used, and the priority of travel.

Paragraph 4(a) further provides that every effort shall be made to minimize travel cost, and that transportation on Government aircraft shall be in strict accordance with the specific requirements of the Directive.

Paragraph 4(d) requires all requests for use of DoD aircraft to be signed by the senior traveling official, and states that the signature authority cannot be delegated.

Enclosure 3, "Official, Unofficial, and Other Travel on Government Aircraft," designates the Commander, EUCOM, as a "required use" traveler on Government aircraft based on a continuous requirement for secure communications, security, or responsive transportation to meet exceptional scheduling requirements dictated by short-notice travel, making commercial transportation unacceptable.

Enclosure 3, Section 2, "Required Use Travel," reflects that the CDR, EUCOM, is a "required use" traveler on Government aircraft for official travel only. Paragraph 2(a) additionally states that unofficial travel on Government aircraft by required use travelers may be performed only upon advance notification to and approval by the Secretary of Defense.

Enclosure 3 additionally contains the following requirements, limitations, and prohibitions on the use of Government aircraft:

- Enclosure 3, Section 4, "Unofficial Travel," governs travel by accompanying unofficial travelers on Government aircraft

- Enclosure 3, Section 4(a), provides that unofficial travel includes travel by family members and other invited guests, including a non-Federal traveler, when accompanying a senior DoD official who is traveling on Government aircraft on official business. Unofficial travel requires an invitational travel authorization.

- Enclosure 3, Section 4(b), states that all travelers including family members and invited guests must reimburse the Government for unofficial travel at the full coach fare, as set forth in OMB Circular A-126.

- Enclosure 3, Section 4, states that a DoD official who has accompanying travelers, including family members, on a Government aircraft is required to attach to his or her travel voucher a personal check made payable to the Treasurer of the United States in the amount of the full coach fare, a travel office printout reflecting the full coach fare, and a DD Form 1131, Cash Collection Voucher.

- Enclosure 3, Section 4(c) provides that unofficial travel is not authorized on a Government aircraft unless the aircraft is scheduled for an official purpose, the use does not require a larger or additional aircraft than needed for an official purpose, official travelers are not displaced, and the unofficial travel results in negligible additional cost to the Government.

- Enclosure 3, Section 5, "Family Member Travel," states that a family member generally may not accompany his or her DoD sponsor who is traveling on official business. A family member's travel may be approved in accordance with Section 5 where there is an unquestionably official function in which the family member is to participate in an official capacity, or where such travel is in the U.S. interest because of diplomatic or public relations advantages to the United States. Such participation is normally limited to spouses.

- Enclosure 3, Section 5(a) authorizes 4-star flag officers to approve transportation, per diem, and/or other expense allowances for their spouses on a case-by-case basis using criteria set forth above, and requires that they personally sign the invitational travel authorization for the spouse. Further, requests for approval for family member travel with funding must "clearly demonstrate" that the travel is essential to accomplish the mission. There also must be strong evidence of benefit to DoD beyond fulfilling a simple, albeit important, representational role.

Enclosure 3, Section 3, "Other Official Travel," defines other official travel to include travel to address matters such as giving speeches, attending conferences or meetings, making site visits to facilities, and permanent change of station to a new duty assignment.

Enclosure 3, Section 5, "Family Member Travel," states that, as a general rule, a family member may not accompany his or her DoD sponsor who is traveling on official business. A family member's travel may be approved where there is an unquestionably official function in which the family member is to participate in an official capacity, or such travel is in the U.S. interest because of a diplomatic or public relations benefit to the United States. Such participation is normally limited to spouses and is representational in nature.

Enclosure 3, Section 5, additionally states that permitted travel is allowed on a mission noninterference basis only and must be supported with an invitational travel authorization (ITA), which normally shall authorize reimbursement of transportation costs only. Absent unusual circumstances necessitating an exception, funded family members shall travel in the company of their DoD sponsor on Government aircraft.

Paragraph 5.a., requires that approving officials, which specifically include 4-star flag officers, approve transportation, per diem, and/or other expense allowances for their spouses on a case-by-case basis and personally sign the ITAs. However, such authority does not constitute blanket approval authority.

DoD 4515.13-R, "Air Transportation Eligibility," dated November 1, 1994

The regulation implements DoD policies on the use of DoD-owned or controlled aircraft and establishes criteria for passenger and cargo movement. The regulation expressly applies to the Combatant Commands, including EUCOM.

Paragraph C10.12, "Unofficial Travel," authorizes non-Federal travelers to travel on MilAir when accompanying a senior DoD or other Federal official traveling on MilAir on official business, subject to the travel being on a noninterference basis resulting in negligible additional cost to the Government, and the Government is reimbursed at the full commercial coach class fare rate. The senior DoD official is required to attach to his or her travel voucher a personal check payable to the Treasurer of the United States, together with a travel office printout showing the full coach class fare. Advance written approval for such travel is required by the DoD official having approval authority for senior official MilAir travel requests.

Appendix 2, "General And/Or Flag Officers Designated To Approve Family Travel," states that generally a family member may not accompany his or her DoD sponsor who is traveling on official business. However, such travel may be approved where there is an unquestionably official function in which the family member is actually to participate in an official capacity, or such travel is deemed in the national interest because of a diplomatic or public relations benefit to the United States. Such participation is normally limited to spouses and is representational in nature.

Appendix 2 states that permitted travel is allowed on a mission non-interference basis only, and must be approved and supported with invitational travel orders, which normally authorize transportation cost reimbursement only under the JFTR.

Appendix 2 additionally provides that the commander of a combatant command has authority to approve family member travel for his spouse and spouses of personnel under his command on a case-by-case basis. The combatant commander is required personally to sign Invitational Travel Orders (ITOs) designating such approval.

Comptroller General Decisions

In applying the foregoing standards, we also considered decisions of the Comptroller General of the United States concerning instances in which official business and personal activities may be mixed.[4] While travel that is "in the best interest of the Government" can be considered official business by the traveler, 44 Comp. Gen. 188, 190 (1964), other decisions indicate that expenditure of appropriated funds for travel is not proper if the primary purpose of the trip is personal, if there is no substantial benefit to the Government, or if official business performed is merely incidental. Pertinent citations include the following:

> For employees of the Government to be entitled to the expenses or allowances authorized by statute and regulation, the travel must be essentially for the furtherance of Government business, and it is not enough that official business is remotely or incidentally associated with a particular trip. *Comptroller General B-121118 (1955).*

Secretary of the Navy Instruction 5720.44B, "Public Affairs Policy & Regulations," dated November 1, 2005

Section 0700, "Purpose of Community Relations," states that well-planned and executed community relations programs earn public support and understanding of the Department of the Navy. Such programs are intended to increase public awareness and understanding of the Navy and Marine Corps, and inspire patriotism through observance of Navy and Marine Corps traditions and days of national significance.

Section 0705, "Relations with community, professional, and special interest groups," dated November 1, 2005, states that interaction between key command officials and local civic leaders and groups facilitates effective, positive, and professional community relations.

Chief of Naval Operations Instruction 5726.8, "Subj: OUTREACH: AMERICA'S NAVY," dated May 28, 2009

The Instruction's purpose is to establish Department of the Navy policy and assign responsibilities in order to enhance public awareness of Navy missions, personnel, and recruiting. Such awareness is to be created through coordinated and focused efforts such as public speaking events and one-on-one engagement of media and civilian influencers by Navy personnel at every level of leadership.

[4] In addition to the decisions cited above, we also considered Comptroller General decisions found in 1 Comp. Gen. 299 (1921); 9 Comp. Gen. 658 (1940); 49 Comp. Gen. 663 (1970); 53 Comp. Gen. 424 (1973); and 63 Comp. Gen. 621 (1984).

Paragraph 4 states that Navy outreach will leverage existing community events to optimize Navy personnel engagement with media and civilian influencers. Recruiting goals are a significant aspect of outreach efforts.

Paragraph 5 provides for the development of a Flag Officer Engagement Program, including a flag officer liaison assignment list approved by the Chief of Naval Operations (CNO) and the development of a database of distinguished visitors (DVs) and influencers for future engagement opportunities by Navy leaders. Commanders are instructed to manage their centralized database of DVs and influences for future engagement, and to host or conduct discussions or presentations demonstrating the capability, importance, and value of the Navy.

Sub-paragraph 5(l) states that each Navy flag officer shall actively engage as a designated liaison with an organization assigned in the Navy's Flag Officer Engagement Program. Further, each flag officer is instructed to seek at least one speaking opportunity at their alma mater, hometown, or other venue where personal connections exist.

Office of Government Ethics (OGE) Guidance

We also considered the official guidance from OGE concerning the use of official time by Government employees. In one opinion, OGE analysis relating to an employee's use of official time for certain activities stated, in part, the following:

> Certain events should not be considered official for the purpose of using any Government-supplied personnel, equipment, or facilities. These would include events that are purely social and the invitation is extended on that basis, regardless of whether the invitation was sent to an employee's home or office, or whether or not his or her official title was used on the address, and regardless of whether the individual voluntarily talked "business" with another guest at the event . . . On the other hand, an employee invited to a meeting or an event to discuss some program administered by his or her agency or matters in which the agency is involved and interested can justifiably determine the meeting is official. *OGE Advisory Opinion 85-9, July 12, 1985.*

In another instance, OGE concluded that the threshold question for analyzing 5 C.F.R. 2635.705 concerning an employee's use of official time, "for activities other than the performance of the official duties of the employee's position, is whether there is authority for the particular use." *OGE Advisory Opinion 97-3, March 21, 1997.*

MC 0457/1, "NATO Military Policy on Public Affairs" (2007)

"Definition, Functions and Principles," Paragraph 6, "Definition," states that the NATO military public affairs (PA) is the function responsible to promote NATO's military aims and objectives to audiences in order to enhance awareness and understanding of military aspects of the Alliance. This includes planning and conducting media relations, internal communications, and community relations.

Paragraph 7(c), "Community Relations," states that community relations programs can take the form of addressing issues of interest to and fostering relations with the general public, business, academia, military-related associations, and other non-news media entities.

Paragraph 8, "Principles," provides that the principles of NATO military PA is to "***tell and show the NATO story.***" (Emphasis in original.) It states that military PA efforts support commanders and staff in the execution of their mission and are conducted in accordance with higher NATO political and military direction.

Paragraph 13, "Strategic Commands," provides that SACEUR is the principal military spokesperson for NATO operations.

Paragraph 19, "NATO Military PA," provides that PA works on behalf of all NATO member nations to promote public awareness of the Alliance, as well as to inform internal NATO audiences.

In "Methodologies," Paragraph 25, NATO defines a "very active" military PA approach as a significant and deliberate effort to promote awareness, visibility, and to "push out" information. Such an approach is appropriate when real public interest is anticipated or desired concerning NATO operations and activities.

Facts

The complaint alleged ADM Stavridis used MilAir on a number of occasions to travel primarily for unofficial, personal reasons. Documentary and testimonial evidence established that ADM Stavridis has not traveled by commercial air carrier for either official or unofficial purposes since assuming command as CDR, EUCOM, and SACEUR. He has used MilAir in conjunction with travel to NATO member nations and countries within the EUCOM AOR, as well as for travel to the United States to meet with officials and others concerning NATO or EUCOM matters, and in order to give speeches or make presentations in his capacity as SACEUR. Further, when ADM Stavridis has taken annual leave, his travel to leave destinations away from his Permanent Duty Station has been either by motor vehicle or by MilAir. The evidence showed that in those instances when ADM Stavridis took annual leave after traveling by MilAir, he did so in conjunction with official travel.

ADM Stavridis testified in June 2011 that he traveled more than 450,000 miles on more than 185 trips since assuming command as SACEUR.[5] He stated that when he travels by air, he uses MilAir only due to security and communications requirements consistent with his duties as SACEUR and CDR, EUCOM. He travels on aircraft operated by the 76th Airlift Squadron, 86th Airlift Wing, Ramstein Air Base (Ramstein AB), Germany, including a C-37, a Gulfstream V business jet (C-37) and a C-40, a modified Boeing 737 aircraft (C-40). His standard departure point for travel from SHAPE is Chievres AB, in Chievres, Belgium.

[5] We only analyzed in depth the approximately 150 trips between July 17, 2009, the date of ADM Stavridis' first official trip on MilAir as CDR, EUCOM, and February 28, 2011, which was the last day of the month in which we notified ADM Stavridis of the allegations against him.

ADM Stavridis traveled on a C-37 or a C-40 aircraft. A C-37 is capable of transporting a flight crew, communications equipment, up to four passengers in his private cabin (DV cabin), and an additional eight passengers; the C-40 is capable of transporting the flight crew, communications equipment, DV cabin passengers, and up to 22 additional passengers, depending on the aircraft's configuration.

In addition to ADM Stavridis, we interviewed members of his staff at the Office of SACEUR (OSACEUR), civilian and military attorneys, and Air Force personnel. We also reviewed travel records provided by ADM Stavridis and his travel staff at SHAPE; documents provided by personnel at the Office of the EUCOM Judge Advocate or the Northern Law Center, U.S. Army Garrison, Benelux; records provided by DFAS; and documents from the 309th Air Mobility Squadron (309 AS), 86th Airlift Wing, U.S. Air Force, Chievres AB.

Travel records showed that ADM Stavridis took more than 150 trips on MilAir between July 17, 2009, and February 28, 2011. Of those trips, we found 50 instances requiring detailed review concerning the specific allegations with regard to ADM Stavridis' use of MilAir for unofficial purposes and MilAir travel by his wife or other family members. In our review, we identified four questionable trips for which additional consideration and analysis was required. (b)(6), (b)(7)(C) [redacted] However, the evidence indicated that ADM Stavridis' May 2010 trip to Dijon, France, was for unofficial purposes.

TDY travel to Dijon, France (May 8, 2010)

On Saturday, May 8, 2010, ADM Stavridis traveled to Dijon, France, to attend a ceremony and event sponsored by the Confrérie des Chevaliers du Tastevin (the Brotherhood), an international society of Burgundy wine enthusiasts constituted in 1934.[6] He traveled in TDY status from Chievres AB to Dijon, France, on the C-37. Mrs. Stavridis accompanied ADM Stavridis, along with his Executive Officer (XO), Rear Admiral (RDML) Jamie Foggo, U.S. Navy; (b)(6), (b)(7)(C) [redacted] (b)(6), (b)(7)(C) [redacted]. Additionally, two members of ADM Stavridis' security detail and a communications specialist traveled with ADM Stavridis.

The invitation to attend the Brotherhood event originated from a number of introductions of wine makers in Burgundy made to ADM Stavridis through SACEUR's [redacted].

(b)(6), (b)(7)(C) [redacted]

[6] *Confrérie des Chevaliers du Tastevin* translates from French to English as "The Brotherhood of Knights of Wine Tasting Cups." Its original name, in the 18th century, was the "Order of the Drink."

(b)(6), (b)(7)(C) stated (b)(6), (b)(7) assisted ADM and (b)(6), (b)(7)(C) in planning and coordinating travel to Burgundy, France, for ADM Stavridis' planned annual leave in September 2009. (b)(6), (b)(7)(C) explained that (b)(6), (b)(7) introduced ADM and (b)(6), (b)(7)(C) to the owner of a small, high-end inn near Dijon, the capital of Burgundy. (b)(6), (b)(7) said the inn targeted a high-end clientele, and the innkeeper had substantial knowledge of Burgundy and access to a number of its cultural and historic sites. (b)(6), (b)(7) described the innkeeper as well connected. [redacted] added that he made it his business to arrange tours, hire guides, and make other arrangements for his guests, similar to what a concierge would do at a 5-star hotel.

(b)(6), (b)(7)(C) contacted the innkeeper and obtained his assistance in arranging for ADM and Mrs. Stavridis to tour the Clos de Vougeot, the headquarters of the Brotherhood. (b)(6), (b)(7) explained that after (b)(6), (b)(7) had coordinated travel planning with the innkeeper, he emailed (b)(6), (b)(7) an outline of the events he had arranged for SACEUR. (b)(6), (b)(7) forwarded it to Mrs. Stavridis.

(b)(6), (b)(7)(C) stated that in late 2009, after ADM and Mrs. Stavridis traveled to Burgundy on annual leave, the vineyard owner contacted (b)(6), (b)(7) and expressed an interest in sponsoring ADM Stavridis for induction into the Brotherhood. (b)(6), (b)(7) stated (b)(6), (b)(7) told him the Admiral would likely agree to the suggestion, but did not commit definitively on his behalf. The vineyard owner suggested sponsoring ADM Stavridis and French Admiral Edouard Guillaud, the incoming French chief of defense (CHOD), at the same event. Evidence showed that Admiral Guillaud assumed duties as the French CHOD on February 25, 2010.

On January 8, 2010, the director of the Brotherhood issued a formal invitation to ADM Stavridis to preside over a chapter meeting and be inducted into the Brotherhood at the Clos de Vougeot. On January 14, 2010, ADM Stavridis responded and accepted the invitation.

(b)(6), (b)(7)(C) stated that (b)(6), (b)(7) drafted the response for ADM Stavridis. (b)(6), (b)(7) added that ADM Stavridis had several good reasons to accept the invitation:

- He was not the first SACEUR to be invited and attend. Two predecessors and, possibly, a third were inducted. One of his predecessors was enthroned into the Brotherhood with the French CHOD and the British CHOD when he attended.
- RDML Foggo, SACEUR's XO, told the (b)(6), (b)(7)(C) that ADM Michael Mullen, U.S. Navy, Chairman of the Joint Chiefs of Staff, was enthroned in 2009. RDML Foggo had worked for him at the time.
- The venue was filled with as good a collection of leaders as one could find at an event in Europe. It included statesmen, ambassadors, military leaders, industrialists, politicians, and other well-known or well-regarded persons. (b)(6), (b)(7) estimated that more than 500 people attended.
- It was a valuable opportunity for SACEUR to speak about NATO to a French and international audience. They had a NATO cake to honor SACEUR as the "President" of the gathering. He spoke for 5-7 minutes, in French, and spent most of his time promoting NATO.
- One of ADM Stavridis' predecessors told the (b)(6), (b)(7)(C) after he attended the gathering that it had been a wonderful opportunity to strengthen relationships and reinforce ties between members of the alliance.

- ADM Stavridis' immediate predecessor as SACEUR generally traveled in and out of hosting nations during his country visits. Member nation representatives reported back to the (b)(6), (b)(7)(C) that this had generated considerable criticism within their respective member nations. ADM Stavridis changed those attitudes by being more receptive to the existing cultural and social conventions within the NATO nations.
- By doing a bit of extended travel within NATO nations, ADM Stavridis improved SACEUR's relationship with alliance members. (b)(6), (b)(7)(C) stated it produced more than a benefit to NATO; the benefit accrued to the United States, given that it generally carried the brunt of the load within the alliance. (b)(6), (b)(7)(C) added that it seemed to (b)(6), (b)(7)(C) that an improvement in relations between SACEUR – an American military officer – and NATO members could only help the United States.
- (b)(6), (b)(7)(C) asked, rhetorically, "How do you think Admiral Guillaud [the French CHOD] would have reacted if he [ADM Stavridis] had said 'no'? I don't think it would have ever been considered." (b)(6), (b)(7)(C) added that had ADM Stavridis said "no," it would have been taken as, "SACEUR does not care about me [the French CHOD] or about France." (b)(6), (b)(7)(C) stated that without a good relationship with the various chiefs of defense, SACEUR could not do his job.

On May 8, 2010, ADM Stavridis and members of the OSACEUR staff flew on MilAir from Chievres AB to Dijon, France. Table 1, below, "Travel Itinerary: Dijon, France, May 8-9, 2010," shows the travel itinerary for the trip based on records we obtained from OSACEUR:

Table 1 – Travel Itinerary: Dijon, France, May 8-9, 2010	
Date & Time	**Activity**
8 May-10 1425–1610	Travel from Mons, BEL (via Chievres AB) to Dijon, FRA
8 May-10 1615-1900	Travel to bed & breakfast; Prep time for event
8 May-10 1900-1930	Travel by sedan to Confrérie des Chevaliers du Tastevin, Clos de Vougeot
8 May-10 1930-2000	Cocktails at Clos de Vougeot
8 May-10 2000-0100	Dinner and enthronement into Confrérie
09 May-10 0100-0130	Travel by sedan from Clos de Vougeot to Dijon airport
09 May-10 0135–0245	Travel by MilAir from Dijon airport to Chievres AB
09 May-10 0250–0320	Travel by sedan from Chievres AB to Chateau Gendebien, Mons, BEL

Travel records for the Dijon trip indicated ADM Stavridis authorized Mrs. Stavridis and (b)(6), (b)(7)(C), to travel at Government expense pursuant to an Invitational Travel Order (ITO). testified that ADM Stavridis also permitted (b)(6), (b)(7)(C) employees, to accompany him on MilAir at Government expense.

We obtained travel records from OSACEUR indicating that ADM Stavridis signed ITOs authorizing Mrs. Stavridis and [redacted] to travel to Dijon on MilAir. The ITOs authorized the travel at Government expense. We found no evidence that ADM Stavridis executed travel authorization documents for the [redacted]. We also found no evidence that ADM Stavridis' staff requested or obtained a legal opinion concerning the legal authority to travel to Dijon at Government expense.

(b)(6), (b)(7)(C) [redacted] described the events in detail following the party's arrival in Dijon. (b)(6), (b)(7) [redacted] noted that the induction event was a formal affair involving members and guests from several nations. (b)(6), (b)(7)(C) [redacted] recalled ADM Stavridis being seated with the French CHOD and his wife, the mayor of Dijon, the vineyard owners, the innkeeper, a French senator, a member of the French National Assembly, the mayor of another city, a French army general officer, and others. (b)(6), (b)(7) [redacted] stated that ADM Stavridis presided over the event as the chapter "President." (b)(6), (b)(7) [redacted] added that after he and the French CHOD were enthroned into the Brotherhood, ADM Stavridis gave his speech on NATO.

(b)(6), (b)(7)(C) [redacted] stated that after the event ended the travel party intended to return to the hotel for the evening, but due to flight risks posed by eruptions of a volcano in Iceland, the flight crew recommended returning to Belgium that night.[7] ADM Stavridis agreed, and the party departed Dijon in the early morning hours of May 9, 2010.

ADM Stavridis testified that the travel party left the event and went directly to the airport to return to Belgium. He stated he recalled the event did not end until about "2:30 in the morning."

ADM Stavridis testified that Brotherhood members include France's business, political, and societal leaders, as well as various heads of state, ministers, ambassadors, royalty, and Nobel laureates[8]. He testified that it was a great honor to be inducted into the Brotherhood and be invited to speak to its members at the event.

~~**(Sensitive But Unclassified (SBU))**~~[9] ADM Stavridis testified that Admiral Edouard Guillaud, the French CHOD contacted him and invited him "to come to this thing called the 'Chevaliers du Dijon du Tastevin.'" (b) (5) [redacted]

[7] The Eyjafjallajökull volcano in Iceland erupted in March and, again, in April 2010, and caused significant disruption to air travel across western and northern Europe. Additional localized disruption continued into May 2010 after the Grimsvötn volcano started erupting. In all, approximately 20 nations closed their airspace due to effects of the volcanic activity in Iceland.

[8] We did not obtain evidence identifying members of the Brotherhood or otherwise confirming or refuting ADM Stavridis' testimony.

[9] ~~Sensitive But Unclassified (SBU) is a designation of information within Government that, though unclassified, often requires strict controls over its distribution. SBU is a broad category of information that includes material covered by such designations as For Official Use Only. We have included and specially marked testimony or other information we obtained in the course of the investigation characterized as extremely sensitive information, which, while not classified, could prove embarrassing to the United States if released to persons who do not have an official need to know.~~

~~(SBU)~~ He had just taken over as the new chief of defense, brand new. He was coming out of President Sarkozy's office.[10] (b) (5) [redacted]

~~(SBU)~~ [redacted]

~~(SBU)~~ [redacted]

~~(SBU)~~ ADM Stavridis testified that the audience at the event of about 500 people was a powerful, international audience, and that after his enthronement he gave a speech in French on the importance of NATO. [redacted]

~~(SBU)~~ [redacted]

[10] Prior to assuming duties as the French CHOD, Admiral Guillaud served as Chief of the Military Staff of the President of the Republic from October 2006.

~~(SBU)~~ (b) (5) [redacted]

~~(SBU)~~ (b) (5) [redacted]

We did not find correspondence or other documentary evidence confirming ADM Stavridis' testimony that the French CHOD invited him to attend the Brotherhood ceremony. As we noted above, the documentation we obtained showed that ADM Stavridis' acceptance of the invitation was addressed to the director of the Brotherhood. Additionally, we did not find evidence corroborating ADM Stavridis' testimony and that of the [redacted] concerning the number of attendees at the event.

We obtained a cash collection voucher, DD Form 1131, together with a personal check submitted by (b)(6), (b)(7)(C) [redacted] for $283.20, as reimbursement to the Government for the estimated cost of (b)(6), (b)(7)(C) [redacted] round-trip air travel from Belgium to Dijon. We found no record that any other person reimbursed the Government for round-trip MilAir travel to Dijon. We also found no documentation showing how RDML or (b)(6), (b)(7)(C) [redacted] calculated the reimbursement amount.

The Brotherhood is the largest of nine similar *Confréries* in Burgundy, and one of more than 200 *Confréries* in France's wine producing regions. The Brotherhood has approximately 12,000 "knights" (members) and branches in many countries, including the United States. Its primary mission is to promote Burgundy, notably Burgundian wine and cuisine, preserve and revive traditional folklore, festivals, and customs, and increase economic development and tourism in Burgundy.

Discussion

We conclude ADM Stavridis used MilAir for unofficial travel without approval when he traveled by MilAir from Chievres AB to Dijon, France, to attend a chapter meeting of the Confrérie des Chevaliers du Tastevin. His use of MilAir for such travel was in violation of OMB Circular A-126, DoDD 4500.56, and the JER.

We found that ADM Stavridis traveled to Dijon to be inducted into the Brotherhood, a French private organization devoted to promoting the wines, cuisine, customs, and traditions of

(b) (5) [redacted]

Burgundy. We also found that, despite ADM Stavridis' testimony, he was invited by the Brotherhood, not the French CHOD, to preside over the chapter meeting and be inducted into the organization. The evidence also revealed that ADM Stavridis accepted the invitation well before the French CHOD was appointed to his position. Moreover, the evidence established that ADM Guillaud was enthroned into the Brotherhood at the same event as ADM Stavridis. Accordingly, Admiral Guillaud was not a member of the Brotherhood when the invitation was extended to ADM Stavridis on January 8, 2010. Therefore, we found that Admiral Guillaud was in no position to invite ADM Stavridis to join an organization to which he did not belong.

We determined that, regardless of any benefit asserted by ADM Stavridis to have accrued to NATO from conversations between him and the French CHOD at the event, such benefit was ancillary to the predominant purpose for ADM Stavridis' travel to Dijon. We do not contend that ADM Stavridis' attendance was not beneficial to NATO and the United States. However, we are not persuaded that those benefits justified his attendance at the event in an official status.

We found that the event primarily served to celebrate Burgundian cuisine, culture and traditions, and to honor ADM Stavridis and the French CHOD. ADM Stavridis testified he used the event to build a strong personal relationship with the French CHOD and his wife, and that Mrs. Stavridis' attendance and participation were critical to creating a "quad relationship" between the ADM and Mrs. Stavridis and the Guillauds, which only served to enhance the interests of NATO and, by default, the United States. (b) (5) [redacted]

(b) (5) [redacted]

DoDD 4500.46 required ADM Stavridis to make every effort to minimize travel costs on Government aircraft, in strict compliance with the specific requirements of the Directive. These include traveling for official purposes only, unless otherwise authorized by the Secretary of Defense. In determining whether travel is official or unofficial, one must look to the primary purpose of the trip. Unless travel on Government aircraft is essential for the furtherance of Government business, it is insufficient that official business is remotely or incidentally associated with a particular trip.

We acknowledge ADM Stavridis may have made the most of his time with the French CHOD to establish the foundation of a good professional and personal relationship with his French counterpart. However, we determined that even if ADM Stavridis' attendance at the event with Admiral Guillaud may have been helpful in developing a strong relationship between SACEUR and the French CHOD, it was not essential for the purpose. Further, assuming ADM Stavridis' conversations or interactions with Admiral Guillaud at the event may have (b) (5) [redacted] the evidence does not support a conclusion that ADM Stavridis' travel to Dijon at Government expense was the only means or most effective way to (b) (5) [redacted]. As such, we do not find that the predominant purpose for the travel was official Government business.

Based on the preponderance of the evidence, we determined that the primary reasons for the trip were the social and cultural benefits that accrued to ADM Stavridis and his staff by participating in an upscale, formal affair promoting Burgundy's regional interests. We are not persuaded that the primary purpose for the travel was official business, even though the attendees included a cross-section of the business, social, and cultural elite of Burgundy, and ADM Stavridis shared his table with the French CHOD, another French general officer, and two French legislators.

We have no evidence to corroborate ADM Stavridis' statement that the French CHOD invited him to the event [redacted]

ADM Stavridis stated that his attendance at the event was consistent with his role and duties as SACEUR and was in the diplomatic interest of the United States. (b)(6), (b)(7)(C) [redacted] stated that had he refused the invitation, the embarrassment to SACEUR and, by extension, to the United States, would have been considerable. We disagree. A private organization, not a representative of the French government, invited ADM Stavridis to attend the event. Accordingly, we cannot conclude that if ADM Stavridis declined the invitation, he would have caused embarrassment to the Governments of the United States or France, the Office of SACEUR, or NATO.

Accordingly, while his attendance at the event may have presented ADM Stavridis with an opportunity to interact with and get to know the French CHOD on a personal level, the evidence does not demonstrate that the predominant purpose for the travel was official business. As such, we determined that the justifications offered for the travel were insufficient to warrant characterizing the trip as official MilAir travel.

Based on the foregoing, we conclude ADM Stavridis improperly used MilAir for unofficial travel without approval in connection with his attendance at and participation in the Brotherhood event.

ADM Stavridis' Response

In his response to our preliminary report, ADM Stavridis noted the competing, and often complementary, strategic and operational interests he was responsible for addressing as CDR, EUCOM, and SACEUR. He stated that his role and responsibilities necessitated an intense, fast-moving, and changing operational tempo that resulted in his having to travel frequently on official duties. He noted that managing the operational tempo required significant effort on his part and on the part of his staff.

ADM Stavridis acknowledged in his response various administrative errors in planning and staffing aspects of his official travel. Those errors notwithstanding, ADM Stavridis contended that all of his travel was for official purposes, and he noted that our preliminary report identified only one trip from all the travel we analyzed that we characterized as not for official purposes. ADM Stavridis disputed our findings and conclusions with respect to that travel.

~~**(SBU)**~~ ADM Stavridis asserted his travel to Dijon, France, was essential to his effectiveness as SACEUR and [redacted]. He argued that the travel was for official purposes, [redacted]

ADM Stavridis contended that our conclusion reflects a misappreciation of the manner in which substantive business is engaged in Europe and will have a chilling effect on his effectiveness and that of and future SACEURs.

ADM Stavridis offered contextual information in support of his contention that the primary purpose of his travel was official, not personal. He asserted that had the event not offered a strategic engagement opportunity, he would have declined the invitation. He noted that he intended the Burgundy trip as a weekend "offsite" (b) (5) [redacted]

Upon analyzing ADM Stavridis' response, we reviewed Internet-based sources such as Google and YouTube in an effort to corroborate the testimony we obtained during the course of our investigation, as well as ADM Stavridis' response concerning the Brotherhood event. We obtained documentation showing that the Clos de Vougeot, where the event took place, can seat more than 550 people for dinner in the cellar. We discovered digital images (photographs) that had been posted to Google and videos that had been posted to YouTube, which were taken at the 2010 Brotherhood event attended by ADM Stavridis and members of his travel party.

We found that the video evidence supported our initial conclusion that the Brotherhood event was primarily a social occasion, as opposed to an official event in which substantive strategic and operational discussions would occur. The seating arrangements were such that guests were in close, immediate proximity of one another, thereby effectively precluding one from having confidence that confidential or sensitive discussions would not be overheard. Moreover, the video evidence revealed a noise level that was appreciable. In our view, the conditions in the cellar were less than ideal for any level of significant, official communication between ADM Stavridis and the French CHOD.

We acknowledge ADM Stavridis' comment that there are critical differences in how business engagement takes place in Europe and in the United States. We do not suggest that any conversations ADM Stavridis had with the French CHOD at the event were without value or were not conducive to the development of a good personal and professional relationship. However, the strategic needs and diplomatic nuances that ADM Stavridis alluded to did not

justify his use of MilAir to attend the event in Dijon, France. As such, we are not persuaded that they warrant characterizing his travel as primarily official in this case.

~~(SBU)~~ In our view, the evidence showed that the Brotherhood event fundamentally was a social and cultural event hosted by a French private organization dedicated to the promotion of Burgundian food, wine, culture, and history. ADM Stavridis and the French CHOD were together at the event for at least 4 hours, as ADM Stavridis indicated in his response. The video evidence supports the [redacted] statement that ADM Stavridis and ADM Guillaud shared a table with numerous other persons, including French, Belgian, and U.S. civilians and military service members from several nations. While we do not dispute that SACEUR and the French CHOD likely spoke with each other throughout the event, the seating arrangement with dozens of people on either side of long narrow tables was not conducive to the conduct of any type of substantive discussion. Additionally, ADM Stavridis could have accomplished the same goal or outcome by means other than traveling by MilAir to the Brotherhood event.

We note that there are other mechanisms by which ADM Stavridis could have requested authorization for the trip to Dijon, France. However, ADM Stavridis failed to follow appropriate procedures to request and obtain approval for the use of MilAir to the Brotherhood event. The evidence established that ADM Stavridis thought his travel was official; he authorized travel on MilAir for his spouse (b) (5) [redacted] of his XO by issuing an ITO for their benefit. Given his determination of the necessity for the trip, and in view of his assertion concerning the strategic importance of his engagement with ADM Guillaud at the Brotherhood event, we presume that had he submitted such information to the Deputy Secretary of Defense, his travel using MilAir might have been approved. The evidence shows that no such request for approval was submitted to the Deputy Secretary of Defense. Additionally, as we note above, we found no evidence that ADM Stavridis or his staff provided the travel plan for Dijon to legal counsel for review prior to authorizing the trip or before ADM Stavridis approved the ITO for the (b)(6), (b)(7)(C) [redacted] travel.

Having carefully considered all of the evidence, including ADM Stavridis' response to our preliminary report, we stand by our findings and conclusions.

B. Did ADM Stavridis improperly collect per diem in excess of authorized rates in connection with official travel on TDY?

Standards

JFTR, Volume 1, "Uniformed Service Members," June 1, 2009

Chapter 1, "General," Part A, "Applicability and General Information," provides in Paragraph 1039 that TDY vouchers are to be paid using DTS [Defense Travel System], at locations at which DTS has been fielded.[13]

[13] Paragraph 1039 has been renumbered in current edition of the Joint Federal Travel Regulations. See paragraph 1100, et seq.

Chapter 2, “Administration and General Procedures,” Part A, “Travel Policy,” states in Paragraph U2010(A) that a member must exercise the same care and regard for incurring expenses to be paid by the Government as would a prudent person traveling at personal expense.

Paragraph U2010(C) states that excessive costs that are unnecessary or unjustified are the member’s financial responsibility.

Chapter 4, “Temporary Duty Travel,” Part A, “Temporary Duty Travel,” Paragraph U4000, “Justification,” states that a TDY assignment may be authorized only when necessary in connection with official Uniformed Service activity or Government business. Additionally, procedures must be in place to evaluate a request for TDY to ensure that the purpose of the travel is essential for official business.

Part B, “Per Diem Allowance,” Paragraph U4100, states that per diem is designed to offset the costs of lodging and miscellaneous and incidental expenses while performing travel or TDY away from one’s permanent duty station (PDS).

Paragraph U4145, “Per Diem Computation,” states that ordinarily per diem is based on the member’s TDY location at 2400 hours. When a member is en route to a TDY location and does not arrive at the lodging site until 2400 hours or later, the maximum per diem for the preceding day is determined as if the member had been at the stopover point or TDY location at 2400 hours of the preceding day.

Paragraph U4147, “Per Diem for Departure from and Return to PDS,” states that 75% of the appropriate locality rate for meals and incidental expenses (M&IE) is paid for the days of departure from and/or return to the PDS in connection with TDY, regardless of what time the member departs or returns. The paragraph specifies per diem rate determinations for departure days and return days, respectively.

Paragraph U4147, sub-paragraph B, states that the per diem rate for the PDS departure day is based on the member’s TDY or stopover location at 2400 on that day. Sub-paragraph C states that for the return day to the PDS, the per diem is based on the M&IE rate applicable to the preceding day (the last TDY or authorized delay point).

Paragraph U4153, “Per Diem on Arrival at or Departure from a TDY Point,” states that the M&IE rate payable on the days of arrival at and departure from a TDY point is the M&IE rate for that location, unless the member is in a different TDY location at 2400 on that day.

DoD 7000.14-R, Financial Management Regulation, Volume 9, Chapter 8, “Processing Travel Claims – Other than Defense Travel System,” February 2009

Section 0801, “General,” states that Chapter 8 of the FMR provides guidance for the preparation, submission, and processing of travel claims and forms used for travelers not under the DTS.

Paragraph 080101 (B), "Accuracy and Propriety of Payments," states that the disbursing officer is not responsible for the preparation of a traveler's settlement voucher. The disbursing officer or, if so designated, the certifying officer is responsible for the accuracy and propriety of payments, to include ensuring that travel statements and vouchers are accurate and properly supported.

Section 0803, "Voucher Preparation," provides in Paragraph 080301, "Completion," that the traveler is responsible for preparing his DD Form 1351-2, "Travel Voucher or Subvoucher," to claim reimbursement for official travel. It states that even when someone else prepares the voucher, the traveler is responsible for the truth and accuracy of the information. The traveler or his legally appointed designee's signature on the form is attestation that the statements are true and correct and the traveler is aware of the liability for filing a false claim.

Comptroller General Decisions

The standards set forth in Part IV, Paragraph A, above, apply.

Under Secretary of Defense, Personnel and Readiness, Memorandum, Subject: "Mandatory Use of the Defense Travel System," March 28, 2008

Pursuant to Federal law, the Under Secretary of Defense, Personnel and Readiness, mandated that DTS be the single, online travel system used by DoD. He added that the mandate applies to all travel functions then supported by DTS and those that would become supported by the system in the future.

Facts

As SACEUR and as CDR, EUCOM, ADM Stavridis traveled on more than 150 trips in connection with official duties while TDY. ADM Stavridis submitted travel vouchers for those trips claiming entitlement to reimbursement for per diem amounts authorized by regulation for the locality in which the TDY occurred.

Following virtually every trip ADM Stavridis took in connection with TDY, his Flag Writer, a Navy non-commissioned officer, prepared his TDY travel vouchers for review and approval.[14] ADM Stavridis reviewed and approved his vouchers prior to their submission for payment, but he did not personally prepare them.

Until October 1, 2010, ADM Stavridis' vouchers for TDY travel in his capacity as SACEUR were claimed, processed, and reimbursed using the Integrated Automated Travel System (IATS), through the Benelux Finance Office (BFO), U.S. Army, Europe.[15] By contrast,

[14] Flag Writer is a Navy Enlisted Classification for Naval non-commissioned officers, grades E-6 to E-9. Flag Writers are assigned to the personal staffs of flag officers for the express purpose of assisting them with administrative details so the flag officers may devote a larger portion of their time to other matters.
[15] The Benelux Finance Office is a subordinate unit of the 266th Financial Management Center, 21st Theater Sustainment Command, U.S. Army Europe. It provides support to DoD and U.S. military and civilian personnel assigned to organizations at Chievres Air Base, SHAPE, and Joint Forces Command, Brunssum, Belgium.

ADM Stavridis' travel vouchers for his TDY travel as CDR, EUCOM, were processed and paid through DTS. IATS and DTS are automated systems operated by DFAS.

The evidence indicated that ADM Stavridis' travel vouchers processed by the BFO using IATS were prepared and submitted in manual format. His DTS vouchers were submitted and processed electronically. Beginning October 1, 2010, all of ADM Stavridis' travel vouchers began to be processed through DTS only.

In preparing and submitting travel claims for ADM Stavridis through IATS, ADM Stavridis' Flag Writer would create a voucher using a DD Form 1351, Travel Voucher or Subvoucher, together with supporting documentation (i.e., receipts) he obtained from ADM Stavridis' aide. The Flag Writer would submit the completed travel voucher for review and approval by the reviewing official, ADM Stavridis' Flag Secretary (the Administrative Assistant to SACEUR). Upon approval of the voucher, the documents were delivered to the BFO for processing and payment.

(b)(6), (b)(7)(C) [redacted], testified that IATS and DTS operated independent of each other and that the systems did not "talk" to one another concerning particular travel claims for an individual traveler. He stated that ADM Stavridis' travel vouchers for a continuous period of TDY in which he served as SACEUR and as CDR, EUCOM, respectively, were not crosschecked against each other before being submitted for per diem reimbursement. He testified that when ADM Stavridis traveled for a continuous period of time as SACEUR and as CDR, EUCOM, his travel vouchers could have been processed in a manner resulting in reimbursement of more per diem than the amount to which he was entitled. He added that this could have occurred when ADM Stavridis completed TDY travel in one capacity (e.g., as SACEUR) and began new TDY travel in his other capacity (e.g., as CDR, EUCOM) on the same travel day (the "overlap day").

ADM Stavridis' Flag Writer created travel vouchers for the Admiral after completion of TDY travel. In the case of an overlap day, travel vouchers filed under IATS and DTS each sought full reimbursement for what the voucher showed as the end date of travel in the one case and the beginning date of travel in the other. When ADM Stavridis' travel claims were paid, the per diem reimbursement for the overlap day exceeded the amount he otherwise was entitled to under the JFTR.

(b)(6), (b)(7)(C) [redacted] stated that DTS automatically calculates the first and last day of TDY travel at 75% of the per diem allowance for the departure or arrival location, consistent with the requirements of the JFTR. He was not aware of any means within DTS by which a traveler, reviewing official, or approving official could override the automatic 75% calculation.

Our review of ADM Stavridis' travel claim documentation obtained from DFAS disclosed, that on seven occasions, ADM Stavridis submitted TDY travel claims under IATS and DTS with overlap days that resulted in overpayment of per diem to him. Table 2, below, "Excess Per Diem Payments," shows the per diem payments made to ADM Stavridis and calculates the amount by which he was overpaid by the Government where he collected 75% per

diem for the overlap day from both IATS and DTS. In sum, ADM Stavridis received a total of $773.00 in excess payments to which he was not entitled.

Table 2 - Excess Per Diem Payments				
Travel Dates	**Travel Location(s)**	**Per Diem Received**	**Entitlement**	**Amt. Overpaid**
8/27-8/29/2009	Stuttgart, Germany	$408.00	$352.00	$56.00
9/8-9/10/2009	Norfolk, VA/Rome, Italy	622.50	376.75	245.75
11/5-11/9/2009	Austin, TX/Berlin, Germany	437.00	498.00	(61.00)
11/19/2009	Ottawa & Halifax, Canada Washington, DC	665.00	639.00	26.00
2/16-2/18/2010	Strasbourg, France Stuttgart, Germany	415.50	331.75	83.75
4/8-4/20/2010	Washington, DC New Zealand & Australia Palo Alto, CA	1,435.00	1,189.50	245.50
4/26-4/29/2010	Sofia, Bulgaria Bucharest, Romania Stuttgart, Germany	576.50	399.50	177.00
	TOTAL	**$4,559.50**	**$3,786.50**	**$773.00**

ADM Stavridis testified he had no knowledge of specific facts concerning the submission and processing of his TDY travel vouchers. He confirmed that he did not personally prepare and process his travel claims for reimbursement. He added that if he received greater per diem reimbursement for overlap days than he was entitled to under the JFTR, he would immediately repay the Government the excess per diem he had received.

Discussion

We conclude that ADM Stavridis claimed and collected per diem expenses in connection with seven instances of overlapping TDY travel in amounts greater than what he was entitled to receive in violation of the JFTR.

We found that on seven occasions ADM Stavridis engaged in TDY travel as SACEUR that overlapped with travel in his capacity as CDR, EUCOM. We found that on six trips, ADM Stavridis claimed and received reimbursement for per diem in excess of amounts he was entitled to receive under the JFTR. On a seventh trip, he submitted a travel voucher claiming less per diem than he was entitled to receive.

We determined that prior to October 1, 2010, ADM Stavridis submitted travel vouchers through IATS, for his travel as SACEUR, and through DTS, for his travel as CDR, EUCOM. We further found that the IATS and DTS systems for processing ADM Stavridis' travel claims had no mechanism for avoiding overpayment of per diem on travel overlap days, when ADM Stavridis ended travel in one capacity and immediately embarked on travel in the other capacity. As a result, ADM Stavridis received per diem payments of $773.00 more than he was entitled to receive under the JFTR.

The JFTR requires a Service member to exercise the same care and prudence when traveling TDY at Government expense as he would when traveling at his own personal expense. The JFTR additionally provides that a member is financially responsible for excessive or unjustified expenses, and effectively limits per diem reimbursement to a traveler to 100% of allowable expenses for a given day of travel.

The FMR requires that travelers prepare their own travel settlement vouchers and states that they are personally responsible for the truth and accuracy of the information contained in their vouchers, regardless of whether they personally prepared such vouchers.

We found that ADM Stavridis did not personally prepare his travel vouchers and he did not ensure the accuracy of the data submitted for reimbursement. We also found that ADM Stavridis had personal responsibility as the traveler to ensure the documentation submitted on his behalf was accurate and correct. Accordingly, we determined that ADM Stavridis improperly claimed and received payment for excess per diem on six occasions. We found that in one instance he was underpaid.

We note that when we informed ADM Stavridis of the per diem overpayment revealed by the evidence, he immediately offered to reimburse the Government any sum determined to be due.

ADM Stavridis' Response

ADM Stavridis asserted that the JFTR does not expressly limit payment of per diem reimbursement to a total of 75% in the case of overlapping travel departure and return days. He asserts that our conclusion is an intuitive one, but submits that the standard does not expressly state that one cannot receive 75% reimbursement for an ending day and 75% for a starting day in the case of overlapping travel. ADM Stavridis also noted that the overpayments occurred without his knowledge or that of his command's travel and finance NCO.

We disagree with the suggestion that the JFTR authorizes a payment of 150% of per diem in the middle of a trip when ADM Stavridis changed his travel status from SACEUR to Commander, EUCOM, or vice versa. Such a suggestion would result in a windfall to the traveler of 150% of per diem.. Chapter 4 of the JFTR, "Temporary Duty Travel (TDY)," Part B, "Per Diem Allowance," Paragraph U4147, "Per Diem for Departure from and Return to PDS," expressly states that "75% of the appropriate locality M&IE rate is paid for days of departure from and/or return" to the traveler's duty station in connection with TDY.

Paragraph U4153, "Per Diem on Arrival at or Departure from a TDY Point," states that the M&IE rate payable on days of arrival at and departure from a TDY point is based on the "M&IE rate for that location, unless the member is in a different TDY location at 2400 on that day." Such is the case in the event of overlapping TDY travel. In such case, we find that the JFTR requires the traveler to choose a single locality M&IE rate on which to base the applicable per diem rate. It is that rate which constitutes the appropriate locality rate on which the 75% is paid under Paragraph U4147.

While we acknowledge that ADM Stavridis was paid per diem reimbursement to which he was not entitled under the JFTR through no fault of his own, the fact remains that he was paid in violation of the standard. We note that ADM Stavridis reimbursed the U.S. Treasury in the amount we identified as having been overpaid in the report.

Having considered the evidence and ADM Stavridis' response to our preliminary report, we stand by our findings and conclusions.

C. Did ADM Stavridis authorize his wife to claim and collect per diem expenses associated with official travel for TDY to which she was not entitled?

Standards

JFTR, Appendix E, Part 1: "Invitational Travel Authorization (ITA)," February 1, 2009

Paragraph (A)(2)(m) limits dependents' invitational travel authorization to family members of a military sponsor. Specific conditions must be met before allowances to a dependent may be authorized and approved, including the following:

> (1) A dependent may travel with his/her sponsor at Government expense, when the approving official (AO) determines:
>
> > (a) the dependent participates, in an official capacity, at an unquestionably official function, or
> >
> > (b) the travel is in the national interest because of a diplomatic/public relations benefit to the United States, requiring the dependent's presence in a non-participatory role. Participation ordinarily is limited to spouses and is representational in nature.
>
> (2) Travel at Government expense is allowed on a mission noninterference basis only, and must be supported with an ITA that ordinarily authorizes reimbursement of only transportation costs.

Paragraph (A)(2)(m) additionally states that an AO may authorize or approve transportation, per diem and/or other actual expense allowances if the individual's travel is unquestionably mission essential and there is a benefit to DoD beyond fulfilling a representational role. Further, on a case-by-case basis, 4-star flag officers may authorize or approve transportation, per diem, and/or other expense allowances for their spouses. However, such authority to approve transportation, per diem, or other actual expenses does not constitute blanket approval authority.

Paragraph (A)(2)(m) provides that the AO for all other travel under its provisions is the Combatant Command Commander.

DoDD 4500.56, "DoD policy on the Use of Government Aircraft and Air Travel," April 14, 2009

Enclosure 3, Paragraph 5.b., states that requests for approval for family member travel with funding for per diem and/or other expense allowances must clearly demonstrate that such travel is essential to accomplishing the mission. Such requests must include strong evidence of benefit to DoD beyond fulfilling a simple, albeit important, representational role.

Facts

The evidence revealed that ADM Stavridis authorized his wife to receive per diem on four occasions in connection with official travel. On one occasion Mrs. Stavridis traveled to the United States to participate in a Defense Senior Leaders' Conference, for which per diem was expressly authorized by the Chairman of the Joint Chiefs of Staff. On the other three occasions, ADM Stavridis authorized payment of per diem based on his wife's planned activities during travel with him.

Per diem paid to Mrs. Stavridis in connection with travel to Warsaw, Poland (December 13-15, 2009)

In December 2009, Mrs. Stavridis traveled to Warsaw, Poland, in connection with ADM Stavridis' official country visit as SACEUR. On December 9, 2009, ADM Stavridis issued an ITA authorizing Mrs. Stavridis to participate in an official spouse program during his official travel to Warsaw, Poland. He determined her participation to be of official concern to DoD and authorized reimbursement for actual expenses incurred, not to exceed the maximum amount prescribed by regulation.

On December 11, 2009, SACEUR's Trip Coordinator obtained a legal opinion from the EUCOM Judge Advocate stating that in order for (b)(5), (b)(6), (b)(7)(C) [redacted]

~~(SBU)~~ [redacted]

(b) [redacted]

(b)(6), (b)(7)(C) stated that within Europe, and NATO in particular, there is a clear expectation that leaders' spouses will participate in formal affairs and official functions. (b)(6), (b)(7) stated that ADM Stavridis' predecessor had not met this expectation from Europeans' perspectives, and (b)(6), (b)(7) noted that if a leader did not bring his spouse to a formal event to which he and his spouse had been invited, his act conveyed a message that he had no real interest in the inviting nation or its representatives.

On January 5, 2010, Mrs. Stavridis claimed reimbursement for $242.50 in connection with her travel to Poland. On January 11, 2010, the Funds NCO approved her claim and authorized payment of $242.50.

The evidence revealed that ADM Stavridis authorized his wife to receive per diem on two additional trips that we discuss below.

Per diem paid to Mrs. Stavridis in connection with travel to Stuttgart, Germany (July 17-18, 2009)

On July 17, 2009, ADM Stavridis hosted the annual EUCOM Summer Reception as CDR, EUCOM. The reception was an event planned to celebrate German-American friendship and commemorate the 50th anniversary of Elvis Presley's U.S. Army service in Germany. The reception was planned for 500 people at a venue on Stuttgart Army Airfield, Stuttgart, Germany.

ADM Stavridis traveled by MilAir on July 17, 2009, from Chievres AB to Stuttgart to receive staff briefings at EUCOM Headquarters and to host the reception. Mrs. Stavridis and their daughter accompanied him. The reception took place 18 days after ADM Stavridis assumed command of EUCOM.

In a July 14, 2009, Memorandum, "Subject: Invitational Travel Authorization," ADM Stavridis authorized Mrs. Stavridis to travel with him on MilAir to Stuttgart in order to participate as the senior U.S. spouse at the reception. ADM Stavridis stated that the travel was in the Government's interest because of a diplomatic/public relations benefit to the United States. The travel authorization for Mrs. Stavridis did not authorize per diem or other expense allowances.

Prior to the Admiral's travel to Stuttgart, in a July 12, 2009 email, "Subj: COM's Daughter on Plane," ADM Stavridis' XO asked the EUCOM Judge Advocate, for a legal opinion regarding ADM Stavridis' planned trip to Stuttgart, accompanied by his wife.

The EUCOM Judge Advocate responded on July 13, 2009, with a legal opinion, advising that ADM Stavridis (b)(5) The EUCOM Judge Advocate indicated he would (b), (b) He added that his office coordinated his opinion with the DoD Office of General Counsel and obtained its concurrence.

As to Mrs. Stavridis' travel, the EUCOM Judge Advocate stated (b)(5) [redacted]

On July 22, 2009, the non-commissioned officer in charge of executive administration at OSACEUR created a DD Form 1351 requesting a per diem payment of $88.50 for Mrs. Stavridis. The per diem request was approved on July 23, 2009. Mrs. Stavridis received payment of $88.50 on or about July 23, 2009.

ADM Stavridis testified that after this Office informed him that the per diem paid to Mrs. Stavridis in connection with the trip was an issue under investigation, he reviewed the trips for which he authorized payment of per diem to his wife. He added that, in hindsight, he determined that the per diem paid to her in connection with the July 2009 travel to Stuttgart was the result of clerical error and should not have been made. He added that although his wife could have collected "a lot of per diem," she had been very conservative in seeking per diem reimbursement from the Government in connection with official travel.

ADM Stavridis stated that he decided it was appropriate to reimburse the Government for the per diem paid to Mrs. Stavridis in connection with the Stuttgart trip. Accordingly, on June 17, 2011, ADM Stavridis reimbursed the Government $88.50 for the sum paid to his wife.

Per diem paid to Mrs. Stavridis in connection with travel to Salzburg, Austria, and Stuttgart, Germany (December 11-12, 2009)

On December 4, 2009, ADM Stavridis executed an ITO authorizing Mrs. Stavridis to travel by MilAir on December 11, 2009, to Stuttgart, Germany, and Salzburg, Austria. The ITO stated that Mrs. Stavridis' participation in the official program would provide a diplomatic and public relations benefit to the United States. The ITO did not expressly authorize Mrs. Stavridis to receive payment for per diem or other expenses associated with the travel.

On December 7, 2009, ADM Stavridis executed a second ITO authorizing Mrs. Stavridis to travel by MilAir to Stuttgart, Germany, and Salzburg, Austria. The ITO stated that the purpose of her travel was to participate in an official spouse program as shown on the travel itinerary, and that the travel was "of official concern to the Department of Defense." The ITO authorized reimbursement for actual expenses incurred, not to exceed the maximum amount prescribed for the locality concerned.

On December 11, 2009, ADM Stavridis traveled by MilAir from Chievres AB to Stuttgart, Germany, on official EUCOM business, including meetings with the Deputy EUCOM Commander, the Deputy Assistant Secretary of Defense for Homeland Defense Domains and Defense Support to Civil Authorities, the EUCOM Joint Steering Group, and various members of the headquarters staff. Mrs. Stavridis accompanied him on the travel. Following the meetings in Stuttgart, Germany, they traveled by MilAir to Salzburg, Austria. The purpose of

ADM Stavridis' trip to Salzburg was to attend the annual *Stallweihnacht* event in Bad Reichenhall, Germany, hosted by the German Army's 23rd Mountain Infantry Brigade.[17]

While in Austria, ADM Stavridis met General Karl Heinz Lather, German Army, Chief of Staff, Allied Command Europe, and Major General Anton Oschepp, Austrian Army, Chief of Staff, Austrian Joint Forces Command. General Lather was accompanied by his wife. ADM and Mrs. Stavridis took a tour of Salzburg, Austria, then traveled to Bad Reichenhall, Germany, to attend the *Stallweihnacht* event. They later returned to Salzburg, Austria, where they remained overnight.

(b)(6), (b)(7)(C) [redacted], testified that he or persons who work for him drafted the travel authorization documents (ITOs/ITAs) for members of the Admiral's travel party accompanying the Admiral on official travel. He added that the staff generally began working on ADM Stavridis' trips 30 days in advance of travel. (b)(6), (b)(7)(C) [redacted] noted that much of the detail about a given trip might not become available until as few as 3 days before the trip. As a result, he continued, when his team began planning an event 30 days in advance of travel, he understood how an outside observer could question what the official nature of the travel would be. He added that one of his roles as the (b)(6), (b)(7)(C) [redacted] was to "[play] detective, trying to get people to give me as much information as I can so I can give the [Judge Advocate] the best information" needed for a legal opinion concerning the planned travel.

(b)(6), (b)(7)(C) [redacted] stated that absent guidance, he used his experience as to when to seek legal advice. He added that he also relied on precedent from past similar trips where legal opinions had been rendered. [redacted] confirmed that he had not received specific travel-related training or guidance from attorneys prior to assuming duties as (b)(6), (b)(7)(C) [redacted] He stated that he did coordinate with counsel about individual trip-related matters during the course of planning official travel.

With respect to travel planning for Mrs. Stavridis, (b)(6), (b)(7)(C) [redacted] testified that he waited until he had an idea of what Mrs. Stavridis planned to do on a trip, then he would determine if he needed legal guidance to prepare an invitational travel order or authorization.

In a December 11, 2009 email, "Subject: (b)(6), (b)(7)(C) Travel," the EUCOM Judge Advocate wrote that (b) (5) [redacted]

The Judge Advocate concluded that in order for [redacted]

[17] Bad Reichenhall is located on the German-Austrian border. *Stallweihnacht* is an annual Christmas play, featuring soldiers from the German Army's 23rd Mountain Infantry Brigade and live animals in the recreation of the manger scene from the birth of Jesus Christ. The Brigade is the sole unit in the German Army that has retained mules as service animals. Salzburg has the closest commercial airport to Bad Reichenhall.

(b)(5), (b)(6), (b)(7)(C) [redacted]

On January 5, 2010, the Executive NCOIC created a DD Form 1351-2 on Mrs. Stavridis' behalf and requested $240.00 for per diem. The Funds NCO approved the claim on January 11, 2010, and the Government paid Mrs. Stavridis the sum of $240.00 on or about January 13, 2010.

ADM Stavridis testified that the December 2009 trip to Salzburg, Austria, was "right on the edge," but he determined at the time that she should receive per diem because she did work during the trip and also attended a German, 4-star convocation during the evening. In retrospect, however, ADM Stavridis reconsidered his wife's participation and on June 17, 2011, reimbursed the Government the $240.00 for the per diem his wife collected.

Discussion

We conclude ADM Stavridis authorized his wife on two occasions to claim and collect per diem to which she was not entitled, in connection with official travel for TDY, in violation of the JFTR.

With respect to ADM Stavridis' official travel to Stuttgart, Germany, we found that Mrs. Stavridis accompanied her husband to Stuttgart, Germany, on July 17, 2009, in connection with a EUCOM reception hosted by ADM Stavridis. The EUCOM Judge Advocate provided ADM Stavridis with a legal opinion stating that (b)(5) [redacted] (b)(5) [redacted] Additionally, we found that ADM Stavridis did not authorize per diem to be paid to Mrs. Stavridis in a July 14, 2009, memorandum authorizing her travel to Stuttgart. However, on July 22, 2009, a SHAPE employee prepared a request for payment of per diem for Mrs. Stavridis. On July 23, 2009, the Government paid Mrs. Stavridis per diem of $88.50.

We found that ADM Stavridis reimbursed the Government $88.50 on June 17, 2011.

With regard to ADM Stavridis' December 11, 2009, travel to Stuttgart, Germany, and Salzburg, Austria, we found that Mrs. Stavridis accompanied him. We found that ADM and Mrs. Stavridis traveled to Salzburg, Austria, and attended the annual Christmas pageant hosted by the 23rd Mountain Infantry Brigade of the German Army in Bad Reichenhall, Germany.

We found that ADM Stavridis executed two invitational travel authorizations for Mrs. Stavridis, which differed with respect to her authorization to receive per diem. The first authorization, dated December 4, 2009, did not authorize Mrs. Stavridis to receive per diem. The second authorization, dated December 7, 2009, authorized reimbursement of actual expenses.

We found that Mrs. Stavridis claimed and received payment for $240.00 for per diem in connection with the travel.

We found that the EUCOM Judge Advocate provided a legal opinion to ADM Stavridis on December 11, 2009, in which he opined that (b)(5), (b)(6), (b)(7)(C) [redacted] We did not find evidence supporting a conclusion that her travel with ADM Stavridis provided a benefit to DoD beyond fulfilling a representational role.

ADM Stavridis acknowledged that, on reconsideration, he should not have authorized per diem for Mrs. Stavridis in connection with the trip to Salzburg, Austria. On June 17, 2011, ADM Stavridis reimbursed the Government for $240.00.

Concerning ADM Stavridis' December 2009 official country visit to Poland, we found that ADM Stavridis determined Mrs. Stavridis was entitled to receive per diem in connection with her travel with him to Warsaw, Poland. We did not find evidence conflicting with ADM Stavridis' testimony that his wife's role and efforts in Warsaw, in creating and building a personal relationship with the Polish CHOD and his wife, justified the payment of per diem to her. Accordingly, we have no basis to conclude that the payment of per diem to Mrs. Stavridis in connection with her travel to Poland was improper.

In view of the foregoing, we conclude ADM Stavridis improperly authorized his wife to receive per diem on two occasions, in connection with her travel to Stuttgart, Germany, and Salzburg, Austria. However, we note that in June 2011, ADM Stavridis reimbursed the Government in full for the per diem paid to his wife on these two occasions.

ADM Stavridis' Response

ADM Stavridis did not contest our findings and conclusions concerning his wife's travel to Stuttgart or Salzburg. He offered additional explanation for the per diem payments. He noted that the payment regarding the Salzburg travel resulted from inadvertent error and an initial assessment during the planning phase that the spouse's program would be much more involved and work-related than it turned out to be.

ADM Stavridis reiterated his position that Mrs. Stavridis' actions and efforts during the Poland travel more than merited payment of per diem to her and were of significant value to NATO and the United States.

We stand by our findings and conclusions.

D. Did ADM Stavridis fail to use his GTCC for travel expenses incurred in connection with official travel for TDY?

Standards

DoD 7000.14-R, FMR, Volume 9, Chapter 3, "Department of Defense Government Travel Charge Card (GTCC)," August 2010[18]

Paragraph 030101 states that 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 030102 states that the GTCC policies apply to all uniformed members of DoD.

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 travel.

Facts

ADM Stavridis' staff submitted travel vouchers for reimbursement of authorized expenses following TDY travel. Those vouchers indicate he paid lodging and other expenses with a personal credit card, not his GTCC, until March 2011, when this Office notified ADM Stavridis of the investigation. Thereafter, ADM Stavridis used only his GTCC for TDY-related expenses.

(b)(6), (b)(7)(C) reviewed all travel vouchers submitted by ADM Stavridis in connection with his TDY travel. He explained that he did not recall ADM Stavridis submitting any travel voucher that showed payment for official travel expenses with his Government-issued credit card.

(b)(6), (b)(7)(C) testified that he was responsible for delivering the Admiral's lodging receipts to the (b)(6), (b)(7)(C) who prepared ADM Stavridis' travel vouchers. (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) testified that he prepared ADM Stavridis' travel vouchers. He confirmed that ADM Stavridis paid TDY expenses with his personal credit card, not his GTCC.

ADM Stavridis testified that he had used a personal credit card for expenses incurred in connection with official travel. He reasoned that security concerns warranted using a personal credit card so as not to highlight the fact that he was traveling. He added that when he was Commander, USSOUTHCOM, he had expressed to his aide an interest to use his personal credit card for official travel. He said the aide then "ran the traps" on gaining an exemption from the

[18] DoD 7000.14-R, Financial Management Regulation, is revised periodically. The date shown reflects the date of the last revision of the published regulation.

mandatory use of the GTCC for official travel expenses. ADM Stavridis stated he believed the aide had gotten a waiver.

ADM Stavridis acknowledged using his personal credit card for all Government travel until March 2011 when this Office brought the issue to his staff's attention. He testified that since then he has used only his GTCC for all expenses associated with official travel.[19]

Inquiries with the Government Services Administration, Defense Travel Management Office, and Naval Supply Systems Command, all of which would have responsibilities concerning a request by ADM Stavridis for exemption from the mandatory use of the GTCC, revealed that no such request for exemption was submitted by or on behalf of ADM Stavridis while he served as SACEUR or as Commander, USSOUTHCOM.

ADM Stavridis accrued nearly $18,000 redeemable reward points from lodging expenses during his first 21 months as SACEUR prior to exclusively using his GTCC. ADM Stavridis charged those expenses against a (b)(6), (b)(7)(C) [redacted] credit card that provides cash back on every purchase. At up to 1.5% cash back for each purchase made, the benefit that would have accrued to ADM Stavridis for using his personal credit card instead of his GTCC was approximately $270.[20]

After we informed ADM Stavridis that he did not have an exemption from the mandatory use of the GTCC, he obtained a GTCC, and in March 2011, began using it for lodging expenses in connection with official travel.

Discussion

We conclude ADM Stavridis failed to use his GTCC for expenses incurred in connection with official travel from July 2009 through March 2011, in violation of the FMR.

We found that ADM Stavridis used a personal credit card, rather than the GTCC, for official travel expenses. He acknowledged doing so and confirmed that the card provided a cash back benefit on every purchase made. We determined that ADM Stavridis thought he was exempted from the mandatory use of the GTCC and believed he could use his personal credit card for lodging expenses in connection with official travel. We found no such exemption, and determined that he began using a GTCC after this Office brought the issue to his attention.

The FMR mandates the use of the GTCC unless the traveler is exempt from such use.

We found ADM Stavridis accrued nearly $18,000.00 in redeemable rewards points from lodging expenses during official travel, resulting in a maximum cash back benefit to him of approximately $270.00. We also found that subsequent to our notification to him of the

[19] Vendor records for the Government travel charge card show that ADM Stavridis reported his previously issued GTCC as lost, stolen, or missing on March 18, 2011. The vendor issued a replacement card to him and has confirmed its use.

[20] Based on our research, (b)(6), (b)(7)(C) [redacted] best rewards program credit card provides cash back on purchases up to 1.5%.

requirement that he use only a GTCC for official travel lodging expenses, ADM Stavridis began using a GTCC.

ADM Stavridis' Response

ADM Stavridis did not contest our findings and conclusions. He stated that after learning he was not exempt from mandatory use of the GTCC, he began using it exclusively for expenses incident to TDY travel. Accordingly, we stand by our findings and conclusions.

E. Did ADM Stavridis accept gifts from foreign governments without properly reporting or disposing of such gifts?

Standards

5 U.S.C. 7342, "Receipt and disposition of foreign gifts and decorations"

5 U.S.C. 7342 (a) (1) (d) defines "employee" as a member of a uniformed service of the United States and the spouse of such member.

5 U.S.C. 7342 (a) (2) defines "foreign government" to include any unit or foreign governmental authority and any agent or representative of any such unit or organization, while acting as such.

5 U.S.C. 7342 (a) (3) defines "gift" as a tangible or intangible present (other than a decoration) tendered by or received from a foreign government.

5 U.S.C. 7342 (a) (5) defines "minimal value" to mean a retail value in the United States of $100 or less at the time of acceptance. Minimal value is redefined at 3-year intervals after January 1, 1981, in regulations prescribed by the Administrator of General Services, to reflect changes in the consumer price index for the immediately preceding 3-year period. [21]

5 U.S.C. 7342 (b) states that an employee may not request or otherwise encourage the tender of a gift or accept a gift from a foreign government other than in accordance with specific provisions in the statute.

5 U.S.C. 7342 (c) (1) states that Congress consents to employees accepting gifts from foreign governments under the following circumstances:

(A) a gift of minimal value tendered and received as a souvenir or mark of courtesy, and

(B) a gift of more than minimal value when it appears that to refuse the gift would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, except that-

[21] On February 8, 2008, the Administrator of the General Services Administration (GSA) raised the threshold amount from $300 to $335. Federal Register (FR) at 73 FR 7474, February 8, 2008. On May 26, 2011, the GSA Administrator increased the threshold from $335 to $350, effective January 1, 2011. 76 FR 30550, May 26, 2011.

(i) a tangible gift of more than minimal value is deemed to have been accepted on behalf of the United States and, upon acceptance, shall become the property of the United States; and

(ii) an employee may accept gifts of travel or expenses for travel taking place entirely outside the United States (such as transportation, food, and lodging) of more than minimal value if such acceptance is appropriate, consistent with the interests of the United States, and permitted by the employing agency and any regulations which may be prescribed by the employing agency.

5 U.S.C. 7342 (c) (2) requires that within 60 days after accepting a tangible gift of more than minimal value (other than gifts of travel or expenses for travel as described above) an employee shall deposit the gift for disposal with his employing agency or, subject to the employing agency's approval, deposit the gift with the agency for official use.

5 U.S.C. 7342 (c) (3) states that when an employee deposits a gift of more than minimal value for disposal or for official use pursuant to paragraph (2), the employee shall file a statement with his or her employing agency or its delegate containing the information prescribed in subsection (f) for that gift.

5 U.S.C. 7342 (f) provides that not later than January 31 of each year, each employing agency or its delegate shall compile a listing of all statements filed during the preceding year by the employees of that agency and shall transmit such listing to the Secretary of State for publication in the Federal Register. Listings for each tangible gift reported shall include:

- the name and position of the employee;
- a brief description of the gift and the circumstances justifying acceptance;
- the identity, if known, of the foreign government and the name and position of the individual who presented the gift;
- the date of acceptance of the gift;
- the estimated value in the United States of the gift at the time of acceptance; and
- disposition or current location of the gift.

DoD 5500.07-R, JER, Section 3, "Guidance," August 30, 1993

Paragraph 2-300 provides DoD guidance and interpretations regarding the acceptance of gifts from foreign governments.

Paragraph 2-300 (b) (1) states that the values of gifts from different officials of the same foreign government during the same presentation shall be aggregated and such gifts are considered to be from that foreign government. A gift from the spouse of a representative or official is considered as a gift from the representative or official and a gift given to the spouse of a DoD employee is considered to be a gift to the employee.

Paragraph 2-300 (b) (2) states that gifts received at separate presentations, even on the same day or from the same official, are separate gifts and their values are not aggregated. When more than one gift is given at a single presentation, only those gifts with an aggregate of less than the minimum allowed value may be retained by the DoD employee; the remainder must be disposed of in accordance with DoDD 1005.13, "Gifts and Decorations from Foreign Governments," dated February 19, 2002.

DoDD 1005.13, "Gifts and Decorations from Foreign Governments," February 19, 2002

Enclosure 2 defines "gift" as anything of tangible or intangible value tendered by or received from a foreign government, except for educational scholarships or medical treatment. "Minimal value" is defined as a retail value in the United States at the time of acceptance of the gift not in excess of the amount specified by the Administrator of General Services under 5 U.S.C. 7342.

Enclosure 3, "Procedures for the Receipt and Disposition of Gifts or Decorations," states in Paragraph E3.1.1.1. that any gift that becomes the property of the United States under 5 U.S.C. 7342 may be retained for official use by the employing DoD component. In such cases, the employing component head shall:

- Avoid to the maximum extent possible arbitrary action in approving or retaining gifts; Ensure retained gifts are not used for the benefit or personal use of any individual employee, but that all employees are provided the opportunity to receive their indirect benefits from the gift; and

- Report the gift retained to the General Services Administration (GSA) in accordance with 41 C.F.R. 101-49 within 30 days after termination of the official use.

Paragraph E3.1.1.3 states that gifts for which there are no Federal requirements, as determined by the GSA, may be offered for sale to recipients before donation when requested by recipients.

Paragraph E3.1.4, "Recording of Gifts of More Than Minimal Value or Decorations," provides that each DoD component shall maintain records of gifts of more than minimal value received by their employees from foreign governments. DoD components are required to transmit a compilation of such gifts to the Secretary of State no later than January 31 each year, including the name and title of the recipient, a description of the gift, date of acceptance, estimated value, and current disposition or location, identity of the foreign government, and circumstances justifying acceptance.

Facts

One of SACEUR's responsibilities is to visit the various NATO member nations to confer with political and military leaders regarding alliance matters. In his first 15 months as SACEUR, ADM Stavridis visited 25 NATO countries and 8 other nations.

On most of ADM Stavridis' country visits, host nation leaders presented one or more gifts at official receptions, dinners or office calls. Oftentimes, when Mrs. Stavridis accompanied her husband on a country visit, host nation leaders or their spouses also presented gifts to her. Such gifts were neither specifically coordinated nor unexpected; staff members from the host nation and OSACEUR generally discussed gift exchange events with each other in advance of the visit to ensure there would be no inadvertent breach of protocol.

ADM Stavridis received more than 250 gifts in the course of his official travel to various nations between July 2009 and March 2011. During that same time, he gave approximately 400 gifts to his host nation counterparts.

(b)(6), (b)(7)(C) testified (b)(6), (b)(7)(C) was responsible for tracking and logging all gift exchanges between SACEUR and representatives of his hosting nation. (b)(6), (b)(7)(C) stated that (b)(6), (b)(7)(C) became involved after SACEUR's military or special assistant responsible for the country visit began coordinating the official trip. The military/special assistant, or on occasion, the Admiral's aide, would provide (b)(6), (b)(7)(C) with the travel plan showing the projected list of dignitaries with whom ADM Stavridis would meet, the reason for the meetings, and whether they were official dinners, events, or office calls. Upon receipt of the information, [redacted] would review Protocol Office records of previous SACEUR visits to the country in question in order to propose a list of three different gifts for SACEUR to present. The recommended gifts would be based on historical precedent and the official function at which they were to be presented. (b)(6), (b)(7)(C) added that the gifts to be given generally were of an equivalent value to the gifts anticipated to be presented to SACEUR by representatives of the hosting nation.

[redacted] testified that once SACEUR selected a gift from (b)(6), (b)(7)(C) recommended list, [redacted] would obtain the gift from the gift locker where it was stored, log the gift into a database (b)(6), (b)(7)(C) maintained, then deliver the gift to ADM Stavridis' aide for presentation at the appropriate time.

(b)(6), (b)(7)(C) stated that if the gift to be presented had been purchased with U.S. Government official representation funds (ORF) (b)(6), (b)(7)(C) would request a legal opinion on whether ADM Stavridis had the legal authority to present the gift under U.S. law. If legal counsel concurred in the presentation of an ORF-purchased gift, (b)(6), (b)(7)(C) would provide the gift to ADM Stavridis' aide.

(b)(6), (b)(7)(C) also described the process by which gifts presented to ADM Stavridis were logged into the Protocol Office database. (b)(6), (b)(7)(C) testified that the process was, in reality, more the absence of any protocol or procedure. [redacted] added that ADM Stavridis' staff effectively discarded the system in place during the tenure of his predecessor, General (GEN) Bantz Craddock, U.S. Army. The result was that the [redacted] had no visibility over gifts presented to the Admiral on his official country visits because they were handled by his aide. (b)(6), (b)(7)(C) testified that it was only after concerted effort on (b)(6), (b)(7)(C) part that [redacted] was able to obtain the information necessary to log each gift presented to ADM Stavridis by foreign leaders and representatives.

(b)(6), (b)(7)(C) generally described the difference between the policies under ADM Stavridis and his predecessor as being one of visibility. [redacted] stated that the policy under GEN Craddock ensured that "any gifts that came in or went out, came through our [Protocol] office." [redacted] added that when GEN Craddock received a gift, (b)(6), (b)(7) and (b)(6), (b)(7) staff would physically review it, describe it for the inventory, tag it, and enter it into (b)(6), (b)(7) database. (b)(6), (b)(7) stated that GEN Craddock's aide would identify the location to which the gift should be sent for display, so that after the Protocol Office had logged the gift information from the trip, "everything was disbursed [delivered] to where it needs to be."

(b)(6), (b)(7)(C) testified that after ADM Stavridis took command, (b)(6), (b)(7) noticed (b)(6), (b)(7) was "not seeing anything in the database of what he's receiving." (b)(6), (b)(7) stated [redacted] told the Admiral's Belgian aide and U.S. aide that (b)(6), (b)(7) office needed to see the gifts in order to enter them into the database. (b)(6) (b)(7) added that the aides' response was that (b)(6), (b)(7)(C) did not need to see the gifts; they – the aides – would tell the Protocol Office what ADM Stavridis had received. [redacted] could then put the information into the database, but would no longer physically receive the gifts to review and analyze.

(b)(6), (b)(7)(C) confirmed that OSACEUR changed its policy for receipt and administration of gifts after this Office requested a copy of SACEUR's gift log in April 2011. She stated she showed ADM Stavridis' XO, Brigadier General (Brig Gen) Gregory Lengyel, U.S. Air Force, the documentation (b)(6), (b)(7) intended to provide to this Office in response to the request and told him of the difference in how gifts were processed after ADM Stavridis took command. (b)(6), (b)(7) added that ADM Stavridis walked in on (b)(6), (b)(7) discussion with Brig Gen Lengyel and said, "Well, I don't understand why you guys need to see everything." (b)(6), (b)(7) stated that (b)(6), (b)(7) told ADM Stavridis that doing so made it easier for (b)(6) (b)(7) team to know exactly what he received and to record the gifts in the gift log. [redacted] noted that shortly after (b)(6) (b)(7) discussion with ADM Stavridis and Brig Gen Lengyel, the gift processing policy reverted back to what it had been prior to ADM Stavridis taking command.

Protocol office records showed that most of the gifts presented to ADM Stavridis had a value below $335. However, on three occasions, host nation leaders presented ADM Stavridis gifts that exceeded that amount. These included weapons and a gift suitable for display in one's home. We discuss these items in more detail below:

1. Israeli Defense Forces Rifle, MTAR21: On October 25, 2010, ADM Stavridis traveled to Tel Aviv, Israel, for meetings with the U.S. Ambassador to Israel, the Israeli President, the Israeli CHOD, and other military and political officials. He returned to Belgium the following day.

During his trip, Israeli officials presented ADM Stavridis with an Israeli Defense Forces rifle. In a November 16, 2010, email "Subject: ISR Firearm," the Protocol Officer requested and subsequently received a legal opinion from an Ethics Counselor at the Northern Law Center, U.S. Army Garrison, Benelux, concerning the gift of the rifle. In the legal opinion, the Ethics Counselor provided an estimated value for the weapon of $2,300.00[22] Further, the opinion

[22] The valuation was made by representatives of the claims office in the Northern Law Center. The Ethics Counselor described the assigned value as a "conservative" estimate.

provided guidance to ADM Stavridis regarding (b) (5) [redacted] (b) (5) [redacted]

In a signed Memorandum dated November 18, 2010, ADM Stavridis detailed the acceptance of the gift on behalf of the Government for official display. ADM Stavridis directed that the rifle be put on permanent display at EUCOM Headquarters, Stuttgart, Germany.

(b)(6), (b)(7)(C) [redacted] testified that it was the standard procedure when dealing with gifts presented by host nations, that if a gift could not be accepted due to U.S. restrictions or prohibitions, ADM Stavridis would not refuse the gift. Instead, he would accept the gift, and upon its return to SHAPE, the Protocol Office would process it for appropriate disposition. (b)(6), (b)(7) [redacted] added that (b)(6), (b)(7) [redacted] office had been working through SACEUR's military assistants to inform host nations' representatives of the U.S. limitation on gifts, and particularly, weapons. (b)(6), (b)(7) [redacted] noted that this effort was difficult to impress upon the Europeans, for example, because of cultural differences and more relaxed rules relating to the giving of gifts.

(b)(6), (b)(7)(C) [redacted] testified that when the Israeli representatives presented the rifle to ADM Stavridis, the Admiral understood there were basic requirements to be met to process the weapon under governing U.S. law.[23] [redacted] (b)(6), (b)(7)(C) [redacted] stated that (b)(6), [redacted] worked on ensuring the weapon was properly de-militarized for importation into Germany. (b), [redacted] added that the weapon was imported after consultation with U.S. and German customs officials.

ADM Stavridis testified that he knew the rifle was a gift that was "pretty obviously over the gift limit." Therefore, he directed that the rifle be donated for display at EUCOM headquarters.

We found no evidence the weapon was declared as a gift from a foreign government and reported to the Department of State, as required by 5 U.S.C. 7342(f) and DoDD 1005.13.

2. Croatian Handgun, HS ATP 45 XD: On October 1, 2010, ADM Stavridis traveled to Zagreb, Croatia, for a meeting with Croatian political and military leaders. During his visit, the Croatian CHOD presented a .45 caliber handgun to ADM Stavridis as a gift. ADM Stavridis testified that he knew the handgun's value exceeded the threshold amount for gifts he could accept.

In a signed Memorandum dated November 18, 2010, ADM Stavridis detailed the acceptance of the gift on behalf of the Government for official display. He directed that the weapon be donated to the National Defense University, in Washington, DC, for permanent display.

(b)(6), (b)(7)(C) [redacted] testified that (b)(6), [redacted] coordinated the importation of the handgun into the United States for display with the Bureau of Alcohol, Tobacco, and Firearms. We found no

[23] [redacted] testified that while serving as Commander, United States Southern Command, ADM Stavridis received a handgun during official travel in South America. As a result, the (b)(6), (b)(7)(C) [redacted] learned about the process and substantive requirements to bring the weapon back into the United States.

evidence the weapon was declared as a gift from a foreign government and reported to the Department of State.

3. *Silver Boat in Case and Necklace*: On September 26, 2009, ADM and Mrs. Stavridis traveled to Greece for an official country visit. ADM Stavridis met with the Greek CHOD and other senior officials, as well as with the U.S. Ambassador to Greece. He remained in Greece through September 28, 2009, at which time he returned to Belgium.

On September 26, 2009, the Greek CHOD and his wife presented gifts to ADM and Mrs. Stavridis. ADM and Mrs. Stavridis presented gifts in return. The CHOD gave ADM Stavridis a 14-inch silver replica of a Greek boat. The CHOD's wife presented a necklace to Mrs. Stavridis. ADM Stavridis testified that the value of the necklace given to his wife was about $75.00. [24]

(b)(6), (b)(7)(C) testified (b)(6), (b)(7) was familiar with the silver boat; the Greek CHOD had presented one to GEN Craddock during a country visit to Greece in 2008. At that time, the Protocol Office had the boat's value appraised, and it was valued at $300.00. Based on the testimony provided by the (b)(6), (b)(7)(C) and ADM Stavridis concerning the value of the gifts given by the Greek CHOD and his wife, their aggregate value was approximately $375.00.

ADM Stavridis testified that when he departed command, he intended to leave behind all gifts presented to him that exceeded the JER threshold, with the possible exception of the silver boat. He stated that if he decided to take the boat with him, he understood he would have to buy it at the time he departed command.

(b)(6), (b)(7)(C) at the Northern Law Center did not recall receiving a request for an opinion concerning the silver boat given by the Greek CHOD. (b)(6), (b)(7)(C) testified that if ADM Stavridis had received a gift or gifts that, taken together, have a value over $335.00, he would be affirmatively obligated to report such gifts to his agency. (b)(6), (b)(7)(C) noted that ADM Stavridis could not keep the gifts personally, but appropriately could retain the gifts for display at the Chateau. In any event, he noted, ADM Stavridis would have to report the gifts to his agency. (b)(6), (b)(7)(C) stated:

(b) (5)

We found no documentation to indicate ADM Stavridis reported to his agency, the Department of the Navy, any gifts he received from foreign governments exceeding the gift threshold. Further, our review of the most recently filed public notice by the Department of State, Office of the Chief of Protocol, entitled "Gifts to Federal Employees from Foreign Government Sources Reported to Employing Agencies in Calendar Year 2009," revealed no reporting of gifts received by ADM Stavridis as SACEUR or as CDR, EUCOM. The

[24] We found no evidence that the necklace was appraised. We were also unable to obtain during the course of the investigation documentation, photographs, or other evidence regarding the necklace in question.

Department of State's compilation is intended to report all tangible gifts and gifts of travel or travel expenses of more than minimal value, as defined by statute, reported by employees to their employing agencies during calendar year 2009.[25]

Discussion

We conclude ADM Stavridis accepted gifts from foreign nations on three occasions and failed to properly report and dispose of the gifts, in violation of 5 U.S.C. 7342, the JER, and DoDD 1005.13.

We found that when ADM Stavridis traveled on official country visits, gift exchanges were a standard event at meetings with host nations' leaders. We found that ADM Stavridis received numerous gifts during his various country visits. In most cases, the gifts presented to ADM Stavridis were less than $335.00, the monetary threshold under Federal law.[26] However, we found that on three occasions ADM Stavridis received gifts exceeding the threshold, including a rifle presented by Israeli officials, a handgun from Croatian leaders, and a silver boat and necklace from the Greek CHOD and his wife.

5 U.S.C. 7342(c) states that a Government employee may accept a gift of minimal value tendered as a souvenir or mark of courtesy, as well as gifts exceeding minimal value, when it would appear that refusing the gift would cause offense or embarrassment or adversely affect the foreign relations of the United States. It further states that an employee who accepts a gift of more than minimal value shall deposit the gift with his agency for disposal or official use within 60 days after receipt of the gift. Additionally, the employee must file a statement with his agency concerning the gift, which the agency compiles and transmits to the Department of State for publication in the Federal Register.

DoDD 1005.13 requires DoD components to record gifts of more than minimal value and transmit a compilation of such gifts to the Secretary of State no later than January 31 of each year. Such a compilation must report specific facts concerning the gift, including a description, the estimated value, disposition, and circumstances justifying acceptance of the gift.

DoDD 1005.13 defines "minimal value" as retail value in the United States at the time of acceptance not in excess of the amount specified by the Administrator of General Services under 5 U.S.C. 7342, which at all times relevant to the gifts in question was $335.00.

We found that on September 26, 2009, ADM and Mrs. Stavridis received gifts with a value of approximately $375.00 from the Greek CHOD and his wife during an official country visit. We found that ADM Stavridis did not take the requisite action to accept the gifts on behalf of the United States or otherwise report the gifts in compliance with 5 U.S.C. 7342 and DoDD 1005.13.

We found that in October 2010, ADM Stavridis traveled to Croatia and, later, to Israel. On each trip, host nation officials presented a weapon to ADM Stavridis as a gift. We found that

[25] The report is published in the Federal Register (FR), Volume 76, No. 11, January 18, 2011, pp 2956-3006.
[26] The threshold was increased to $350, effective January 1, 2011. 76 FR 30550, May 26, 2011.

in each instance the weapon exceeded the minimal value threshold established pursuant to statute. ADM Stavridis, through his Protocol Office, requested legal guidance regarding the weapons. We found that, (b) (5) [redacted], he directed that the weapons be disposed of by donating them for display by EUCOM and National Defense University (NDU), respectively. On November 18, 2010, he formally accepted each weapon on behalf of the United States for official display.

We found that while ADM Stavridis appropriately accepted and disposed of the Croatian handgun and the Israeli rifle, he did not report receipt and acceptance of such gifts to his agency for transmission to the Department of State. As the recipient of the gifts and the CDR, EUCOM, he had the duty to ensure that his receipt of the weapons was properly reported. This he failed to do.

ADM Stavridis' Response

ADM Stavridis acknowledged errors in reporting gifts he received from foreign governments and stated these effectively occurred due to oversight and inadvertent mistakes on the part of his staff. He addressed our conclusions with respect to each of the gifts identified in the report, as follows:

1. *Israeli Defense Forces Rifle*

ADM Stavridis did not challenge or contest our findings and conclusions regarding the Israeli Defense Forces rifle he received during an official country visit to Israel. He explained that there were reporting errors and noted that he promptly disposed of the weapon following its receipt. Accordingly, we stand by our findings and conclusion concerning the gift to ADM Stavridis of a rifle by the Israeli Defense Forces.

2. *Croatian Handgun*

ADM Stavridis contested our findings and conclusion regarding the gift of a handgun given by the Croatian Government during his October 2010 country visit to Croatia. He stated that he accepted the gift in his capacity as SACEUR, and argued it was a gift to NATO and not to the United States. He argued that, as such, he was responsible for disposing of the weapon under NATO standards and, therefore, did not have a duty to report the gift under U.S. standards when he timely and properly disposed of it in accordance with NATO requirements. He suggested that in the absence of a duty to report the gift, there was no violation of a standard by which to support a substantiated finding.

We found no legal authority to support ADM Stavridis' contention that he had no duty to report gift of the handgun from Croatian authorities because he received it on behalf of NATO.

We accept that ADM Stavridis accepted the gift as SACEUR. However, when he accepted receipt of the gift, he did so as a U.S. Naval flag officer serving in the capacity as SACEUR. His duty position does not alter the fact that he is a member of the Armed Services of the United States serving in an active duty status at the time he accepted the gifts. Accordingly,

his position does not alter his affirmative obligation to accept and report gifts as provided in 5 U.S.C. 7342, "Foreign Gifts and Decorations Act" (the Act).

Paragraph (b)(2) of the Act prohibits an employee of the United States from accepting any gift, other than in accordance with the provisions of Paragraph (c) of the Act. Sub-paragraph (c)(1)(B) of the Act states that an employee may accept a gift of more than minimal value if refusing to do so

> . . . would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, except that
>
> (i) a tangible gift of more than minimal value ***is deemed to have been accepted on behalf of the United States*** and, upon acceptance, shall become the property of the United States. (Emphasis added.)

Sub-paragraph (a)(1)(D) of the Act defines the term "employee" to include "a member of a uniformed service." Therefore, at the time ADM Stavridis accepted the handgun, he was a U.S. employee prohibited from accepting a gift of more than minimal value unless he did so on behalf of the United States.

Regardless of his obligations under governing ACO directives concerning acceptance and disposition of the gift, we find no legal authority supporting a conclusion that he was exempt from having to comply with the receipt and reporting requirements of the Act. Even if ADM Stavridis accepted and disposed of the weapon appropriately on behalf of NATO, he was not excused of the obligation to report the gift in accordance with U.S. law.

After careful consideration of the evidence and ADM Stavridis' response to our preliminary report, we stand by our findings and conclusions with respect to the Croatian handgun.

3. *Greek Silver Boat and Necklace*

Concerning the gifts presented to him by representatives of the Greek government during his September 2009 official visit to Greece, ADM Stavridis stated that he mistakenly believed he did not have to make a determination to return an item exceeding the minimal amount or accept it and pay fair market value until it was time to depart the command. He added that when he learned his understanding was incorrect, he determined to pay fair market value for the gifts presented during his country visit to Greece.[27]

On March 30, 2012, ADM Stavridis paid $774.85 as reimbursement to the Greek Government of the fair market value of gifts presented to him and Mrs. Stavridis during his September 2009 official visit to Greece. He included a copy of the payment receipt with his response to our preliminary report. In his response, and as was shown on the reimbursement

[27] We note that during an interview, ADM Stavridis indicated that the Greek boat was likely the only gift he received that he had considered paying for and keeping. At the time, he stated he believed he could make that decision when it was time to depart command.

receipt, ADM Stavridis confirmed receipt of three gifts from Greek government representatives, including the silver boat and two necklaces. We note that ADM Stavridis' reference to two necklaces in his response was the first information we received during this investigation that a second necklace had been given. Upon receiving this information, we reviewed the documentary evidence on gifts we had gathered during the course of the investigation.

The documentary and testimonial evidence obtained during the investigation inaccurately indicated that only two gifts were presented to him and Mrs. Stavridis by the Greek government during his official country visit travel to Greece. Neither the official gift log maintained by SACEUR's Protocol Office nor the evidence we obtained during our investigation identified two necklaces. In our view, this highlights and confirms the systemic deficiencies that existed within the command regarding the acceptance and processing of gifts.

For the reasons discussed above, we stand by our findings and conclusions concerning the silver boat and necklaces.

F. Did ADM Stavridis accept gifts from a Non-Federal Entities without properly reporting or disposing of such gifts?

Standards

31 U.S.C. 1345, "Expenses of meetings"

The statute provides that except as specifically provided by law, an appropriation may not be used for travel, transportation, and subsistence expenses for a meeting. However, the statute adds that it does not prohibit an agency from paying the expenses of an officer or employee of the United States Government carrying out an official duty.

31 U.S.C. 1353, "Acceptance of travel and related expenses from non-Federal sources"

Section (a) requires the Administrator of General Services, in consultation with the Director of the Office of Government Ethics, to prescribe the conditions under which an agency may accept payment, or authorize an employee to accept payment, from non-Federal sources for travel, subsistence, and related expenses with respect to attendance of the employee (or the spouse of such employee) at any meeting or similar function relating to the official duties of the employee.

Paragraph (d) (1) requires the head of each agency of the executive branch to submit to the Director of the Office of Government Ethics reports of payments of more than $250 accepted under the statute with respect to employees of the agency. The Director shall make such reports available for public inspection and copying. Paragraph (d) (2) describes the specific contents required in such reports.

41 C.F.R. Chapter 304, "Payment of Travel Expenses from a Non-Federal Source"

Part 304-3, "Employee Responsibility," provides in Section 304-3.12 that a Federal employee must receive advance approval from his agency before performing travel paid by a non-Federal source to attend a meeting.

Section 304-3.15 states that an employee must provide his agency with information about payment of travel expenses from a non-Federal entity, because the agency is required to submit a semiannual report to the U.S. Office of Government Ethics of all payments accepted under the regulation.

5 C.F.R. Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch"

Sub-Part B, "Gifts from Outside Sources"

Paragraph 2635.202(a), "General prohibitions," states that except as otherwise provided in Sub-Part B, an employee shall not, directly or indirectly, solicit or accept a gift from a prohibited source, or given because of the employee's official position.

Paragraph 2635.203(f)(1) states that a gift which is solicited or accepted indirectly includes a gift given with the employee's knowledge and acquiescence to a spouse.

Section 2635.204, "Exceptions," states that the prohibitions set forth in Paragraph 2635.202(a) do not apply to a gift accepted under the circumstances described below. However, it adds that even though acceptance of a gift may be permitted by one of the exceptions, it is never inappropriate and frequently prudent for an employee to decline a gift offered by a prohibited source or because of his official position.

The specific exceptions to the prohibitions on the acceptance of gifts include gifts of $20 or less. Section 2635.204 states an employee may accept unsolicited gifts having an aggregate market value of $20 or less per source per occasion, provided that the aggregate market value of individual gifts received from any one person under the authority of this paragraph shall not exceed $50 in a calendar year. Where the market value of a gift or the aggregate market value of gifts offered on any single occasion exceeds $20, the employee may not pay the excess value over $20 in order to accept that portion of the gift or those gifts worth $20. Where the aggregate value of tangible items offered on a single occasion exceeds $20, the employee may decline any distinct and separate item in order to accept those items aggregating $20 or less.

Section 2635.205, "Proper disposition of prohibited gifts," states that unless a gift is accepted by an agency under specific statutory authority, an employee who has received a gift that cannot be accepted under Sub-Part B shall promptly return the gift or pay the donor the fair market value of the gift.

Paragraph 2635.205(b) states an agency may authorize disposition or return of gifts at Government expense.

Paragraph 2635.205(c) provides that an employee who, on his own initiative, promptly complies with the requirements of Section 2635.205 will not be deemed to have improperly accepted an unsolicited gift. Further, an employee who promptly consults his agency ethics official to determine whether acceptance of an unsolicited gift is proper and who, upon the advice of the ethics official, returns the gift or otherwise disposes of the gift in accordance with this section, will be considered to have complied with the requirements of this section on his own initiative.

DoD 5500.07-R, JER, August 30, 1993

Chapter, 4, Section 1, "Acceptance of Official Travel Benefits in Kind or Payment for Official Travel Expenses," Paragraph 4-100(a), "Official Travel," states that the Government shall fund official travel by DoD employees. It provides an exception permitting DoD Components to accept official travel benefits, including in kind subsistence and accommodations and payments or reimbursements of expenses, from non-Federal sources as provided in Chapter 4 of the JER.

Paragraph 4-100(c), "Acceptance Procedures," defines the process by which official travel benefits from non-Federal sources must be accepted by the travel approving authority for a DoD employee. This process includes the requirement that the travel benefits be:

(1) approved in writing by the travel approving authority with the advice of the DoD employee's Ethics Counselor;

(2) approved in advance of travel, if accepted under the authority granted by 31 U.S.C. 1353.

Paragraph 4-101, "Acceptance of Travel and Related Expenses by a DoD Component from Non-Federal Sources," authorizes heads of DoD Components to accept travel benefits from a non-Federal source incurred by DoD employees in connection with their attendance in an official capacity at a meeting or similar function in accordance with 31 U.S.C. 1353 and implementing regulations.

Sub-paragraph 4-101(a)(3) states that a DoD Component may not accept or approve acceptance of travel benefits from non-Federal sources under any other gift acceptance authority if 31 U.S.C. 1353 applies.

Paragraph 4-101(b) requires a DoD employee shall exclude from his travel voucher any request for reimbursement for travel benefits furnished in kind by a non-Federal source on the travel voucher to ensure that appropriate deductions are made in the travel, per diem, or other allowances payable by the United States.

Facts

On two occasions, ADM Stavridis received tangible items and lodging from non-Federal entities in connection with official travel. We discuss each of these instances in more detail below:

1. *American Enterprise Institute World Forum, Sea Island, Georgia (March 5, 2010)*

On September 8, 2009, Mr. Arthur Brooks, President of the American Enterprise Institute (AEI), invited ADM Stavridis to the 2010 AEI Annual World Forum in Sea Island, Georgia, March 4-7, 2010. The AEI World Forum is advertised as a gathering of leaders from around the globe including top business people, prominent politicians, scholars, and military leaders. Forum sessions are intended to evaluate critical challenges the United States and its allies face in economics, security, and social welfare with the intent of spurring practical progress on a number of urgent problems in politics and policy. ADM Stavridis accepted the invitation.

ADM Stavridis traveled to the United States on March 1, 2010, in connection with a scheduled 2-week trip to meet with Members of Congress, DoD officials, and others, as well as to testify before the Senate Armed Services Committee, and the House Appropriations Committee. He also traveled to North Florida in order to speak with the Commander, USSOUTHCOM, and to give a presentation to the Florida National Guard at Flagler College.[28]

On March 5, 2010, ADM Stavridis flew MilAir from Washington, DC, to Brunswick, Georgia, the airport nearest to Sea Island, Georgia. He arrived at the Cloister at Sea Island (Cloister) on the evening of March 5, 2010, and remained overnight. The following morning, ADM Stavridis gave an hour-long talk entitled "Does America Have Real Allies?" to a group of attendees ADM Stavridis described as "a very, very focused, nationally known think tank, in order to move the NATO message." The AEI World Forum list of prominent attendees included over a dozen senators and representatives from Congress, as well as national and international business leaders. After his speech, ADM Stavridis returned to Washington, DC, on MilAir.

The Cloister is a 175-room hotel, and part of Sea Island Resorts, a Forbes Five-Star and AAA Five Diamond luxury resort on the coast of Georgia. Summer rates for the hotel begin at $395 per night. March stays average more than $400 per night for a standard, one-bed room.[29]

We found no evidence that ADM Stavridis paid for his lodging at the Cloister on March 5, 2010. Further, ADM Stavridis did not request reimbursement for the lodging when he submitted his travel voucher following his trip to the United States. However, ADM Stavridis did request and receive reimbursement for per diem, calculated at the allowable rate for his location at Sea Island, Georgia.

ADM Stavridis testified he did not know the cost of his room or whether AEI provided it to him without cost to the Government. Further, he stated that he did not seek or receive

[28] We discuss the North Florida trip in more detail in Appendix 1.
[29] In his response to our preliminary report, ADM Stavridis stated that the lodging cost for his stay was approximately $525.00

guidance on the acceptance of lodging because he was unaware that it was provided at no cost to the Government. He added he was not aware that the lodging had been provided at no cost to the Government because no one on his staff brought the matter to his attention. To his knowledge, no one on his staff sought guidance from counsel regarding any standards governing the acceptance of gifts from non-Federal entities.

2. *MontBlanc Pen Factory, Hamburg, Germany (May 3-4, 2010)*

On May 3, 2010, ADM Stavridis traveled to Hamburg for 2 days to meet with German military and political leaders, including the Commandant of the German Command and Staff College. He also addressed NATO delegates and students of the college.

On the morning of May 4, 2010, ADM and Mrs. Stavridis and members of his staff stopped at the MontBlanc pen factory in Hamburg.[30] They toured the factory, after which ADM Stavridis traveled to the Hamburg Parliament for his meeting.

(b)(6), (b)(7)(C) stated that at the end of the factory tour, several individuals including (b)(6), (b)(7)(C) received small gift bags with MontBlanc pens in them. (b)(6), (b)(7) recalled that ADM and Mrs. Stavridis left the factory without receiving any kind of gift bag. Upon (b)(6) (b)(7) return to Mons, Belgium, the [redacted] contacted the Ethics Counselor at the Northern Law Center and asked him to have the pen (b)(6) (b)(7) received from MontBlanc appraised. The Ethics Counselor did so and advised (b)(6), (b)(7) that the value of the pen was approximately $300.00.

ADM Stavridis confirmed the visit to the MontBlanc factory during his trip to Hamburg on official SACEUR business. He testified that neither he nor his wife received a pen or other item during the factory tour. However, he added, MontBlanc mailed two pens to his office at SHAPE sometime after the tour, and the pens were delivered to him by his front office staff. One of the pens was for his use, the other for Mrs. Stavridis. One pen was engraved with the Admiral's name and the other with Mrs. Stavridis' name. ADM Stavridis' model was a Meisterstück 149 fountain pen, with a market value of approximately $650.00. Mrs. Stavridis' model was an Etoile fountain pen, with a market value of approximately $936.00.[31]

(b)(6), (b)(7)(C) testified that in April 2011, after this Office requested a copy of gift documentation from (b)(6), (b)(7)(C) asked ADM Stavridis if he had received a pen from MontBlanc. (b)(6), (b)(7)(C) testified that when (b)(6), (b)(7) was putting together the comprehensive gift database per our request, (b)(6), (b)(7) noticed that (b)(6), (b)(7) saw no pens on the list of gifts. (b)(6), (b)(7) added:

> I thought, "Well, maybe he didn't get them. He didn't get anything. You know, they walked out the door empty handed." But it's really odd that the entourage with him is receiving a pen and he's not receiving them.

[30] MontBlanc manufactures high quality, luxury writing instruments and other items. The company was founded in Hamburg in 1906.

[31] The Etoile model fountain pen has a .06 carat diamond, shaped like the MontBlanc emblem, in the cap top, along with a platinum plated clip and trim. MontBlanc advertises the Meisterstück 149 fountain pen as "one of the best-known and most famous writing instruments of our time."

> So, the day I went to see Brig Gen Lengyel and we were talking about this, the Admiral walked in with a question about, "I don't see why you guys need to see this," and I looked at him, I said, "You know, I just . . . ." It was a Friday when I was doing this, so over the weekend, it just kept popping into my head, MontBlanc. And I asked him. That's when I asked the question, "Did you ever receive pens?" And he said, "Oh yeah, I did."

Brig Gen Lengyel stated he recalled ADM Stavridis making a comment about the eventual disposition of the gifts. He recalled ADM Stavridis saying that the ultimate disposition of the pens could be delayed until he departed the command, at which time he would be able to buy the pens or otherwise dispose of them. Brig Gen Lengyel added that during a later conversation he had with the (b)(6), (b)(7)(C) about the standard governing disposition of gifts in which he was told gifts had to be disposed of within 60 or 90 days after their receipt, he realized that "the boss's comments were well off the mark."[32]

ADM Stavridis testified he received two pens from MontBlanc. He stated he admired fine pens and commented that he found the MontBlanc pens to be "nice, expensive pen(s)." He added he did not believe he was going to be able simply to appropriate the pens and knew that if he wanted to own them, he would have to have them appraised. He stated he made a mental note to have the pens appraised at some future time. He added:

> They [the pens] remained in the office. I used them there. They seemed like nice pens. And, then, subsequent to their being around in my office for some period of time, we felt like we were going to do a complete review of all the things we were doing that had to do with anything involving ethics.
>
> And, at that point [(b)(6), (b)(7)(C)] mentioned, you know, pens, maybe we should get those appraised. And, so, we took them out for an appraisal. They came in over the limit, and so I decided at that time they're really nice pens but I don't want to spend, you know, $1,600 on two pens. And, so, I decided to donate them to National Defense University to put them on permanent display there along with some of my work. And so that's the story of the pens.

(b)(6), (b)(7)(C) stated (b)(6), (b)(7) recalled (b)(6), (b)(7) conversation with ADM Stavridis concerning the appraisal as follows:

> I said, "I have never seen them. We need to probably have those appraised." And he's like, "Oh yeah, they're in my office." I said, "Well, may I see them?" And he took them out and I looked at them. I said, "Yeah, we need to have these appraised." And he's like, "Oh," and that's when he told me, "So, they'll be under $300."

[32] We note that DoD Directive 1005.13, "Gifts and Decorations from Foreign Governments," dated February 19, 2002, requires that a gift from a foreign nation that cannot be accepted be reported to the employee's agency for disposition within 60 days of receipt.

On April 20, 2011, an Ethics Attorney with the Northern Law Center appraised the pens, along with a gift given to ADM Stavridis during an official trip to England by the British Commander-in-Chief Fleet of the Royal Navy.[33] The Ethics Attorney provided appraisals for all of the gifts in an April 20, 2011, memorandum, "Subject: Gifts from Foreign Government." While the appraisal for the British government gift was totaled [redacted] the appraised market value of the MontBlanc pens was (b) (5) [redacted] In his memorandum and appraisal, the Ethics Attorney (b) (5) [redacted]

Upon receiving the appraisal, ADM Stavridis decided to donate both pens to the NDU for permanent display with several of the books written by ADM and Mrs. Stavridis.

(b)(6), (b)(7)(C) [redacted] testified that ADM Stavridis was "really shocked" when (b)(6), (b)(7) [redacted] told him the prices for the pens. (b)(6), (b)(7) [redacted] noted that, at that time, ADM Stavridis decided not to keep them and to donate them.

(b)(6), (b)(7)(C) [redacted] testified (b) (6), [redacted] knew ADM Stavridis was a fan of fountain pens, and that (b) (6), [redacted] had traveled with ADM Stavridis to Hamburg and the MontBlanc factory tour. (b) (6), [redacted] was aware that MontBlanc delivered pens to ADM Stavridis. (b) (6), [redacted] stated that MontBlanc sent the pens to ADM and Mrs. Stavridis based on their use at the factory of a device MontBlanc has "to determine what you're signing or what your handwriting structure is." [redacted] added that when the Admiral learned that the value of the pens exceeded $300, "they were gone [donated to NDU]."

A review of ADM Stavridis' email correspondence indicated he admired and collected high-quality fountain pens and had a pen dealer in New York City. The evidence showed that on several occasions in 2009 and 2010, ADM Stavridis purchased high-end fountain pens from the pen dealer in New York. These included the purchase in late 2010 of a Visconti Homo Sapiens fountain pen made from volcanic rock from Mt. Etna, Sicily, by an Italian pen maker, as well as a limited edition Amerigo Vespucci fountain pen manufactured by Stipula, another small Italian pen maker.[34] The current retail price of the Stipula pen ranges from $550.00 to $600.00. The Visconti pen has a current retail price of $595.00.

In an October 26, 2010, email to immediate members of his staff, ADM Stavridis provided guidance regarding gifts presented to him during country visits. He wrote:

> If any CHODs are asking about gifts to me, please emphasize the gift limit is $300 and that firearms represent a difficult administrative choice. And that I like fountain pens, old books and maps, and wine or spirits from the nation we are visiting.

[33] The gift from the Commander-in-Chief Fleet of the Royal Navy was a pen set crafted from the wood of Lord Horatio Nelson's ship, HMS Victory.
[34] The Stipula Amerigo Vespucci model is made of teak wood and bronze, with a retractable titanium nib. The company manufactured only 500 units.

Discussion

We conclude ADM Stavridis accepted gifts from non-Federal entities on two occasions in violation of the governing standards set forth in Federal statute, the Code of Federal Regulations, and the JER.

With respect to ADM Stavridis' travel to Sea Island, Georgia, in March 2010, to participate as a guest speaker at the AEI World Forum, we found that ADM Stavridis accepted payment of lodging expenses from AEI. We found that March lodging rates for the Cloister at Sea Island, where ADM Stavridis had lodging, were approximately $400 per night. We found that ADM Stavridis' lodging cost exceeded $250.

31 U.S.C. 1353 requires the head of each agency to submit reports to the Director of the Office of Government Ethics detailing payments of more than $250 for travel expenses accepted from non-Federal entities with respect to agency employees.

41 C.F.R. Chapter 304 requires federal employees to obtain agency approval before performing travel paid by a non-Federal source to attend a meeting and to report to the agency information about payment of travel expenses.

We found no evidence that ADM Stavridis coordinated with his designated ethics counselor the acceptance of lodging expenses paid by AEI or provided notification of the lodging expenses to DoD to ensure they were duly reported to the Office of Government Ethics as required by law.

With respect to ADM Stavridis' tour of the MontBlanc factory in May 2010, we found that MontBlanc sent two fountain pens to ADM Stavridis after he had returned to his office in Mons, Belgium. We found that the fountain pen intended for ADM Stavridis, the Meisterstück, was the company's iconic fountain pen and, according to MontBlanc, is one of the best-known fountain pens in the world today. We found the Etoile model, intended for Mrs. Stavridis, included platinum plated trim and a diamond in the cap.

5 C.F.R. 2365.203 defines indirect gifts as including gifts given to an employee's spouse with the employee's knowledge and acquiescence.

5 C.F.R. 2635.204 limits gifts an employee may accept to an aggregate market value of $20 or less per source per occasion and prohibits an employee from paying down the value of a gift to meet the $20 threshold.

5 C.F.R. 2635.205 states that an employee who receives a gift with a value exceeding the $20.00 threshold either may pay the fair market value of the gift or decline the gift from the offeror.

We found that ADM Stavridis, along with his staff, were unclear concerning the applicable standard governing the valuation of the gifts of pens from MontBlanc. We found that ADM Stavridis discussed having them appraised to determine if they exceeded the value

limitation that applied to gifts from foreign governments. Additionally, we found no evidence that he attempted to conceal the pens after he received them. However, we also determined that it was implausible ADM Stavridis would have concluded the value of the pens did not exceed $20.00, given his experience and the obvious high value of the MontBlanc fountain pens. Nonetheless, we found that ADM Stavridis did not seek legal guidance concerning the pens or have them sent out for appraisal until almost a year after his MontBlanc factory tour. When he learned that the appraised value of the pens exceeded $1,500.00, he determined that he would not pay the fair market value in order to retain the gifts. Instead, he donated the pens to the NDU.

Unlike standards governing gifts from foreign governments, we found no statutory or regulatory provision authorizing ADM Stavridis to accept the fountain pens from MontBlanc and donate them to NDU, a DoD component. Under existing ethics regulations, ADM Stavridis' duty was to promptly return the gifts or reimburse MontBlanc for the pens' fair market value. He did neither. Accordingly, we determined that ADM Stavridis' acceptance and donation of the pens to NDU was not authorized under 5 C.F.R. Part 2635 and the JER.

ADM Stavridis' Response

American Enterprise Institute World Forum, Sea Island, Georgia

ADM Stavridis contended that his acceptance of the lodging provided by AEI in connection with his travel to Sea Island, Georgia, did not violate applicable standards. He argued that because the lodging cost was within 300% of the maximum lodging rate authorized under the JFTR for the location, he could have paid for the lodging as an expense associated with TDY and received reimbursement. Instead, AEI paid the lodging cost, saving the taxpayers this expense. ADM Stavridis also stated that DoD had not developed an effective means by which he could report the gift to the Office of Government Ethics, as required by law.

We are not persuaded by ADM Stavridis' argument. His own testimony during the investigation shows that he made no affirmative decision either to accept or reject the gift of lodging. He specifically testified he did not know the lodging cost (i.e., the value of the gift) or whether it was provided to him without cost. He also testified he did not seek or receive guidance from his staff on the gift because he was unaware of the existence of the gift.

The evidence showed that ADM Stavridis' Flag Writer was aware ADM Stavridis received a gift of lodging. We have no evidence the Flag Writer definitively knew the value of the lodging gift or who specifically provided it. However, the Flag Writer knew ADM Stavridis received a lodging gift because the Flag Writer prepared the travel voucher with a per diem claim at the local rate, but did not claim reimbursement for lodging.

Based on ADM Stavridis' own testimony, it is clear that ADM Stavridis did not request a 31 U.S.C. 1353 designated travel approval authority gift determination, did not make a gift determination himself, did not discuss the matter with an ethics officer, and did not report the gift. Therefore, in his response to our preliminary report, ADM Stavridis provided an after-the-fact justification of his acceptance of a gift that, regardless of whether it occurred with or without

his knowledge, clearly occurred without any prior gift acceptance analysis, ethics officer consultation, determination or reporting.

As we noted above, we found no evidence that ADM Stavridis consulted with his designated agency ethics official, obtained prior approval for the acceptance of the lodging expense, or otherwise reported the payment of the expense by AEI to DoD. The taxpayers may have benefitted from his acceptance of the lodging at other than Government expense. However, this is not the determining factor in deciding whether to accept the gift. Additionally, we found that in the more than 5 months between the extension by AEI of the invitation to attend the event and ADM Stavridis' travel to Sea Island, neither ADM Stavridis nor his staff took action to comply with the statutory and regulatory requirements governing NFE gifts of lodging. Moreover, we found no evidence they took such steps after the travel to Sea Island, even though it was clear at least to the Flag Writer that ADM Stavridis had accepted a gift.

We stand by our findings and conclusions concerning the AEI gift of lodging.

MontBlanc Pens

ADM Stavridis stated that neither he nor anyone on his staff recognized that the pens, gifts from an NFE, were governed under standards other than those affecting gifts from foreign governments. He added that the pens were the only gifts exceeding minimal value he had received from a non-Federal entity. He noted that he had received numerous pens as gifts during country visits, and had given many out as well. He acknowledged that he clearly knew the MontBlanc pens were worth more than $20.00, but stated that it did not occur to him that their value exceeded the minimal value for NFE gifts (as he did not distinguish them from gifts from a foreign government).

ADM Stavridis affirmed that his acceptance of the gifts was an oversight and, once the gifts were appraised, he made arrangements to dispose of them. He noted that his legal staff is working diligently with the DoD Office of General Counsel to achieve an appropriate resolution concerning the proper disposition of the pens.

We acknowledge ADM Stavridis' efforts to rectify the outstanding issues concerning the disposition of the pens. Additionally, his explanation of events in the response to our preliminary report is not inconsistent with the evidence we obtained during our investigation. However, given ADM Stavridis' Naval experience, his appreciation for high quality writing instruments, and the fact that as SACEUR he gave and received numerous pens as gifts during official travel events, ADM Stavridis reasonably should have concluded the gifts from MontBlanc might well have had significant value and, as such, should have consulted his staff for guidance on the applicable gift restrictions.

Accordingly, we stand by our findings and conclusions.

G. Did ADM Stavridis authorize family members to travel on MilAir without properly reimbursing the U.S. Government by paying full commercial coach fare for each leg of such travel and without properly documenting such travel and travel reimbursement?

Standards

OMB Circular A-126, Appendix A, "Improving the Management and Use of Government Aircraft," May 22, 1992

Paragraph 5(d) defines "required use" as use of a Government aircraft for travel where the use is required because of bona fide communications or security needs of the agency using the aircraft or exceptional scheduling requirements.

Paragraph 5(f) defines "full coach fare" to mean a coach fare available to the general public between the day that the travel was planned and the day the travel occurred.

Paragraph 7, "Use of Government Aircraft," provides that Government aircraft be used only for official purposes. "Official purposes" are defined to include the operation of Government aircraft for mission requirements and other official travel.

Paragraph 9, "Reimbursement for Use of Government Aircraft," provides in Paragraph 9.b. that the Government shall be reimbursed for "required use travel" aboard a Government aircraft for a wholly personal or political trip, as well as for an official trip during which the Government employee flies to one or more locations for personal reasons.

Paragraph 9.c. states that, with certain exceptions, the Government shall be reimbursed at the full coach fare for "space available" travel other than the conduct of agency business. The stated exceptions do not apply to the facts at issue in this investigation.

All unofficial travelers, including family members, are required to reimburse the Government for unofficial travel at the commercial full coach fare.

JFTR, Appendix E, Part 1, "Invitational Travel Authorization (ITA)," June 1, 2011

Paragraph m., "Dependents' Invitational Travel is for a family member," requires that specified conditions be met before allowances are authorized and approved for dependent travel at Government expense, including the following:

(1) The authorizing official (AO) determines that a dependent may travel with the sponsor when the:

(a) Dependent participates, in an official capacity, at an unquestionably official function, or

(b) The travel is in the national interest because of a diplomatic/public relations benefit to the U.S. which requires the dependent's presence in a non-participatory

role. Participation ordinarily is limited to spouses and is representational in nature.

(2) Travel is allowed on a mission noninterference basis only, and must be supported with an ITA that ordinarily authorizes reimbursement of only transportation costs.

(3) The AO may authorize/approve transportation, per diem and/or other actual expense allowances if the individual's travel is unquestionably mission essential and there is a benefit for DoD beyond fulfilling a representational role.

(4) On a case-by-case basis, 4-star flag officers may authorize/approve transportation, per diem, and/or other expense allowances for their spouses. Spousal travel when authorized/approved must adhere to the criteria in DoDD 4500.56, DoD Policy on the Use of Government Aircraft and Air Travel. Such authority does not constitute blanket approval authority.

Paragraph m (5) (c) provides that Combatant Command Commanders are authorizing officials for dependent travel under an ITA.

DoDD 4500.56, "DoD Policy on the Use of Government Aircraft and Air Travel," April 14, 2009

The standards set forth in Part IV, Paragraph A, above, apply.

DoDD 4515.13-R, "Air Transportation Eligibility," November 1, 1994

The standards set forth in Part IV, Paragraph A, above, apply.

Facts

The complaint alleged that ADM Stavridis permitted his wife and other family members to travel with him on MilAir on trips where there was no official purpose for her travel and for which he did not properly reimburse the Government. We analyzed travel records, including trip planning documents, travel vouchers, and ADM Stavridis' calendar records concerning all of ADM Stavridis' trips on MilAir between July 17, 2009, and February 28, 2011, to determine the trips in which Mrs. Stavridis or other family members accompanied ADM Stavridis. We also reviewed email documents and interviewed various witnesses regarding those trips.

The evidence indicated Mrs. Stavridis traveled on MilAir with her husband on 43 trips to the United States, within Europe, and to other locations in the EUCOM AOR.[35] On 35 of those trips, particularly those in which ADM Stavridis traveled on official country visits in his capacity as SACEUR, Mrs. Stavridis traveled in an official capacity, whereby the MilAir transportation was at Government expense. Mrs. Stavridis also traveled in an unofficial status on specific legs of MilAir travel on three of her trips with ADM Stavridis.

[35] For purposes of this report, we have characterized a "trip" as the round-trip travel, where applicable, to a specific location (e.g., Chievres Air Base to Washington, DC), rather than each individual leg of travel during such a trip.

Travel records also indicated that ADM and Mrs. Stavridis' daughter, (b)(6), (b)(7)(C) [redacted] accompanied her parents on MilAir on travel between the United States and Europe on several occasions. She also traveled several times with her parents on MilAir within Europe when ADM Stavridis traveled on official business. The records showed that ADM Stavridis issued ITAs in those circumstances and reimbursed the Government for his daughter's unofficial travel with him.

The travel records also showed that ADM Stavridis' daughter traveled with him on MilAir several times in an official capacity, [redacted] When she did so, ADM Stavridis issued ITOs for her travel.

The evidence revealed that Mrs. Stavridis traveled on MilAir under ITAs for unofficial travel when she accompanied ADM Stavridis. The travel records showed that ADM Stavridis also issued ITAs authorizing his daughter to travel on MilAir, subject to her reimbursing the Government the full coach fare associated with her travel. However, the records we obtained from OSACEUR showed that, with respect to unofficial family member travel on MilAir, neither ADM Stavridis nor members of his staff prepared complete travel documentation as required by DoD standards for such travel, including the full coach fare verification attached to a cash collection voucher with the traveler's reimbursement payment.

Travel records indicated that (b)(6), (b)(7)(C) [redacted], ADM Stavridis' mother, traveled on MilAir with her son twice in connection with the holidays in the fall of 2009. In each instance, ADM Stavridis issued an ITA authorizing his mother to accompany him on a noninterference basis subject to reimbursement for her travel.

Travel records showed that ADM Stavridis traveled on TDY to Canada on November 19, 2009, followed by travel to Washington, DC, where he remained over the Thanksgiving holiday. On November 29, 2009, ADM Stavridis traveled on MilAir from Andrews AFB to Chievres AB. His mother accompanied him on the flight.

On December 2, 2009, ADM Stavridis submitted a travel voucher for his TDY travel to Canada. The travel records did not contain any documentation regarding his mother's unofficial travel on MilAir, including full coach fare documentation, a cash collection voucher, or a check payable to the United States Treasury for reimbursement.

On December 16, 2009, ADM Stavridis traveled by MilAir from Chievres AB to Andrews AFB for official business in Washington, DC. His mother accompanied him on the flight.

On January 5, 2010, ADM Stavridis submitted a travel voucher for his December 2010 travel to Washington, DC. The travel records did not contain any documentation regarding his mother's unofficial travel on MilAir, including full coach fare documentation, a cash collection voucher, or a check payable to the United States Treasury for reimbursement.

ADM Stavridis testified that his mother wrote a check to the United States Treasury for $810.00, which she gave to ADM Stavridis' (b)(6), (b)(7) on the December 2009 return flight to the United States. He added that (b)(6), (b)(7)(C) lost the check and that he did not know it was not cashed until we brought the matter to his attention in the course of the investigation. He testified that he contacted his mother and asked her if she recalled reimbursing the Government. He stated she told him she remembered writing a check for $810.00 and added that it had not been cashed.

(b)(6), (b)(7)(C) testified that he misplaced the check he received from ADM Stavridis' mother, as well as a few other checks Mrs. Stavridis had given him for her unofficial travel. He had no explanation for the circumstances under which he lost the checks. On February 28, 2011, the (b)(6), (b)(7) prepared a memorandum for record confirming that he misplaced the check given to him by ADM Stavridis' mother.

ADM Stavridis testified that he checked with his banking institution and confirmed that none of the checks identified by (b)(6), (b)(7)(C) as having been lost had been cashed. He added he placed stop payment orders on the checks before issuing new ones to reimburse the Government. On March 3, 2011, ADM Stavridis issued a check payable to the United States Treasury for $810.00, as reimbursement for his mother's MilAir travel in 2009. ADM Stavridis testified that he remitted the reimbursement to the Government and received payment from her after the fact.

Table 3, below, "Mrs. Stavridis' and [redacted]' Unofficial Travel and Reimbursement Amount Paid," shows each trip for which ADM and Mrs. Stavridis reimbursed the Government for unofficial travel on MilAir. The travel shown is round-trip unless otherwise noted.

Table 3 - (b)(6) (b)(7)(C) Unofficial Travel and Reimbursement Amount Paid

Travel Destinations-Departure and Arrival	Date of Travel	Traveler(s)	Reimbursement Amount
Chievres AB to Stuttgart, Germany	7/17/2009	(b)(6), (b)(7)(C)	$247.50
Chievres AB to Stuttgart, Germany	7/30/2009	[redacted]	$199.00
Chievres AB to Naples, Italy	8/13/2009	[redacted]	$160.00
Chievres AB to Washington, DC (One Way)	8/16/2009	[redacted]	$375.00
London, UK to Chievres AB (One Way)	8/29/2009	[redacted]	$220.00
Chievres AB to Austin, TX to Berlin, Germany	11/5/2009	[redacted]	$767.00
Chievres AB to Andrews AFB	1/29/2010	[redacted]	$650.00
Andrews AFB to Mayport NS, FL (One Way)	3/12/2010	[redacted]	$89.00
Chievres AB to Andrews AFB	5/15/2010	[redacted]	$1,300.00**
Chievres AB to New York, NY	6/23/2010	[redacted]	$1,200.00**
Chievres AB to Lithuania, Latvia, and Estonia	7/12/2010	[redacted]	$364.00
Chievres AB to Andrews AFB	8/15/2010	[redacted]	$1,380.00**
Chievres AB to New York, NY	11/6/2010	[redacted]	$412.67

Travel Destinations- Departure and Arrival	Date of Travel	Traveler(s)	Reimbursement Amount
Chievres AB to Andrews AFB	11/23/2010	[redacted]	$416.30
Chievres AB to Miami, FL to Key West, FL to Chievres AB	12/17/2010	(b)(6), (b)(7)(C) [redacted]	$949.00
Chievres AB to Andrews AFB	2/10/2011	(b)(6), (b)(7)(C) [redacted]	$436.50

**Total amount ADM Stavridis reimbursed the Government for both his wife and daughter.

We also set forth additional facts below relating to specific trips in which records we obtained from OSACEUR revealed issues concerning reimbursement of full coach fare.

July 17, 2009, travel to Stuttgart, Germany

On July 17, 2009, ADM and Mrs. Stavridis traveled on MilAir from Mons, Belgium, to Stuttgart, Germany, to attend the annual EUCOM Summer Reception. Ms. Stavridis traveled on MilAir with her parents. Prior to the trip, ADM Stavridis' staff requested a legal opinion from the EUCOM Judge Advocate.

On July 13, 2009, the EUCOM Judge Advocate provided a legal opinion by email, in which he opined that (b)(5), (b)(6), (b)(7)(C) [redacted] The EUCOM Judge Advocate wrote that (b)(5), (b)(6), (b)(7)(C) [redacted]

The EUCOM Judge Advocate also wrote that [redacted]

On July 23, 2009, ADM Stavridis submitted a travel voucher in connection with his travel to Stuttgart, Germany, on July 17, 2009. The travel voucher documentation included a cash collection voucher and ADM Stavridis' personal check payable to the U.S. Treasury for $247.50 as reimbursement for Ms. Stavridis' travel with her parents. ADM Stavridis did not submit any documentation reflecting the full coach fare calculation.[36]

[36] As we noted above, we found no evidence that full coach fare documentation was submitted with travel vouchers for any unofficial family member travel. (b)(6), (b)(7)(C) [redacted] testified he was not aware of the requirement. We do not specifically describe each instance in which [redacted] did not comply with this requirement. However, the July 17, 2009, travel to Stuttgart, Germany, is significant because it was ADM Stavridis' first official travel after assuming command, and his staff requested and obtained a detailed legal opinion setting forth the documentation requirements.

August 13, 2009, travel to Naples, Italy

On August 13, 2009, ADM Stavridis traveled on official business to Naples, Italy. Mrs. Stavridis and their daughter accompanied him. Travel records indicated Mrs. Stavridis traveled in an official capacity and Ms. Stavridis' travel was unofficial.

On August 16, 2009, ADM Stavridis emailed (b)(6), (b)(7)(C) regarding airfares for his wife and daughter in connection with travel to Washington, DC, that same day as well as the August 13 travel to Naples, Italy. ADM Stavridis asked [redacted] to "scratch around" and find a fare for ADM Stavridis' daughter to travel from Brussels, Belgium, to Naples, Italy. ADM Stavridis noted that (b)(6), (b)(7)(C) [redacted] one of ADM Stavridis' staff speech writers] found a fare of $270.00. ADM Stavridis also directed (b)(6), (b)(7) to check fares for one-way travel to Washington, DC, for Mrs. Stavridis. He instructed [redacted]: "See what you can come up with from Paris or Brussels to DC – it's one way, so half of whatever the cheapest flight is."

On August 16, 2009, at 9:00 p.m., [redacted] responded by email that he found the same Brussels-Naples fare online as [redacted], but called the airline and found a $160.00 fare for Ms. Stavridis. (b)(6), (b)(7)(C) also wrote that he found a one-way fare for Mrs. Stavridis from Brussels, Belgium, to Washington, DC, for $375.00.

We found no evidence that ADM Stavridis' (b)(6), (b)(7)(C) calculated Ms. Stavridis' full coach fare for the trip to Naples, Italy before August 16, 2009, and none showing that he recorded the full coach fare in any travel documentation prior to the actual departure date on August 13, 2009.

The travel records showed that on August 16, 2009, ADM Stavridis traveled on MilAir from Chievres AB to Washington, DC. Mrs. Stavridis and their daughter accompanied him. ADM and Mrs. Stavridis reimbursed the Government $375.00 for Mrs. Stavridis' one-way travel to Washington.[37] However, we found no evidence indicating that ADM Stavridis' (b)(6), (b)(7)(C) calculated Mrs. Stavridis' full coach fare prior before she actually traveled to Washington, DC. We also found no documentation showing the full coach fare calculations in any OSACEUR travel documents or records.

November 5, 2009, travel to Austin, Texas[38]

In September 2009, ADM Stavridis' staff was completing plans for ADM and Mrs. Stavridis to travel to Austin, Texas, in connection with a visit by ADM Stavridis to the NROTC Detachment at the University of Texas. On September 11, 2009, ADM Stavridis' [redacted] emailed him regarding airfare for travel from Brussels, Belgium, to Austin, Texas, in connection with Mrs. Stavridis' travel on MilAir. (b)(6), (b)(7)(C) wrote:

[37] ADM Stavridis provided documentation from the Department of the Navy showing that [redacted] Accordingly, she traveled in an official capacity and paid no reimbursement.

[38] We discuss the Austin, Texas, trip in more detail in Appendix 1.

> Sir, just something to think about regarding the trip to Austin. Airfare for (b)(6), (b)(7)(C) is looking to be around $1000.00. I believe a trip to San Antonio to the burn center would be good for her to do. Will look into more options as well, unless (b)(6), (b)(7)(C) is only looking to go for leisure and pay for the ticket.

ADM Stavridis responded by email on September 11, 2009, "Burn center is good. Also check to San Antonio which is only an hour away. Use Paris as departure. . . ."

Mrs. Stavridis accompanied her husband on MilAir to Austin, Texas. She traveled under an ITA that required her to reimburse the Government the full coach fare associated with the travel. Travel records show she paid reimbursement to the Government of $767.00 for her round-trip travel. We found no evidence that ADM Stavridis' (b)(6), (b)(7)(C) calculated the full coach fare for the travel using Paris as a departure city as suggested by ADM Stavridis. Further, we found no evidence documenting the calculated amount of the reimbursement amount.

In addition to the MilAir travel described above, Mrs. Stavridis accompanied her husband on five trips in which we found reimbursement to be insufficient or documentation to be lacking. We discuss the five trips in question in more detail, below.

January 29, 2010, travel to California

On January 29, 2010, Mrs. Stavridis accompanied her husband on MilAir travel from Chievres AB to California, where ADM Stavridis had official business. The MilAir travel included stops at Andrews AFB, Monterey, California, and San Diego, California. Travel vouchers and ADM Stavridis' records showed Mrs. Stavridis remitted $650.00 reimbursement, representing round-trip travel from Brussels, Belgium, to Washington, DC. However, we found no evidence documenting the fare on which the reimbursement amount was calculated or that the reimbursement covered costs attributed to any of the other legs of unofficial travel.

March 1, 2010, travel to Washington, DC

In March 2010, Mrs. Stavridis accompanied her husband to the United States, where ADM Stavridis remained for approximately 10 days on official business including testimony before Congress. On March 12, 2010, ADM and Mrs. Stavridis traveled from Andrews AFB to Jacksonville, Florida, where the Admiral conducted official business at Mayport Naval Station (NS), followed by annual leave. Mrs. Stavridis reimbursed the Government $89.00 for one-way travel from Washington, DC, to Jacksonville, Florida. Travel records for the trip contained no documentation showing how the reimbursement amount was calculated.

November 5, 2010, travel to Iceland and the United States

On November 5, 2010, Mrs. Stavridis accompanied ADM Stavridis on MilAir travel from Belgium to Iceland and the United States. MilAir stops included Keflavik, Iceland; Mayport NS, Florida; Hartford, Connecticut; Washington, DC; and New York, New York. ADM Stavridis' (b)(6), (b)(7)(C) calculated the full coach fare based on round-trip travel from Brussels to New York City. He did not calculate the fare based on multiple-leg air travel between the

various destinations. Additionally, (b)(6), (b)(7)(C) did not include documentation showing the basis on which he determined the amount to be reimbursed. Mrs. Stavridis reimbursed $412.67 to the Government based on (b)(6), (b)(7)(C) calculation of only round-trip travel between Brussels, Belgium, and New York City. She did not reimburse the Government for costs attributed to any of the other legs of unofficial travel.

November 23, 2010, travel to Washington, DC

On November 23, 2010, Mrs. Stavridis accompanied her husband on round-trip travel to Washington, DC, returning to Belgium on December 2, 2010. She remitted reimbursement of $416.30 upon the conclusion of her travel. We found no documentation showing how the reimbursement amount was calculated.

February 10, 2011, travel to Washington, DC

On February 10, 2011, Mrs. Stavridis accompanied her husband on round-trip travel to Washington, DC, returning to Belgium on February 16, 2011. She remitted reimbursement of $436.50 upon the conclusion of her travel. We found no documentation showing how (b)(6), (b)(7)(C) determined the amount to be reimbursed for the travel.

(b)(6), (b)(7)(C) testified he had never been told or provided guidance on how to calculate full coach fare in connection with unofficial travel on MilAir by Mrs. Stavridis or Ms. Stavridis. He stated that absent such guidance, he used sources available to the general public (either the Internet or he made telephone calls to travel agents or airlines) to determine the best (i.e., lowest) available fare he could find. Such fare might be the full coach fare or it might be a discount rate. (b)(6), (b)(7)(C) testified that, at times, he would have to "go out [a] couple of months" to get the best rate; he did not always use the actual dates of travel. (b)(6), (b)(7)(C) also failed to calculate multiple-leg air travel for unofficial trips involving multiple unofficial destinations; he acknowledged that he calculated only round trip from the departure city to the first arrival point.

(b)(6), (b)(7)(C) stated that he usually notified ADM Stavridis of the amount due for reimbursement by telling Mrs. Stavridis the amount that was due and receiving a check from her. He added that he usually did this on the aircraft, generally either at the beginning of the trip or as the aircraft was returning to Chievres AB.

(b)(6), (b)(7)(C) testified that he did not maintain complete records concerning Mrs. Stavridis' unofficial travel or his reimbursement calculations. He acknowledged he did not know there was a requirement to submit documentation of the full coach fare with reimbursement records at the time reimbursement is paid to the Government. He confirmed he did not keep records showing how he had calculated the full coach fare for Mrs. Stavridis' unofficial MilAir travel.

RDML (Select) Kenneth Perry, U.S. Navy, ADM Stavridis' Executive Assistant (XA), testified he did not have confidence in (b)(6), (b)(7)(C) ability to calculate correctly the reimbursement amounts for Mrs. Stavridis' unofficial travel, particularly when a trip involved multiple legs of MilAir travel. Despite his stated lack of confidence, RDML (Select) Perry testified he did not

personally review any relevant travel regulations to support his apparent conclusion concerning (b)(6), (b)(7)(C) competence or capabilities. We found no evidence that RDML (Select) Perry conveyed his concerns to ADM Stavridis, the XO, or any other staff member.

RDML (Select) Perry stated that it was common knowledge among SACEUR's headquarters staff that only (b)(6), (b)(7)(C) was responsible for calculating the full coach fare reimbursement amounts for Mrs. Stavridis' travel. Other staff personnel involved in travel planning for SACEUR understood that they were to leave MilAir reimbursement issues to (b)(6), (b)(7)(C) and the Admiral.

ADM Stavridis testified that he was aware he had to reimburse the Government for his wife's unofficial travel on MilAir. He stated he understood the reimbursement to be calculated based on the full coach fare that would be available to members of the public for the trip in question. According to ADM Stavridis, (b)(6), (b)(7)(C) had the responsibility to calculate the full coach fare and advise ADM Stavridis how much was due. ADM Stavridis testified that he relied on his aide for full coach fare calculations, and volunteered to reimburse the Government for any airfare that was improperly calculated.

Discussion

We conclude that ADM Stavridis authorized his wife to travel on MilAir with him on six occasions without properly documenting and reimbursing the Government for the full coach fare attributed to each leg of travel in violation of OMB Circular A-126, the JFTR, and DoDD 4500.56, respectively.

We also conclude that ADM Stavridis authorized his daughter and mother to travel on MilAir without properly documenting their unofficial travel in accordance with the requirements set forth in OMB Circular A-126, the JFTR, and DoDD 4500.56.

We found that Mrs. Stavridis accompanied ADM Stavridis on MilAir travel on numerous occasions, and that ADM Stavridis' (b)(6), (b)(7)(C) calculated fare reimbursement for her unofficial travel. We determined that (b)(6), (b)(7)(C) did not accurately calculate the full coach fare for Mrs. Stavridis' travel on six occasions when she traveled on MilAir. We also found that [redacted] improperly calculated reimbursement amounts for multiple-leg travel as round-trip travel only from the departure location to the primary landing point for the travel.

We found that (b)(6), (b)(7)(C) failed to document any of the fare calculations he made on behalf of ADM Stavridis as required by the standards. He failed to do so both by not including the supporting documentation with reimbursement paperwork, and by not always calculating the fare prior to the travel date. As such, we cannot determine that (b)(6), (b)(7)(C) actually calculated the appropriate full coach fare to determine reimbursement amounts to be paid for family members' unofficial travel with ADM Stavridis. Based on (b)(6), (b)(7)(C) testimony and the documentary evidence we reviewed, we conclude that the reimbursement amounts calculated by [redacted] were not based on the prevailing full coach fares available at the time of travel by Mrs. Stavridis.

We found that ADM Stavridis relied upon (b)(6), (b)(7)(C) to calculate the required reimbursement amounts to be paid in connection with his wife's unofficial travel on MilAir, but took no steps to ensure that the calculations were correctly made. As the senior traveler and authorizing official for his wife's travel on MilAir, he had a duty to ensure that the sums due to the Government were properly calculated and paid. His failure to exercise due diligence in carrying out that duty resulted in reimbursement of less than the sums that were required to be paid under applicable standards.

We found that ADM Stavridis offered to reimburse the Government any sum determined to be due with respect to Mrs. Stavridis' unofficial MilAir travel. Based on an analysis in which we calculated the lowest discount coach fares we could find for the travel destinations flown by Mrs. Stavridis, we determined that the reimbursement sums paid by ADM and Mrs. Stavridis did not constitute full coach fares required to be reimbursed by the applicable standards.

ADM Stavridis' Response

ADM Stavridis challenged our findings and conclusions that he failed to pay full coach fare for his family members' unofficial travel on MilAir. He did not contest our findings and conclusions with respect to the documentation required for his family members to travel on MilAir with him. He acknowledged that he and his staff did not appropriately and properly document the full coach fare determinations associated with unofficial travel, and noted that he has implemented rigorous corrective measures to ensure that such occurrences do not happen in the future.

ADM Stavridis asserted that the "full coach fare" which a traveler must pay to reimburse the Government for unofficial travel on MilAir is any coach fare, including restricted fares, a traveler can obtain between the date the travel planning commences and the date of travel. He noted that the governing standards do not expressly define full coach fare, and provided an excerpt from the Ethics Counselor Course Deskbook, prepared by instructors from the U.S. Army Judge Advocate General's Corps, stating that full coach fare may include "restricted fares." He contended that a full coach fare may include discount fares, non-refundable fares, and other economy fares that are generally available to the public.

ADM Stavridis additionally contested our statement that full coach fare was required to be calculated for each leg of travel in connection with multi-leg MilAir travel. He noted that neither DoDD 4500.56 nor OMB Circular A-126 provide for multi-leg fare calculations.

ADM Stavridis stated that he and Mrs. Stavridis relied upon ADM Stavridis' (b)(6), (b)(7) to provide the information required for reimbursement of full coach fare when Mrs. Stavridis traveled on MilAir with her husband. He noted that he was not informed of and did not know the requirements to determine the fare prior to travel, or to include documentation of the fare with the cash collection voucher at the time reimbursement was submitted.

We do not dispute ADM Stavridis' statement that our findings highlighted the administrative requirements for approving unofficial travel. We note that ADM Stavridis and his staff have developed rigorous trip planning protocols at OSACEUR and EUCOM. Additionally,

we acknowledge ADM Stavridis' statement that he remains willing and prepared to provide any additional reimbursement deemed appropriate, should such be required.

Notwithstanding the additional information provided by ADM Stavridis in his response, we are not persuaded that the standards define "full coach fare" to mean *any* coach fare that a traveler can find. We note that DOD 4515.13-R states in Paragraph C10.12, "Unofficial Travel," that the senior DoD official will attach to his travel voucher "a travel office printout that reflects the full coach fare." In the present case, we cannot determine whether the claimed restricted fares might form bases for calculating reimbursements in individual instances because ADM Stavridis' staff failed to meet its burden to provide documentation of those restricted fare amounts and the nature of those restrictions.

Without this information, it is impossible to determine whether the restricted flights were, in fact, available to the general public traveling between the locations on the days in question. Therefore, we cannot agree to accept the claimed restricted fare amounts. If ADM Stavridis cannot substantiate his claims for reimbursement at the restricted rates he provided, he should provide reimbursement at the unrestricted full coach fare to ensure that the taxpayer is adequately compensated.

With respect to multi-leg travel reimbursement, we acknowledge that neither OMB Circular A-126 nor DoDD 4500.56 provide specific guidance to senior officials on how to calculate the full coach fare reimbursement. However, it is intuitively obvious that if a senior official must include a travel office printout of the full coach fare with his travel voucher, that fare would include all legs of travel between the departure city and the final destination. For example, with respect to the November 2010 multi-leg travel to Florida, reimbursement was calculated only for round-trip travel from Brussels, Belgium, to New York City, New York. An appropriate fare calculated by the CTO would have included a calculation of all other legs of unofficial travel in computing the required full coach fare.

After carefully considering the evidence and ADM Stavridis' response, we stand by our findings and conclusions.

H. Did ADM Stavridis authorize a [redacted] employee and (b)(6), (b)(7) family member to travel on MilAir without properly reimbursing the U.S. Government for the family member's unofficial travel by paying full commercial coach fare attributable to the flight?

Standards

The standards set forth in Part IV, Paragraph G, above, apply.

Facts

On May 8, 2010, ADM Stavridis traveled on MilAir from Chievres AB to Dijon, France, in connection with an unofficial ceremony and event sponsored by the Confrérie des Chevaliers du Tastevin (the Brotherhood), an international society of Burgundy wine enthusiasts constituted in 1934. We provided detailed facts concerning the trip in Paragraph A, above.

In January 2010, the executive director of the Brotherhood invited ADM Stavridis and his wife to attend the ceremony on May 8, 2010. The Brotherhood also invited [redacted] (b)(6), (b)(7)(C) Both are (b)(6), (b)(7)(C) employees.

(b)(6), (b)(7)(C), RDML and (b)(6), (b)(7)(C), ADM Stavridis' [redacted], and (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) accompanied ADM Stavridis. Two members of the Admiral's security detail and a communications specialist also accompanied him.

ADM Stavridis traveled to Dijon and attended the event in a TDY status. He authorized Mrs. Stavridis and (b)(6), (b)(7)(C), to accompany him on the MilAir flight pursuant to an ITO authorizing travel at Government expense. ADM Stavridis additionally authorized the (b)(6), (b)(7)(C) to travel on the MilAir flight at Government expense.

Due to air travel concerns associated with volcanic activity in Iceland, ADM Stavridis' flight crew recommended that the travel party return to Chievres AB immediately upon conclusion of the event in Dijon, France, rather than remain overnight. The MilAir flight returned to Belgium early in the morning on May 9, 2010.

(b)(6), (b)(7)(C) reimbursed the Government for the full coach fare cost of her travel on MilAir by remitting payment of $283.20.[39] No other traveler reimbursed the Government. (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) stated that no one asked (b)(6), (b)(7) for reimbursement for (b)(6), (b)(7)(C) travel on the MilAir flight. (b)(6), (b)(7)(C) neither reimbursed the Government nor provided any services to ADM Stavridis in connection with the trip.

Discussion

We conclude ADM Stavridis permitted [redacted] employee to accompany him and others on MilAir without requiring reimbursement to the Government of the full coach fare for such travel, in connection with his travel to Dijon, France, for a social event sponsored by a non-Governmental entity in violation OMB Circular A-126, the JFTR, DoDD 4500.56, and DoDD 4515.13-R.

We found that ADM Stavridis had the authority to authorize his wife, his XO and (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) to accompany him on MilAir. We also found that while ADM Stavridis issued ITOs for his wife and (b)(6), (b)(7)(C), he did not issue such orders for (b)(6), (b)(7)(C).

We found that (b)(6), (b)(7)(C) did not travel on official business or otherwise provide Government-related services to ADM Stavridis in connection with the Admiral's travel. Accordingly, DoDD 4500.56 required that (b)(6), (b)(7)(C) reimburse the Government the full coach fare attributed to his round-trip travel from Belgium to Dijon, France. ADM Stavridis did not require such reimbursement.

Given our finding in Part IV, Paragraph A, above, that ADM Stavridis' travel was not for official purposes, we found that his passengers' travel also was not for official purposes.

[39] We found no documentation showing how the reimbursement amount was determined for the travel.

Therefore, they were obligated to reimburse the Government. They did not do so. As the senior traveler and the authorizing official who approved the MilAir travel, ADM Stavridis had a duty to ensure proper reimbursement was paid in accordance with standards. He did not do so.

In view of the fact that (b)(6), (b)(7)(C) [redacted] paid reimbursement to the Government for the MilAir flight, we determined that each of the other unofficial travelers likewise should calculate the full coach fare for their travel to Dijon, France, document the calculation, and reimburse the Government for the calculated amount.

ADM Stavridis' Response

As we noted above, ADM Stavridis challenged our conclusion that the travel to Dijon was not official travel. He contended that, as a result, (b)(6), (b)(7)(C) [redacted] travel on MilAir was for official purposes. He acknowledged that his (b)(6), (b)(7)(C) [redacted] neglected to tender reimbursement for (b)(6), (b)(7)(C) [redacted] unofficial travel on MilAir and stated that (b)(6), (b)(7) [redacted] did so immediately upon being notified. Further, ADM Stavridis provided documentation contemporaneous with the travel showing that reimbursement would be paid for (b)(6), (b)(7)(C) [redacted] (b)(6), (b)(7)(C) [redacted].

Given our conclusion that the MilAir travel to Dijon was not for official purposes, the unofficial travelers had a responsibility to reimburse the Government for their travel on MilAir. ADM Stavridis' response to our preliminary report is based on his conclusion that the travel was official. As we discussed above in Part IV, Paragraph A, we disagree with his conclusion. Accordingly, we stand by our findings and conclusions.

I. Did ADM Stavridis use or authorize the use of Government-provided cellular telephones for personal purposes in violation of the JER?

Standards

5 C.F.R. 2635.704, "Use of Government Property"

Paragraph (a) states that an employee has a duty to protect and conserve Government property and shall not use it or permit its use for other than authorized purposes.

Paragraph (b) defines "Government property" to include telephones, telecommunications equipment, and telecommunications services purchased with Government funds.

DoDD 5500.07-R, JER, August 30, 1993

Section 2-301, "Use of Federal Government Resources," states in paragraph (a), "Communication Systems," that Federal Government communication systems and equipment, including commercial systems when use is paid for by the Government, shall be for official use and authorized purposes only.

Section 2-301(a) (2) states that authorized purposes include personal communications from an employee's usual work place that are most reasonably made while at the work place, when such communications are permitted by the Agency Designee and are determined:

(a) not to adversely affect the performance of official duties by the employee or the employee's organization;

(b) to be of reasonable duration and frequency, and whenever possible, made during the employee's personal time such as after duty hours or lunch periods;

(c) to serve a legitimate public interest;

(d) not to put communications systems to uses that reflect adversely on DoD or the DoD Component; and

(e) not to overburden the communication system, create any significant additional cost to DoD or the DoD Component, and in the case of long distance communications, charges are:

- charged to the employee's home telephone number or other non-Federal Government number;
- made to a toll-free number;
- reversed to the called party, if a non-Federal Government number;
- charged to a personal telephone credit card; or
- otherwise reimbursed to DoD or the DoD Component in accordance with established collection procedures.

Army Regulation (AR) 25-1, "Army Knowledge Management and Information Technology," December 4, 2008

Chapter 6, "Command, Control, Communications, and Computers/Information Technology Support and Services," provides in Paragraph 6-1d, "Official users of telecommunications and computing systems," that the use of DoD and other Government telephone systems is limited to the conduct of official business or other authorized uses.

Paragraph 6-1e, "Authorized uses of communication systems," states that authorized use includes brief communications by DoD employees while traveling on Government business to family members to notify them of transportation or schedule changes. Authorized uses also include personal communications from a DoD employee's usual workplace that are most reasonably made while at the workplace (e.g., checking in with a spouse or minor children; scheduling doctor, auto, or home repair appointments). Such communications are permitted so long as they do not adversely affect the performance of official duties by the employee, are of reasonable duration and frequency, are not used for activities related to the operation of a private business, and are not long distance calls billed to the Government.

Army in Europe Pamphlet (AE Pam) 25-1, "Information Technology Support and Services," February 22, 2010

AE Pam 25-1 supplements the prescriptions, prohibitions, and requirements set forth in AR 25-1. It applies to Army organizations in Europe and other organizations using Army in Europe networks.

Paragraph 18(f), "Proper Use of Cell Phones," provides that cellular telephones shall not be used for international personal use. Limited local personal use is allowed as prescribed by AR 25-1, paragraph 6-1e. Commanders are authorized to limit local personal use to remain within a user's included monthly national minute plans.

Paragraph 18(f)(5) requires cellular telephone users to sign a user agreement acknowledging that they have read and understand the rules on the proper use of cellular telephones. User agreements are required to include a statement that the user will reimburse the Government if improper use is identified and costs are assessed against the user.

Paragraph 18(f)(6) requires designated telephone control officers to review itemized cellular telephone bills on receipt for unofficial or improper use and notify the issuing authority concerning extremely high-volume cellular telephone users when improper use is apparent.

Facts

Members of the Command staff at SHAPE are provided cellular telephones for official communications, including telephone, email, and texting services. The communications support, equipment, and facilities are provided to SHAPE staff by the 39th Signal Battalion (39th Signal), U.S. Army Europe (USAREUR), located at Chievres AB.

The 39th Signal operates and manages cellular telephone services for OSACEUR through a Government contract with Proximus, Belgium's largest mobile telecommunications operator. The OSACEUR Blackberry rate plan provides no cost cellular telephone calls to Government cellular telephones and Defense Switch Network (DSN) numbers when the telephone user is in Belgium. Rates for other calls within Belgium range from €0.05/minute to €0.1290/minute; rates for calls made outside of Belgium range from €0.46/minute to €4.13/minute.[40]

On October 5, 2010, the 39th Signal's telephone control officer (TCO) contacted (b)(6), (b)(7)(C) [redacted], regarding a SHAPE staff member's cellular telephone usage for September 2010. [redacted] testified that the 39th Signal advised him the staff member had incurred "very high charges" for use of his cellular telephone in September 2010.

On October 6, 2010, [redacted] briefed RDML (Select) Perry, ADM Stavridis' XA. RDML (Select) Perry directed an internal review of cellular telephone and Blackberry accounts assigned to OSACEUR. (b)(6), (b)(7)(C) [redacted] conducted the review and reported results to

[40] Additional roaming charges apply for calls received outside of Belgium (ranging from €0.19/minute to €1.74/minute) and for international calls (ranging from €0.06/minute to fixed-line numbers in several European countries to €1.00/minute for calls to Russia, and countries in Central and South America and Africa).

RDML (Select) Perry on October 10, 2010.[41] He identified the most prolific users of Government cellular telephones and reported to RDML (Select) Perry that many staff members appeared to have been using their cellular telephones to make unofficial calls.

From October 11, 2010, to October 19, 2010, (b)(6), (b)(7)(C) reviewed official policies, drafted an OSACUER policy regarding cellular telephone usage, and contacted the 39th Signal to request account data from OSACEUR staff members' cellular telephones. He briefed RDML (Select) Perry on his efforts. RDML (Select) Perry directed that the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C), that all staff with Government-provided telephones sign cellular telephone agreements, and that the 39th Signal report any future non-compliance to OSACEUR.

On October 13, 2010, the OSACEUR TCO obtained the requested cellular service data, which showed that a number of staff members used their Government cellular telephones for personal calls and texting to varying degrees. Some staff members' use of their cellular telephones resulted in costs to the Government of more than $1,000 per month over the standard rate plan available with each cellular telephone provided by the Government.

This Office obtained a November 5, 2010, MFR prepared by the (b)(6), (b)(7)(C) that documented the referenced use charges.[42] The MFR noted that a (b)(6), (b)(7)(C) incurred usage charges in September 2010 in excess of €9,000.00 (more than $12,000.00 at the prevailing exchange rates), of which more than €6,500.00 was for calls to a single telephone number in the United States.[43]

The November 5, 2010, MFR also showed that one-third (11 of 33) of OSACEUR personnel to whom Government cellular telephones were issued had annual usage charges exceeding $5,000.00. He documented the charges billed to the Government for cellular telephone usage by four of five staff members with the highest annual bills, as follows:

Staff Member	Annual Use Charges (through 9/30/2010)
• (b)(6), (b)(7)(C)	$32,860.26
• (b)(6), (b)(7)(C) [44]	$23,311.38
• (b)(6), (b)(7)(C)	$17,431.55
•	$8,372.61

[41] This Office was informed that the (b)(6), (b)(7)(C) gave an oral brief on the results of the internal review.
[42] This Office obtained the memorandum in August 2011, after requesting specific cellular telephone billing statements from OSACEUR's Administrative Officer. When investigating officers interviewed the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) in March 2011 and, again, in May 2011, he did not provide the November 5, 2010, memorandum for record despite investigators' requests that he provide any and all relevant documents.
[43] We performed a reverse telephone number search and determined that the phone number called is a cellular telephone from the , area.
[44] The referenced here is not the same (b)(6), (b)(7)(C) identified whose cellular telephone usage triggered the initial audit.

According to a June 24, 2011, MFR by Brig Gen Lengyel, RDML (Select) Perry briefed ADM Stavridis on October 18, 2010, about the preliminary findings from the internal review and information provided by the 39th Signal. He reported particularly high usage of Government cellular telephones by several staff members and the fact that most staff members had used their Government cellular telephones for personal use to varying degrees.

According to Brig Gen Lengyel's June 24, 2011 MFR, RDML (Select) Perry advised ADM Stavridis that while individual users were responsible for the proper use of their cellular telephones, the command had an obligation to ensure users were aware of official use policies. RDML (Select) Perry explained that the command had essentially failed in meeting this obligation, as many cellular telephone users appeared to believe their cellular telephones included a fixed-fee, unlimited calling plan.

RDML (Select) Perry recommended to ADM Stavridis that the command not seek to recoup charges for past unofficial use, and instead, institute effective measures to ensure all future use of Government cellular telephones complied with applicable standards.[45] Included in those measures was the implementation and issuance of new cellular telephone user agreements to all staff members with Government cellular telephones.

On October 18, 2010, (b)(6), (b)(7)(C) [redacted] prepared and distributed an email message to the OSACEUR staff members who had Government-provided cellular telephones. The message, "Subject: Cell Phone/BlackBerry Usage," stated, in part:

> I've pulled phone records for the past year. The command team and I have noticed that we have some Power Users (annual totals over $5,000.00), with three over $10,000.00.
>
> What was visible from the onset is that there are a lot of questionable calls. Questionable in terms of that they seem to not be for official business. Users are reminded that these devices are intended for official use only . . . Users that are found to have personal calls, may be subject to repaying the government for such call(s). . . .
>
> In closing, I need to remind everyone that we all have a fiscal responsibility to use our Taxpayer's funds appropriately. Think of these devices as you would if you were paying the bill, when it comes to usage and time duration of calls. Every call outside of Belgium costs the U.S. Government, to include daily roaming charges for being outside our base network area. . . .

On October 18, 2010, RDML (Select) Perry followed the (b)(6), (b)(7)(C) [redacted] email with additional instructions to the staff. He stated that although Blackberries are provided for official communications only, some users have used them for personal calls and texting. He added that texting is also charged to the Government and reminded users

[45] We note that RDML (Select) Perry had incurred charges of $1,000.00 for personal use of his Government cellular telephone when he briefed ADM Stavridis.

to use their cellular telephones responsibly and be prepared to pay for any unofficial use. RDML (Select) Perry wrote:

> A fuller summary of Blackberry usage and corrective action will be put out once the review is complete. I wanted to get this quick note out because the usage by some has been egregious, with potential personal charges of thousands of dollars.

On October 22, 2010, RDML (Select) Perry sent a proposed policy letter and user agreement that included the language that private use of the telephones was "prohibited" to the EUCOM Judge Advocate for review. The EUCOM Judge Advocate (b) (5) [redacted]

On October 24, 2010, the OSACUER TCO recommended that OSACEUR adopt an existing cellular telephone/Blackberry policy memorandum used by the 39th Signal and the cellular telephone/Blackberry user agreement used by the United States Army Europe (USAREUR) as official OSACEUR policy documents. He stated that RDML (Select) Perry concurred.

The USAREUR cellular telephone/Blackberry user agreement expressly prohibited the use of Government-provided cellular telephones for unofficial purposes.

The TCO issued the approved cellular telephone user agreements to OSACEUR staff members with Government-provided cellular telephones. OSACEUR provided this Office with copies of staff member user agreements and cellular telephone charges for various users on the command staff. The documents showed that OSACEUR personnel executed individual user agreements at various dates between September 7, 2010, and August 29, 2011.

In November 2010, the OSACEUR TCO reviewed the October 2010 cellular telephone charges for OSACEUR staff members. The charges showed a decrease in individual users' cell phone charges after October 18, 2010, the date on which the OSACEUR TCO notified staff members of Government cellular telephone usage policies.

Between November 2010 and March 2011, the 39th Signal periodically monitored OSACEUR staff members' cellular telephones to determine whether staff members were using their cellular telephones in accordance with governing standards. Such monitoring indicated that users were acting largely in compliance with policy; however, several staff members continued to use their Government cellular telephones to make unofficial calls or send unofficial text messages. Between November 2010 and late March 2011, OSACEUR staff members were not asked to review their Government cell phone bills for personal calls.

On March 12, 2011, investigators with this Office arrived in Mons, Belgium, and commenced interviewing witnesses on the command staff at OSACEUR. Several of the interviews, including those with Brig Gen Lengyel on March 12, 2011, and ADM Stavridis' (b)(6), (b)(7) [redacted] and the [redacted] on March 14, 2011, respectively, included discussion of the allegations relating to improper use of Government cellular telephones.

On March 14, 2011, RDML (Select) Perry met with the 39th Signal's Commanding Officer to discuss cellular telephone usage by staff members. The commander advised RDML (Select) Perry that cellular telephone and data costs had decreased significantly since OSACEUR implemented internal control measures in October and November 2010 to notify users of their responsibilities and monitor usage of cellular telephones. However, the OSACEUR telephone records provided to this office showed that almost all staff members continued to incur charges for unofficial use of their cellular telephones through March 2011.

On March 16, 2011, RDML (Select) Perry directed the OSACEUR TCO to review detailed monthly bills for (b)(6), (b)(7)(C) [redacted] to verify their cellular telephone charges. This was the first time since initial notification in early October 2010 that the OSACEUR directed any staff member to review his/her Government cell phone bills for unofficial calls.

On March 17, 2011, RDML (Select) Perry contacted the EUCOM Judge Advocate to discuss OSACEUR cellular telephone policies and obtain guidance regarding appropriate corrective measures. The EUCOM Judge Advocate provided RDML (Select) Perry with a form in use at EUCOM for cellular telephone users to verify their monthly official and unofficial usage of Government cellular telephones. RDML (Select) Perry directed that the OSACEUR TCO prepare a similar version for use within OSACEUR and SHAPE.

On March 22, 2011, the OSACEUR TCO issued the first monthly cellular telephone verification forms to OSACEUR staff. RDML (Select) Perry briefed ADM Stavridis on the status of the cellular telephone monitoring and the implementation of monthly verification processes for OSACEUR cellular telephone users.

In his interview on March 31, 2011, ADM Stavridis testified about the efforts to notify all users regarding the governing policies. He stated:

> About a week ago. . . we're going to do this additional step, which is that every month, everyone will receive their cell phone bill and then they'll be required to go through it line-by-line and identify any personal calls they made and then reimburse the Government.

Between March 28, 2011 and April 4, 2011, the OSACEUR TCO collected monthly verification forms from staff members for charges incurred since October 2010. On March 29, 2011, the EUCOM Judge Advocate recommended (b) (5) [redacted]

The Judge Advocate recommended (b) (5) [redacted]

(b) [redacted]

(b) (5) [redacted]

On April 4, 2011, Brig Gen Lengyel briefed ADM Stavridis on the EUCOM Judge Advocate's review and recommendation. Brig Gen Lengyel testified that ADM Stavridis concurred with the proposed course of action.

On April 5, 2011, RDML (Select) Perry directed the OSACEUR TCO to advise all OSACEUR staff members that the command intended to seek reimbursement for all unofficial use charges incurred since the internal control measures were implemented in October 2010. On April 5, 2011, the OSACEUR TCO received the first of cash collection vouchers from OSACEUR staff members who owed reimbursement to the Government for unofficial calls made on Government cell phones. For example, (b)(6), (b)(7)(C) [redacted], whose unofficial use of his Government cellular telephone triggered the initial contact from the 39th Signal to the OSACEUR TCO, reimbursed the Government more than $2,000.00. However, we found no evidence of additional reimbursement to the Government by the (b)(6), (b)(7)(C) [redacted]

The monthly cellular telephone bills this Office obtained from OSACEUR showed that all but one member of ADM Stavridis' staff used their Government cellular telephones for unofficial purposes after they received express written notification that the Government telephones were "not to be used for other than official Government Business. Private use is prohibited." The bills also showed that the OSACEUR leadership, including ADM Stavridis, Brig Gen Lengyel, and RDML (Select) Perry, used their Government-provided cellular telephones for unofficial use on occasion after receiving the same notification on use. Additionally, monthly cellular telephone bills indicated that Mrs. Stavridis had a Government-issued cellular telephone that she occasionally used for other than official calls, including after the date the OSACEUR TCO issued the formal notification prohibiting unofficial use.

Under OSACEUR's internal control procedures, staff members who used their Government cellular telephones for unofficial use self-certified the monthly charges attributable to such use after reviewing the monthly bills for their telephones provided by the 39th Signal. We questioned whether the command directed an audit or other review of users' self-certifications of unofficial use.

Brig Gen Lengyel stated that no audits were conducted, because there was no cause to question whether a staff member would certify his/her telephone bills accurately. However, our cursory review of the telephone bills showed, for example, that [redacted] did not fully and accurately account for all unofficial calls made on his Government-provided cellular telephone. Telephone records showed, for example, that while most users' calling statements consisted of less than 10 pages of data for the October 2010 through March 2011 period, ADM Stavridis' aide's cellular telephone statement included more than 60 pages.

This Office analyzed the self-certifications of unofficial use charges by seven of the more than 40 OSACEUR staff members who had cellular telephones to confirm that the users accurately certified charges attributable to unofficial use. In conducting our analysis, we reviewed cellular telephone statements for the users for the period of October 2010 through

March 31, 2011. We analyzed the records of ADM Stavridis, Mrs. Stavridis, the XO, the XA, a civilian employee, a military assistant, and (b)(6), (b)(7)(C) [redacted].

Our analysis indicated that the representative staff members incurred total (official and unofficial) cellular telephone charges of nearly $8,000.00 between October 2010 and March 2011. The cellular telephone statements we obtained from OSACEUR for the respective staff members showed that more than $2,300.00, or thirty percent of the total cellular telephone charges, represented self-certified unofficial use costs during the same period.

Reimbursement documents we obtained from OSACEUR indicated that ADM Stavridis, Mrs. Stavridis, the XO, XA, civilian employee, and military assistant all paid full reimbursement for the sums they certified as being due the Government.[47] However, the same records showed that (b)(6), (b)(7)(C) [redacted] self-certified unofficial use charges totaling $1,820.84; he paid reimbursement of only $1,313.59.

The cellular telephone statements for the above-referenced OSACEUR cellular telephone users indicated they did not accurately or fully document all calls to or communication with one or more telephone numbers they had certified elsewhere on cellular telephone statements as being made for unofficial purposes.[48] We calculated additional charges that would have been subject to reimbursement as unofficial use charges had the staff members included all of the calls to those telephone numbers in their self-certifications. In conducting our analysis we did not attempt to identify other telephone numbers that appeared to have no connection to or relationship with an official use purpose.

Using the foregoing described analysis, we conservatively estimated that the total additional amount due for unofficial use charges from October 2010 to March 2011 by the users whose records we reviewed was at least $1000.00. Of that total additional amount estimated to be due the Government, (b)(6), (b)(7)(C) [redacted] accounted for the overwhelming majority of the additional unofficial use charges.

Discussion

We conclude ADM Stavridis used his Government cellular telephone for unofficial purposes. He also permitted his wife and other principal staff to use Government-provided cellular telephones for unofficial purposes, in violation of the JER.

We found that ADM Stavridis, a Flag officer with considerable command and high-level staff experience, used his Government-issued Blackberry for unofficial purposes. Moreover, we found that ADM Stavridis occasionally did so after he had been notified of excessive cellular

[47] For example, finance office documents indicate Brig Gen Lengyel reimbursed the Government $256.41 for personal use charges for the months of July 2010 through February 2011. The cellular telephone statements show he had no personal use charges in March 2011, at which time this Office first raised the issue.
[48] In describing the staff members' usage of their cellular telephones here, we make no distinction between charges for voice calls, text messaging, or data usage. In analyzing the charges, we included all forms of communication between the users' cellular telephones and the numbers they had certified as being personal.

telephone use by members of the OSACEUR staff and approved a plan to institute corrective measures prohibiting unofficial use.

5 C.F.R. 2635.704 requires Government employees to conserve Government property and not use or permit its use for other than authorized purposes.

The JER provides that Government communications systems and equipment, including commercial services, shall be used only for official purposes and certain specifically authorized unofficial purposes that meet express conditions set forth in the JER.

Army policy governing the use of cellular telephone networks in Europe mandates that cellular telephones be used for official purposes and other authorized use. Authorized use includes routine unofficial communications from an employee's workplace. Issuing authorities in Europe may allow users to use Government-issued cellular telephones within the limits of the users' local calling plans. Further, TCOs are required to monitor users' regular cellular telephone statements and identify high-volume users who may be engaging in improper use of their cellular telephones.

We found that in October 2010, the OSACEUR TCO received notification from the 39th Signal that OSACEUR staff members incurred significant charges on their Government-provided cellular telephones in the 12-month period through September 30, 2010. We found that two staff members incurred average annual charges through September 30, 2010, of more than $20,000. We also found that when the TCO investigated the matter, he learned that many staff members had been using Government cellular telephones for unofficial purposes.

We found that when the TCO reported the excessive usage to RDML (Select) Perry, he directed implementation of corrective measures, including having all staff members sign new user agreements for their cellular telephones, reminding all users of prohibitions against the use of the telephones for unofficial purposes, and ensuring the 39th Signal tracked and followed up on excessive use.

We found no evidence that the OSACEUR TCO reported high-volume cellular telephone users to the 39th Signal or otherwise identified potentially improper use of cellular telephones by staff members prior to the 39th Signal's October 2010 notification to the TCO.

We found evidence that only a few OSACEUR staff members reimbursed the Government for unofficial use charges accrued prior to October 1, 2010. For example, we found that (b)(6), (b)(7)(C) incurred charges of more than $32,000.00 through September 30, 2010, and an additional $5,625.00 through March 31, 2011. However, we found he only partially reimbursed the Government for unofficial use charges incurred after October 1, 2010.[49]

We found that Mrs. Stavridis used a Government-issued cellular telephone from time to time. We found that while she effectively stopped using her cellular telephone for unofficial

[49] Records that we obtained from OSACEUR show that (b)(6), (b)(7)(C) reimbursed the Government less than $1,500.00 for personal use calls made from October 2010 through April 2011. We found no evidence of reimbursement for personal use calls made prior to September 30, 2010.

purposes after October 18, 2010, when the OSACEUR TCO sent an email to staff members on usage procedures for the telephones, she did make unofficial use of her Government cellular telephone in July 2011. We found that she reimbursed the Government for the charges incurred.

We found that despite the implementation of corrective measures governing the prohibition against unofficial use of cellular telephones, OSACEUR staff members continued to use the cellular telephones on occasion for unofficial purposes and reimbursed the Government for charges they determined to be for unofficial rather than official use. We found that the command instituted no audit or other verification measure to confirm that users certified all unofficial use for reimbursement.

We also found that several OSACEUR staff members did not fully account for all cellular telephone charges attributed to their unofficial use of Government-issued cellular telephones. As a result of the users' failure to accurately certify their unofficial usage of the cellular telephones and reimburse the total sums due for unofficial use, the Government incurred potentially significant expenses that should have been reimbursed by the respective staff members but were not.

Given the scale and extent of the misuse of Government cellular telephones by OSACEUR staff members, including its leaders, and the considerable delays in actually implementing the October 2010 corrective actions proposed by RDML (Select) Perry, we conclude that ADM Stavridis failed to exercise due and appropriate leadership over his staff to ensure the proper use of cellular telephones and the appropriate conservation of Government resources.

ADM Stavridis' Response

ADM Stavridis provided a detailed response, describing the absence of a systematic or controlled cellular telephone protocol at OSACEUR when he took command. He noted that the 39th Signal Battalion effectively acted as the TCO for OSACEUR.[50] He confirmed that the first notification the staff received of potential excessive use of Government-provided cellular telephones came in October 2010.

ADM Stavridis stated that upon receiving notification of possible misuse of cellular telephones from the TCO, the staff took timely and reasonable efforts to implement appropriate monitoring of and controls over the unofficial use of cellular telephones. However, he noted that the data maintained by the Belgian cellular telephone carrier was not organized in a manner that it easily could be reviewed on a user-by-user basis. He added that the staff made certain errors in implementing and explaining cellular telephone user agreements to the telephone users, so that the users did not possess clear guidance concerning the limited unofficial use authorized for the phones.

ADM Stavridis explained the bases for his determination to use October 1, 2010 as an effective date to determine personal liability of staff members for unauthorized personal use of

[50] ADM Stavridis noted that the U.S. Army Europe is the executive agent for Government-provided communications devices used by OSACEUR.

Government-provided cellular telephones. He provided documentation showing that the Commanding General, U.S. Army Europe, approved his determination and recommended course of action concerning the recovery of reimbursement from OSACEUR staff for unofficial use of Government cellular telephones.

ADM Stavridis took issue with our characterization of the sampled staff members' unofficial use of the cellular telephones. He noted that the overwhelming majority of unofficial use identified in our preliminary report resided with (b)(6), (b)(7)(C) [redacted]. He provided a spreadsheet purporting to show that the unofficial use after October 1, 2010, by himself, his wife, the XO, and the XA was de minimis.

ADM Stavridis stated that when he learned (b)(6), (b)(7)(C) [redacted] had not fully reimbursed the Government for unofficial cellular telephone use identified in the review of the post-October 2010 statements, he took action to ensure that reimbursement was paid. He provided documentation showing the reimbursement.

ADM Stavridis noted that corrective measures have been implemented to ensure all cellular telephone users obtain a briefing and execute a user agreement before being provided a Government cellular telephone. Further, he has directed that the OSACEUR cellular telephone policy be included in turn-over briefs maintained by his staff. Lastly, ADM Stavridis noted that the TCO monitors all staff cellular telephone bills and obtains staff usage verification forms on a monthly basis to ensure compliance with Government policy.

In considering ADM Stavridis' response and the evidence we obtained in the course of our investigation, we do not dispute that when ADM Stavridis took command of NATO, his incoming staff was not properly or fully informed on the directives in place, that governed unofficial use of Government-provided cellular telephones. Additionally, the information ADM Stavridis provided concerning the delays that occurred at OSACEUR following the October 2010 notification of possible excessive cellular telephone use by staff members provides a helpful context in understanding the command's intentions and efforts.

We analyzed the spreadsheet provided by ADM Stavridis supporting his contention that unofficial cellular telephone use by leadership was de minimis. We note that the data on the spreadsheet appeared to reflect calculations of unofficial use based only on the actual telephone calls certified by the staff members themselves. We found that, in most instances, the staff members did not include all of the calls they made in a billing period to particular telephone numbers when they certified the unofficial calls they made in that billing period.

More importantly, we note that ADM Stavridis' own calculations show that he made unofficial use of his Blackberry after the October 2010 notification issued on his behalf was sent to OSACEUR staff members. Additionally, by his calculations his de minimis use of the cellular telephone resulted in his having to reimburse the Government $58.00 for use between October 2010 and February 2011. According to ADM Stavridis' spreadsheet, other senior staff members continued to use their Blackberries for unofficial use through July 2011.

While ADM Stavridis may characterize this as de minimis unofficial use, he and his staff members used their cellular telephones for unofficial use after being notified that such use was prohibited. The fact remains that OSACEUR members used their telephones for unofficial use both before and after the 39th Signal Battalion identified possible excessive use and notified the command. Given that such unofficial use was reimbursed in the telephone use verification process, we cannot conclude that the unofficial use we identified was "limited personal use" authorized under governing standards.

It is clear from the evidence and ADM Stavridis' response that the staff made certain errors and was largely reactive with respect to the issues presented by the TCO's October 2010 analysis. ADM Stavridis noted in his response that the operational tempo at OSACEUR was fast-paced and multi-faceted. We do not dispute this. However, ADM Stavridis' front office staff was manned appropriately to manage the heavy pace of SACUER's operational tempo. This is reflected in the fact that he had a 1-star XO, a senior Naval O-6 as his XA, two aides, and a front staff managed by a senior warrant officer and non-commissioned officers. Although the staff failed to exercise reasonable due diligence with regard to members' unofficial use of cellular telephones, we conclude that the staff's failings do not absolve the responsibility of the commander.

After careful consideration of the evidence, the additional information provided by ADM Stavridis, and his argument, we stand by our findings and conclusions.

J. Did ADM Stavridis improperly use subordinate personnel by authorizing the use of Government vehicles, and by using Government personnel, to transport his spouse for official and unofficial purposes when traveling in Belgium?

Standards

10 U.S.C. 2637, "Transportation in certain areas outside the United States"

The Secretary of Defense may authorize the commander of a combatant command to use Government owned or leased vehicles for transportation in an area outside the United States for members of the uniformed services, civilian employees under the jurisdiction of the combatant commander, and dependents of such members and employees, if the commander determines that public or private transportation in such area is unsafe or not available. If such transportation is made available, it shall be provided in accordance with regulations prescribed by the Secretary of Defense.

5 C.F.R. Part 2635, "Standards of Ethical Conduct for Employees of the Executive Branch," January 1, 2007

The standards set forth in Part IV, Paragraph I, above, apply.

DoD 4500.36-R, "Management, Acquisition and Use of Motor Vehicles," dated March 16, 2007

Section C1.3, "Penalties for Misuse of DoD Motor Vehicles," provides in Paragraph C1.3.1.2, "Military Personnel," that military personnel who willfully use or authorize use of Government owned or leased passenger motor vehicles except for official purposes can be disciplined under the Uniform Code of Military Justice or other administrative procedures.

Section C2.5, "Official Use of Vehicles," provides that use of all DoD motor vehicles, including vehicles leased using DoD funds, shall be restricted to official purposes only.

Section C4.2.8 states that, consistent with 10 U.S.C. 2637, the Combatant Commander will be the approval authority for transportation within his area of responsibility when he determines that public or private transportation is unsafe or unavailable. It further provides that incidental use for unofficial purposes can be provided to dependents of members of the Uniformed Services on a case-by-case basis.

Paragraph C4.2.8.1 specifies the following requirements pertaining to transportation authorized pursuant to 10 U.S.C. 2637:

- C.4.2.8.1.1 The initial transportation authorization may not exceed 1 year;
- C.4.2.8.1.2 The Combatant Commander periodically, but in no case not less than 6 months, shall assess whether circumstances require continuing such transportation;
- C.4.2.8.1.3 If conditions warrant continuing such transportation, the Combatant Commander may extend authorization for vehicle use for an additional time period not to exceed 1 year;
- C.4.2.8.1.4 All approvals and the reason therefor shall be in writing;
- C.4.2.8.1.5 The requesting activity is responsible for all funding requirements; and
- C.4.2.8.1.6 The approving Combatant Commander shall ensure that records are maintained on the transportation provided in accordance with Section C4.3.8

Section C4.3.8 states that the Combatant Commander under 10 U.S.C. 2637 may make a written determination regarding domicile-to-duty like transportation containing the name and title of any individual transported, the reason for the determination, the anticipated duration of the authorization, and that no report to Congress is required. Paragraph C4.3.8.5 requires that records be maintained of transportation provided under this authority for a period of 3 years.

Comptroller General Definition of "Waste," Letter to Hon. Ike Skelton, Chairman, Committee on Armed Services, United States House of Representatives, February 7, 2007

The Comptroller General has defined "waste" as follows:

> Waste involves the taxpayers as a whole not receiving reasonable value for money in connection with any government funded activities due to an inappropriate act or omission by players with control over or access to government resources (e.g., executive, judicial, or legislative branch employees, contractors, grantees or other

recipients). Importantly, waste represents a transgression that is less than fraud and abuse and most waste does not involve violation of law. Rather, waste relates primarily to mismanagement, inappropriate actions, or inadequate oversight.

Facts

(b)(6), (b)(7)(C) [redacted] testified that ADM Stavridis inquired about bringing a personal motor vehicle with him to Belgium as he began preparing to transfer to Europe from USSOUTHCOM. According to the (b)(6), (b)(7)(C) [redacted], ADM Stavridis was told not to bring a personal vehicle to Belgium, because neither he nor his wife would drive; they would be driven everywhere.[51]

Upon taking command as SACEUR, ADM Stavridis took occupancy of Chateau Gendebien, located on the outskirts of Mons, Belgium, approximately 7.5 kilometers from the SHAPE military installation. The Chateau is owned by the Kingdom of Belgium and leased to the United States as SACEUR's residence.

ADM Stavridis' (b)(6), (b)(7)(C) [redacted] testified that he transferred to SHAPE with ADM Stavridis, and that he had served as ADM Stavridis' (b)(6), (b)(7)(C) [redacted] at USSOUTHCOM. He added that when he arrived at SHAPE, he was told SACEUR has always been driven by security personnel due to his security status.

~~(SBU)~~ ADM Stavridis testified that he was told he would not personally drive a vehicle in his role as SACEUR and CDR, EUCOM. He stated that this was because of liability issues, security, and communications requirements. He noted that he had to have a communications and security package at all times given his responsibilities. He testified he would prefer to drive himself on occasion.

~~(SBU)~~ [redacted].

(b)(6) (b)(7)(C) [redacted] testified that he had requested a (b) (7)(E) [redacted] for Mrs. Stavridis from the Army Criminal Investigations Division (Army CID) to determine whether Mrs. Stavridis required [redacted] for other than official business.

On April 27, 2011, (b)(6), (b)(7)(C) [redacted] sent a memorandum to ADM Stavridis, "Subject: Transportation for [redacted]," requesting authorization to provide transportation in Government vehicles for Mrs. Stavridis.[52] The memorandum asked that ADM Stavridis, as CDR, EUCOM, authorize the "SACEUR/COMEUCOM (b) (7)(E) [redacted] to coordinate and provide transportation in the form of a government owned vehicle (GOV) for

[51] We were unable to confirm who provided this information to ADM Stavridis or [redacted].
[52] We found no evidence that prior to (b)(6) (b)(7)(C) [redacted] April 27, 2011, memorandum ADM Stavridis received a request to authorize Government transportation for Mrs. Stavridis pursuant to 10 U.S.C. 2637 or DoD 4500.36-R.

Mrs. Stavridis, as needed, (b)(6) (b)(7)(C), (b) (7)(E) [redacted]

~~(SBU)~~ The memorandum cited DoDD 4500.36-R in support of the request, and noted that Section C2.9 specifically provides for the incidental use of GOVs for other than official business. (b)(6) (b)(7)(C) [redacted] wrote that Government transportation for Mrs. Stavridis was warranted for the following reasons:

[redacted]

~~(SBU)~~ In an undated memorandum, ADM Stavridis approved the request. He referenced [redacted]

In an email dated May 26, 2011, from RDML (Select) Perry to ADM Stavridis, RDML (Select) Perry wrote that the EUCOM Judge Advocate reviewed the (b)(6), (b)(7)(C) [redacted] memorandum and recommended [redacted]. RDML (Select) Perry added that the EUCOM Judge Advocate confirmed (b) (5) [redacted]

RDML (Select) Perry also wrote that [redacted], noting the following:

> There is a possibility in this case, (b) (7)(E) [redacted] Again, we can deal with that [if] it becomes the case but I believe we're best served now by documenting your authorization.

We found no evidence (b) (7)(E) [redacted] as of our last interview with ADM Stavridis on June 20, 2011.

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53 [redacted]

Discussion

We conclude ADM Stavridis failed to obtain proper authorization to transport his spouse in Government vehicles for official and unofficial purposes when traveling in Belgium.

We found ADM Stavridis permitted his wife to be transported by Government vehicles from the time she arrived in Belgium. We further found that (b) (7)(E) [redacted]

We found that on May 28, 2011, ADM Stavridis formally approved a Government transportation request for Mrs. Stavridis. We determined that he did so in response to the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) April 27, 2011, memorandum requesting authorization to transport Mrs. Stavridis by Government conveyance. We found that the memorandum was the first formal request submitted to ADM Stavridis, as the Combatant Commander, for approval to transport a family member by Government conveyance. We note that the request was limited to Mrs. Stavridis only; no similar request was made for any other military dependent.

We found that Government transportation was authorized for Mrs. Stavridis' use based [redacted] Accordingly, we found that his determination authorizing Government transportation was inconsistent with DoD regulation.

DoD 4500.36-R, Section C4.2.8, provides that a combatant commander has the authority to approve transportation for persons within his AOR when he determines that private or public transportation is unsafe or unavailable. It also states that incidental use for unofficial purposes can be provided to dependents of Service members on a case-by-case basis.

Section C4.2.8.1 provides that Government transportation may be authorized when the commander periodically assesses the circumstances warranting such transportation, provides written approval including the reasons for approval, and limits such transportation initially to a period not more than 1 year.

Section C4.3.8 states that a combatant commander may make a written determination authorizing domicile-to-duty like transportation with the name and title of the individual transported, the reason for the commander's determination, and the anticipated duration of the authorization.

We determined that Mrs. Stavridis received Government transportation for a period of almost 2 years before ADM Stavridis complied with the specific statutory and regulatory requirements by which such transportation legally may be authorized.[54]

We also determined that ADM Stavridis authorized the use of Government transportation only for Mrs. Stavridis [redacted] Therefore, we determined that her use of a Government vehicle could not be characterized as incidental use for unofficial purposes.

ADM Stavridis' Response

ADM Stavridis contended we misanalyzed the facts and misapplied the applicable standards. He submitted he has the statutory authority under 10 U.S.C. 2637 to authorize a vehicle for the unofficial transportation of Mrs. Stavridis. He acknowledged administrative errors in authorizing such travel and justifying it as required by law, but asserted he has the authority to provide appropriate, secure transportation for his wife under EUCOM instructions to authorize temporary unofficial transportation in circumstances when he has determined that public or private transportation is unsuitable or unsafe.

~~(SBU)~~ ADM Stavridis provided additional contextual information and detail relating to (b) (7)(E) [redacted]

~~(SBU)~~ ADM Stavridis contended that he has not misused Government resources by authorizing unofficial transportation for [redacted]

ADM Stavridis contended that a required [redacted]

[54] ~~(SBU)~~ [redacted]

(b) (7)(E) [redacted]

ADM Stavridis submitted that the errors made with respect to unofficial transportation for his wife were administrative in nature and not substantive.

~~(SBU)~~ We do not dispute that ADM Stavridis or his spouse [redacted]

~~(SBU)~~ We do not suggest that SACEUR's spouse (b) (7)(E) [redacted] However, it is incumbent upon COCOM commanders and their protective security staff, whether in Europe or elsewhere, to ensure that determinations concerning the need for unofficial Government transportation meet current statutory and regulatory requirements on the use of Government vehicles and personnel. We found that, in this instance, this did not occur.

The issue is not whether ADM Stavridis reasonably determined that his wife's circumstances warranted the need for secure Government transportation for official and unofficial purposes. As we noted above, we do not dispute the potential threats to Mrs. Stavridis that exist simply because of who she is and where she resides. However, we found that ADM Stavridis did not properly obtain approval for Mrs. Stavridis' transportation on a full-time basis. (b) (7)(E) [redacted] was not timely or properly conducted as required by regulation, and we are not persuaded that the use of Government transportation for the last 33 months (since ADM Stavridis assumed command as SACEUR) is justifiable as "temporary" transportation.

Accordingly, we stand by our findings and conclusions.

V. CONCLUSIONS

We conclude ADM Stavridis:

A. used MilAir for unofficial travel without obtaining approval on one occasion in connection with his travel to Dijon, France;

B. claimed and collected per diem expenses to which he was not entitled in connection with seven instances of overlapping TDY travel;

C. authorized his wife on two occasions to claim and collect per diem associated with official travel for TDY to which she was not entitled;

D. failed to use his GTCC for travel-related expenses incurred during TDY travel;

E. accepted gifts on three occasions from foreign governments and on two occasions from NFEs without timely reporting or disposing of them;

F. permitted family members to accompany him on MilAir without properly documenting their unofficial travel or reimbursing the Government for such travel at the full coach fare;

G. permitted a [redacted] employee and (b)(6) (b)(7) family member to accompany him on MilAir in connection with travel to Dijon, France, without requiring the employee to reimburse the Government for the family member's unofficial travel at the full coach fare;

H. used a Government-provided cellular telephone for unofficial purposes, permitted staff members to use Government-provided cellular telephones for unofficial purposes, and permitted his wife to use a Government-provided cellular telephone for unofficial purposes; and

I. failed to obtain proper authorization to transport his spouse in Government-provided vehicles for official and unofficial travel in Belgium.

VI. RECOMMENDATIONS

We recommend the Secretary of Defense consider:

A. Taking appropriate corrective action with respect to ADM Stavridis.

B. With respect to unofficial travel identified herein, directing additional analysis to determine whether ADM Stavridis or other travelers should pay additional full coach fare reimbursement to the Government in connection with unofficial travel on MilAir.

C. Directing issuance of additional detailed guidance to all COCOMs concerning the use of MilAir by persons other than Tier 1 travelers.

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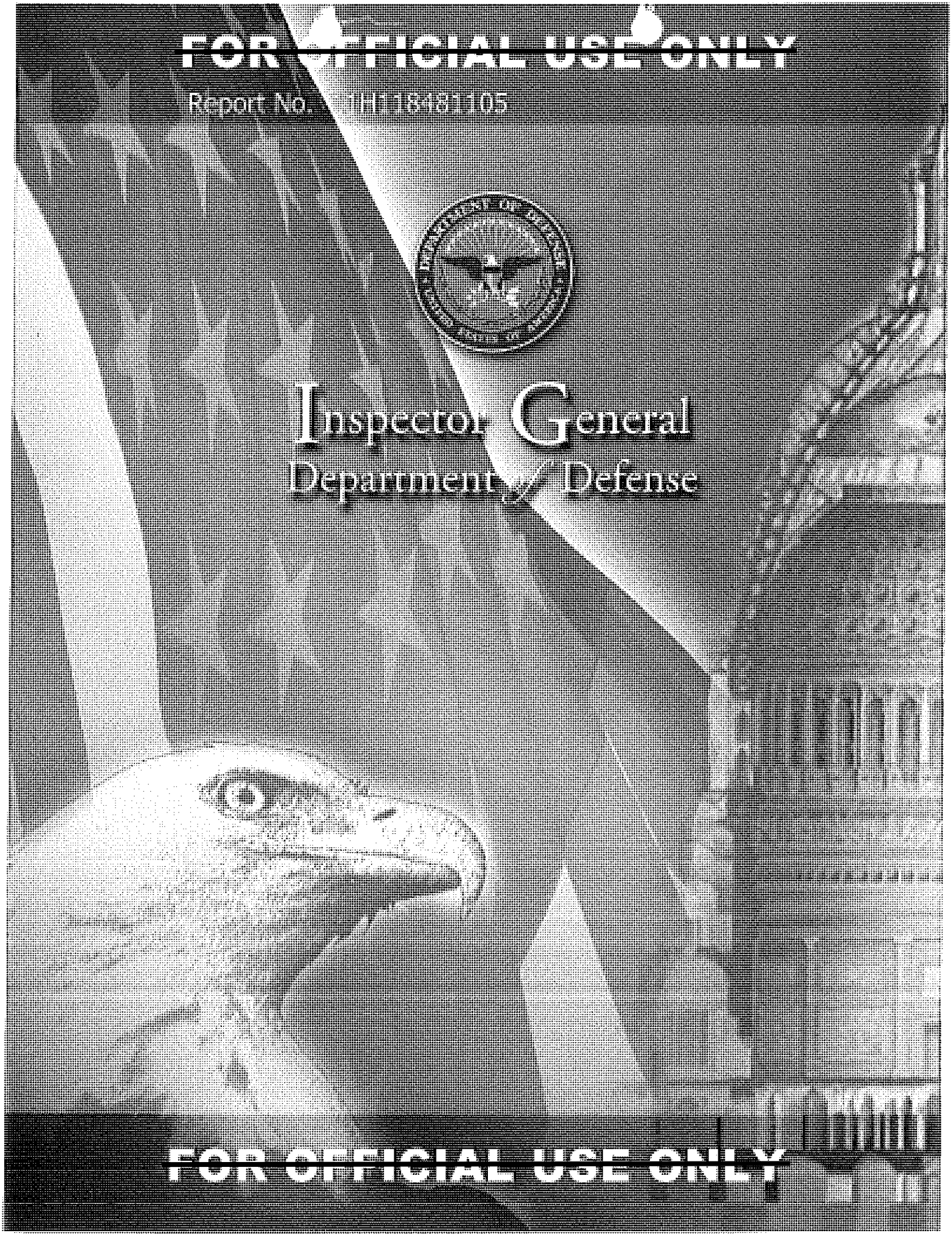
Inspector General
Department of Defense



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