



## WASTE REPORT for February 22, 2016

### Government Waste, an Extended Stay

When a federal employee travels on official business, the government pays the cost of meals and lodging for that worker - within certain limitations. That sounds reasonable, until you learn that **the Department of Justice (DOJ) has spent at least \$54 million on expenses for employees who have been on “temporary travel” for one year or more.**<sup>1</sup>

After 90 days on assignment at one location an employee goes on Extended Temporary Duty (ETDY), which it is actually supposed to save money by reducing lodging and meal allowances by 25 percent.<sup>2</sup> However, the DOJ Inspector General’s (IG) looked at the ETDY program at the DOJ and what they found was abuse and absurdity.

**The IG identified 60 instances where temporary assignments lasted more than 2 years, including one assignment that lasted 6 years and another for 12 years.** In another instance, the IG found that a married couple both working for the DOJ relocated to Washington, D.C. **One spouse transferred and received relocation assistance while the other received ETDY compensation.**<sup>3</sup>

The FBI alone accounts for 95 percent of all DOJ employees on ETDY. Why so many? Out investigating crimes in remote locations? Not quite, the ETDYs at the FBI are almost entirely due to the Headquarters Staffing Initiative (HSI) which allows employees from across the country to do an 18-month rotation at FBI Headquarters in Washington D.C. **Technically employees can choose to transfer, but most take ETDY because their lodging is tax exempt and is easily more than how much their pay would increase under D.C. locality pay.**<sup>4</sup>

Aside from the loose definition of “temporary” that seems to be used at DOJ, the tax treatment of ETDY compensation is worth noting. IRS regulations say that employer provided lodging and meals while on travel are nontaxable, unless your temporary assignment is for one year or more, or are expected to be for one year or more. **In other words, the IRS says if your employer is sending you somewhere for a year, IT’S A MOVE, NOT A BUSINESS TRIP.**

There is only one group the IRS rule does not apply to: federal law enforcement, prosecutors, and support staffs are exempted until they have been on ETDY for two years.<sup>5</sup> Seems almost like a special carve out for DOJ and the HSI program.

**Maybe there is such thing as a “temporary” government program,  
It is just they are all on “extended” status**

<sup>1</sup> *Audit of the Department of Justice’s Use of Extended Temporary Duty Travel*; Office of the Inspector General-U.S. Department of Justice; Washington, DC; September 2015. Report Number: Audit Division 15-33

<sup>2</sup> *Ibid* pp. 2

<sup>3</sup> *Ibid* pp. 8

<sup>4</sup> *Ibid* pp. 5

<sup>5</sup> *Travel, Entertainment, Gift, and Car Expenses*; Internal Revenue Service, Washington DC; February 2016. Publication Number: 463