

TVA RESTRICTED INFORMATION



Memorandum from the Inspector General

May 29, 2020

Kevin D. Dutton
Gabriel A. Trotter

████████████████████
JOHNSON SERVICE GROUP
PROJECT CONTROLS SPECIALIST
BREACH OF CONTRACT – TRAVEL EXPENSES
OIG FILE NO. 19-0175

We have completed our investigation into an allegation that ██████████, and the Johnson Service Group, submitted mileage reimbursement expenses that were not allowed under their contract with Tennessee Valley Authority (TVA). These travel expenses were submitted by Johnson Service Group for ██████████ travel to and from TVA's Watts Bar Nuclear Site between February 2017 and April 2019, and totaled \$23,431.82. The evidence gathered during our investigation substantiates that these expenses were not reimbursable under the contract.

On January 5, 2015, TVA entered into a labor services contract (TVA-01012015-125806) with the Johnson Service Group to provide payroll services and recruitment services. As part of the contract, Johnson Service Group service personnel were authorized to receive reimbursement for official travel; one of these reimbursement types is mileage reimbursement. As stated in the contract, "For reimbursement for all official travel, the TVA work assignment location must be located beyond a daily commuting distance from the employee's Permanent Residence of at least 100 miles one-way via the most expeditious and direct route... ."

According to Google Maps, the mileage from ██████████ permanent residence in Chattanooga, Tennessee, to TVA's Watts Bar Nuclear Site, near Spring City, Tennessee, via the most expeditious and direct route, is 55.3 miles. This is significantly under the 100 miles one-way travel requirement in the contract. Therefore, ██████████ was not entitled to mileage reimbursement for his official travel to and from the Watts Bar Nuclear Site.

During his interview with the Office of the Inspector General (OIG), ██████████ advised that in the spring of 2019, there were numerous discussions between the TVA Nuclear Projects group and the TVA Supply Chain group, regarding the staff-augmented project control specialists receiving mileage reimbursement for travel to certain TVA nuclear sites. It was unclear between the two groups when mileage could be claimed by the staff-augmented project control specialists, since not all of them worked for the same contracting company. According to ██████████, he was told by TVA Nuclear Projects management that he should apply for mileage reimbursement based on how this was routinely handled by the Johnson Service Group.

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The evidence shows these travel costs were not reimbursable under the contract and it appears there was confusion between the TVA Nuclear Projects group and the TVA Supply Chain group about the rules allowing contractors to receive mileage reimbursement. We recommend TVA reeducate the Johnson Service Group on when mileage is permitted under the contract, and resolve the misinterpretation of the contract terminology pertaining to mileage reimbursement between the Nuclear Projects and Supply Chain groups. TVA may also consider recovering the mileage reimbursement paid to [REDACTED] for his travel to and from the Watts Bar Nuclear Site between February 2017 and April 2019.

We would appreciate being informed within 30 days of your determination of what action is appropriate on the basis of our report. In addition, if you decide to take documented action in this matter, we would appreciate your sending a copy of the relevant information to this office for our file.

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