

Hotel bill mistakes mean many pay too much

By Gary Stoller
USA TODAY

Business travelers may be overpaying for their hotel rooms by a half-billion dollars a year, the result of mistakes in billing.

"These mistakes don't occasionally happen — they regularly happen," says George Hansen, CEO of Wichita-based Corporate

Business Travel

Every Tuesday

Lodging Consultants, which negotiates hotel rates for about 270 companies.

In reviewing the hotel bills of a major client over a recent 12-month period,

Hansen's firm found 11.6% billed incorrectly. On average, the errors resulted in overpayment of \$11.35 per night. Projecting that average to all U.S. business-travel lodging — 1.4 million rooms a night — and the annual overcharge would exceed an "astounding" \$500 million, Hansen says.

American Express Business Travel, which manages travel or provides a corporate card for most *Fortune* 500 companies, agrees that overcharges for hotel rooms are common.

In a 2004 study of corporate clients, American Express found that room rates quoted by central reservation systems differed from negotiated rates 56% of the time.

"The vast majority" of errors were in the hotels' favor, AmEx's Herve Sedky says.

Last year, American Express rolled out new software aimed at catching incorrect hotel bills.

Joe McInerney, president of the American Hotel & Lodging Association, says mistakes can happen in any business, and no hotel would intentionally overcharge a guest, for fear of losing future business and creating a negative buzz. Bad word-of-mouth advertising "is 100% worse than anything else," he says.

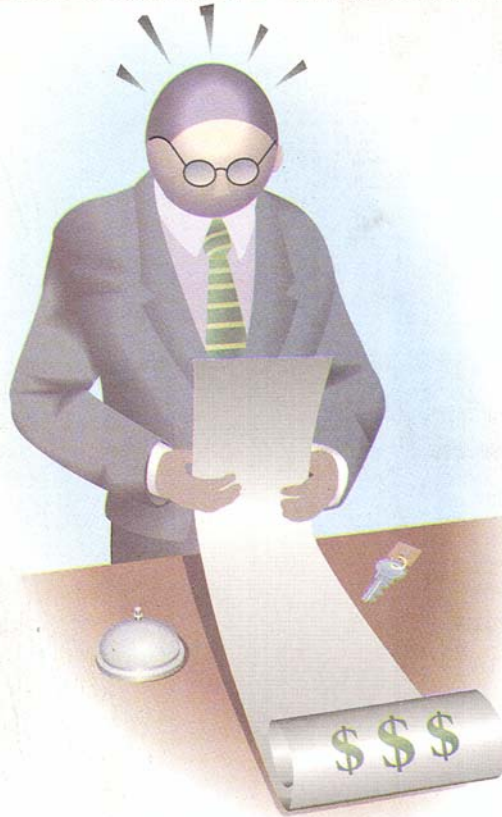
McInerney, whose association represents about 10,000 hotels, says business travelers should carefully review their bills before checkout. If front-desk agents can't resolve a dispute, discuss it with the manager on duty, he says.

Hansen and Sedky agree that the overcharges their companies find are unintentional. They're caused by hotel employees entering an incorrect negotiated rate, or no negotiated rate, into computer systems.

Sometimes it's a problem of double billing. Many business travelers don't contest minor inaccuracies in their bills, finding it

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By Karl Gellies, USA TODAY

easier to just pass it along on their expense report.

"They figure no one at the company will check it," says Hansen. "The juice isn't worth the squeeze."

Minor discrepancies slip by

Corporate travel accounting departments typically review claims to make sure they aren't paying personal expenses — a \$7.99 in-room movie, for example. A minor room rate discrepancy frequently slips by, Hansen says.

One CLC client, a *Fortune* 500 company, was billed \$54 a night 21 times during a quarter for rooms that had been negotiated for \$39 a night.

CLC's Kyle Rogg says he stayed at a hotel in Atlanta in January and was charged \$189 per night for a room his company had negotiated for \$40. He says he's talked to the

hotel's accounting clerk twice without success, and was refused a credit by his credit card issuer because the dispute is over a rate discrepancy.

He knows that a call to the hotel staff member who negotiated the rate would solve the problem, but he's avoided that route "to feel the pain" of a typical business traveler trying to resolve a dispute. He's now disputing the charge with his credit card company.

Road warriors say they've felt the pain of inaccurate hotel bills, and it doesn't always involve the room charge.

California frequent-flier David Harlow is a business traveler who has found many incorrect charges. He says his bills frequently include an error related to the minibar, telephone calls, Internet access fees or a cancellation.

Harlow was charged \$16 for picking up then putting down a bottle of water during

Florida officials investigate allegations of overcharging

By Roger Yu
USA TODAY

Hotel overcharges may not always be the result of honest mistakes.

Florida's attorney general's office began investigating four large hotel chains in 2001 after receiving complaints that they were billing energy surcharges — up to \$3 a day — and other resort or service fees without prior disclosure.

In May, Florida Attorney General Charlie Crist settled out of court with one of the chains, Starwood Hotels & Resorts. Crist didn't charge Starwood with violating laws. The company agreed to end the practice of charging undisclosed fees for two years at 14 hotels it owns or operates in Florida. It also agreed to cover litigation costs and donate \$175,000 to a state program that combats crime against senior citizens.

"Floridians and those coming to our state should not arrive at their hotels and be surprised by unexpected hotel charges," Crist said in a statement at the time of the settlement.

Crist's suit against Wyndham Hotels & Resorts for allegedly charging undisclosed surcharges is pending. Wyndham won't comment on pending litigation, spokeswoman Darcie Brossart says.

Crist is also investigating whether Marriott and Hilton hotels are charging

undisclosed fees but hasn't filed a lawsuit. "Guests have to approve everything. There are no charges that guests aren't aware of," says Kathy Shepard, a Hilton spokeswoman. John Wolf, a Marriott spokesman, says the company is "in discussions with the attorney general's office regarding some of these issues."

Crist's office is also investigating whether three smaller hotel companies — Tri-State Hospitality, Rosen Hotels & Resorts and Palm Beach Florida Hotels & Office Building — and travel company Expedia are charging undisclosed resort or service fees. Jerry Novalis, a manager of Sleep Inn in Orlando, which is owned by Tri-State, wouldn't comment because the investigation is pending. Derek Baum, operations director at Rosen Hotels, says he's not aware of the investigation, which was launched last month. Palm Beach Florida Hotels and Expedia officials couldn't be reached.

Crist is also investigating whether seven hotels overcharged consumers during Hurricane Charley in August. Some guests allegedly faced bills at checkout that were much higher than the rate quoted when making a reservation. State law requires that after a major storm, the cost of necessities such as food, water and shelter must remain at the average price they were during the 30 days preceding the storm.

Studying room charges

Kansas-based Corporate Lodging Consultants examined hotel room charges of a major client for the 12 months ended April 30. Study highlights:

- Nightly charges examined: 624,606
- Nightly charges that varied from the negotiated room rate: 72,269, or 11.6%.
- Total overcharge: \$820,250.
- Average overcharge: \$11.35 per room per night.

Source: Corporate Lodging Consultants

a recent stay at a Las Vegas hotel. The room refrigerator was equipped with a sensor that tallied the movement of the bottle as a sale.

"Most of the time I do 'express' check-outs and don't even look at my bill until I am doing expense reports," says Harlow, a sales manager for a computer-storage company. He had about 40 hotel bills last year.

A bogus \$300 bar tab

Bob Williams, who works for a software company in Daly City, Calif., says his worst billing episode occurred two years ago after he was reviewing his bill on the in-room TV and noticed a \$300 bar charge. He was told by a front-desk clerk that he had signed the bar bill.

So he told the hotel to compare the signature with his signature when he checked in. Says Williams: "It wasn't even my name, just my room number. I was then told by the front desk manager that I was probably too drunk to remember my name that night, but I don't drink."

Williams says he insisted on talking to the hotel's general manager and called his company's travel manager. They resolved his problem, and he has never returned to the hotel.

William Teater, a manufacturing consultant in Mount Vernon, Ohio, says hotel bills are usually accurate. He received about 70 hotel bills last year and three, he says, had errors.

Twice he was charged for phone calls he didn't make, and once he was incorrectly charged for not arriving on a certain day.