



January 29, 2016

The Honorable Shaun Donovan, Director
c/o Dan Keenaghan
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Mr. Donovan:

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) and OMB's implementing guidance require the Office of Inspector General (OIG) to perform annual risk assessments, as well as to submit semiannual reports to OMB, in coordination with the Department, of employee purchase or integrated card violations and the resulting actions taken. OIGs must also submit an annual purchase and travel card audit recommendation status report to OMB. Below is a summary of the actions we have taken during fiscal year (FY) 2015 to fulfill these requirements, as well as additional information on our related work.

We provided information regarding known and completed reviews and investigations of fraudulent use or abuse of purchase cards that resulted in fraud, loss to the government, or misappropriation of funds or assets for the Department's July 2015 and January 2016 reports to OMB. Currently, two Departmental bureaus each have an audit report recommendation concerning the use of government cards that has yet to be implemented (both bureaus have concurred with the recommendations and agreed to corrective actions):

- From *OIG-11-013-A, 2010 Census: The Partner Support Program Lacked Adequate Controls for Monitoring Purchases and Ensuring Compliance*: we recommended that management improve oversight of card purchases and address compliance with policies and procedures.
- From *OIG-14-013, Manufacturing Extension Partnership (MEP) Incurred Avoidable Conference Costs*: we recommended that National Institute of Standards and Technology management make determinations on potential travel card misuse related to 2011 and 2012 conferences.

During FY 2015, OIG completed an investigation that identified the improper (or illegal) use of a purchase card by an employee in the Department's Office of Secretary. In addition, OIG reported a violation of administrative policies involving use of purchase cards, which was acknowledged by NOAA and is currently pending corrective action. There are two alleged violations pending investigation.

In addition to the above reviews and investigations, we included purchase cards, travel cards, and fleet cards as components in our annual FY 2015 Department-wide risk assessment. The assessment is based on detailed analyses that identify trends and variances; the results are then aggregated and included as components of the overall risk rating for each agency. The results of the annual risk assessment inform our audit plan for the subsequent year. Our FY 2016 audit plan now includes an audit of travel card use as a result. In FY 2016, we will continue to incorporate the purchase card program into our annual risk assessment.

If you have any questions, please contact me at (202) 482-7859.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Katsaros", with a long horizontal flourish extending to the right.

Andrew Katsaros
Principal Assistant Inspector General for Audit and Evaluation

Enclosure

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