



January 30, 2015

The Honorable Shaun Donovan
Director
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) requires each office of inspector general (OIG), in coordination with its Department, to perform annual risk assessments and submit to OMB semiannual reports of employee purchase or integrated card violations and the resulting actions taken. The Charge Card Act also requires each OIG to 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) 2014 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 for the Department's July 2014 and January 2015 reports to OMB. We completed one investigation involving the violation of purchase card policy during FY 2014 that resulted in fraud, loss to the government, or misappropriation of funds or assets. This matter is currently pending corrective action by NOAA. We also reported two alleged violations currently pending investigation.

Also in FY 2014, we assessed purchase, travel, and fleet card usage as components in our annual Department-wide risk assessment. We assessed risks associated with government charge card use at 28 organizational units of the Department—24 were rated as low and 4 were rated as medium. None were rated as high. These ratings were 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. In FY 2015, government charge card controls will continue to factor into our annual risk assessment.

Lastly, we performed relevant work in FY 2013—as well as issued an FY 2014 audit that assessed travel spending in calendar year 2012—that required Department and bureau responses this fiscal year. In May 2013, we issued a Department-wide audit report on internal controls over the use of purchase cards. The Department completed implementation of the final recommendation resulting from the audit during FY 2014. In addition, in February 2014, we issued an audit report that identified findings related to the travel card misuse by National Institute of Standards and Technology (NIST) employees who attended two conferences in 2012. The NIST resolved all related recommendations by June 2014.

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