



March 4, 2019

The Honorable Mick Mulvaney, Director
c/o Stannis Smith
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Mr. Mulvaney:

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) and OMB's implementing guidance require each 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. Where annual travel card spending for an agency exceeds \$10 million, the Charge Card Act and OMB M-13-21 require periodic audit or reviews of the agency's travel card program. 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) 2018 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 2018 and January 2019 reports to OMB. Currently, there are no open recommendations concerning the use of government cards, and all recommendations have been resolved and implemented.

In March 2018, we closed out one previously reported investigation into an allegation that a manager with the Department's Office of the Chief Information Officer (OCIO) had directed five OCIO employees on multiple occasions to make unauthorized partial, split payments on monthly telecommunication invoices using their government purchase cards. Our office substantiated this allegation. We have received the response from the agency indicating that the agency took action to reduce the number of cardholders from five to four, which would provide the necessary oversight and transparency. OCIO required all of its cardholders and approving officials to take formal training on an annual basis, and one employee was transferred to a new position. The matter is no longer pending agency action and is now closed.

We also reviewed FY 2017 purchase card, travel card and fleet card transactions to assess the risk of illegal, improper, or erroneous transactions. The assessment was 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 bureau within the Department. Based on our results, we determined that the bureaus fell within a reasonable range of risk.

If you have any questions, please contact me at (202) 482-3884.

Sincerely,

A handwritten signature in black ink that reads "Mark Zabarsky". The signature is written in a cursive style with a large, looped "Z" and a long, sweeping underline.

Mark H. Zabarsky
Principal Assistant Inspector General for Audit and Evaluation