



January 31, 2017

Mr. Mark Sandy
Acting Director
c/o Dan Keenaghan
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Mr. Sandy:

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) 2016 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 2016 and January 2017 reports to OMB. Currently, one Departmental bureau has an audit report recommendation concerning the use of government cards that has yet to be implemented (the bureau has 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* (issued November 18, 2010): we recommended that management improve oversight of card purchases and address compliance with policies and procedures.

During FY 2016, OIG completed an investigation that identified the improper and illegal use of a purchase card by an employee in the Office of the Secretary. There are also four alleged violations pending investigation.

We also included purchase cards, travel cards, and fleet cards as components in our annual FY 2017 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. In FY 2017, we will continue to incorporate the purchase card program into our annual risk assessment.

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

Sincerely,

A handwritten signature in black ink that reads "Mark Zabarsky". The signature is written in a cursive style with a large, looped initial "M".

Mark Zabarsky

Assistant Inspector General for Acquisition and Special Program Audits