



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

# **INTERNAL CONTROLS FOR THE U.S. DEPARTMENT OF THE INTERIOR'S PURCHASE CARD PROGRAM NEED IMPROVEMENT**

**This is a revised version of the report prepared for public release.**



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

**MAR 29 2019**

To: Megan Olsen  
Director, Office of Acquisition and Property Management

From: Mary L. Kendall   
Deputy Inspector General

Subject: Final Audit Report – Internal Controls for the U.S. Department of the Interior’s  
Purchase Card Program Need Improvement  
Report No. 2017-ER-015

This report presents the results of our audit of purchase card transactions and governing internal controls at the U.S. Department of the Interior (DOI). We conducted this audit as part of a Governmentwide initiative by the Council of Inspectors General on Integrity and Efficiency to examine risks associated with U.S. Government purchase card transactions.

We analyzed DOI data for the first 6 months of fiscal year 2017 and found weaknesses in internal controls that leave the DOI and its bureaus vulnerable to financial mismanagement. We provide five recommendations to help the DOI improve the oversight of its purchase card program. Based on the Office of Acquisition and Property Management’s response to our draft report, we consider four recommendations unresolved and one recommendation resolved but not implemented.

If you have any questions about this report, please call me at 202-208-5745.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

---

# Table of Contents

Results in Brief .....	1
Introduction.....	2
Objective .....	2
Background .....	2
Findings.....	5
Required Documentation and Reviews/Approvals Were Missing.....	5
Separation of Duties Was Not Ensured.....	6
There Is No DOI Policy for Purchases Made Through Third-Party Vendors ....	7
Cardholder Accounts Had Missing or Incorrect Purchase Limits.....	8
State and Local Tax Exemptions Were Not Enforced .....	10
Conclusion and Recommendations.....	11
Conclusion.....	11
Recommendations Summary.....	11
Appendix 1: Scope and Methodology.....	14
Appendix 2: Sites Contacted.....	17
Appendix 3: OIGs Participating in the CIGIE Initiative .....	19
Appendix 4: Sampling Methodology and Projections .....	21
Appendix 5: Bureau Breakdown of Results.....	24
Appendix 6: Monetary Impact .....	28
Appendix 7: Response to Draft Report.....	29
Appendix 8: Status of Recommendations.....	36

---

## Results in Brief

We conducted this audit as part of a Governmentwide initiative by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to examine risks associated with U.S. Government purchase card transactions. Using data-analysis and statistical tools provided by CIGIE, our Office of Inspector General (OIG) and 19 other participating OIGs undertook audits of their respective agencies' transactions.

We analyzed U.S. Department of the Interior (DOI) transaction data for the first 6 months of fiscal year 2017 to determine whether (1) the DOI or its bureaus made transactions that were illegal, improper, or erroneous and (2) the existing internal controls detected and prevented illegal, improper, or erroneous transactions. While our assessment involved a small sample of the total universe of DOI purchase card transactions, our findings highlight issues that may be applicable across the DOI's purchase card policies and practices.

During the timeframe audited, 20,293 DOI employees had a purchase card, and they made 488,504 transactions that totaled approximately \$166 million. We reviewed a sample of 100 high-risk transactions (for example, those with third-party vendors, sales tax, or split purchases), totaling \$41,557.

Through our data analysis we found internal control problems that created financial mismanagement vulnerabilities. Specifically, we identified the following weaknesses in internal controls:

- Required documentation and reviews/approvals were missing.
- Separation of duties was not ensured.
- There is no DOI policy for purchases made through third-party vendors.
- Cardholder accounts had missing or incorrect purchase limits.
- State and local tax exemptions were not enforced.

We provide five recommendations to help the DOI improve the oversight of its purchase card program. Based on the response to our draft report, we consider four recommendations unresolved and one recommendation resolved but not implemented and will refer them to the Assistant Secretary for Policy, Management and Budget for resolution and implementation tracking.

---

# Introduction

## Objective

Our objectives were to:

1. Determine whether the U.S. Department of the Interior (DOI) or its bureaus made purchase card transactions that were illegal, improper, or erroneous
2. Determine whether the DOI's and bureaus' internal controls detected and prevented illegal, improper, or erroneous purchase card transactions from occurring

Appendix 1 provides our scope and methodology. Appendix 2 lists the sites we contacted during our audit.

## Background

We conducted this audit as part of a Governmentwide initiative by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to examine risks associated with U.S. Government purchase card transactions. CIGIE provided the 20 participating Offices of Inspector General (OIGs) with data-analysis and statistical tools to identify high-risk transactions for review.<sup>1</sup> (See Appendix 3 for a list of the participating OIGs.) We also conducted this audit to comply with the Government Charge Card Abuse Prevention Act of 2012, which requires the OIGs to periodically assess risk and perform audits of agency purchase card programs.

When we identified the universe of transactions for this audit, we separated out the convenience check transactions and performed separate analyses on those data. This report presents our findings related to DOI purchase card transactions; our convenience check findings are in a separate report (Report No. 2017-ER-015-A).

## Governing Laws and Regulations

Executive agencies, including the DOI, use purchase cards to buy goods and services. Multiple laws and regulations govern the use of purchase cards by executive branch agencies, primarily:

- The Government Charge Card Abuse Prevention Act of 2012 (Pub. L. No. 112-194)

---

<sup>1</sup> In July 2018 CIGIE issued its *Report on the Government Purchase Card Initiative*, summarizing the review results of all participating OIGs (including ours), available at [https://www.ignet.gov/sites/default/files/files/CIGIE\\_Purchase\\_Card\\_Initiative\\_Report\\_July\\_2018.pdf](https://www.ignet.gov/sites/default/files/files/CIGIE_Purchase_Card_Initiative_Report_July_2018.pdf).

- Office of Management and Budget (OMB) Memorandum M-13-21 (dated September 6, 2013)
- OMB Circular No. A-123, Appendix B, Revised (dated January 15, 2009)
- The Federal Acquisition Regulation (FAR), part 13, “Simplified Acquisition Procedures”

### **The DOI’s Integrated Charge Card Program**

During our audit timeframe, the DOI had an Integrated Charge Card Program (ICCP), which combined multiple business lines—purchase, travel, and fleet—in a single account.<sup>2</sup> Cardholders used one card to make small purchases of supplies and services, official travel, and fuel and maintenance for DOI-owned vehicles and equipment, with minimal paperwork. The ICCP allowed transactions to be billed directly (centrally billed) to the Federal Government, which qualified users for exemption from sales taxes in most States, streamlined payments to vendors, and helped reduce delinquencies.

The Office of Acquisition and Property Management (PAM) oversees and develops policy for the DOI charge card program, while each bureau has an agency/organization program coordinator who is responsible for day-to-day charge card activities. Approving officials (AOs) oversee designated cardholders and review and sign cardholder statements to approve transactions. The *DOI Integrated Charge Card Program Policy Manual*, dated August 27, 2015, details the policies and procedures for the ICCP and describes the responsibilities of those who administer and manage the program.

At the time of our audit, micropurchase limits were \$3,500 for supplies, \$2,500 for services, and \$2,000 for construction. Cardholders who are warranted contracting officers were authorized to make purchases up to their certification limit or the simplified acquisition threshold of \$150,000, whichever is lower.<sup>3</sup>

### **Audit Focus**

We reviewed purchase card transactions and internal control processes for DOI bureaus<sup>4</sup> for the first 6 months of fiscal year (FY) 2017. During that timeframe, 20,293 DOI employees (31 percent) had a purchase card, and they made 488,504 transactions that totaled approximately \$166 million.

---

<sup>2</sup> The ICCP was the charge card program in place at the time of this audit, and the processes we describe in this report are specific to the ICCP. The task order for the ICCP expired on November 29, 2018.

<sup>3</sup> The legislation establishing FY 2018 military spending levels increased the micropurchase threshold for supplies to \$10,000 and the simplified acquisition threshold to \$250,000 (Pub. L. No. 115-91 §§ 805 – 806). On May 2, 2018, the DOI issued DOI-AAAP-0148, which likewise increased DOI micropurchase and simplified acquisition thresholds to the same amounts.

<sup>4</sup> In this report, the term “bureaus” is used to refer to the DOI components, including bureaus, offices, services, and other units.

Using algorithms developed by CIGIE, we identified the top 25 percent of high-risk transactions: 26,302 transactions totaling \$10,574,423. CIGIE defined high-risk transactions as, for example, those involving third-party vendors (or other prohibited or questionable vendors), those with sales tax, those indicating split purchases, and those exceeding purchase limits. From that population, we selected a statistical sample of 100 transactions totaling \$41,557, and we made statistical projections based on our findings. (For more detail on scope and methodology, see Appendix 1; for more detail on our sampling methodology and projections, see Appendix 4.)

Our sample included transactions from 10 bureaus (see Appendix 5 for the list of bureaus and a breakdown of test results by bureau). We conducted limited interviews during our audit.

---

# Findings

Through our data analysis we found internal control problems that created an environment vulnerable to financial mismanagement.

Specifically, we identified the following weaknesses in internal controls:

- Required documentation and reviews/approvals were missing.
- Separation of duties was not ensured.
- There is no DOI policy for purchases made through third-party vendors.
- Cardholder accounts had missing or incorrect purchase limits.
- State and local tax exemptions were not enforced.

## Required Documentation and Reviews/Approvals Were Missing

Federal laws and regulations, as well as the ICCP policy manual, require cardholders to obtain and keep documentation for transactions. In the 100 transactions reviewed, we found 24 instances of missing required documentation such as receipts for goods or services and purchase receipts. See Appendix 5 for a breakdown by bureau.

Our findings and projections are detailed below:

- Based on the 22 transactions we found with missing receipts for goods or services, we estimated that 5,786 of the 26,302 high-risk transactions (or 22 percent) were missing receipts for goods or services.
- Based on the 2 transactions we found with missing purchase receipts, we estimated that 526 of the 26,302 high-risk transactions (or 2 percent) were missing purchase receipts.

We also noted that reconciliation and review/approval of purchase card transactions was not always performed. Of the 100 sampled transactions, 6 were not reviewed by the AOs (see Appendix 5 for a breakdown by bureau). We estimated that 1,578 of the 26,302 high-risk transactions, or 6 percent, were missing review and approval by the AOs.

The Government Charge Card Abuse Prevention Act of 2012 requires agency heads to establish controls to ensure that cardholders and their AOs verify the accuracy of charges on monthly statements using receipts and other supporting

documentation. OMB Circular No. A-123, Appendix B, Chapter 4.8, requires cardholders to acquire written requests for purchases to the maximum extent possible; Chapter 13.2 requires agencies to issue policies and procedures to document the receipt and acceptance of goods and services; and Chapter 4.3 requires that managers ensure cardholder statements and supporting documentation are reviewed to monitor delinquency, misuse, and other transaction activities. In addition, the U.S. General Services Administration (GSA) SmartPay manual’s review checklist states that all purchases reviewed should be supported by “(a) a valid written authorization that describes what is to be purchased and signed by someone with authorized requisitioning authority, and (b) budget office approval.”<sup>5</sup>

Supporting documentation and review/approval by cardholders and their AOs are critical controls to prevent illegal, improper, or erroneous purchases. Missing documents hinder management’s ability to provide effective oversight and ensure proper approvals for purchases. The AO review of the cardholder’s reconciliation process provides a basis for the AO to accept responsibility for confirming that purchases are appropriate and legitimate before the statement is certified for payment.

#### **Recommendation**

We recommend that:

- I. PAM and the bureaus enforce all governing requirements for supporting documentation and supervisory review of purchase card transactions and hold accountable supervisors who do not perform reviews in accordance with the ICCP policy

### **Separation of Duties Was Not Ensured**

The separation of duties—having more than one person required to complete a task—is an internal control intended to prevent fraud and error. We identified 10 instances of an absence of separation of duties for employees involved with the purchase transaction process (see Appendix 5 for a breakdown by bureau). Specifically, 10 cardholders across three bureaus requested purchases and then paid for them (eight at the U.S. Fish and Wildlife Service, one at the Bureau of Reclamation, and one at the Bureau of Indian Education). These 10 transactions represent an estimated 10 percent of the population of high-risk transactions (2,630 out of 26,302).

OMB Circular No. A-123, Appendix B, Chapter 4.3, requires purchase card managers to ensure separation of duties among key functions, and the ICCP

---

<sup>5</sup> General Services Administration, *Managing GSA SmartPay Purchase Card Use* (Report No. 5-14-00138), “Attachment 1: Sample Purchase Card Annual Review Checklist,” January 2014.

policy manual, section IV(b)(4), states that internal controls “must exist to ensure the assignment of duties is separated by individuals,” recommending separation within some or all of the following duties: authorizing, approving, and recording transactions; receiving assets; approving cardholder statements; making payments; certifying funds; and reviewing or auditing transactions.

The U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government* or “Green Book” further states that segregation of duties can address the risk of management override, which circumvents existing control activities and increases fraud risk.

Failing to provide separation of duties exposes the DOI and its bureaus to potential misuse of funds and inappropriate use of Government purchase cards.

### **Recommendation**

We recommend that:

2. PAM and the bureaus train staff on the ICCP policy manual’s requirement for separation of duties

## **There Is No DOI Policy for Purchases Made Through Third-Party Vendors**

The GSA considers online transactions that are made using third-party vendors, such as Amazon or PayPal, to be high-risk transactions.<sup>6</sup>

In the 100 transactions reviewed, we found that 65 transactions were made through third-party vendors such as Amazon or PayPal, and the cardholder did not document whether he or she explored required Federal supply sources, such as the GSA, before making the purchase. Based on that occurrence, we estimated that in the population of 26,302 high-risk transactions, 17,096 transactions (or 65 percent) were made through third-party vendors without documentation as to whether purchases were checked against required sources of supplies or services.

Further, in the 65 transactions, we found 2 that also raised concerns about the validity of the purchases. Specifically, two Bureau of Land Management cardholders made purchases through PayPal with no indication on the submitted documentation of the items purchased.

FAR part 8 requires purchasers to acquire supplies and services from preestablished sources whenever possible, and the GSA also suggests that “each

---

<sup>6</sup> A third-party online transaction occurs when a buyer pays a seller through another vendor, referred to as a third-party vendor. For GSA guidance, see GSA SmartPay Smart Bulletin No. 23, “GSA SmartPay2: Third-Party Payment Processors,” February 10, 2015.

agency/organization should develop and issue internal guidance for the use of third-party payment systems.”<sup>7</sup> The DOI does not have any such guidance in place, making it difficult for the AOs or other reviewers to determine whether a cardholder’s purchase from a third-party vendor was illegal, improper, or erroneous.

Use of third-party vendors may place the DOI at risk for mismanagement of funds, and not having guidance in place for the use of third-party vendors increases that risk.

### **Recommendation**

We recommend that:

3. PAM establish criteria for purchases made through third-party vendors

## **Cardholder Accounts Had Missing or Incorrect Purchase Limits**

The DOI did not manage purchase card limits on cardholder accounts, leading to missing or incorrect limits in its financial management system. These limits include the single-purchase limit, which is the maximum dollar amount for an individual transaction (tied to the micropurchase threshold), and the cycle limit, which is the maximum dollar amount authorized to be spent within the billing cycle (the time period between the dates that account statements are issued).

First, we found instances where warranted contracting officers’ single-purchase limits exceeded the simplified acquisition threshold of \$150,000. Specifically, out of the DOI’s 214 warranted contracting officers (see Appendix 5 for a breakdown by bureau), we found that 19 had a single-purchase authority of \$500,000 and 3 had a single-purchase authority of \$1,500,000 (see Figure 1). We noted that none of the warranted contracting officers made a purchase over the \$150,000 threshold, and four warranted contracting officers made no purchases at all during the scope of our audit.

---

<sup>7</sup> GSA SmartPay Smart Bulletin No. 23, “GSA SmartPay2: Third-Party Payment Processors,” February 10, 2015.

<b>Bureau</b>	<b>No. of Warranted Contracting Officers With Single Purchase Authority of \$500,000</b>	<b>No. of Warranted Contracting Officers With Single Purchase Authority of \$1,500,000</b>	<b>No. of Warranted Contracting Officers Who Made No Purchases</b>
BIA/BIE	3	3	1
BLM	13	0	2
OS	3	0	1
<b>Total</b>	<b>19</b>	<b>3</b>	<b>4</b>

Figure 1. Warranted contracting officers with single-purchase authority exceeding the simplified acquisition threshold.

Procurement regulations at 48 C.F.R. § 1413.202-70 clearly state that a purchase card may be used “for purchases up to the simplified acquisition threshold.” FAR § 2.101 limits a simplified acquisition to \$150,000 except when national security is at stake or for humanitarian and peacekeeping activities. The ICCP policy establishes limits for warranted contracting officers and allows them to make purchases up to their certification limit or single-purchase limit, whichever is lower, but does not address the simplified acquisition threshold. The high limits we found raise concerns about warranted contracting officers’ ability to make purchases above the simplified acquisition threshold and also the risk of financial exposure in the event of a lost or stolen card.

Second, out of the DOI’s 20,293 cardholder accounts, we found that 50 were missing a single-purchase limit, 71 were missing a cycle limit, and 11 were missing both (see Appendix 5 for a breakdown by bureau). The ICCP policy states that cardholders can generally use their purchase cards to make purchases below the micropurchase threshold. When the single-purchase limit is missing from an account, the cardholder can purchase up to the cycle limit in a single transaction for any authorized merchant category codes (the codes assigned to identify the type of business). When both the single-purchase and cycle limits are missing from an account, the cardholder can purchase up to the overall credit limit on a single purchase.

These scenarios can potentially circumvent the controls established for cardholders by the ICCP policy. Without controls in place to ensure that purchase limits match program requirements, the DOI faces risk of loss due to illegal, improper, or erroneous purchases.

### Recommendation

We recommend that:

4. PAM establish internal controls to identify cardholder accounts with invalid or improper purchase limits and to assign limits as designated in applicable policy and guidance

## State and Local Tax Exemptions Were Not Enforced

In the 100 transactions reviewed, four included sales tax with no indication of any attempt to recover the sales tax. The sales tax amounts collected in these four transactions were \$4.93, \$2.16, \$0.28, and \$2.34.

Based on this initial finding, we expanded our review to all transactions during the first 6 months of FY 2017 and found that the DOI paid \$338,212 in sales tax across 19,767 transactions (see Appendix 6). We did not, however, review the supporting documentation to determine whether the sales tax was recovered or whether a good-faith attempt was made to do so.

OMB Circular No. A-123, Appendix B, Chapter 11.1, states that the Federal Government is exempt from paying State and local taxes. Further, when tax-exempt status is not recognized at the point of sale and tax is charged, agencies must attempt to recover the taxes paid; specifically, “agencies are required to make good-faith attempts to accomplish these actions.” In addition, FAR § 29.302 states that purchases made by the Federal Government are generally “immune from State and local taxation.”

Paying sales taxes, as well as failure to recover taxes paid, result in overpayment by the DOI on its purchase card transactions.

### Recommendation

We recommend that:

5. PAM establish and implement a policy for the payment of sales tax that includes a requirement to document attempts to recover any State and local taxes paid

---

# Conclusion and Recommendations

## Conclusion

We found weaknesses in internal controls in the audit of transaction data that we undertook as part of CIGIE's purchase card initiative. We noted problems including limited policy, oversight issues, absence of supporting documentation, and issues related to separation of duties. These are indicators that the DOI and its bureaus may not have control over purchase card activities and are not in compliance with the ICCP policy.

While our review involved a small sample of the total universe of purchase transactions at the DOI, our findings highlight issues that may be applicable across the ICCP.

We offer five recommendations to help the DOI and its bureaus make needed changes.

## Recommendations Summary

We issued a draft version of this report for PAM to review and respond. Based on the response, we made minor revisions to the report and we consider four recommendations unresolved and one resolved but not implemented. We will refer these recommendations to the Assistant Secretary for Policy, Management and Budget for resolution and to track implementation. See Appendix 7 for the full text of PAM's response; Appendix 8 lists the status of each recommendation.

We recommend that:

1. PAM and the bureaus enforce all governing requirements for supporting documentation and supervisory review of purchase card transactions and hold accountable supervisors who do not perform reviews in accordance with the ICCP policy

**PAM Response:** PAM concurred with this recommendation and will send a memorandum to cardholders to reiterate current policy about documenting purchases with receipts and supervisory review requirements. PAM provided a target completion date of June 28, 2019.

**OIG Reply:** We believe that issuing a memorandum to reiterate policy is a step in the right direction, but PAM did not address how it would enforce the requirements or its plan to hold supervisors accountable when they do not perform reviews in accordance with the ICCP policy. Based on the response, we consider Recommendation 1 to be unresolved.

2. PAM and the bureaus train staff on the ICCP policy manual's requirement for separation of duties

**PAM Response:** PAM concurred with this recommendation and will send a memorandum to cardholders to reiterate current policy related to separation of duties in the charge card program. PAM provided a target completion date of June 28, 2019.

**OIG Reply:** We believe that issuing a memorandum is not a substitute for ensuring that staff are fully cognizant of the ICCP policy requirements. For this recommendation to be considered resolved and implemented, PAM and the bureaus should develop, implement, and track formal training on the ICCP policy manual's requirement for separation of duties. Based on the response, we consider Recommendation 2 to be unresolved.

3. PAM establish criteria for purchases made through third-party vendors

**PAM Response:** PAM partially concurred with this recommendation and will send a memorandum to cardholders to communicate best practices for use of PayPal and other similar online payment tools and procedures for account management with Amazon and other similar online marketplaces.

PAM did not concur that purchases from third-party vendors are automatically a violation of FAR § 8.002, "Priorities for Use of Mandatory Government Sources." In addition, PAM does not believe that requiring documentation of cardholder efforts to comply with required sources of supply for all purchases would be of best value to the DOI. PAM provided a target completion date of June 28, 2019.

**OIG Reply:** We believe that issuing a memorandum that communicates "best practices" is not a substitute for issuing definitive guidance in the form of a directive or official policy that provides specifics on the use of third-party vendors. Based on the response, we consider Recommendation 3 to be unresolved.

4. PAM establish internal controls to identify cardholder accounts with invalid or improper purchase limits and to assign limits as designated in applicable policy and guidance

**PAM Response:** PAM concurred with this recommendation and will issue updated policy to restrict all cardholder limits, including for warranted contracting officers, to the simplified acquisition threshold. In addition, PAM will send a memorandum to cardholders to reiterate current policy related to this topic. PAM provided a target completion date of June 28, 2019.

**OIG Reply:** The update to policy to restrict all cardholder limits should provide stricter limitations and satisfies the intent of our recommendation.

Based on the response, we consider Recommendation 4 to be resolved but not implemented.

5. PAM establish and implement a policy for the payment of sales tax that includes a requirement to document attempts to recover any State and local taxes paid

**PAM Response:** PAM partially concurred with this recommendation and will send a memorandum to cardholders to reiterate current policy related to sales tax.

PAM did not concur with the need to establish additional policy related to sales tax, as policy currently exists on this topic. In addition, PAM did not believe that requiring documentation of cardholder efforts to recover sales tax would be of best value to the DOI. PAM provided a target completion date of June 28, 2019.

**OIG Reply:** We believe that issuing a memorandum to reiterate the DOI's policy is an important step to address this issue. The DOI's *Charge Card Management Plan and Annual Narrative Statement* (dated January 31, 2015), however, leaves the management of sales tax payments and recovery attempts to the individual bureaus, while the ICCP policy does not specifically address the issue of payment and recovery. We found that most bureaus did not have a sales tax policy and rely on Department-level policy. In addition, although PAM did not concur with the recommendation to document recovery efforts, failure to document the attempt to recapture tax payments leaves the DOI without a mechanism to effectively track recovery of taxes paid. Based on the response, we consider Recommendation 5 to be unresolved.

---

# Appendix I: Scope and Methodology

## Scope

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) selected the date range of purchase card transactions for all agency participants in its Governmentwide purchase card initiative. The date range consisted of the following two strata:

- Stratum 1: High-risk transactions from October 1, 2016, through December 31, 2016
- Stratum 2: High-risk transactions from January 1, 2017, through March 31, 2017

The scope of our audit included purchase card transactions for 12 bureaus and offices within the U.S. Department of the Interior (DOI) during the two strata, which cover the first 6 months of fiscal year 2017. The Bureau of Safety and Environmental Enforcement (BSEE) and the Office of the Secretary (OS) did not have any transactions identified in the statistical sample. Therefore, no BSEE or OS transactions were reviewed, reducing the number of bureaus in our sample to 10 (see Appendix 5 for a list of bureaus in the sample).

## Methodology

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit's objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To determine whether existing internal controls at the DOI and the bureaus were designed to provide reasonable assurance that illegal, improper, or erroneous purchase card transactions would be prevented or detected in a normal course of business, we obtained an understanding of DOI and bureau policies and procedures and the related internal controls. We then assessed those internal controls by performing detailed tests of transactions. We relied on computer-generated data and emails from bureaus providing supporting documentation. We did not visit sites, and we conducted limited interviews with bureau personnel and approving officials. The approving officials contacted individual cardholders with related questions and reported back to us.

To accomplish the audit's objectives, we:

- Gathered and reviewed general, administrative, and background information to provide a working knowledge of the DOI's Integrated Charge Card Program (ICCP).
- Obtained and reviewed relevant audit reports, as well as applicable laws and regulations.
- Identified and reviewed policies and procedures related to the ICCP and bureau-specific policy.
- Obtained the universe of 488,504 purchase card transactions, totaling \$165,912,593 for the first 6 months of fiscal year 2017.
- Applied algorithms provided by CIGIE to the universe of purchase card transactions to flag high-risk transactions.
- Selected the top 25 percent (based on algorithm and weight) of those flagged transactions, which became our population of 26,302 high-risk transactions totaling \$10,574,423.
- Extracted a statistical sample from the high-risk transactions, which resulted in a sample of 100 transactions (50 transactions for each stratum or quarter) totaling \$41,557.

The sample size information was provided by CIGIE and based on the following factors:

- 95 percent confidence level
- Assumption of a very low error rate in each stratum—below 10 percent
- Acceptable upper error rate limit of 20 percent in the two strata combined
- Reviewed supporting documentation for sampled transactions for compliance with applicable laws, regulations, and policies.
- Performed tests of controls relevant to our audit objectives. Key internal control activities we tested included the following:
  - *Compliance with purchasing requirements*—Purchases violating applicable laws and regulations, specifically: (1) purchases that included sales tax with no attempt at recovery of the tax, and (2) purchases made from an improper source.

- *Compliance with micropurchase authority and simplified acquisition procedures*—Invalid or improper delegated purchase authority.
- *Adequate supporting documentation*—(1) cardholders obtaining and maintaining invoices or other documentation that support their purchases and provide a basis for reconciling purchases, and (2) cardholders ensuring adequate funds are available at the time of the purchase.
- *Separation of duties*—(1) independent receiving and acceptance of goods and services by someone other than the cardholder, and (2) dividing key duties and responsibilities among different people to reduce the risk of error or fraud.
- *Timely recording of transactions and events*—prompt recording, reconciliation, and review of transactions.

To determine whether purchase card expenditures were made in compliance with applicable laws and regulations, we reviewed the Federal Acquisition Regulation, U.S. General Services Administration and Office of Management and Budget memoranda, the DOI's acquisition regulation, and DOI policies and procedures. We performed tests of Federal and agency acquisition requirements related to the purchase card procurement process.

To perform tests of internal controls and applicable laws and regulations, we selected a statistical sample of 100 purchase card transactions and provided the DOI with the transactions selected. We obtained and reviewed related supporting documentation. We did not conduct interviews but worked with DOI personnel in the Office of Acquisition and Property Management on a limited basis to resolve questions pertaining to specific transactions.

We used data from J.P. Morgan Chase Bank's PaymentNet and the DOI's Financial and Business Management System (FBMS) in conducting this audit. The PaymentNet data for purchase card transactions were transferred into the FBMS. The controls over the FBMS and purchase card transactions are evaluated as part of the annual DOI financial statement audits conducted by KPMG with oversight by the Office of Inspector General. In addition, under the General Services Administration's SmartPay2 contract, PaymentNet was subject to Government certification and accreditation assessments. We also used data from the DOI's Federal Payroll and Personnel System (FPPS) in comparing the number of employees with the number of cardholders. The controls over the FPPS are also audited by KPMG annually. Consequently, we believe that the data from these systems were sufficiently reliable given our audit objectives.

---

## **Appendix 2: Sites Contacted**

### **Bureau of Indian Affairs**

12220 Sunrise Valley Drive, 4th Floor  
Reston, VA 20191

### **Bureau of Indian Education**

12220 Sunrise Valley Drive, 4th Floor  
Reston, VA 20191

### **Bureau of Land Management**

Denver Federal Center, Building 50  
P.O. Box 25047  
Denver, CO 80225-0047

### **Bureau of Ocean Energy Management**

1849 C Street, NW  
Washington, DC 20240

### **Bureau of Reclamation**

Denver Federal Center, Building 67  
P.O. Box 25007  
Denver, CO 80225

### **National Park Service**

7333 West Jefferson Avenue  
Lakewood, CO 80235

### **Office of Acquisition and Policy Management**

1849 C Street, NW  
Washington, DC 20240

### **Office of Surface Mining Reclamation and Enforcement**

Division of Financial Management  
Denver Federal Center, Building 25  
Denver, CO 80225-0065

### **Office of the Special Trustee for American Indians**

Budget, Finance, and Administration  
4400 Masthead Street, NE  
Albuquerque, NM 87109

**U.S. Fish and Wildlife Service**  
Financial Operations Branch  
7333 West Jefferson Avenue  
Lakewood, CO 80235

**U.S. Geological Survey**  
205 National Center  
Reston, VA 20192

**Interior Business Center**  
Charge Card Support Center  
7301 West Mansfield Avenue  
Denver, CO 80235

---

## **Appendix 3: OIGs Participating in the CIGIE Initiative**

The Offices of Inspector General (OIGs) for the following 20 Federal agencies participated in the Council of the Inspectors General on Integrity and Efficiency's (CIGIE's) initiative to determine risks associated with purchase card transactions.

- Federal Election Commission
- Federal Reserve Board
- National Aeronautics and Space Administration
- National Archives and Records Administration
- National Labor Relations Board
- National Security Agency
- U.S. Department of Agriculture
- U.S. Department of Education
- U.S. Department of Health and Human Services
- U.S. Department of Housing and Urban Development
- U.S. Department of Labor
- U.S. Department of State
- U.S. Department of the Interior
- U.S. Environmental Protection Agency
- U.S. General Services Administration
- U.S. International Trade Commission
- U.S. Office of Personnel Management
- U.S. Postal Service

- U.S. Small Business Administration
- U.S. Social Security Administration

---

# Appendix 4: Sampling Methodology and Projections

## Sampling Methodology

### Audit Population

The primary unit of sampling was a purchase card transaction. Using a universe of 488,504 purchase card transactions (totaling \$165,912,593), we applied 10 algorithms provided by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to identify “high-risk” transactions (such as those involving third-party vendors, those including sales tax, those exceeding purchase limits, those with prohibited or questionable merchant category codes, etc.). The high-risk universe totaled 105,202 transactions, and we sampled from the top 25 percent of this universe, making the population size 26,302 high-risk transactions. The sorting was done based on risk weight (high to low) first, and on transaction value next. We reviewed the transaction data to ensure that all required fields were acquired to populate the analytical tools provided by CIGIE. Estimations presented in this report relate to this group of transactions.

### Sample Design

We identified two stratified samples for review—the first stratum included all transactions from October 1, 2016, through December 31, 2016 (Quarter 1), and the second stratum included all transactions from January 1, 2017, through March 31, 2017 (Quarter 2). The stratification was done to accommodate a more efficient review of the selected transactions. Two simple random samples of 50 transactions (without replacement) were selected from each quarter, for a total sample size of 100. We used the following parameters to select the sample size:

- Population size of 26,302 high-risk transactions
- Confidence level of 95 percent for reporting estimates
- Assuming a very low error rate in each stratum—below 10 percent
- Acceptable upper error rate limit of 20 percent in the two strata combined

## Results and Estimates

Test Result	Actuals Found	Sample Error Percentage	Estimated Number in Population*	95% Confidence Intervals	
				Lower	Upper
Third-party vendor purchases <sup>†</sup>	65	65%	17,096	14,427	19,529
				54.9%	74.3%
Tax exemptions not enforced	4	4%	N/A <sup>‡</sup>	–	–
				–	–
Missing receipt for goods or services	22	22%	5,786	3,772	8,251
				14.3%	31.4%
Missing purchase receipt	2	2%	526	66	1,849
				0.3%	7.0%
Missing approving official review	6	6%	1,578	589	3,311
				2.2%	12.6%
Instances of an absence of separation of duties	10	10%	2,630	1,291	4,632
				4.9%	17.6%

\* To obtain this estimate we multiplied the sample error percentage by the population of 26,302.

<sup>†</sup> It was unknown whether these third-party vendor purchases were checked against required sources of supplies or services.

<sup>‡</sup> We obtained actual amounts for sales tax paid, so we did not make projections based on the sample. During the first 6 months of fiscal year 2017, the DOI paid \$338,212 in sales tax across 19,767 transactions.

Note: IDEA Software (V10.3) was used to compute upper and lower bounds using a 95 percent confidence level. Results were computed using the combined sample size of 100 to aid in computation.

### Interpretation

For unrecovered sales tax, we were able to obtain actual amounts from the universe of transactions. For other test results, we make the following projections based on our sample:

- We estimate that 17,096 transactions (65 percent) in our population were purchases through third-party vendors made without checking required sources of supplies or services. We are 95 percent confident that the true value of this estimate is between 14,427 transactions (54.9 percent) and 19,529 transactions (74.3 percent).
- We estimate that 5,786 transactions (22 percent) in our population were missing receipts for goods or services. We are 95 percent confident that

the true value of this estimate is between 3,772 transactions (14.3 percent) and 8,251 transactions (31.4 percent).

- We estimate that 526 transactions (2 percent) in our population were missing purchase receipts. We are 95 percent confident that the true value of this estimate is between 66 transactions (0.3 percent) and 1,849 transactions (7 percent).
- We estimate that 1,578 transactions (6 percent) in our population were missing approving official reviews. We are 95 percent confident that the true value of this estimate is between 589 transactions (2.2 percent) and 3,311 transactions (12.6 percent).
- We estimate that 2,630 transactions (10 percent) in our population had instances of an absence of separation of duties. We are 95 percent confident that the true value of this estimate is between 1,291 transactions (4.9 percent) and 4,632 transactions (17.6 percent).

---

## Appendix 5: Bureau Breakdown of Results

Our statistical sample included purchase card transactions from the following U.S. Department of the Interior (DOI) bureaus:

- Bureau of Indian Affairs (BIA)
- Bureau of Indian Education (BIE)
- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Reclamation (BOR)
- National Park Service (NPS)
- Office of Surface Mining Reclamation and Enforcement (OSMRE)
- Office of the Special Trustee for American Indians (OST)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)

The Bureau of Safety and Environmental Enforcement (BSEE) and the Office of the Secretary (OS) did not have any transactions identified in the statistical sample. Therefore, no BSEE or OS transactions were reviewed.

The tables that follow provide a breakdown by bureau of DOI purchase card transactions during the timeframe audited and our findings.

## Cardholders and Purchase Transaction Totals, by Bureau

<b>Bureau</b>	<b>No. of Purchase Cardholders</b>	<b>No. of Warranted Contracting Officers</b>	<b>No. of Purchase Transactions</b>	<b>Value of Transactions</b>
BIA/BIE*	1,349	31	37,084	\$18,600,310
BLM	2,878	43	54,017	16,827,186
BOEM	55	1	1,457	603,809
BOR	1,140	6	39,041	17,813,390
BSEE	94	1	2,374	785,084
FWS	3,191	45	101,129	28,059,207
NPS	4,928	71	154,028	52,922,589
OSMRE	54	0	1,883	477,913
OS/OST†	759	9	16,595	5,424,835
USGS	5,845	7	80,896	24,398,270
<b>Total</b>	<b>20,293</b>	<b>214</b>	<b>488,504</b>	<b>\$165,912,593</b>

\* Transaction data for the BIE were included in the BIA account in PaymentNet.

† Transaction data for the OST were included in the OS account in PaymentNet.

## Cardholder Accounts Missing Purchase Limits, by Bureau

Bureau	Missing a Single Purchase Limit	Missing a Cycle Limit	Missing a Single Purchase Limit and Cycle Limit
BIA/BIE*	2	1	0
BLM	20	55	7
BOEM	3	1	1
BOR	0	0	0
BSEE	6	1	0
FWS	6	1	1
NPS	3	0	0
OSMRE	0	0	0
OS/OST†	5	5	0
USGS	5	7	2
<b>Total</b>	<b>50</b>	<b>71</b>	<b>11</b>

\* Transaction data for the BIE were included in the BIA account in PaymentNet.

† Transaction data for the OST were included in the OS account in PaymentNet.

## Transaction Findings, by Bureau

Bureau	Sample Size	Finding						Total Deficiencies
		A	B	C	D	E	F	
BIA	2	0	0	0	0	0	0	0
BIE	3	1	0	1	0	0	1	3
BLM	11	10	0	5	1	5	0	21
BOEM	1	0	0	0	0	0	0	0
BOR	11	7	1	3	0	0	1	12
BSEE	0	0	0	0	0	0	0	0
FWS	21	17	0	3	0	0	8	28
NPS	22	10	2	5	1	1	0	19
OSMRE	1	1	0	1	0	0	0	2
OS	0	0	0	0	0	0	0	0
OST	1	0	0	0	0	0	0	0
USGS	27	19	1	4	0	0	0	24
<b>Total*</b>	<b>100</b>	<b>65</b>	<b>4</b>	<b>22</b>	<b>2</b>	<b>6</b>	<b>10</b>	<b>109</b>

\* Some transactions had multiple deficiencies, which is why the deficiency total is larger than the sample size.

### Findings Key

A = Purchases made from third-party vendors and unknown whether purchases were checked against required sources of supplies or services

B = Tax exemptions not enforced

C = Missing receipt for goods or services

D = Missing purchase receipt

E = Missing approving official review

F = Instances of an absence of separation of duties

---

## Appendix 6: Monetary Impact

Type of Transaction	No. of Transactions	Questioned Costs
Sales tax paid	19,767	\$338,212

---

## **Appendix 7: Response to Draft Report**

The Office of Acquisition and Property Management's response to our draft report follows on page 30.



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

**FEB 22 2019**

Memorandum

To: Mary L. Kendall  
Deputy Inspector General

From:   
Megan Olsen, Director  
Office of Acquisition and Property Management

Subject: Response to Draft Report – Internal Controls for the U.S. Department of the Interior’s Purchase Card Program Need Improvement (Report No. 2017-ER-015)

Thank you for providing us the opportunity to respond to the subject draft evaluation report. The report outlines several findings and communicates five recommendations. The Department of the Interior’s (DOI) response to each of the recommendations, including planned corrective actions, is outlined below. In the section after our responses and corrective action plans, we are also providing general comments on the draft report for your consideration.

**Recommendation 1.** The DOI and its bureaus enforce all governing requirements for supporting documentation and supervisory review of purchase card transactions and hold accountable supervisors who do not perform reviews in accordance with the DOI Integrated Charge Card Policy (ICCP).

**Response: Concur.** DOI will send a memo to cardholders to reiterate current policy guidance on documenting purchases with receipts, and supervisory review requirements.

Target Date: June 28, 2019

Responsible Official: Megan Olsen

**Recommendation 2.** The DOI and its bureaus train staff on the ICCP manual’s requirement for separation of duties.

**Response: Concur.** DOI will send a memo to cardholders to reiterate current policy guidance related to separation of duties in the charge card program.

Target Date: June 28, 2019

Responsible Official: Megan Olsen

**Recommendation 3.** The DOI establish criteria for requiring cardholders to document a justification for use of non-required sources and third-party vendors for approval by AOs.

**Response: Partially Concur.** DOI will send a memo to cardholders to communicate best practices for use of PayPal and other similar online payment tools, and regarding procedures for account management with Amazon and other similar online marketplaces.

DOI does not concur that purchases from third-party vendors are automatically a violation of FAR 8.002, *Priorities for Use of Mandatory Government Sources*. In addition, DOI does not believe that the benefits of requiring documentation of cardholder efforts to comply with required sources of supply for all purchases would be of best value to the Department.

Target Date: June 28, 2019

Responsible Official: Megan Olsen

**Recommendation 4.** The DOI establish internal controls to identify cardholder accounts with invalid or improper purchase limits and to assign limits as designated in applicable policy and guidance.

**Response: Concur.** DOI will issue updated policy guidance to restrict all cardholder limits, including warranted Contracting Officers, to the Simplified Acquisition Threshold. In addition, DOI will send a memo to cardholders to reiterate current policy guidance related to this area.

Target Date: June 28, 2019

Responsible Official: Megan Olsen

**Recommendation 5.** The DOI establish and implement a policy for the payment of sales tax. This should include a requirement for documenting attempts to recover any State and local taxes paid.

**Response: Partially Concur.** DOI will send a memo to cardholders to reiterate current policy guidance related to sales tax.

DOI does not concur with the need to establish additional policy related to sales tax, as current policy guidance exists on this topic. In addition, DOI does not believe that the benefits of requiring documentation of cardholder efforts to remove sales tax would be of best value to DOI.

Target Date: June 28, 2019

Responsible Official: Megan Olsen

## **General Comments on the Draft Report**

1. DOI does not require the use of a requisition prior to purchase card or convenience check transactions. Therefore, we request that the Office of Inspector General (OIG) consider revising language in the section titled “Required Documentation and Reviews / Approvals Were Missing,” and throughout the report, to reflect the fact that since requisitions are not required, their absence does not constitute an anomaly or finding.
2. DOI concurs that there are best practices that should be employed when purchasing from online marketplaces, and when using third-party payment vendors, and that the Department should issue guidance to communicate and promote these best practices. However, DOI does not concur that these purchases are automatically a violation of Federal Acquisition Regulation (FAR) 8.002, *Priorities for Use of Mandatory Government Sources*. The FAR outlines a priority of mandatory sources for both supplies and services. Some of these apply only to certain types of supplies and services, or only in certain circumstances. For example, if a particular item is not available in agency surplus, then agencies move to the next priority. The fact that a purchase was made through Amazon or PayPal, rather than from a required source of supply, is not in itself evidence of a violation. Therefore, we request that OIG consider revising the section titled “Purchases Made Through Third-Party Vendors Were Not Justified,” and throughout the report, to clarify that purchases from third-party vendors are not automatically violations of required sources of supply.
3. As stated previously, DOI concurs with the benefits of providing card holders with additional guidance on purchasing from third-party vendors. However, DOI does not believe that the benefits of requiring documentation of cardholder efforts to comply with required sources of supply for all purchases would be of best value to the Department.
4. DOI concurs that there is benefit to providing additional information to cardholders regarding payment of sales tax. However, DOI does not believe that the benefits of requiring documentation of cardholder efforts to remove sales tax would be of best value to the Department.

## **Bureau of Reclamation Comments on the Draft Report**

The Office of Inspector General (OIG) provided a memorandum, dated December 4, 2018, to the Director of the Office of Acquisition and Property Management, transmitting the draft results of the audit of purchase card transactions and governing internal controls at the U.S. Department of the Interior. The Bureaus were not afforded the opportunity to discuss the findings with the OIG prior to receiving the draft report. There was no discussion or interviews conducted to determine the accuracy of the findings.

There was a total of 11 transactions reviewed for Reclamation during the review period, which covered the first 6 months of Fiscal Year 2017. The draft report results noted 16 deficiencies out of the 11 transactions. The OIG sampled a total of 100 transactions Department-wide and recorded a total of 150 deficiencies. Reclamation’s number of deficiencies account for 11% of

the total deficiencies. Below are the individual findings for the Bureau as well as Reclamation's response to each finding:

- 1. Purchases made without justification for not using required sources of supplies or services:** The draft report indicated Reclamation had 7 transactions for this finding. The draft report references FAR Part 8 stating that purchasers are required to acquire supplies and services from pre-established sources whenever possible. The report recommends that: *The DOI establish criteria for requiring cardholders to document a justification for use of non-required sources and third-party vendors for approval by AOs.* The required sources of supply in FAR Part 8, in order of priority, include warehouse inventory, excess from agency inventory, Federal Prison Industries, Supplies provided by the Committee for the Purchase from People Who Are Blind or Severely Disabled, and Wholesale supply sources. The single required source for services is services provided by the Committee for Purchase from People Who are Blind or Severely Disabled. If cardholders are unable to satisfy requirements from these sources, the FAR then *encourages* cardholders to explore other non-open market sources such as GSA Advantage. Reclamation is willing to consider requiring cardholders to document that they have already considered the required sources; however, Reclamation disagrees with requiring AO approval prior to proceeding with other sources, including third-party vendors, as it would cause unnecessary delay in receiving needed supplies and services. Additionally, although not DOI policy, Reclamation does provide additional information to cardholders when satisfying a requirement from a third-party vendor. Specifically, the Index of Transactions states the following:

*Permitted with limitations. Paypal and other third-party payment merchants may be used only when no other vendor can meet the government's requirement and the vendor does not accept charge card. PayPal is most likely to have a "sending limit", a maximum amount of money one person can send before needing to become "verified". Once a cardholder reaches a sending limit, they can no longer use PayPal since the government diversion account cannot be linked to a PayPal account. Please note, when using PayPal, cardholders must properly annotate the description of the purchase on their statement since the transaction will appear as "PayPal".*

- 2. Tax Exemptions not enforced:** The draft report indicated Reclamation had 1 transaction for this finding. Reclamation is aware of this one finding as it was discovered prior to submitting the sample to the OIG. Cardholder [REDACTED] of the [REDACTED] office made a transaction to Amazon in the amount of \$59.47. The total amount of sales tax paid was \$2.34. The report recommends that: *The DOI establish and implement a policy for the payment of sales tax. This should include a requirement for documenting attempts to recover any State and local taxes paid.* Currently, Bureau purchase card policy does require documentation of attempts of tax removal. Specifically, the Purchase Review Checklist includes the following: *If sales tax was charged, was there evidence of a good-faith attempt to have it removed.*
- 3. Missing Requisition Request:** The draft report indicated Reclamation had 4 transactions for this finding. The Department does not require prior approval documentation such as a

Requisition Request for micro-purchases, and therefore this should not be a finding on the report, but rather a recommendation.

4. **Missing Receipt for goods or services:** The draft report indicated Reclamation had 3 transactions for this finding. Reclamation is interested in knowing which of the transactions had missing receipts, since the preliminary review identified only one transaction with a missing receipt. Similar to item #3, this finding was not specifically addressed in the report but was included in the umbrella finding of “Required Documentation and Reviews/Approvals Were Missing.” The report recommends that: *The DOI and its bureaus enforce all governing requirements for supporting documentation and supervisory review of purchase card transactions and hold accountable supervisors who do not perform reviews in accordance with the ICCP policy.* Not providing adequate documentation to support a transaction is identified in Reclamation’s purchase card policy’s Table of Consequences. Specifically, it states *“Purchase transaction not recorded on the Google Site within 7 days of transaction date and/or missing adequate documentation”*.
  
5. **Instances of an absence of separation of duties:** The draft report indicated Reclamation had 1 transaction for this finding. The only detail regarding this finding is the following statement on page 7: “Specifically, 10 cardholders across three bureaus requested purchases and then paid for them.” It is unclear how this is a violation of a separation of duties. An inherent procedure of the charge card process is first seeking approval from an approving official and then the charge cardholder making the purchase. The report recommends that: *The DOI and its bureaus train staff on the ICCP policy manual’s requirement for the separation of duties.* Until more detail is provided regarding Reclamation’s infraction, we will not be able to address the issue.

## Transaction Findings, by Bureau

Bureau	Sample Size	Finding							Total Deficiencies
		A	B	C	D	E	F	G	
BIA	2	0	0	0	0	0	0	0	0
BIE	3	1	0	0	1	0	0	1	3
BLM	11	10	0	9	5	1	5	0	30
BOEM	1	0	0	1	0	0	0	0	1
BOR	11	7	1	4	3	0	0	1	16
BSEE	0	0	0	0	0	0	0	0	0
FWS	21	17	0	2	3	0	0	8	30
NPS	22	10	2	10	5	1	1	0	29
OSMRE	1	1	0	1	1	0	0	0	3
OS	0	0	0	0	0	0	0	0	0
OST	1	0	0	0	0	0	0	0	0
USGS	27	19	1	14	4	0	0	0	38
<b>Total</b>	<b>100</b>	<b>65</b>	<b>4</b>	<b>41</b>	<b>22</b>	<b>2</b>	<b>6</b>	<b>10</b>	<b>150</b>

### Findings Key

A = Purchases made without justification for not using required sources of supplies or services

B = Tax exemptions not enforced

C = Missing requisition request

D = Missing receipt for goods or services

E = Missing purchase receipt

F = Missing approving official review

G = Instances of an absence of separation of duties

If you have questions or require additional information, please contact me at [REDACTED] or [REDACTED]@ios.doi.gov.

cc: Director, Office of Financial Management  
Attention: Chief, Division of Internal Control and Audit Follow-up

---

## Appendix 8: Status of Recommendations

Recommendations	Status	Action Required
1 – 3, 5	We consider the recommendations unresolved.	We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget for resolution and implementation tracking.
4	We consider the recommendation resolved but not implemented.	We will refer the recommendation to the Assistant Secretary for Policy, Management and Budget for implementation tracking.

# Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



---

**By Internet:**      [www.doioig.gov](http://www.doioig.gov)

**By Phone:**      24-Hour Toll Free:              800-424-5081  
                                 Washington Metro Area:      202-208-5300

**By Fax:**              703-487-5402

**By Mail:**              U.S. Department of the Interior  
                                 Office of Inspector General  
                                 Mail Stop 4428 MIB  
                                 1849 C Street, NW.  
                                 Washington, DC 20240