



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

Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2022



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JAN 31 2023

Shalanda Young, Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Subject: *Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2022*
Report No. 2023–FIN–006

Dear Ms. Young:

This letter provides the status of progress made by the U.S. Department of the Interior (DOI) in implementing previous Government charge card recommendations as of the end of fiscal year (FY) 2022 as well as information about other DOI-related charge card activities and Office of Inspector General (OIG) reviews.

The Government Charge Card Abuse Prevention Act of 2012 (Pub. L. No. 112–194) requires all executive branch agencies to establish and maintain safeguards and internal controls for purchase, travel, and centrally billed accounts. The act is intended to reinforce efforts to prevent fraud, waste, and mismanagement of Governmentwide charge card programs. In addition, the act requires agency OIGs to conduct periodic risk assessments of agency purchase card or convenience check programs to analyze the risk of illegal, improper, or erroneous purchases and payments. We use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews that we will perform related to these programs.

As a result of our risk assessments, our office initiated two charge card inspections in FY 2021 with the objective of determining whether Coronavirus Aid, Relief, and Economic Security Act (CARES Act) charge card transactions were mission related, fulfilled, allocable to the CARES Act, and properly supported in accordance with DOI and bureau policy. We completed these two inspections and issued final reports in FY 2022. The status of the recommendations for both reports as of September 30, 2022, is as follows (see the attachment for a complete list of the recommendations and their status):

- We issued *Fulfillment of Purchase Card Orders* (2021–FIN–022) on January 19, 2022. In the report, we made nine recommendations, seven of which have been resolved and implemented. One recommendation with a February 28, 2023 target date for implementation remains resolved but not implemented, and one recommendation remains unresolved.
- We issued *Pandemic Purchase Card Use* (2020–FIN–073) on October 22, 2021. In the report, we made 10 recommendations, five of which have been resolved and implemented. Five recommendations remain resolved but not implemented, one of which had an

October 14, 2022 target implementation date and three of which had a December 31, 2022 target implementation date.¹

As of September 30, 2022, our office had only one charge card-related project that remained ongoing. Our contract evaluation of Alcatraz Island Services, LLC (2021–FIN–033) includes the review of the allocability of Government purchase card transactions related to the Alcatraz Island Services contracts with the National Park Service. Because this evaluation was not completed as of September 30, 2022, we will include any recommendations related to this evaluation in our subsequent reporting for FY 2023.

Public Law No. 112–194 requires us to report on the DOI’s progress in implementing our audit recommendations related to Government charge cards. In addition to the two inspection reports issued in FY 2022 mentioned earlier in this report, we also reviewed the status of the outstanding recommendations included in our reporting last fiscal year as follows:

- We issued *The U.S. Department of the Interior Needs To Strengthen Charge Card Internal Controls When Using Disaster Relief Funds* (2020–FIN–002) on March 30, 2021. In the report, we made eight recommendations, seven of which have been resolved and implemented. As of the end of FY 2022, one recommendation with an August 1, 2023 target implementation date is resolved but not implemented.
- We issued *The U.S. Department of the Interior Needs To Improve Internal Controls Over the Purchase Card Program* (2018–FIN–059) on November 13, 2019. In the report, we made five recommendations, four of which have been resolved and implemented. As of the end of FY 2022, one recommendation with a February 1, 2024 target implementation date is resolved but not implemented.

If you have any questions about this progress report or require further information, please contact me at 202–208–5745.

Sincerely,



Kathleen Sedney
Assistant Inspector General for Audits,
Inspections, and Evaluations

cc: Kenneth R. Casey, Charge Card Program Manager, Office of Acquisition and Property Management, DOI
Megan Olsen, Director, Office of Acquisition and Property Management, DOI

Attachment

¹ Although the target implementation dates for these four recommendations have passed, we will continue to consider them resolved but not implemented until the DOI provides additional information on their implementation. In addition, we found that one other recommendation (Recommendation 6) was not included in the DOI’s recommendation tracking system as of September 30, 2022. We brought this information to the DOI’s attention to allow proper tracking moving forward.

Attachment: Status of Government Charge Card Recommendations

Fulfillment of Purchase Card Orders (2021-FIN-022)
Report Date: January 19, 2022

| Recommendations* | Status |
|---|-------------------------------------|
| We recommend that the U.S. Department of the Interior (DOI): | |
| 1. Develop and implement stronger internal controls to ensure supporting documentation includes information for receipt of purchased goods and services and provide guidance for how long the records will be maintained in accordance with retention policies. | Resolved and implemented |
| We recommend that the Bureau of Indian Affairs (BIA): | |
| 2. Resolve the \$66,731 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Resolved and implemented |
| We recommend that the National Park Service (NPS): | |
| 3. Resolve the \$41,471 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Resolved but not implemented |
| We recommend that the U.S. Bureau of Reclamation (BOR): | |
| 4. Resolve the \$17,508 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Resolved and implemented |
| We recommend that the U.S. Geological Survey (USGS): | |
| 5. Resolve the \$11,167 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Resolved and implemented |
| We recommend that the Office of Surface Mining Reclamation and Enforcement: | |
| 6. Resolve the \$6,520 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Resolved and implemented |
| We recommend that the U.S. Fish and Wildlife Service (FWS): | |
| 7. Resolve the \$4,617 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Resolved and implemented |
| We recommend that the Bureau of Land Management (BLM): | |
| 8. Resolve the \$4,543 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Unresolved |
| We recommend that the Bureau of Safety and Environmental Enforcement and Bureau of Ocean Energy Management: | |
| 9. Resolve the \$3,018 in questioned costs due to insufficient documentation supporting receipt of goods and services. | Resolved and implemented |

* Recommendations that are not implemented are shown in bold.

Pandemic Purchase Card Use (2020–FIN–073)
Report Date: October 22, 2021

| Recommendations* | Status |
|--|-------------------------------------|
| We recommend that the BIA: | |
| 1. Resolve the \$19,810 in questioned costs for items not received. | Resolved and implemented |
| We recommend that the BLM: | |
| 2. Update its policy on purchase cards to require cardholders and approving officials to review transactions and attach supporting documents that can be used to identify what was purchased and from whom. | Resolved but not implemented |
| 3. Resolve the \$11,321 in questioned costs due to insufficient documentation. | |
| 4. Reallocate the transaction, totaling \$5,410, to the correct funding source. | |
| We recommend that the NPS: | |
| 5. Reallocate the 10 transactions, totaling \$18,015, to the correct funding source. | Resolved and implemented |
| We recommend that the BIA: | |
| 6. Reallocate the 13 transactions, totaling \$826, to the correct funding source. | Resolved but not implemented |
| We recommend that the FWS: | |
| 7. Reallocate the four transactions, totaling \$832, to the correct funding source. | Resolved and implemented |
| We recommend that the NPS: | |
| 8. Review transactions using CARES Act [Coronavirus Aid, Relief, and Economic Security Act] funds and verify that those purchases were only for PPE [personal protective equipment] or cleaning supplies as permitted by the operational plan. | Resolved and implemented |
| 9. Reallocate the one transaction, totaling \$5,870 to the correct funding source. | |
| We recommend that the DOI: | |
| 10. Develop and implement a process that includes accountability measures to ensure that existing policies establishing internal controls for purchase card reviews are followed. | Resolved but not implemented |

* Recommendations that are not implemented are shown in bold.

**The U.S. Department of the Interior Needs To Strengthen Charge Card Internal Controls When
Using Disaster Relief Funds (2020-FIN-002)
Report Date: March 30, 2021**

| Recommendations* | Status |
|--|-------------------------------------|
| We recommend that the DOI and its bureaus: | |
| 1. Develop internal controls that ensure the supporting documentation includes information that identifies what was purchased, for whom, and for what purpose. | Resolved and implemented |
| 2. Establish policies and procedures providing guidance on how to pay for allowable evacuation costs when employees do not have a Government charge card. | Resolved but not implemented |
| We recommend that the BOR: | |
| 3. Resolve the \$279 in questioned costs due to insufficient documentation. | Resolved and implemented |
| We recommend that the FWS: | |
| 4. Resolve the \$20,640 in questioned costs due to missing documentation. | Resolved and implemented |
| 5. Resolve the \$1,309 in questioned costs of purchases not associated with disaster relief. | |
| We recommend that the NPS: | |
| 6. Resolve the \$30,143 in questioned costs due to missing or insufficient documentation. | Resolved and implemented |
| 7. Resolve the \$29,291 in questioned costs of purchases not associated with disaster relief. | |
| We recommend that the USGS: | |
| 8. Resolve the \$1,503 in questioned costs of purchases not associated with disaster relief. | Resolved and implemented |

* Recommendations that are not implemented are shown in bold.

**The U.S. Department of the Interior Needs To Improve Internal Controls
Over the Purchase Card Program (2018-FIN-059)
Report Date: November 13, 2019**

| Recommendations* | Status |
|--|-------------------------------------|
| We recommend that the DOI and its bureaus: | |
| 1. Develop internal controls and increase accountability actions so that cardholders and approving officials review transactions and attach supporting documents that can be used to identify what was purchased, for whom, and why. | Resolved and implemented |
| 2. Hold the individuals accountable who do not perform reviews in accordance with policy. | Resolved and implemented |
| 3. Work with the vendor bank to develop an online review and approval system for cardholders and approving officials and develop policies and procedures that require cardholders and approving officials to use the bank's online system to review and approve transactions. | Resolved but not implemented |
| 4. Develop internal controls to ensure that cardholders and approving officials are taking and documenting completion of the required annual purchase card training. | Resolved and implemented |
| 5. Develop internal controls to ensure that only warranted contracting officers make purchases above the micropurchase threshold. | Resolved and implemented |

* Recommendations that are not implemented are shown in bold.



REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

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Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

How Does it Help?

Every day, DOI employees and non-employees alike contact the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the DOI, its employees, and the public.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Section 7(b) of the Inspector General Act of 1978 states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.