



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

# **OPPORTUNITY TO IMPROVE CHARGE CARD TRANSACTION REVIEW AND BILLING PRACTICES**



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Memorandum

NOV 05 2019

To: Susan Combs  
Assistant Secretary for Policy, Management and Budget

From: Mark L. Greenblatt   
Inspector General

Subject: Management Advisory – Opportunity To Improve Charge Card Transaction  
Review and Billing Practices  
Case No. OI-CA-18-1034-I

We recently concluded an investigation substantiating allegations that a former U.S. Geological Survey (USGS) information technology specialist charged more than \$14,000 in unauthorized personal transactions on a U.S. Government charge/travel card (GTC).<sup>1</sup> Our investigative report provides the details of the former employee's misconduct.

During our investigation, we learned of an effective charge card review practice at the USGS that mitigated unauthorized GTC transactions. We also learned that training could help charge card reviewers throughout the U.S. Department of the Interior (DOI) detect and prevent GTC misuse. In addition, we found that the USGS issues bills for collection via email, which makes it difficult for the Government to hold employees accountable for unresolved debts. This management advisory offers recommendations for implementing the charge card review practice across the DOI, training charge card reviewers on fraud indicators, and addressing the practice of issuing bills for collection via email.

The USGS uses budgeting software to help identify unauthorized transactions in real time, whereas other DOI bureaus generally rely on approving officials' review of monthly GTC statements, which the credit card provider mails directly to cardholders. The disadvantages of relying on the review of monthly GTC statements are that questionable transactions could go unidentified for more than 30 days and that it assumes cardholders will provide their monthly statements to their manager for review. The USGS' use of budgeting software to review GTC transactions in real time prevented the former employee from our investigation from making additional unauthorized charges.

Although the USGS is using real-time GTC transaction review capabilities, we understand that other components in the Department are not employing such processes to prevent and detect unauthorized or questionable transactions. Such prevention and detection processes

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<sup>1</sup> The former employee charged most of the transactions within 10 days and then resigned immediately following an inquiry from his supervisor, allowing the employee to obtain a voluntary resignation personnel action code and avoid wage garnishment for all outstanding debts.

are increasingly necessary in light of recent changes to the GTC processes and systems. In May 2018, the DOI charge card transaction thresholds were increased to \$10,000 and in November 2018, the DOI transitioned charge card providers from JPMorgan Chase Bank to Citibank. The DOI subsequently lost access to JPMorgan's transaction review system and managers became dependent on mailed monthly statements to detect GTC misuse. These changes, coupled with the fact that DOI bureaus do not evaluate the creditworthiness of their employees before issuing charge cards, justifies the need for real-time monitoring to detect and deter fraud.

While we recognize that the DOI intended to use Visa's Intellilink program to actively monitor GTC transactions after its transition to Citibank, the DOI's lead agency program coordinator for the Charge Card Program advised us that Intellilink's implementation was delayed and the program is not yet available for use. In addition, the program coordinator informed us that Intellilink would not be available to first-line supervisors and approving officials. Without the capability for real-time transaction monitoring at all levels of review, GTC misuse, fraud, and theft could go undetected.

During the investigation mentioned above, as well as prior inquiries, first-line supervisors and approving officials told us that they did not have the training to identify fraud schemes and indicators of abuse and were not aware of all the resources to combat misuse available to them. While the USGS was able to prevent its former employee from making additional charges through the use of budgeting software, it could have identified the misuse up to 21 days earlier (when the initial charge card misuse occurred) if charge card reviewers had received training on fraud indicators and available resources.

We also learned during our investigation that the USGS had begun sending bills for collection to its employees and contractors via email instead of certified or registered mail. Issuing bills for collection via email makes it difficult for the Government to verify that the collection notice was received by its intended recipient, which is vital for (1) holding debtors accountable, and (2) establishing the debtor's intent to reconcile the unresolved debts.

To ensure improvements are made to the DOI's oversight of its charge card transactions and billing practices, we recommend that the DOI:

1. Establish real-time monitoring for GTC transactions and make monitoring available to all levels of reviewers.
2. Train all charge card reviewers on fraud indicators, reporting requirements, and the available resources to combat misuse (e.g., garnishment, appropriate resignation coding, suspension, collection options, and remedies under the Program Fraud Civil Remedies Act).
3. Ensure bills for collection are sent via certified or registered mail with a signature requirement to confirm delivery.

Please provide us with a written response to this memorandum within 90 days describing the actions you have taken, or plan to take, to address the issues and our recommendations. You may either email your response to [doioigreferrals@doioig.gov](mailto:doioigreferrals@doioig.gov), or mail it to:

Office of Inspector General  
U.S. Department of the Interior  
381 Elden Street, Suite 3000  
Herndon, VA 20170

In accordance with the IG Empowerment Act of 2016, we intend to publish this memorandum on our website, in redacted form, no later than 3 days from the date we issue it to you. Within the next 10 business days, a representative from our Office of Investigations will contact you, or your designee, to discuss the memo and the status of your response. If you have questions or need further information concerning this matter, please contact me at 202-208-5745.

cc: Megan Olsen, Director, Office of Acquisition and Property Management  
James Reilly, Director, U.S. Geological Survey  
Kevin Goins, Lead Agency Program Coordinator for the Charge Card Program,  
Office of the Secretary

