



**U.S. Office of Personnel Management
Office of the Inspector General
Office of Audits**

Final Audit Report

**Audit of the U.S. Office of Personnel Management's
Travel Charge Card Program**

**Report Number 2022-IAG-0016
April 18, 2023**

Executive Summary

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Why Did We Conduct the Audit?

The objectives of our audit were to determine whether the U.S. Office of Personnel Management's (OPM) internal controls for its Travel Charge Card Program were effectively developed and implemented to prevent and detect travel charge card fraud, misuse, and abuse by program participants; ensure OPM's Individually Billed Account (IBA) and Centrally Billed Account (CBA) travel charge card transactions were properly authorized/approved, adequately documented, monitored, reported, and for legitimate business purposes; and determine if all program participants, including cardholders, charge card managers, Agency/Organization Program Coordinators, and Approving Officials were trained in travel charge card management.

What Did We Audit?

The Office of the Inspector General has completed a performance audit of OPM's Travel Charge Card Program. Our audit fieldwork was conducted virtually from May 26 through September 21, 2022.



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What Did We Find?

We determined that the Office of the Chief Financial Officer (OCFO) needs to strengthen their internal controls over OPM's Travel Charge Card Program. Our audit identified the following areas requiring improvement. The OCFO:

1. lacks clear, concise, and accurate policies and procedures governing their Travel Charge Card Program;
2. does not track separated employees or card cancellations and does not utilize Citibank's¹ reports to conduct periodic reviews;
3. was unable to provide support to confirm completion of training for 40 IBA cardholders, all 19 CBA cardholders, all 20 Approving Officials, all 22 Agency/Organization Program Coordinators, and the Agency Program Coordinator;
4. did not ensure that all 49 sampled IBA travel charge card transactions, totaling \$19,169, and all 16 sampled CBA transactions, totaling \$81,176, were approved by the proper officials, and adequately documented; and
5. does not have controls in place to prevent the IBA travel charge cardholders from withdrawing more cash advances than allowed. We found 117 out of 1,152 cash advances were over the \$300 per transaction limit, accounting for an overage in allowable Automated Teller Machine cash advances of \$7,597.

¹ Citibank is the card issuing bank selected by the Travel Card Program Office.

Abbreviations

AO	Approving Official
A/OPC	Agency/Organization Program Coordinator
APC	Agency Program Coordinator
ATM	Automated Teller Machine
BSO	Business Services and Operations
CBA	Centrally Billed Account
CCMP	Charge Card Management Plan
E2	Carlson Wagonlit's E2 Solutions Travel System
FICO	Fair Isaac and Company
FMM	Financial Management Manual
FY	Fiscal Year
GSA	U.S. General Services Administration
IBA	Individually Billed Account
LMS	Learning Management System
OCFO	Office of the Chief Financial Officer
OIG	Office of the Inspector General
OMB	U.S. Office of Management and Budget
OPC	Organizational Program Coordinator
OPM	U.S. Office of Personnel Management

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Report Fraud, Waste, and Mismanagement

I. Background

This final audit report details the findings, conclusions, and recommendations resulting from our performance audit of the U.S. Office of Personnel Management's (OPM) Travel Charge Card Program. The audit was performed by OPM's Office of the Inspector General (OIG), as authorized by the Inspector General Act of 1978, as amended.

The Travel and Transportation Reform Act of 1998 (Public Law 105-264) requires Government employees to use the Government travel charge card for travel expenses when on official business. The purpose of the Travel and Transportation Reform Act is to reduce the overall administrative costs of travel for the Federal Government and take advantage of rebates offered by card-issuing banks under the U.S. General Services Administration (GSA) SmartPay program². OPM selected Citibank as its card-issuing bank.

In accordance with the Travel and Transportation Reform Act, the GSA issued the Federal Travel Regulation, which sets forth policies and procedures governing the use of Government travel charge cards and restricts usage to official travel expenses only.

OPM's Travel Charge Card Program is administered by the Office of the Chief Financial Officer's (OCFO) Business Services and Operations (BSO) group. The OCFO is responsible for issuing internal travel policy guidance and processing procedures. OPM's Travel Charge Card Program is regulated by the *Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194)* and the *U.S. Office of Management and Budget (OMB) Circular A-123 Appendix B, A Risk Management Framework for Government Charge Card Programs*. These regulations define agency reporting requirements, as well as deadlines, and require the implementation of appropriate internal controls to deter fraud, misuse, and abuse within the Travel Charge Card Program. The *OMB Memorandum M-13-21* directs agencies to use a *Compliance Summary Matrix* to help ensure required safeguards and internal controls are in place for the Travel Charge Card Program. The matrix details the internal control requirements stated in *P.L. 112-194*.

The BSO group utilizes *OPM's Charge Card Management Plan (CCMP)* and the *Financial Management Manual (FMM)*, Chapter 17, as the two documents that provide travel policy guidance for OPM employees who travel on official Government business. Effective February 2021, the *COVID-19 Safe Federal Workplace Plan (Plan)* was implemented by OPM's Facilities, Security, and Emergency Management group in accordance with the OMB and the Centers for Disease Control guidance. The Plan states that only mission-critical travel is allowable for OPM employees during the COVID-19 pandemic. However, OPM is currently updating their Plan to no longer restrict official travel to only mission-critical needs.

The BSO group serves as the intermediary between the cardholder, Citibank, and OPM. The BSO group is also responsible for administering and managing OPM's Travel Charge Card

² GSA SmartPay program is the name of the Federal Government's purchase, travel, and fleet charge card program. Each Federal agency issues a task order to one of the three card-issuing banks (Citibank, JPMorgan Chase, and U.S. Bank) contracted with the Federal Government to provide purchase, travel, and fleet card services.

Program and providing oversight and administration assistance for the Travel Charge Card Program throughout OPM at the agency level, as follows:

BSO Group Chief: Oversees the BSO group and Travel Charge Card Program, fulfills OPM reporting requirements, and maintains OPM's Government travel charge card policy.

Agency Program Coordinator (APC)/Travel Charge Card Coordinator: Responsible for the day-to-day activities relating to Government travel charge cards, including processing travel charge card applications, tracking usage and delinquencies, and providing travel charge cardholder support. The Travel Charge Card Coordinator can raise and lower credit limits based on the travel charge cardholder's specific travel needs.

BSO Travel Operations Coordinator: Oversees Carlson Wagonlit's E2 Solutions Travel System (E2)³.

Numerous OPM program offices and individuals are also involved in the Travel Charge Card Program at the program level, including:

Organizational Program Coordinator (OPC): An individual within an OPM program office responsible for the overall management and oversight of the accounts under their span of control.

Approving Official (AO): The individual, typically a supervisor, responsible for approving the cardholder's travel authorization and the voucher.

Travel Charge Cardholder: The individual who is issued and authorized to receive a charge card. OPM's Travel Charge Card Program has the following travel charge cardholder accounts:

- **Individually Billed Account (IBA):** A charge card account established by Citibank at the request of the APC for the individual traveler to pay for official travel and travel related expenses. OPM reimburses employees for authorized expenses related to official Government travel. The employee is responsible for making payment to Citibank.
- **Centrally Billed Account (CBA):** A charge card account established to pay for official travel expenses that is paid by the program office to which the account is assigned. The CBAs are paid daily by OPM programs to Citibank directly.

³ E2 is a comprehensive electronic travel service employees use to plan, book, track, approve, and request reimbursement for official Government travel. OPM makes E2 available to agency employees and requires them to use the system to initiate authorizations prior to embarking on travel and to request reimbursement for expenses upon their return.

An IBA is used by OPM employees to make purchases for official travel. Prior to travel, an employee submits a travel authorization request within the E2 system to have the trip and related expenses approved. Once an authorization is approved, a voucher is created in E2 documenting the travel information. Upon return from travel, the employee finalizes and submits the voucher, including uploading receipts for all purchases made above \$75. The AO reviews the voucher and if all information is accurate, approves the voucher. If approved, OPM disburses the voucher amount for payment of the travel charge card to the employee, unless the employee opted for the payment to be paid directly to Citibank. Once the disbursement occurs, vouchers are considered closed and can be accessed via the *Closed Voucher Report* in E2, unless it is a partial voucher which allows for partial payment and the voucher remains open until all expenses are claimed. The authorization and voucher process discussed for the IBAs is the same process used for the CBAs.

OPM's CCMP states that travel charge card accounts should be reviewed at the end of the monthly reporting cycle. Managers and supervisors are responsible for regularly reviewing travel charge card account usage. The Travel Charge Card Coordinator is responsible for tracking and monitoring the IBA and the CBA transactions to include the Automated Teller Machine (ATM) withdrawals, as well as credit and cash advance limits outlined in OPM's CCMP. When an employee travels, they can only use their travel charge card at pre-approved merchants, unless otherwise authorized by OPM. Pre-approved merchants are listed within the Merchant Category Code⁴ listing provided by Citibank. The Travel Charge Card Coordinator utilizes the following reports generated from Citibank's CitiManager Transaction Management System:

- Active Cardholder Report: Shows active IBAs and CBAs and associated credit limits.
- Travel Charge Card Transaction Report: Shows account activity for both IBAs and CBAs for a specified time. Retrieved by the Travel Charge Card Coordinator at the request of management to determine if transactions are legitimate.
- ATM Report: Captures ATM activity for all active Government travel charge cards.
- Delinquency Reports: Shows cardholders who are 30-, 60-, and 90-days delinquent on payments due. The Travel Charge Card Coordinator notifies cardholders via email at each interval. If the card is not paid off within 30 days, the Travel Charge Card Coordinator will notify the cardholder that the account is in pre-suspension. If the balance is paid off during the suspension period, Citibank will reopen the card. Travel

⁴ Merchant Category Codes are four-digit codes used to identify the type of business a merchant conducts (e.g., gas stations, restaurants, airlines). The code controls where purchases are allowed and may determine if the item is centrally or individually billed.

charge cards are suspended after 60 days and cut off completely if not paid within 90 days.

Additional reports used by the Travel Charge Card Coordinator include:

- Separation Report: Weekly report from OPM's Human Resources office listing employees who no longer work for OPM. The Travel Charge Card Coordinator should immediately cancel active travel charge cards if a separated employee is listed on the report.
- Closed Voucher Report: Shows all travel data within a selected range. This report is retrieved from the E2 system by the BSO group coordinator.

Previous Office of the Inspector General Reports

In fiscal year (FY) 2018, the OIG completed an audit of *OPM's Travel Card Program* and issued Report Number 4A-CF-00-15-049 on January 16, 2018. The objective of that audit was to determine whether OPM's internal controls for travel charge cards were effectively developed and implemented to prevent and detect travel charge card fraud, misuse, and abuse by program participants. We determined that the OCFO needed to strengthen their controls over its travel card program and issued 21 recommendations, of which 16 remain open. The status for each recommendation is outlined in Appendix I.

II. Objectives, Scope, and Methodology

Objectives

The objectives of our audit were to:

- determine whether OPM’s internal controls for its Travel Charge Card Program were effectively developed and implemented to prevent and detect travel charge card fraud, misuse, and abuse by program participants;
- ensure OPM’s IBA and CBA travel charge card transactions were properly authorized/approved, adequately documented, monitored, reported, and for legitimate business purposes; and
- determine if all program participants, including cardholders, charge card managers, Agency/Organization Program Coordinators (A/OPC), and the AOs were trained in charge card management.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted Government auditing standards as established by the Comptroller General of the United States. 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 objectives.

The scope of our audit covered OPM’s Travel Charge Card Program’s policies and procedures and the IBA and the CBA account transactions from October 1, 2018, through September 30, 2021. We performed our audit fieldwork virtually from May 26 through September 21, 2022.

To accomplish the audit objectives noted above we:

- interviewed the BSO group personnel;
- reviewed relevant laws and regulations and other authorities that govern OPM’s Travel Charge Card Program;
- analyzed accounts of separated employees, Merchant Category Codes, and the ATM cash advances;
- analyzed reports for the accuracy of the number of active travel charge cardholders accounts;
- sampled and tested the IBA and the CBA transactions to ensure transactions were properly authorized, adequately documented, monitored, and for valid business purposes; and

- sampled and tested training records for the IBA and the CBA travel charge cardholders, the AOs, and the A/OPCs.

In planning our work and gaining an understanding of OPM’s Travel Charge Card Program, we considered, but did not rely on, the BSO group’s internal control structure to the extent necessary to develop our audit procedures. These procedures were analytical and substantive in nature. We gained an understanding of management procedures and controls to the extent necessary to achieve our audit objectives. The purpose of this audit was not to provide an opinion on internal controls, but merely to evaluate controls over OPM’s Travel Charge Card Program processes. Our audit included such tests and analysis of training and the IBA and the CBA transactions to include purchases, cash advances, and other procedures as we considered necessary under the circumstances.

In conducting our audit, we relied on varying degrees of the CitiManager Transaction Management System. We looked for obvious errors in accuracy and completeness within the reports, then we verified the data against supporting documentation within the E2 system. While utilizing the computer-generated data during our audit, nothing came to our attention to cause us to doubt its reliability. We believe that the data was sufficient to achieve our audit objectives. We did not evaluate the effectiveness of the general and application controls over computer-processed performance data.

We selected the following samples from our audit universes:

Audit Area	Audit Universe	Total Sample Size	Sample Selection Methodology
IBA Travel Charge Card Transactions	44,878	49	Using IDEA, we randomly selected 30 samples by stratifying the universe by fiscal year (FY19, FY20, FY21) and selecting 10 transactions per FY. Using Microsoft Excel, we also judgmentally selected 19 samples based on the merchant’s name.
CBA Travel Charge Card Transactions	2,995	16	Using IDEA, we randomly selected 15 samples by stratifying the universe by fiscal year (FY19, FY20, FY21) and selecting five transactions per FY. Using Microsoft Excel, we also judgmentally selected the largest transaction from FY21.

Audit Area	Audit Universe	Total Sample Size	Sample Selection Methodology
ATM Cash Advance Transactions	1,152	27	Using IDEA, we randomly selected 15 transactions by stratifying the universe by fiscal year (FY19, FY20, FY21) and selecting five transactions per FY. Using Microsoft Excel, we also judgmentally selected 12 samples - six transactions that exceeded the purchasers cash advance limit and six deemed non-ATM cash advance withdrawals.
Cardholder Training	941	40	Using Excel, from the 49 IBA sampled travel charge card transactions we selected all 40 cardholders associated with those transactions. Nine cardholders had multiple transactions.

The samples selected during our review were not statistically based. Consequently, the results from our samples were not projected to the populations.

III. Audit Findings and Recommendations

The OIG appreciates the OCFO’s cooperation with the audit team in providing requested information and their openness to implementing recommended improvements to operations. The sections below detail the results of our audit of OPM’s travel charge card program.

A. Non-Compliance with Travel Charge Card Regulations

Based on our review of OPM’s Travel Charge Card Program, we determined that the BSO group is non-compliant with the OMB Circular A-123 Appendix B and Memorandum M-13-21, as shown in the table below. Each area of non-compliance is addressed separately in our Audit Findings and Recommendation section of this report.

Travel Charge Card Reporting Requirements	
1	Maintain written policies and procedures for the appropriate use of charge cards in accordance with the requirements of the OMB Memorandum M-13-21 and the OMB Circular A-123, Appendix B.
2	Charge card managers should conduct internal charge card program reviews on a regular basis to ensure internal control mechanisms are adequate in accordance with the requirements of the OMB Circular A-123 Appendix B.
3	Charge card managers should perform periodic reviews of the number of charge card accounts in use for appropriateness of number as well as evaluating the span of control for Approving Officials in accordance with the requirements of the OMB Memorandum M-13-21 and the OMB Circular A-123, Appendix B.
4	Agencies must periodically evaluate the effectiveness of the controls put in place to mitigate the risks of payment delinquencies and charge card misuse in accordance with the requirements of the OMB Circular A-123, Appendix B.
5	Appropriate training is provided to each charge cardholder and Approving Official in accordance with the requirements of the OMB Circular A-123, Appendix B.
6	Agencies must periodically review and cancel charge cards of separated employees in accordance with the requirements of the OMB Circular A-123, Appendix B.

Source: Reporting Requirements as outlined in the *Compliance Summary Matrix* from the *Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194)*.

1. Outdated Policies and Procedures

The BSO group lacks clear, concise, and accurate policies and procedures governing OPM’s Travel Charge Card Program. Specifically, we found:

- The BSO group does not have written penalties to deter misuse of the Government charge cards.

The OCFO used outdated policies and procedures, dated May 5, 2006.

- The guidance regarding ATM and Cash Advance Limits in OPM’s Charge Card Management Plan contradicts Chapter 17 of OPM’s FMM.
- The roles and responsibilities section in the FMM Chapter 17 Travel Charge Card Policy are not accurate as some positions no longer exist. In addition, the APC and OPC’s roles and responsibilities overlap.
- The BSO group does not have concise, written procedures for their Compliance and Voucher Review processes for IBA or CBA travel charge cards.

The guidance available to OPM employees on OPM’s SharePoint site is the FMM’s Chapter 17 Travel Charge Card Policy dated May 5, 2006. No changes or updates have been made to the FMM’s Chapter 17 Travel Charge Card Policy since we issued our last travel card audit report in 2018; therefore, our prior findings and recommendations remain open.

In addition, we sent a questionnaire to the BSO group, in response to which they confirmed that they do not have policies in place to comply with the Government Charge Card Abuse Prevention Act of 2012, Public Law 1909.4(a)(2) and Public Law 1909.3(1)(C). The BSO group stated that they are working on updating policies and procedures; however, they have had delays due to the review process.

Public Law 112-194, requires that, “Each executive agency has specific policies regarding travel charge cards issued for various component organizations and categories of component organizations, the credit limits authorized for various categories of card holders, and categories of employees eligible to be issued travel charge cards, and designs those policies to minimize the financial risk to the Federal Government of the issuance of the travel charge cards and to ensure the integrity of travel charge card holders.”

OMB Circular A-123, Appendix B requires that “each agency must develop ... and maintain written policies and procedures for the appropriate use of charge cards consistent with the requirements of this Guidance.” The plan should be updated annually, or more frequently, if necessary to remain current.

OMB Memorandum 13-21 states, “Additional requirements of the Charge Card Act include augmentation of existing internal controls. At a minimum, all agency Charge Card Management Plans shall be reviewed and updated, as necessary, to ... deter employee misuse of Government cards, by implementing penalties for charge card violations that are jointly developed by agency charge card management and human resources components..... Because Government charge card program oversight involves multiple agency functions, successful implementation of the Charge Card Act will require collaboration across agency charge card and human capital components, and Inspectors General (IGs).”

The potential for fraud, waste, and abuse within OPM’s Travel Charge Card Program is increased due to the BSO group’s failure to issue a current, clear, and accurate set of policies

and procedures for OPM employees to follow. Furthermore, lack of consistency creates confusion among users and decreases the accountability between employees and their program managers.

Recommendation 1 (Rolled Forward from our 2018 Report⁵):

We recommend that the Office of the Chief Financial Officer ensure that all travel charge card policies and procedures, governing the Office of Personnel Management’s Travel Charge Card Program, are accurate and consistent with one another and contain all areas/requirements outlined by laws and regulations pertaining to OPM’s Government Travel Charge Card Program.

OCFO’s Response:

The OCFO concurs with the recommendation. “An update to the current OPM Travel Policy was drafted on January 31, 2022. That draft aligns with and contains all the agency-specific policy elements required by the Federal Travel Regulation, codified at 41 CFR.”

Recommendation 2 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer ensure that roles and responsibilities are clearly articulated to avoid ambiguity of delegated duties.

OCFO’s Response:

The OCFO concurs with the recommendation. “Roles and responsibilities have been clearly articulated in the draft update to OPM’s *Charge Card Management Plan*.”

OIG Comment:

The updated *Charge Card Management Plan* was provided to the OIG on February 9, 2023. We verified that the updated CCMP has been uploaded to OPM’s SharePoint portal; however, we will review the contents of the CCMP during the audit resolution process. This comment applies to all other responses referencing the CCMP.

Recommendation 3 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer collaborate with OPM’s Employee Services to formulate written penalties to deter misuse of OPM’s travel charge cards.

⁵ Audit of the U.S. Office Of Personnel Management's Travel Card Program, report number 4A-CF-00-15-049, issued January 16, 2018

OCFO's Response:

The OCFO concurs with the recommendation. “We have collaborated with OPM’s Employee Services and have updated section 4.10, Administrative and Disciplinary Actions for Charge Card Misuse, in the draft update to OPM’s *Charge Card Management Plan*.”

Recommendation 4:

We recommend that the Office of the Chief Financial Officer implement controls to ensure that their SharePoint site is immediately updated when a new version of the Travel Policy (e.g., Financial Management Manual) is released or updated.

OCFO's Response:

The OCFO concurs with the recommendation. “OCFO will now ensure the OPM Travel Policy ... will be posted directly to the SharePoint portal as soon as approved.”

Recommendation 5 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer develop written procedures for their Compliance Review and Voucher Review processes. At a minimum, procedures should include verifying and validating travel authorizations, receipts, and vouchers.

OCFO's Response:

The OCFO concurs with the recommendation. “The drafted *Charge Card Management Plan* update describes several compliance reviews. In particular, the plan stipulates that Voucher Review involve sampling trip documentation to verify and validate travel authorizations, receipts, and vouchers to ensure all documentation and approvals comply with the Federal Travel Regulation and OPM Travel Policy, that all required receipts are submitted, and travel vouchers reflect the intent of their respective travel authorizations or have proper and allowable justifications attached. All travel charge card program standing operating procedures, including those required to perform compliance reviews and voucher reviews, are in the process of revision and expansion.”

2. Periodic Reviews of Individually Billed Accounts

We reviewed OPM’s HR [Human Resources] Separation Report and Citibank’s IBA Active Account Listing, IBA Transaction Report, and Masterfile Cancellation Report to determine if the BSO group was monitoring and tracking cardholders to verify if inactive and separated employee accounts had been suspended.

We determined that the BSO does not:

- track or maintain an internal listing of IBA cardholders with active cards. We identified 407 IBA cardholders that made transactions per Citibank’s *IBA Transaction Report* from October 1, 2018, through September 30, 2021, but were not listed on Citibank’s *IBA Active Account Listing*. The BSO group solely relies on Citibank’s *IBA Active Account Listing* and does not have policies and procedures for tracking, reviewing, updating, or maintaining an internal listing of OPM’s IBA travel charge cardholders. The *U.S. Government Accountability Office’s Standards for Internal Control in the Federal Government, Principle 10 – Design Control Activities*, states that management should “design control activities in response to the entity’s objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management’s directives to achieve the entity’s objectives and address related risks.[and] clearly documents internal control ... in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.” Furthermore, *Principle 10* also states, “Management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities.” Therefore, it is important for BSO to track active IBA cardholders; periodically reconcile their listing with Citibank’s records; and follow-up on any discrepancies.
- track or maintain an internal listing of separated IBA cardholders or card cancelations. We determined that 352 of the 407 IBA cardholders, discussed in the prior bullet, were from the National Bureau of Investigations, whose employees all separated from OPM as of September 2019. After reviewing Citibank’s *Masterfile Cancellation Report*⁶, we determined that all 407 cards had been canceled. However, we could not tell if the cards were canceled in a timely manner because the dates that the cards were canceled were not shown in Citibank’s report.

In addition:

- We compared the OPM *Separation Report* from October 1, 2018, through September 30, 2021, to the Citibank *Master File Cancellation Report* from October 1, 2018, through July 16, 2022, to determine if all separated IBA cardholders’ travel cards were canceled upon separation from OPM. We determined that 25 IBA travel cardholders who appeared on the OPM *Separation Report* did not

⁶ BSO was unaware that Citibank has a cancellation report; therefore, BSO never utilized it and only provided the report in response to our audit request.

have their travel cards canceled per the Citibank *Master File Cancellation Report*. Details of our review were provided to the OCFO separate from this report and after we identified the 25 cardholders, the BSO group canceled the accounts. We also performed an analysis of the 25 cardholders' transactions, from October 1, 2018, through September 30, 2021, to determine if any transactions took place after the notated separation dates. We concluded that all transactions took place prior to separation.

- BSO did not perform periodic reviews to determine if all travel cardholders still have a need for travel cards and separated employees' cards have been canceled.

While we identified no unauthorized transactions during our testing, if the BSO group does not cancel cards immediately upon termination of employment, there is a risk of unauthorized individuals making travel charge card purchases.

The following criteria apply to these circumstances:

- *Revised Appendix B to OMB Circular A-123 Section 5.3.1* “requires agencies maintain statistical information for their own use and management of their Charge Card program, including the count of accounts, as defined by the GSA as the number of active accounts capable of executing a non-payment transaction at the point in time when the report is run.”
- *Public Law 112-194—OCT. 5, 2012, 126 STAT. 1445, Government Charge Card Abuse Prevention Act of 2012*, requires each executive agency to ensure “that the travel charge card of each employee who ceases to be employed by the agency is invalidated immediately upon termination of the employment of the employee”
- OPM's *FMM, Chapter 17- Travel Policy* states that employee participation in the Government Travel Charge Card Program will be terminated when the cardholder is no longer employed by OPM.
- *Public Law 112-194 - OCT. 5, 2012, 126 STAT. 1445, Government Charge Card Abuse Prevention Act of 2012*, states, “Periodic reviews [shall be] performed to determine whether each travel charge card holder has a need for the travel charge card.”
- OPM's *CCMP* states, “On an annual basis, employees' accounts are reviewed to identify employees who have not used the travel charge card for one year or more. Travel cards that have not been used for one year or more are deactivated.”
- OPM's *CCMP*, also states that “When a cardholder resigns, retires, or transfers to another Government agency, the cardholder must return the destroyed card to his/her

[Organization Program Coordinators]; or to the [Agency Program Coordinator] for cancellation.”

As a result of separated employees’ travel cards not being canceled immediately upon termination of employment, the opportunity for the cards to continue to be used, inappropriately, is increased. Additionally, as a result of the BSO group not performing and documenting the periodic reviews to identify travel charge cardholders that have not been used or no longer have a need for a travel charge card there is an increased potential for misuse, abuse, and fraud.

Recommendation 6:

We recommend that the Office of the Chief Financial Officer create policies and procedures for reviewing, tracking, and updating the status of all travel charge cardholders.

OCFO’s Response:

The OCFO concurs with the recommendation. “The drafted *Charge Card Management Plan* update outlines circumstances by which a travel cardholder’s status could change, such as application for new accounts, changing limits, temporarily deactivating cards due to delinquency or failure to complete training, and closing accounts due to separation. Moreover, the procedures necessary for properly requesting, changing, and logging such status changes are included. This plan also requires the BSO Group to maintain an Account Change Log which would document all changes to accounts, including account statuses and changes in limits. All travel charge card program standing operating procedures, including procedures for reviewing, tracking, and updating the status of all travel charge cardholders, are in the process of revision and expansion.”

Recommendation 7:

We recommend that the Office of the Chief Financial Officer maintain and update a listing of all the Office of Personnel Management’s travel charge cardholders on a regular basis, including but not limited to travel cardholders’ separation date and travel card cancellation date. In addition, the Business Services and Operations group should reconcile the Office of Personnel Management’s travel charge cardholder listings with Citibank’s records and Office of Personnel Management Human Resources’ separation reports. The Business Services and Operations group should follow up with Citibank and the Office of Personnel Management’s Human Resources on any discrepancies.

OCFO’s Response:

The OCFO concurs with the recommendation. “The Account Change Log referenced in response to Recommendation 8 [now Recommendation 6] is intended to serve as a

listing of all OPM’s travel charge cardholders. ... All travel charge card program standing operating procedures, including procedures for reconciling the Account Change Log with Citibank’s records and OPM HR’s separation reports, are in the process of revision and expansion.”

Recommendation 8 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer conduct a periodic analysis and review to ensure that travel charge cards are not used after the separation date.

OCFO’s Response:

The OCFO does not concur with the recommendation. “While OMB Circular A-123, Appendix B; Pub. L. [Public Law] 112-194, 126 Stat. 1445; OPM Travel Policy, and the current *Charge Card Management Plan* require an employee’s participation in the Government Travel Charge Card Program be terminated when the agency no longer employs that employee, there is no requirement that the agency should continue to certify that canceled cards are not used. We believe a focus on the timely cancelling travel charge cards after employee separation is more effective internal control since the risk of charge card use after cancellation is negligible, if not non-existent. ... The added requirement of an analysis to certify that travel charge cards are not used after the separation date would consume far more resources than would add value.”

OIG Comments:

Although there is no requirement that the agency certify that cards are not used after separation, we believe a periodic analysis/review would be beneficial. Since we have not verified implementation of the proposed procedures to timely cancel travel cards after employee separation and this is a recommendation that has been open since our 2018 report, an additional analysis may help to ensure that cards are not used after employees’ separation, but before cancellation of the travel cards.

Recommendation 9 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer implement internal controls to ensure that travel charge card accounts are immediately canceled upon separation of the cardholder’s employment.

OCFO’s Response:

The OCFO concurs with the recommendation. “The BSO Group will ensure that travel charge card accounts are canceled upon the cardholder’s appearance on an OPM HR separation report received by the BSO Group.”

Recommendation 10 (Rolled forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer identify cardholders that have not used their travel charge card for one year or more and deactivate travel charge cards in a timely manner.

OCFO's Response:

The OCFO concurs with the recommendation. "The BSO Group will identify cardholders that have not used their travel charge card for one year or more and deactivate their travel charge cards or obtain support from the cardholder's supervisor as to why the card is still needed."

Recommendation 11 (Rolled forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer enforce policies and procedures to conduct periodic reviews of travel charge card accounts to ensure cards are needed by the employees to which they are issued.

OCFO's Response:

The OCFO concurs with the recommendation. "Following the identification and deactivation of travel charge cards that have not been used in one year or more, the BSO Group will review accounts monthly to identify cardholders who have not used the travel charge card for over one year and deactivate their travel charge cards."

Recommendation 12 (Rolled forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer establish and implement controls to properly document and retain support for the periodic reviews of inactivity.

OCFO's Response:

The OCFO concurs with the recommendation. "The *drafted Charge Card Management Plan* update stipulates that the BSO Group will retain documentation of monthly reviews ... to include, but not limited to, reports, analyses, and emailed notification of deactivation, for at least six years and three months."

3. Missing Training Documentation

We selected travel charge cardholders and approvers (AOs and A/OPCs) to determine if initial and refresher training requirements were met. Details of our review were provided to the OCFO separate from this report; however, we found that the BSO group was unable to provide support to confirm completion

The OCFO was unable to provide support to confirm completion of training.

of training. The BSO group does not track the status of individual's travel charge card training and OPM's Learning Management System (LMS) does not have the capability to display certificates or completion dates from training. Specifically:

- We selected 40 IBA cardholders and determined that support for the completion of the LMS and the GSA initial and refresher training could not be provided for any of the 40 cardholders.
- We selected all 19 CBA cardholders and determined that support for the LMS initial and refresher training or the GSA initial training could not be provided for any of the 19 cardholders. In addition, support for the completion of GSA refresher training could not be provided for 12 of the 19 cardholders.
- We selected all 20 AOs and determined that support for the initial and refresher LMS training and the GSA initial training could not be provided for any of the 20 cardholders. In addition, support for the completion of the GSA refresher training could not be provided for 16 out of 20 AOs.
- We selected all 22 OPCs and the APC and determined that support for the initial and refresher LMS training and the GSA initial training could not be provided for any of the 23 staff. In addition, support for the completion of GSA refresher training could not be provided for 17 out of the 23 A/OPCs.

Based on our audit, as of September 21, 2022, the BSO group stated that they had begun the process for deactivating travel charge cards for cardholders and approvers who had not completed the mandatory LMS training, as well as the IBA travel charge cardholders who had not used their cards since 2018.

The authority to manage and control travel cards is specifically delegated to individual OPM program AOs and program coordinators who are responsible for the review, authorization, and approval of travel cards under their jurisdiction, as well as ensuring that their employees have undertaken training. We were also not provided any documentation, such as an appointment or delegation letter, that formally appoints AOs and program coordinators with the responsibilities as outlined by the BSO group. Such documentation should outline the AOs and program coordinators responsibilities and duties as it relates to managing travel cards for their respective program office.

The OMB's Circular A-123, Appendix B, requires all program participants, including cardholders and travel charge card managers (Agency/Organizational Program Coordinator, Approving Officials, and other accountable/billing officials), to be trained in charge card management. The Circular states that "The general training requirements for all charge card programs are:

- All program participants must be trained prior to appointment;

- All program participants must take refresher training, at a minimum, every 3 years; [and]
- All program participants must certify that they have received the training, understand the regulations and procedures, and know the consequences of inappropriate actions.”

OMB’s Circular A-123 Appendix B, Section 3.5.2, requires Travel Charge Card Program training as follows:

- “Cardholder[:] Training for travel charge cardholders ... must provide general information on traveling for the government and review how to use a travel charge card, including agency travel charge card policies and procedures, and proper card use. ... Even if the approving official is not a cardholder, this individual is required to take the same training as travel charge cardholders.
- [Agency Organizational Program Coordinator:] Training on the roles and responsibilities of the [Agency/ Organizational Program Coordinators] is required prior to appointment, including proper management, control and oversight tools and techniques ... The [Agency/ Organizational Program Coordinators] must also receive the same training as the cardholders.”

OMB’s Circular A-123, Appendix B, Chapter 4, Risk Management, also requires charge card managers to oversee “the establishment and maintenance of master file/official cardholder records, including training, appointment, single and monthly purchase limits, and related records”

The IBA and the CBA cardholders, the AOs, APC, and OPCs are required to take LMS travel charge card training prior to receiving a travel charge card, and the LMS refresher training every three years. In addition, cardholder approvers are required to take the GSA initial training and refresher training every three years.

The U.S. Government Accountability Office, Standards for Internal Control in the Federal Government, states, “Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.”

The absence of documents to support that travel charge cardholders and approvers have been trained increases the risk that there are participants who have not been fully trained in the proper usage of the travel card. A lack of proper training can lead to an increase in card misuse and abuse and failure to comply with requirements of the Travel Charge Card Program.

Recommendation 13 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer ensure all travel charge cardholders, Approving Officials, and Agency/Organization Program Coordinators, that have not taken the mandatory initial and refresher training, complete the training within an appropriate timeframe, or suspend the use of their travel charge card and/or oversight duties until training is completed.

OCFO's Response:

The OCFO concurs with the recommendation. "The BSO group will immediately re-verify that no untrained cardholders' accounts remain activated and suspend untrained Approving Officials' and untrained Organization Program Coordinators' access."

Recommendation 14 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer formally appoint Approving Officials and program coordinators through appointment letters, which outline their basic responsibilities and duties related to the travel charge card operations for their respective program office.

OCFO's Response:

The OCFO concurs with the recommendation. "The drafted *Charge Card Management Plan* update presents appointment processes for Travel Organization Program Coordinators and Approving Officials and OCFO will formally appoint Travel Organization Program Coordinators and Approving Officials in accordance with these processes."

Recommendation 15 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer coordinate and partner with the Office of Personnel Management's program Approving Officials, program coordinators, and any appropriate program offices to implement internal controls to ensure card users and oversight personnel receive the required training on the appropriate use, controls, and consequences of abuse before they are given a travel charge card, and/or appointment to the position. Additionally, documentation should be maintained to support the completion of initial and refresher training.

OCFO's Response:

The OCFO concurs with the recommendation. "The drafted *Charge Card Management Plan* update outlines more robust training requirements. ... The Travel Policy training will be tailored to specific roles, offering Travel Policy for Travelers (for cardholders) and Travel Policy for Approvers (for Travel Organization Program Coordinators and

Approving Officials). Additionally, the drafted *Charge Card Management Plan* update stipulates that all Travel Charge Card Program participants must refresh their training annually and retain copies of their training certificates for at least three years. Finally, the BSO Group is required to retain copies of all training certificates and LMS reports for at least six years and three months.”

B. Weak Internal Controls Over Travel Charge Card Transactions

The BSO group did not ensure that all IBA and CBA travel charge card transactions were approved by the proper officials and adequately documented for appropriate, legitimate Government business purposes. While there are three distinct issues discussed below that contribute to the *Weak Internal Controls Over Travel Charge Card Transactions*, the associated policies and procedures, regulations, and recommendations apply to each group. Therefore, all associated criteria and recommendations are listed after the three issues below.

1. Individually Billed Account Transactions

We selected a sample of 49 IBA transactions, totaling \$19,169, out of 44,878 IBA transactions, totaling \$10,165,297, from October 1, 2018, through September 30, 2021, to determine if travel charge card transactions were properly authorized for official Government business, and adequately documented. We found that:

IBA transactions, totaling \$19,169, were not properly documented, approved, and closed.

- The vouchers for 42 transactions, totaling \$16,100, were approved by individuals not on the AO or A/OPCs listings.
- The trip authorizations for 36 transactions, totaling \$15,104, were approved by individuals not on the AO or A/OPC listings.
- Seventeen transactions, totaling \$3,846, were not fully supported by a trip authorization, required receipts, and/or a voucher.
- Eight transactions, totaling \$3,856, were not properly authorized prior to travel.
- The receipts for eight transactions, totaling \$1,601, did not match the amount shown on E2's *Closed Voucher Report*.
- Five transactions, totaling \$1,378, did not appear on E2's *Closed Voucher Report* which represents transactions that have yet to be authorized, repaid, and closed out.
- Three samples, totaling \$471, were missing receipts for transactions over \$75.

- Two samples, totaling \$685, were missing the purpose of travel documented on the travel authorization.
- One sample, totaling \$208 for a hotel deposit, occurred prior to the travel authorization approval. The authorization was never approved because the trip was canceled.
- The final voucher for one transaction, totaling \$594, was closed prior to the completion of travel.

The results for each exception are independent of each other. Details of our review were provided to the OCFO separate from this report.

We noted a lack of controls to:

- ensure that AOs are adequately reviewing authorizations and vouchers prior to approval, and ensure that sufficient receipts for expenses are submitted in the E2 system. Unsupported transactions provide an increased risk for abuse or misuse of the travel card and subsequently agency resources.
- regularly review or update listings of the AOs. By not preserving an accurate listing of AOs, there may be unauthorized approvers and misuse and abuse of IBA travel cards.
- adequately track the reimbursement of authorized expenses and ensure that applicable vouchers are closed. As a result of not closing the vouchers, duplicate reimbursements to cardholders could potentially occur.

2. Individually Billed Account Credit and ATM Cash Advance Limits

We selected a sample of 27 ATM cash advances, totaling \$8,076, from October 1, 2018, through September 30, 2021, from a universe of 1,152 ATM cash advances totaling \$199,747, to determine if transactions were properly authorized for official Government business and adequately documented. We found that one \$500 ATM cash advance did not have an approved travel authorization or voucher.

We also noted that the BSO group does not have controls in place to prevent the IBA travel charge cardholders from withdrawing more ATM cash advances than allowed. We reviewed all 1,152 ATM cash advances and determined that 117 ATM cash advances (approximately 10 percent of all ATM cash advances), totaling \$42,697 and made by 52 unique travel charge cardholders, were over the \$300 per transaction limit, accounting for an overage in allowable ATM cash advances of \$7,597.

117 ATM cash advances were over the \$300 per transaction limit, accounting for an overage in allowable ATM cash advances of \$7,597.

We also determined that the BSO group does not maintain a log that actively tracks changes in IBA travel charge cardholders' credit and cash advance limits. We reviewed Citibank's IBA Active Account Holders Report, as of April 19, 2022, which lists the active IBA travel charge cardholders and their credit limits. We then compared that report to Citibank's IBA Transaction Report, which covered all transactions between October 1, 2018, and September 30, 2021, and noted that some of the IBA travel charge cardholders' credit limits were different. Furthermore, there was no way for us to determine the need or validity of the change. The BSO group was unable to provide any supporting documentation for the reasoning to change credit and cash advance limits.

Details were provided to the OCFO separately from this report.

Per the CCMP, the BSO group's monitoring procedures should include providing monthly *ATM Activity Reports* to office heads and OPCs and requesting that they review and verify specific information about each employee listed. However, the BSO group does not distribute monthly *ATM Activity reports*. In addition, the BSO group does not have procedures in place for monitoring the IBA transactions, to include ATM cash advances, or monitoring procedures to identify travel charge cards used for unauthorized transactions.

OPM's CCMP states that charge card limits are determined by an applicant's Fair Isaac and Company (FICO) score obtained from the credit worthiness check. The limits are provided in the table below:

FICO Score	IBA Type	Credit Limit	ATM Daily Cash Advance Limit	Monthly Cash Advance Limit
660 or more	Standard IBA	\$2,500 or \$5,000 per billing cycle (depending on applicant's need), and \$7,500 and \$10,000 depending on frequency of travel.	\$300 every seven days	\$1,200
Under 660 or refused credit check	Restricted IBA	\$2000 per billing cycle	\$200 per day	\$600

The lack of a robust system of internal controls for preventing cardholders from exceeding their IBA credit and cash advance limit increases the risk that travel cards are used for expenses unrelated to approved Government travel.

3. Centrally Billed Account Purchase Transactions

We selected a sample of 16 CBA transactions, totaling \$81,176, out of 2,995 CBA transactions, totaling \$1,416,321, from October 1, 2018, through September 30, 2021, to determine if travel charge card transactions were properly authorized for official Government business and adequately documented. Specifically, we found that for 14 of the 16 CBA transactions selected:

CBA transactions totaling \$74,349 were not properly authorized and adequately documented.

- Five CBA transactions, totaling \$70,772, were missing all supporting documentation, which includes travel authorizations, receipts for claimed expenses over \$75, and vouchers.
- Eight transactions, totaling \$3,237, were approved by individuals not listed on the BSO group's *AO or A/OPC Listings*.
- One transaction, totaling \$340, did not have the required receipts for the claimed expenses.

The results for each exception are independent of each other. Details of our review were provided to the OCFO separate from this report.

The BSO group is not ensuring that AOs are adequately reviewing authorizations and vouchers prior to approval nor ensuring sufficient supporting documentation, including receipts for claimed expenses over \$75, are submitted in the E2 system. Unsupported transactions provide an increased risk for abuse or misuse of the travel charge card and subsequently agency resources. In addition, the BSO group does not regularly review or update listings of the AOs. By not preserving an accurate listing of the AOs, there may be unauthorized approvers and misuse and abuse of IBA travel charge cards.

The Federal Travel Regulation, Section 301-11.25, states that “You must provide a lodging receipt and a receipt for every authorized claimed expense over \$75, or provide a reason acceptable to your agency explaining why you are unable to furnish the necessary receipt(s) ...”

OPM's CCMP states that “Travel charge card accounts are generally reviewed monthly and always at the end of the reporting cycle. Account activity is compared to travel authorizations to look for card activity not consistent with a travel authorization.” The CCMP also states that “OPM's Travel Office [currently the BSO group] regularly reviews

the servicing bank's reports and OPM's eGOV travel system to determine if cardholders' activities are in compliance with policies. ... Incidents of potential misuse are reported to appropriate managers, [Organizational Program Coordinators] and OPM's Human Resources Office ... for follow-up and appropriate disciplinary action, to include: reprimand, suspension or termination."

The U.S. Government Accountability Office Standards for Internal Control in the Federal Government states that "Transactions are authorized and executed only by persons acting within the scope of their authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources are initiated or entered. Management clearly communicates authorizations to personnel."

Recommendation 16 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer strengthen its oversight and monitoring of Individually Billed Account and Centrally Billed Account travel card transactions, to include but not be limited to, ensuring travel charge cards are being used and approved in accordance with regulations and guidance.

OCFO's Response:

The OCFO concurs with the recommendation and states that they will strengthen its oversight and monitoring of IBA and CBA travel card transactions.

Recommendation 17 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer provide reminders to the Approving Officials on their responsibilities when reviewing travel authorizations and vouchers. Reminders should include such things as the General Services Administration's best practices for travel charge cards to ensure travel charge cardholders submit receipts for expenses over \$75 when submitting their vouchers, and that travel authorizations are approved prior to travel.

OCFO's Response:

The OCFO concurs with the recommendation. "The Travel Policy for Approvers training is intended to offer these reminders for Approving Officials. It is also designed to serve as annual refresher training."

Recommendation 18:

We recommend that the Office of the Chief Financial Officer retain documentation related to changes in travel charge cardholder's credit limit amounts.

OCFO's Response:

The OCFO concurs with the recommendation. "There is also a requirement for the BSO Group to maintain an Account Change Log which would document all changes to accounts, including changes in cash advance and credit limits."

Recommendation 19:

We recommend the Office of the Chief Financial Officer establish internal controls for reviewing transactions upon completion of travel to identify any purchases over the associated cardholder's credit limits.

OCFO's Response:

The OCFO concurs with the recommendation. "[T]he BSO Group will establish procedures for checking for this."

Recommendation 20 (Partial - Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer produce and distribute monthly Automated Teller Machine reports to all Organizational Program Coordinators for review. In addition, we recommend that the Business Services and Operations group ensure Organizational Program Coordinators review and certify monthly Automated Teller Machine reports to help identify cardholders' cash advances taken in excess of their Automated Teller Machine limit.

OCFO's Response:

The OCFO concurs with the recommendation. "The drafted *Charge Card Management Plan* update includes 'Reviews and certifies monthly Automated Teller Machine (ATM) reports' among Travel Card Organization Program Coordinators' responsibilities, and a process for producing and distributing these monthly reports is underway."

Recommendation 21 (Rolled Forward from our 2018 Report):

We recommend that the Office of the Chief Financial Officer follow up with Organizational Program Coordinators to recommend that appropriate actions are taken against employees who have used their travel charge cards for unauthorized transactions during each billing cycle.

OCFO's Response:

The OCFO partially concurs with the recommendation and stated that they agree with the sentiment of the draft report recommendation but does not agree that it can ensure appropriate disciplinary action. The BSO Group will recommend disciplinary action beyond the immediate cancellation of a travel card and have included a section on Administrative and Disciplinary Actions for Charge Card Misuse, in the draft update to OPM's *Charge Card Management Plan*.

Appendix I

Travel Charge Card Program Status of Recommendations⁷

Recommendation	Recommendation History	Current Status
We recommend that Travel Operations ensure that all travel card policies and procedures, governing OPM’s travel card program, are accurate and consistent with one another and contain all areas/requirements outlined by laws and regulations pertaining to OPM’s government travel card program.	Rolled forward from our 2018 Report Recommendation 1	Open, see recommendation 1 in this report.
We recommend that Travel Operations ensure that roles and responsibilities are clearly articulated to avoid ambiguity of delegated duties.	Rolled forward from our 2018 Report Recommendation 2	Open, see recommendation 2 in this report.
We recommend that Travel Operations collaborate with OPM’s Employee Services to formulate written penalties to deter misuse of OPM’s travel charge cards.	Rolled forward from our 2018 Report Recommendation 3	Open, see recommendation 3 in this report.
We recommend that Travel Operations immediately replace the <i>Charge Card Management Plan</i> , dated May 5, 2006, located on THEO, with the version dated January 2017. Travel Operations should also ensure that THEO is immediately updated when a new version of the <i>Charge Card Management Plan</i> is released or updated.	2018 Report Recommendation 4	Closed on February 23, 2023

⁷ Audit of the U.S. Office of Personnel Management’s Travel Card Program, Report Number 4A-CF-00-15-049, issued January 16, 2018.

Recommendation	Recommendation History	Current Status
<p>We recommend that Travel Operations ensure all travel cardholders, approving officials, the agency program coordinator, and agency organizational program coordinators, that have not taken the mandatory initial and refresher training, complete the training within an appropriate timeframe, or suspend the use of their travel card and/or oversight duties until training is completed.</p>	<p>2018 Report Recommendation 5 Closed on March 6, 2019.</p>	<p>Reopened, see recommendation 13 in this report.</p>
<p>We recommend that Travel Operations formally appoint approving officials and program coordinators through appointment letters, which outline their basic responsibilities and duties related to the Travel Charge Card operations for their respective program office.</p>	<p>Rolled forward from our 2018 Report Recommendation 6</p>	<p>Open, see recommendation 14 in this report.</p>
<p>We recommend that Travel Operations coordinate and partner with OPM program approving officials, program coordinators, and any appropriate program offices to implement controls to ensure card users and oversight personnel receive the required training on the appropriate use, controls, and consequences of abuse before they are given a card, and/or appointment to the position. Documentation should be maintained to support the completion of initial and refresher training.</p>	<p>Rolled forward from our 2018 Report Recommendation 7</p>	<p>Open, see recommendation 15 in this report.</p>

Recommendation	Recommendation History	Current Status
We recommend that Travel Operations strengthen its oversight and monitoring of travel card transactions, to include but not be limited to, ensuring travel cards are being used and approved in accordance with regulations and guidance	Rolled forward from our 2018 Report Recommendation 8	Open, see recommendation 16 in this report.
We recommend that Travel Operations provide frequent reminders to the approving officials on their responsibilities when reviewing travel authorizations and vouchers. Reminders should include such things as GSA’s best practices for travel charge cards to ensure travel charge cardholders submit receipts for expenses over \$75 when submitting their vouchers, and that travel authorizations are approved prior to travel	Rolled forward from our 2018 Report Recommendation 9	Open, see recommendation 17 in this report.
We recommend that Travel Operations develop written procedures for their Compliance Review and Voucher Review processes. At a minimum, procedures should include verifying and validating travel authorizations, receipts, and vouchers.	Rolled forward from our 2018 Report Recommendation 10	Open, see recommendation 5 in this report.
We recommend that Travel Operations ensure organizational program coordinators review and certify monthly ATM Reports to help identify cardholder cash advances taken in excess of their ATM limit.	Rolled forward from our 2018 Report Recommendation 11	Open, see recommendation 20 in this report.

Recommendation	Recommendation History	Current Status
We recommend that Travel Operations follow up with organizational program coordinators to ensure that appropriate actions are taken against employees who have used their Travel Charge Card for unauthorized transactions during each billing cycle.	Rolled forward from our 2018 Report Recommendation 12	Open, see recommendation 21 in this report.
We recommend that Travel Operations ensure that payments are made or to obtain a remediation plan for all outstanding balances on delinquent accounts, totaling \$61,189.	2018 Report Recommendation 13	Closed on February 13, 2023
We recommend that Travel Operations strengthen internal controls to confirm that delinquent accounts are monitored and ensure that all delinquent cardholder accounts are either suspended or canceled, as appropriate.	2018 Report Recommendation 14	Closed on February 13, 2023
We recommend that Travel Operations ensure that an analysis is periodically performed to certify that travel cards are not used after the separation date.	Rolled forward from our 2018 Report Recommendation 15	Open, see recommendation 8 in this report.
We recommend that Travel Operations implement stronger internal controls to ensure that travel card accounts are immediately cancelled upon separation of the cardholder's employment.	Rolled forward from our 2018 Report Recommendation 16	Open, see recommendation 9 in this report.
We recommend that Travel Operations identify cardholders that have not used their travel card for one year or more and deactivate travel cards in a timely manner.	Rolled forward from our 2018 Report Recommendation 17	Open, see recommendation 10 in this report.

Recommendation	Recommendation History	Current Status
We recommend that Travel Operations enforce policies and procedures to conduct periodic reviews of travel card accounts to ensure cards are needed by the employees to which they are issued.	Rolled forward from our 2018 Report Recommendation 18	Open, see recommendation 11 in this report.
We recommend that Travel Operations establish and implement controls to properly document and retain support for the periodic reviews of inactivity.	Rolled forward from our 2018 Report Recommendation 19	Open, see recommendation 12 in this report.
We recommend that Travel Operations provide support to validate the travel card information provided in Table 18. Furthermore, we recommend Travel Operations improve internal controls over its travel card reporting process to ensure the integrity of the travel card data reported in the Annual Financial Report (AFR). These controls should include verification and validation of the travel card information prior to reporting it in the AFR.	2018 Report Recommendation 20	Closed on February 13, 2023
We recommend that Travel Operations properly cite the source of the travel card data reported in OPM’s AFR when the data is provided from sources external to OPM.	2018 Report Recommendation 21	Closed on September 25, 2019.

Appendix II



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

Chief Financial
Officer

January 18, 2023

Memorandum for Mary Davis-Williams

Lead Auditor, Internal Audits Group

From: Douglas A. Glenn
Chief Financial Officer

DOUGLAS GLENN

Digitally signed by DOUGLAS
GLENN
Date: 2023.01.18 11:16:54 -05'00'

Subject: Audit of the U.S. Office of Personnel Management's Travel Charge Card Program
Report Number 2022-IAG-0016

Thank you for providing us the opportunity to respond to the Office of the Inspector General (OIG) draft report, Audit of the U.S. Office of Personnel Management's Travel Charge Card Program, 2022-IAG-0016.

Responses to your recommendations, including planned corrective actions, as appropriate, are provided below.

Recommendation 1 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer ensure that all travel charge card policies and procedures, governing the Office of Personnel Management's Travel Charge Card Program, are accurate and consistent with one another and contain all areas/requirements outlined by laws and regulations pertaining to OPM's Government Travel Charge Card Program.

Management Response: We concur. An update to the current OPM Travel Policy was drafted on January 31, 2022. That draft aligns with and contains all the agency-specific policy elements required by the Federal Travel Regulation, codified at 41 CFR.

Deleted by OIG. Not relevant to report.

Recommendation 2 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer ensure that roles and responsibilities are clearly articulated to avoid ambiguity of delegated duties.

Management Response: We concur. Roles and responsibilities have been clearly articulated in the draft update to OPM's *Charge Card Management Plan*.

Recommendation 3 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer collaborate with OPM's Employee Services to formulate written penalties to deter misuse of OPM's travel charge cards.

Report No. 2022-IAG-0016

Management Response: We concur. We have collaborated with OPM's Employee Services and have updated section 4.10, Administrative and Disciplinary Actions for Charge Card Misuse, in the draft update to OPM's *Charge Card Management Plan*.

Deleted by OIG. Not relevant to report.

Recommendation 6: We recommend that the Office of the Chief Financial Officer implement controls to ensure that their SharePoint site is immediately updated when a new version of the Travel Policy (e.g., Financial Management Manual) is released or updated.

Management Response: We concur. OCFO will now ensure the OPM Travel Policy and *Charge Card Management Plan* will be posted directly to the SharePoint portal as soon as approved.

Recommendation 7 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer develop written procedures for their Compliance Review and Voucher Review processes. At a minimum, procedures should include verifying and validating travel authorizations, receipts, and vouchers. **Management Response:** We concur. The drafted *Charge Card Management Plan* update describes several compliance reviews. In particular, the plan stipulates that Voucher Review involve sampling trip documentation to verify and validate travel authorizations, receipts, and vouchers to ensure all documentation and approvals comply with the Federal Travel Regulation and OPM Travel Policy, that all required receipts are submitted, and travel vouchers reflect the intent of their respective travel authorizations or have proper and allowable justifications attached. All travel charge card program standing operating procedures, including those required to perform compliance reviews and voucher reviews, are in the process of revision and expansion.

Recommendation 8: We recommend that the Office of the Chief Financial Officer create policies and procedures for reviewing, tracking, and updating the status of all travel charge cardholders.

Management Response: We concur. The drafted *Charge Card Management Plan* update outlines circumstances by which a travel cardholder's status could change, such as application for new accounts, changing limits, temporarily deactivating cards due to delinquency or failure to complete training, and closing accounts due to separation. Moreover, the procedures necessary for properly requesting, changing, and logging such status changes are included. This plan also requires the BSO Group to maintain an Account Change Log which would document all changes to accounts, including account statuses and changes in limits. All travel charge card program standing operating procedures, including procedures for reviewing, tracking, and updating the status of all travel charge cardholders, are in the process of revision and expansion.

Recommendation 9: We recommend that the Office of the Chief Financial Officer maintain and update a listing of all Office of Personnel Management's travel charge cardholders on a regular basis including but not limited to travel cardholders' separation date and travel card cancellation date. In addition, the Business Services and Operations group should reconcile Office of Personnel Management's travel charge cardholder listings with Citibank's records and Office of Personnel Management HR's [Human Resources] separation reports. The Business Services and Operations group should follow up with Citibank and Office of Personnel Management's Human Resources on any discrepancies.

Management Response: We concur. The Account Change Log referenced in response to Recommendation 8 is intended to serve as a listing of all OPM's travel charge cardholders. By its very nature, this log must be regularly updated per the guidelines in the drafted *Charge Card Management Plan*

update. The Account Change Log will also undergo periodic reconciliation with Citibank's records and OPM HR's separation reports. All travel charge card program standing operating procedures, including procedures for reconciling the Account Change Log with Citibank's records and OPM HR's separation reports, are in the process of revision and expansion.

Recommendation 10 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer ensure that an analysis is routinely performed to certify that travel charge cards are not used after the separation date.

Management Response: We do not concur. While OMB Circular A-123, Appendix B; Pub.L. 112-194, 126 Stat. 1445; OPM Travel Policy, and the current *Charge Card Management Plan* require an employee's participation in the Government Travel Charge Card Program be terminated when the agency no longer employs that employee, there is no requirement that the agency should continue to certify that canceled cards are not used. We believe a focus on the timely cancelling travel charge cards after employee separation is more effective internal control since the risk of charge card use after cancellation is negligible, if not non-existent. Moreover, a proper analysis would depend upon consistent data between two systems—which doesn't exist. Since the BSO Group will implement internal controls to ensure that travel charge card accounts are immediately canceled upon the cardholder's appearance on an OPM HR separation report received by the BSO Group;

- the drafted *Charge Card Management Plan* update requires the BSO Group to maintain an Account Change Log which would document all changes to account statuses (including account closure); and
- the Account Change Log will also undergo frequent reconciliation with Citibank's records and OPM HR's separation reports,

The added requirement of an analysis to certify that travel charge cards are not used after the separation date would consume far more resources than would add value.

Recommendation 11 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer implement internal controls to ensure that travel charge card accounts are immediately canceled upon separation of the cardholder's employment.

Management Response: We concur. The BSO Group will ensure that travel charge card accounts are canceled upon the cardholder's appearance on an OPM HR separation report received by the BSO Group.

Recommendation 12 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer identify cardholders that have not used their travel charge card for one year or more and deactivate travel charge cards immediately.

Management Response: We concur. The BSO Group will identify cardholders that have not used their travel charge card for one year or more and deactivate their travel charge cards or obtain support from the cardholder's supervisor as to why the card is still needed.

Recommendation 13 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer enforce policies and procedures to conduct periodic reviews of travel charge card accounts to ensure cards are needed by the employees to which they are issued.

Management Response: We concur. Following the identification and deactivation of travel charge cards that have not been used in one year or more, the BSO Group will review accounts monthly to identify

cardholders who have not used the travel charge card for over one year and deactivate their travel charge cards. This is noted in the drafted *Charge Card Management Plan* update.

Recommendation 14 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer establish and implement controls to properly document and retain support for the periodic reviews of inactivity.

Management Response: We concur. The drafted *Charge Card Management Plan* update stipulates that the BSO Group will retain documentation of monthly reviews (referenced in response to Recommendation 13), to include, but not limited to, reports, analyses, and emailed notification of deactivation, for at least six years and three months.

Recommendation 15 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer ensure all travel charge cardholders, Approving Officials, and Agency/Organization Program Coordinators, that have not taken the mandatory initial and refresher training, complete the training within an appropriate timeframe, or suspend the use of their travel charge card and/or oversight duties until training is completed.

Management Response: We concur. On September 7, 2022, OCFO identified 291 personnel who had not completed the required cardholder training and announced that the BSO Group would deactivate these cardholders' cards on September 15, 2022. These cards were deactivated as announced. At the same time, the BSO Group had been awaiting the submission of Approving Officials' and Organization Program Coordinators' training certificates. The BSO group will immediately re-verify that no untrained cardholders' accounts remain activated and suspend untrained Approving Officials' and untrained Organization Program Coordinators' access.

Recommendation 16 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer formally appoint Approving Officials and program coordinators through appointment letters, which outline their basic responsibilities and duties related to the travel charge card operations for their respective program office.

Management Response: We concur. The drafted *Charge Card Management Plan* update presents appointment processes for Travel Organization Program Coordinators and Approving Officials and OCFO will formally appoint Travel Organization Program Coordinators and Approving Officials in accordance with these processes.

Recommendation 17 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer coordinate and partner with Office of Personnel Management's program Approving Officials, program coordinators, and any appropriate program offices to implement internal controls to ensure card users and oversight personnel receive the required training on the appropriate use, controls, and consequences of abuse before they are given a travel charge card, and/or appointment to the position. Additionally, documentation should be maintained to support the completion of initial and refresher training.

Management Response: We concur. The drafted *Charge Card Management Plan* update outlines more robust training requirements. Most notably, all Travel Charge Card Program participants will be required to complete Travel Card Training (equivalent to GSA SmartPay Travel Training for Account Holders) and Travel Policy training (a training offering to be developed by the BSO Group). The former focuses on regulatory matters of appropriate use and consequences of abuse, while the latter is more OPM-specific regarding internal controls, approval processes, and agency-specific policy. The Travel Policy training will be tailored to specific roles, offering Travel Policy for Travelers (for cardholders) and Travel Policy

for Approvers (for Travel Organization Program Coordinators and Approving Officials). Additionally, the drafted *Charge Card Management Plan* update stipulates that all Travel Charge Card Program participants must refresh their training annually and retain copies of their training certificates for at least three years.

Finally, the BSO Group is required to retain copies of all training certificates and LMS reports for at least six years and three months.

Recommendation 18 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer strengthen its oversight and monitoring of Individually Billed Account and Centrally Billed Account travel card transactions, to include but not be limited to, ensuring travel charge cards are being used and approved in accordance with regulations and guidance.

Management Response: We concur. The BSO Group will strengthen its oversight and monitoring of Individually Billed Account (IBA) and Centrally Billed Account (CBA) travel card transactions by: re-instituting previously documented controls, practices, and procedures related to travel card delinquency, fraud, and misuse while establishing other controls, practices, and procedures intended to strengthen oversight and monitoring;

- formalizing the process for appointment of AOs and OPCs; and
- requiring annual training before card issuance to cardholders and appointment of AOs and OPCs.

The training requirement will be expanded to include Travel Policy training (as described in response to Recommendation 17). The Travel Policy training will explain why travel cards must be used and approved in accordance with regulations and policy guidance as well as how the BSO Group will use the more robust controls, practices, and procedures presented in the drafted *Charge Card Management Plan* update to oversee and monitor travel cards' use and transaction approval.

Recommendation 19 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer provide reminders to the Approving Officials on their responsibilities when reviewing travel authorizations and vouchers. Reminders should include such things as General Services Administration's best practices for travel charge cards to ensure travel charge cardholders submit receipts for expenses over \$75 when submitting their vouchers, and that travel authorizations are approved prior to travel.

Management Response: We concur. The Travel Policy for Approvers training is intended to offer these reminders for Approving Officials. It is also designed to serve as annual refresher training.

Recommendation 20: We recommend that the Office of the Chief Financial Officer retain documentation related to changes in travel charge cardholder's credit limit amounts.

Management Response: We concur. The drafted *Charge Card Management Plan* update outlines the process for temporarily increasing a travel cardholder's limit, including written requests and record retention requirements for those requests. There is also a requirement for the BSO Group to maintain an Account Change Log which would document all changes to accounts, including changes in cash advance and credit limits.

Recommendation 21: We recommend the Office of the Chief Financial Officer establish internal controls for reviewing transactions upon completion of travel to identify any purchases over the associated cardholder's credit limits.

Management Response: We concur. While we maintain that the servicing bank will not allow a card to

be used beyond its set limit, the BSO Group will establish procedures for checking for this.

Recommendation 22 (Partial - Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer produce and distribute monthly Automated Teller Machine reports to all Organizational Program Coordinators for review. In addition, we recommend that the Business Services and Operations group ensure Organizational Program Coordinators review and certify monthly Automated Teller Machine reports to help identify cardholders cash advances taken in excess of their Automated Teller Machine limit.

Management Response: We concur. The drafted *Charge Card Management Plan* update includes “Reviews and certifies monthly Automated Teller Machine (ATM) reports” among Travel Card Organization Program Coordinators’ responsibilities, and a process for producing and distributing these monthly reports is underway.

Recommendation 23 (Rolled Forward from our 2018 Report): We recommend that the Office of the Chief Financial Officer follow up with Organizational Program Coordinators to ensure that appropriate actions are taken against employees who have used their travel charge cards for unauthorized transactions during each billing cycle.

Management Response: We partially concur. The OCFO agrees with the sentiment of the recommendation but does not agree that it can *ensure* appropriate disciplinary action. The BSO Group will *recommend* disciplinary action beyond the immediate cancellation of a travel card. As stated in response to Recommendation 3, we are communicating with Employee Services on this topic. We have, in the meantime, included section 4.10, Administrative and Disciplinary Actions for Charge Card Misuse, in the draft update to OPM’s *Charge Card Management Plan*.

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I appreciate the opportunity to respond to the draft report. If you have any questions regarding our response, please get in touch with **Deleted by OIG. Not relevant to report.**



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