



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General
Washington, D.C. 20590

January 27, 2014

The Honorable Sylvia M. Burwell
Director, Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Burwell:

The Government Charge Card Abuse Prevention Act of 2012¹ requires us to report to the Office of Management and Budget (OMB) on the implementation of recommendations made to address findings of any analysis or audit of purchase card and convenience check transactions or programs. OMB Memorandum M-13-21 further requires that we submit the report within 120 days of the end of the fiscal year. During fiscal year 2013, we issued one report² on the Department of Transportation's (DOT) and the Federal Aviation Administration's (FAA) credit card program.³ In our report, we made five recommendations to DOT and FAA program officials to strengthen purchase card controls. In response to our report, FAA updated its purchase card policies, which fully addressed our recommendations. However, DOT has not completed all actions, and two recommendations remain open. The enclosure to this letter summarizes the status of each recommendation.

If you have any questions or need further information, please contact me at (202) 366-1407 or George Banks, Program Director, at (410) 962-1729.

Sincerely,

A handwritten signature in cursive script, appearing to read "Louis C. King".

Louis C. King
Assistant Inspector General for Financial and Information Technology Audits

Enclosure

¹ P.L. 112-194, Oct. 2012.

² *Actions Needed To Enforce Controls Over Purchase Cards* (OIG Report No. FI-2013-116), July 25, 2013. OIG reports are available on our Web site at: <http://www.oig.dot.gov/>.

³ FAA operates its purchase card program independently of DOT. The DOT Office of the Senior Procurement Executive administers program oversight for all other DOT Operating Administrations.

ENCLOSURE. DOT OFFICE OF INSPECTOR GENERAL PURCHASE CARD RECOMMENDATIONS

Recommendation	Agency Official	Status
<p>1. Re-iterate to approving officials and purchase cardholders that:</p> <ul style="list-style-type: none"> a. purchases must be authorized and pre-approved (if required by the OA), and the determination must be documented; b. only designated approving officials can pre-approve purchases (if required by the OA); c. funds certification must take place prior to a purchase being made, and the determination must be documented; d. only approved cardholders are authorized to make purchases; e. purchases should not be split to circumvent SPL; f. monthly cardholder statements should be reviewed for accuracy and that sales tax should not be paid; g. only approved items and quantities should be purchased; and h. Purchase card program refresher training is required on an annual (DOT) or bi-annual (FAA) basis. 	<p>DOT Senior Procurement Executive and FAA's Manager, Acquisition Policy and Oversight</p>	<p>DOT: Closed FAA: Closed</p>
<p>2. Implement enforcement remedies for violations of purchase card procedures.</p>	<p>DOT Senior Procurement Executive and FAA's Manager, Acquisition Policy and Oversight</p>	<p>DOT: Closed FAA: Closed</p>
<p>3. Revise purchase card policy to require Agency Program Coordinators to: a) verify that purchase cardholders have completed applicable refresher training requirements, and b) develop procedures to have cardholder privileges suspended when the requirement has not been met.</p>	<p>DOT Senior Procurement Executive and FAA's Manager, Acquisition Policy and Oversight</p>	<p>DOT: Open, did not meet 10/1/2013 target date or submit a revised target date FAA: Closed</p>
<p>4. Evaluate and revise cardholder and approving official purchase card training to include the acquisition of accountable property and applicable recording requirements.</p>	<p>DOT Senior Procurement Executive and FAA's Manager, Acquisition Policy and Oversight</p>	<p>DOT: Open, with target action date of 2/28/2014 FAA: Closed</p>
<p>5. Coordinate with FAA's Executive Manager, Aviation Logistics Organization to:</p> <ul style="list-style-type: none"> a. Revise purchase card policy to require the approving official to verify that accountable property purchased is accurately recorded in the property system, prior to granting purchase final approval. b. Continue efforts to locate and account for the remaining digital cameras, not already recorded in AITS, and within 30 days, provide a report to OIG detailing the results of this effort. c. Work with cardholders and property delegates to locate, and record the physical locations of the three laptop computers that OIG could not locate, and within 30 days, provide a report to OIG detailing the results of the search. 	<p>FAA's Manager, Acquisition Policy and Oversight</p>	<p>FAA: Closed</p>