



U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

January 28, 2021

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

Dear Director,

The Government Charge Card Abuse Prevention Act of 2012¹ requires us to periodically review the Department of Transportation's (DOT) charge card and convenience check programs, and report on the status of related recommendations. As required by the Act, I am writing to provide the status of charge card open recommendations. Since our last annual status issued on January 31, 2020,² we issued two reports on charge card programs—one pertaining to purchase cards³ and the other to travel cards.⁴ Both reports have open recommendations addressed to the Office of the Secretary (OST) or Federal Aviation Administration (FAA) officials. Specifically, 10 of 13 purchase card and all 11 travel card recommendations remain open. See enclosure for the status of each recommendation.

If you have any questions, please contact me at (202) 329-0694 or Lissette Mercado, Information Technology Audits Advisor, at (202) 366-1911.

Sincerely,

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

Louis C. King
Assistant Inspector General for Financial Audits

¹ Public Law No. 112-194 (2012).

² *Letter to OMB on DOT Status of Charge Card Open Recommendations* (OIG Controlled Correspondence No. CC2020002), January 31, 2020. OIG reports and correspondence are available on our website at <http://www.oig.dot.gov>.

³ *DOT Needs To Enhance Oversight of Its Purchase Card Program To Mitigate Internal Control Weaknesses* (OIG Report No. FI2020022), March 11, 2020.

⁴ *DOT Needs To Strengthen Travel Card Program Internal Controls To Minimize Misuse* (OIG Report No. FS2021011), December 16, 2020.

DOT's Charge Card Programs: Status of Recommendations

Purchase Card Report Number F12020022

1. Develop procedures to ensure purchase card files are complete. At a minimum, ensure cardholders verify that: a. supervisory and/or program office approval has been obtained prior to making purchases; b. funds availability has been confirmed prior to making purchases; c. required supporting documentation is on file; d. items purchased have been received and services have been accepted; and e. sales tax has not been charged.

Status: Closed on 12/16/2020

Responsible Agency: OST

2. Implement procedures to ensure cardholders retain records in accordance with the National Archives and Records Administration's general records schedule.

Status: Open, with target action date of 7/1/2021

Responsible Agency: OST

3. Update purchase card guidance to include appropriate language that states that purchase cards cannot be used to pay for unauthorized commitments without appropriate documentation showing that the unauthorized commitment has been ratified in accordance with FAR 1.602-3.

Status: Closed on 12/16/2020

Responsible Agency: OST

4. Develop procedures to ensure purchase card files are complete. At a minimum, ensure cardholders verify that: a. supervisory and/or program office approval has been obtained prior to making purchases; b. funds availability has been confirmed prior to making purchases; c. required supporting documentation is on file; d. payment amounts match to invoices; e. items purchased have been received and services have been accepted; and f. sales tax has not been charged.

Status: Open, with target action date of 6/30/2021

Responsible Agency: FAA

5. Implement procedures to ensure cardholders retain records in accordance with the National Archives and Records Administration's general records schedule.

Status: Open, with target action date of 6/30/2021

Responsible Agency: FAA

6. Update purchase card guidance to include appropriate language that states that purchase cards cannot be used to pay for unauthorized commitments without appropriate documentation showing that the unauthorized commitment has been ratified.

Status: Closed on 5/19/2020

Responsible Agency: FAA

7. Develop and implement controls to ensure that all trainings are administered timely in FAA's electronic learning management system, and ensure cardholders complete refresher training in a timely manner.

Status: Open, with target action date of 6/30/2021

Responsible Agency: FAA

8. Establish procedures to enforce the suspension of purchasing authority for cardholders that do not satisfy the refresher training requirement.

Status: Open, with target action date of 6/30/2021

Responsible Agency: FAA

9. Reiterate the importance of following the employee close out and clearance process to Purchase Cardholders, Approving Officials and Agency Program Coordinators, when a cardholder separates from the agency or the purchase card program.

Status: Open, with target action date of 6/30/2021

Responsible Agency: FAA

10. Develop and implement a process to monitor purchase transactions that involve credits to ensure the follow-up is performed and credits are received timely.

Status: Open, with target action date of 6/30/2021

Responsible Agency: FAA

11. Update TAM Chapter 1213, Appendix A to include appropriate language that indicates that purchase cards cannot be used to pay for unauthorized commitments without appropriate documentation showing that the unauthorized commitment has been ratified in accordance with FAR 1.602-3.

Status: Open, with target action date of 3/1/2021

Responsible Agency: OST

12. Update Departmental policy and procedures to require all OAs (excluding FAA) to include a requirement to obtain supervisory and/or program office approval before purchases are made.

Status: Open, with target action date of 3/1/2021

Responsible Agency: OST

13. Update the TAM to require OAs (excluding FAA) to certify individual purchase card program manuals to comply with TAM requirements.

Status: Open, with target action date of 3/1/2021

Responsible Agency: OST

Travel Card Report Number FS2021011

1. Notify all travel card program participants that advance written approval must be obtained prior to incurring any travel expenses.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

2. Develop and implement a plan for Agency/Organization Program Coordinator to identify travel authorizations that were not submitted or approved prior to the incurrence of official travel-related expenses. The plan should include follow-up with cardholders and approvers on instances where noncompliance is identified.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

3. Update DOT's travel card management policy, DOT Order 15006.b, and DOT travel card training to include guidance on how cardholders should recover travel card account overpayments.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

4. Develop and implement a control that will allow the Department to identify questionable travel card transactions outside of the delinquency report review that is performed by the operating administrations.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

5. Expand existing training for managers and Approving Officials to incorporate a proper voucher review.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

6. Notify all travel cardholders that cash withdrawals must not occur more than 3 days prior to an authorized trip.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

7. Strengthen current cash-advance controls to test cardholder compliance with cash advances and require follow-up with cardholders when instances are detected.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

8. Design and implement a control to test that cardholders are using the travel card to pay only for official travel expenses as required. The control should include follow-up with cardholders when charges unrelated to official travel are detected.

Status: Open, with target action date of 12/31/2022 *Responsible Agency: OST*

9. Modify training materials to emphasize the required use of the travel card for all expenses related to official travel.

Status: Open, with target action date of 12/31/2022

Responsible Agency: OST

10. Develop and implement controls to require that refresher training is administered timely in electronic learning management system, and require that cardholders complete refresher training in a timely manner.

Status: Open, with target action date of 12/31/2022

Responsible Agency: OST

11. Modify the current travel card application process to include a manager certification as required by the DOT travel card management policy.

Status: Open, with target action date of 12/31/2022

Responsible Agency: OST