



January 27, 2023

Shalanda Young, Director  
c/o Stannis Smith  
Office of Management and Budget  
725 17<sup>th</sup> Street NW  
Washington, DC 20503

Dear Ms. Young:

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) and OMB's implementing guidance (OMB M-13-21) require each office of inspector general (OIG) to perform risk assessments and periodic audits, if necessary, to detect illegal, improper, or erroneous purchase and travel card activity. They also require the OIG, in coordination with the U.S. Department of Commerce (the Department), to report to the Director of OMB on the implementation of recommendations from any audits performed. The Director of OMB will transmit results to Congress and the Comptroller General.

If annual agency purchase card spending exceeds \$10 million, the Charge Card Act and OMB M-13-21 require the Inspector General and the head of the agency to jointly submit semiannual reports to the Director of OMB summarizing confirmed card violations and disciplinary actions taken. In fiscal year (FY) 2021, the Department had \$12.4 million in purchase card expenses. If annual agency travel card spending exceeds \$10 million, the Charge Card Act and OMB M-13-21 require periodic audits of the agency's travel card program. In FY 2021, the Department had \$5.4 million in travel card expenses.

The summary of our work regarding the above requirements is contained in the following two paragraphs.

We provided July 2022 and January 2023 Department reports to OMB regarding known and completed reviews and investigations of fraudulent use or abuse of purchase and travel cards that resulted in fraud, loss to the government, or misappropriation of funds or assets. Currently, there are no open recommendations concerning the use of government purchase or travel cards. However, there is an open Hotline investigation involving a substantial allegation regarding misuse of a government credit card. The investigation is pending notification of a final corrective action from the agency.

We conducted a risk assessment for illegal, improper, or erroneous FY 2021 purchase card and travel card transactions. We based the risk assessment on an analysis of trends and variances from the previous year. We assessed each Department bureau, and the resulting scores determined the bureaus fell within a reasonable range of risk. The average risk scores of all the bureaus combined increased slightly from FY 2020 to FY 2021. We did not conduct a purchase or travel card audit of FY 2021 transactions.

If you have any questions, please contact me at (202) 793-3316.

Sincerely,

A handwritten signature in black ink, appearing to be 'RB' followed by a long horizontal stroke.

Richard Bachman  
Assistant Inspector General for Audit and Evaluation