



January 30, 2025

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

Dear Mr. Vaeth:

The Government Charge Card Abuse Prevention Act of 2012 and the Office of Management and Budget (OMB)¹ require each office of inspector general (OIG) to perform periodic risk assessments and audits, if necessary, to detect illegal, improper, or erroneous purchase and travel card activity. The Charge Card Act also requires OIG to report to the Director of OMB on the implementation of recommendations from any audits performed. The Director of OMB will transmit the results to Congress and the Comptroller General.

If annual agency purchase card spending exceeds \$10 million, the Charge Card Act and OMB require OIG and the head of the agency to jointly submit semiannual reports to the Director of OMB summarizing confirmed charge card violations and disciplinary actions taken. In fiscal year (FY) 2024, the Department had \$103.6 million in purchase card expenses. If annual agency travel card spending exceeds \$10 million, the Charge Card Act requires periodic audits or reviews of the agency's travel card programs. In FY 2024, the Department had \$25.4 million in travel card expenses.

We summarize our work related to these requirements below.

The Department submitted its August 28, 2024, and January 15, 2025, semiannual joint reports to OMB regarding known and completed reviews and investigations of fraudulent use or abuse of purchase cards that resulted in fraud, loss to the government, or misappropriation of funds or assets. During FY 2024, we reported one pending violation and one pending final agency action.

We conducted a risk assessment for illegal, improper, or erroneous FY 2024 purchase card and travel card transactions. We based the risk assessment on an analysis of trends from the previous year. We assessed each departmental bureau, and the resulting scores determined that the bureaus fell within a reasonable range of risk. We did not audit FY 2024 purchase or travel card transactions, and there are no open recommendations concerning the use of government purchase or travel cards.

¹ Government Charge Card Abuse Prevention Act of 2012, Pub. L. No. 112-194; and OMB, August 27, 2019, Circular No. A-123: *A Risk Management Framework for Government Charge Card Programs*, appendix B (revised).

If you have any questions, please contact me at 202-793-3344.

Sincerely,

A handwritten signature in black ink, appearing to be 'Richard Bachman', with a long horizontal line extending to the right.

Richard Bachman
Assistant Inspector General for Audit and Evaluation