



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2023



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JAN 30 2024

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

Subject: *Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2023*
Report No. 2024-FIN-002

Dear Ms. Young:

This letter provides the status of progress made by the U.S. Department of the Interior (DOI) in implementing previous Government charge card recommendations as of the end of fiscal year (FY) 2023 as well as information about other DOI-related charge card activities and Office of Inspector General (OIG) reviews.

The Government Charge Card Abuse Prevention Act of 2012 (Pub. L. No. 112-194) requires all executive branch agencies to establish and maintain safeguards and internal controls for purchase, travel, and centrally billed accounts. The Act is intended to reinforce efforts to prevent fraud, waste, and mismanagement of Governmentwide charge card programs. In addition, the Act requires agency OIGs to conduct periodic risk assessments of agency purchase card or convenience check programs to analyze the risk of illegal, improper, or erroneous purchases and payments. We use these risk assessments to determine the necessary scope, frequency, and number of audits or reviews that we will perform related to these programs. The Government Charge Card Abuse Prevention Act also requires us to report on DOI's progress in implementing our recommendations related to Government charge cards.

We issued one final evaluation report and one final audit report during FY 2023 that included charge card-related findings and recommendations. The status of the recommendations for both reports as of September 30, 2023, is as follows (see the attachment for a complete list of the recommendations and their status):

- We issued *The National Park Service Could Improve Oversight of Contract Services and Purchase Card Transactions for Alcatraz Island* (Report No. 2021-CGD-033) on August 10, 2023. In the report, we made two recommendations related to charge cards, both of which we considered resolved as of September 30, 2023. We subsequently considered one recommendation implemented on November 1, 2023; because this status change occurred in FY 2024, it will be reflected in next year's FY 2024 reporting.
- We issued *The Chemawa Indian School Did Not Account for Its Financial Resources, and the Bureau of Indian Education Did Not Provide Financial Oversight* (Report No. 2022-CR-012) on July 14, 2023. In the report, we made one charge

card-related recommendation, which remained resolved as of the end of our reporting period on September 30, 2023. We subsequently considered this recommendation implemented on October 23, 2023; because this status change occurred in FY 2024, it will be reflected in next year's FY 2024 reporting.

As of September 30, 2023, our office had one charge card-related project that remained ongoing. Our audit related to the Central Valley Project (CVP) (2022-WR-048) addresses the CVP's current cost allocation that identifies repayment obligations of project beneficiaries and status for repayment of those obligations. Our overall audit objectives are to determine whether the CVP cost allocation is appropriate and whether the project is on schedule to be repaid by 2030. Because this audit was not completed as of September 30, 2023, we will include any charge card-related recommendations in our FY 2024 charge card report.

In addition to the two reports issued in FY 2023, we reviewed the status of the outstanding recommendations included in our charge card reporting last fiscal year:

- We issued *Fulfillment of Purchase Card Orders* (Report No. 2021-FIN-022) on January 19, 2022. In the report, we made nine charge card-related recommendations, seven of which we considered implemented in FY 2022. We considered the remaining two recommendations implemented in FY 2023.
- We issued *Pandemic Purchase Card Use* (Report No. 2020-FIN-073) on October 22, 2021. In the report, we made 10 recommendations, 5 of which we considered implemented in FY 2022. In FY 2023, we considered four of the five remaining recommendations implemented. As of the end of FY 2023, we considered the remaining recommendation resolved. We noted in last year's report that the target implementation date for this recommendation had passed; DOI has still not revised to date. We will obtain additional information pursuant to our recommendation followup processes.
- We issued *The U.S. Department of the Interior Needs To Strengthen Charge Card Internal Controls When Using Disaster Relief Funds* (Report No. 2020-FIN-002) on March 30, 2021. In the report, we made eight recommendations, seven of which we considered implemented in FY 2022. As of the end of FY 2023, we considered the remaining recommendation with a revised March 31, 2024 target implementation date resolved.
- We issued *The U.S. Department of the Interior Needs To Improve Internal Controls Over the Purchase Card Program* (Report No. 2018-FIN-059) on November 13, 2019. In the report, we made five recommendations, four of which we considered implemented in FY 2022. As of the end of FY 2023, we considered the remaining recommendation with a February 1, 2024 target implementation date resolved.

If you have any questions about this progress report or require further information, please contact me at aie_reports@doioig.gov.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Sedney". The signature is written in a cursive, flowing style.

Kathleen Sedney
Assistant Inspector General for Audits,
Inspections, and Evaluations

cc: Kenneth R. Casey, Charge Card Program Manager, Office of Acquisition and Property
Management, DOI
Megan Olsen, Director, Office of Acquisition and Property Management, DOI

Attachment

Attachment: Status of Government Charge Card Recommendations

The National Park Service Could Improve Oversight of Contract Services and Purchase Card Transactions for Alcatraz Island (Report No. 2021-CGD-033)
Report Date: August 10, 2023

Recommendations ¹	Status
We recommend that the National Park Service (NPS):	
3. Direct AIS [Alcatraz Island Services, LLC] to develop appropriate controls for the timely submission and reconciliation of purchase card charges, invoices, and receipts.	Resolved
4. Remedy the questioned costs of \$3,408 related to the duplicate charges.	Implemented

¹ Recommendations that are not implemented are shown in bold.

The Chemawa Indian School Did Not Account for Its Financial Resources, and the Bureau of Indian Education Did Not Provide Financial Oversight
(Report No. 2022-CR-012)
Report Date: July 14, 2023

Recommendation

Status

We recommend that the Bureau of Indian Education:

22. **Require Chemawa Indian School to establish a mechanism to review Government-issued purchase card transactions monthly to ensure that cardholders are following requirements in *Indian Affairs Manual* part 22 and are not using Government-issued purchase cards to purchase accountable system-controlled property items.**

Resolved

Fulfillment of Purchase Card Orders (Report No. 2021-FIN-022)
Report Date: January 19, 2022

Recommendations	Status
We recommend that the U.S. Department of the Interior (DOI):	
1. Develop and implement stronger internal controls to ensure supporting documentation includes information for receipt of purchased goods and services and provide guidance for how long the records will be maintained in accordance with retention policies.	Implemented
We recommend that the Bureau of Indian Affairs (BIA):	
2. Resolve the \$66,731 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented
We recommend that the NPS:	
3. Resolve the \$41,471 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented
We recommend that the U.S. Bureau of Reclamation (BOR):	
4. Resolve the \$17,508 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented
We recommend that the U.S. Geological Survey (USGS):	
5. Resolve the \$11,167 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented
We recommend that the Office of Surface Mining Reclamation and Enforcement:	
6. Resolve the \$6,520 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented
We recommend that the U.S. Fish and Wildlife Service (FWS):	
7. Resolve the \$4,617 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented
We recommend that the Bureau of Land Management (BLM):	
8. Resolve the \$4,543 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented
We recommend that the Bureau of Safety and Environmental Enforcement and Bureau of Ocean Energy Management:	
9. Resolve the \$3,018 in questioned costs due to insufficient documentation supporting receipt of goods and services.	Implemented

Pandemic Purchase Card Use (Report No. 2020-FIN-073)
Report Date: October 22, 2021

Recommendations	Status
We recommend that the BIA:	
1. Resolve the \$19,810 in questioned costs for items not received.	Implemented
We recommend that the BLM:	
2. Update its policy on purchase cards to require cardholders and approving officials to review transactions and attach supporting documents that can be used to identify what was purchased and from whom.	Implemented
3. Resolve the \$11,321 in questioned costs due to insufficient documentation.	Resolved
4. Reallocate the transaction, totaling \$5,410, to the correct funding source.	Implemented
We recommend that the NPS:	
5. Reallocate the 10 transactions, totaling \$18,015, to the correct funding source.	Implemented
We recommend that the BIA:	
6. Reallocate the 13 transactions, totaling \$826, to the correct funding source.	Implemented
We recommend that the FWS:	
7. Reallocate the four transactions, totaling \$832, to the correct funding source.	Implemented
We recommend that the NPS:	
8. Review transactions using CARES Act [Coronavirus Aid, Relief, and Economic Security Act] funds and verify that those purchases were only for PPE [personal protective equipment] or cleaning supplies as permitted by the operational plan.	Implemented
9. Reallocate the one transaction, totaling \$5,870 to the correct funding source.	Implemented
We recommend that the DOI:	
10. Develop and implement a process that includes accountability measures to ensure that existing policies establishing internal controls for purchase card reviews are followed.	Implemented

***The U.S. Department of the Interior Needs To Strengthen Charge Card
Internal Controls When Using Disaster Relief Funds (Report No. 2020-FIN-002)
Report Date: March 30, 2021***

Recommendations	Status
We recommend that the DOI and its bureaus:	
1. Develop internal controls that ensure the supporting documentation includes information that identifies what was purchased, for whom, and for what purpose.	Implemented
2. Establish policies and procedures providing guidance on how to pay for allowable evacuation costs when employees do not have a Government charge card.	Resolved
We recommend that the BOR:	
3. Resolve the \$279 in questioned costs due to insufficient documentation.	Implemented
We recommend that the FWS:	
4. Resolve the \$20,640 in questioned costs due to missing documentation.	Implemented
5. Resolve the \$1,309 in questioned costs of purchases not associated with disaster relief.	Implemented
We recommend that the NPS:	
6. Resolve the \$30,143 in questioned costs due to missing or insufficient documentation.	Implemented
7. Resolve the \$29,291 in questioned costs of purchases not associated with disaster relief.	Implemented
We recommend that the USGS:	
8. Resolve the \$1,503 in questioned costs of purchases not associated with disaster relief.	Implemented

***The U.S. Department of the Interior Needs To Improve Internal Controls
Over the Purchase Card Program (Report No. 2018-FIN-059)
Report Date: November 13, 2019***

Recommendations	Status
We recommend that the DOI and its bureaus:	
1. Develop internal controls and increase accountability actions so that cardholders and approving officials review transactions and attach supporting documents that can be used to identify what was purchased, for whom, and why.	Implemented
2. Hold the individuals accountable who do not perform reviews in accordance with policy.	Implemented
3. Work with the vendor bank to develop an online review and approval system for cardholders and approving officials and develop policies and procedures that require cardholders and approving officials to use the bank’s online system to review and approve transactions.	Resolved
4. Develop internal controls to ensure that cardholders and approving officials are taking and documenting completion of the required annual purchase card training.	Implemented
5. Develop internal controls to ensure that only warranted contracting officers make purchases above the micropurchase threshold.	Implemented



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If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in the DOI, please visit the OIG's online hotline at www.doioig.gov/hotline or call the OIG hotline's toll-free number: **1-800-424-5081**

Who Can Report?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

How Does it Help?

Every day, DOI employees and non-employees alike contact the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the DOI, its employees, and the public.

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