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Inspector General Makes Recommendations to Strengthen DHS' Oversight of Government Charge Cards

The Department of Homeland Security Office of Inspector General today released a report assessing DHS charge card programs for Fiscal Year 2014. The review concluded that DHS components did not always follow established processes; as a result, there is a moderate risk that the Department's internal controls will not prevent illegal, improper, or erroneous purchases.

The DHS OIG did not identify any illegal purchases in the sample of transactions it reviewed; however, it did identify problems where cardholders did not comply with requirements established in DHS guidance. Additionally, the DHS OIG identified instances of employee misuse of the travel card.

Because of concerns raised by Members of Congress, the OIG also reviewed DHS' purchase card transactions made at Starbucks in 2013. Generally, transactions were supported, allowable, and reasonable. The OIG auditors did identify a few transactions that lacked proper documentation and 10 fraudulent purchases made by unauthorized users. The bank identified the fraudulent transactions and the Department was not responsible for payment.

"I am encouraged that DHS has established internal controls for both its purchase card and travel card programs," said Inspector General John Roth. "However, the Department needs to implement controls more consistently and be more vigilant in its oversight of these inherently risky programs."

DHS conducts a large volume of business using government charge cards; in fiscal years 2012 through 2014, it had more than \$400 million per year in purchase and travel card transactions. This review was required by the *Government Charge Card Abuse Prevention Act of 2012*. That law also requires DHS to implement safeguards and internal controls to prevent and detect improper use of government charge cards.

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