

The Department of Justice (DOJ) Office of the Inspector General (OIG) today released a report that assesses the risk of misuse of Department of Justice charge cards. The assessment identified specific issues relating to purchasing methods and recommends that DOJ take additional actions to reduce the risk of illegal, improper, or erroneous purchases and payments.

The OIG's report covers four types of purchasing methods used by DOJ: (1) purchase cards, which are generally centrally billed accounts used to buy items and services; (2) travel cards, which are usually individually billed accounts used by employees to pay for costs associated with official travel; (3) integrated cards, which combine the features of purchase and travel cards in a single account (within DOJ, integrated cards are used only by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)); and (4) convenience checks, which can be written from specially-designated purchase or integrated card accounts to pay for goods and services from vendors that do not accept charge cards.

DOJ employees used these four methods to purchase a total of more than \$900 million in goods and services in fiscal year (FY) 2013. DOJ had 9,298 active purchase card accounts that reported over \$705 million in activity that year. At the same time, DOJ had 33,249 active travel card accounts with over \$194 million in activity and 3,984 active integrated card accounts with over \$38 million in activity. In addition, 85 DOJ employees had the authority to use convenience checks and wrote 1,000 checks valued at more than \$513,000. Ninety-nine percent of these checks were issued by the ATF and the Federal Bureau of Investigation (FBI) during FY 2013.

Our report identified specific areas where DOJ may need to take action to reduce the risk of illegal, improper or erroneous purchases and payments. For example, we found that 640 purchase, travel, and integrated card accounts recorded no charges for at least 180 days and therefore should be suspended or closed. We also found that DOJ needs to ensure that charge card bills are reconciled properly and that card holders receive the required training regarding the use of their centrally billed accounts. Additionally, we found a limited number of instances where charge card accounts had not been closed after the employee had left service.

The assessment determined that convenience checks present the highest risk of misuse, even though they were used much less frequently than other methods examined. DOJ issued only 1,000 such checks worth \$500,000 in FY 2013. Nevertheless, out of 50 high-dollar convenience checks, we identified 6 (12 percent of the sample) valued at \$11,679 that should not have been written because the employee either wrote a check to a vendor that accepted charge cards, converted a check to cash, or did not document that they had secured the necessary prior approval to use a convenience check.

The OIG made four recommendations to DOJ and its components to improve internal controls and help reduce the risk of fraud, waste, and misuse in this area. These recommendations included ensuring that card holders receive required training and that appropriate officials are notified when employees leave service so they may promptly close the accounts. DOJ agreed with all four recommendations.

The report can be found on the OIG's website
at: <http://www.justice.gov/oig/reports/2014/a1434.pdf>.