



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

# **THE U.S. DEPARTMENT OF THE INTERIOR NEEDS TO IMPROVE INTERNAL CONTROLS OVER THE PURCHASE CARD PROGRAM**

**This is a revised version of the report prepared for public release.**




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

NOV 13 2019

Memorandum

To: Susan Combs  
Assistant Secretary for Policy, Management and Budget

From: Mark L. Greenblatt  
Inspector General 

Subject: Final Audit Report – The U.S. Department of the Interior Needs To  
Improve Internal Controls Over the Purchase Card Program  
Report No. 2018-FIN-059

This report presents the results of our audit of purchase card transactions and governing internal controls at the U.S. Department of the Interior (DOI). Attachment 1 provides our scope and methodology.

Our audit objectives were to determine whether:

- The bureaus<sup>1</sup> implemented enhanced internal controls for the increase in the micropurchase limit from \$3,500 to \$10,000
- Any cardholders in the audit sample of purchase card transactions misused their purchase cards
- Any cardholders used their purchase cards for purchases above \$3,500 and \$10,000

We found that bureaus did develop enhanced internal controls for the increase in the micropurchase threshold, but we found issues with the purchase card transactions because the bureaus did not adequately ensure that internal controls were implemented and did not fully comply with departmental and bureau policies. We question \$393,095 in transactions that had no receipt or insufficient documentation (see Attachment 2 for monetary impact).

In addition, we found that 2,757 cardholders (approximately 15 percent) used their cards for purchases above \$3,500 and 16 of 2,757 cardholders (less than 1 percent) used their cards for purchases above the \$10,000 micropurchase threshold.

## Background

The Office of the Secretary asked us to initiate this audit after the increase in the micropurchase limit from \$3,500 to \$10,000 on May 2, 2018. We also conducted this audit to

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<sup>1</sup> The term “bureaus” is used to refer to the DOI components, including bureaus, offices, services, and other units.

comply with the Government Charge Card Abuse Prevention Act of 2012 (Pub. L. No. 112-194), which requires Offices of Inspector General to periodically assess risk and perform audits of agency purchase card programs.

We reviewed purchase card transactions and internal control processes for DOI bureaus between May 2 and August 2, 2018. During this timeframe, 18,501 DOI employees made 316,017 purchase card transactions that totaled approximately \$133 million. We reviewed a sample of 299 transactions involving 266 cardholders that totaled \$1,844,743. Our sample included transactions from the following eight bureaus:

- Bureau of Indian Affairs (BIA)
- Bureau of Land Management (BLM)
- Bureau of Reclamation (BOR)
- National Park Service (NPS)
- Office of Surface Mining Reclamation and Enforcement (OSMRE)
- Office of the Secretary and Department Offices (OS/DO)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)

During our audit timeframe, the DOI had an Integrated Charge Card Program (ICCP), which combined multiple business lines—purchase, travel, and fleet—in a single account.<sup>2</sup> Cardholders used one card to make small purchases of supplies and services, official travel, and fuel and maintenance for DOI-owned vehicles and equipment, with minimal paperwork. The ICCP allowed transactions to be billed directly (centrally billed) to the Federal Government, which qualified users for exemption from sales taxes in most States, streamlined payments to vendors, and helped reduce delinquencies.

The Office of Acquisition and Property Management (PAM) oversees and develops policy for the DOI charge card program, while each bureau has an agency/organization program coordinator who is responsible for general oversight of the bureau's charge card accounts. Approving officials oversee designated cardholders and review and sign cardholder statements to approve transactions. The *DOI Integrated Charge Card Program Policy Manual*, dated August 27, 2015, details the policies and procedures for the ICCP and describes the responsibilities of those who administer and manage the program.

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<sup>2</sup> The ICCP was the charge card program in place at the time of this audit, and the processes we describe in this report are specific to the ICCP. The task order for the ICCP expired on November 29, 2018.

## Findings

We found that bureaus did develop enhanced internal controls for the increase in the micropurchase threshold. In our review of our sample, however, we found issues with the purchase card transactions because the bureaus did not adequately ensure that internal controls were implemented and did not fully comply with departmental and bureau policies. Specifically, we found:

- Missing or insufficient documentation
- Incomplete statement reviews
- Missing training documentation

In addition, we found that 2,757 cardholders (approximately 15 percent) used their cards for purchases above \$3,500 and 16 of 2,757 cardholders (less than 1 percent) used their cards for purchases above the \$10,000 micropurchase threshold.

If not addressed, these issues leave the DOI and its bureaus vulnerable to financial mismanagement and an increased potential for fraud, waste, and abuse.

### *Missing or Insufficient Documentation—Questioned Costs of \$393,095*

We requested documentation for the 299 transactions in our sample but did not receive documentation for 17 of them. Of the 282 purchase card transactions we reviewed, 53 (or 19 percent), totaling \$393,095, did not have the required supporting documentation. We question the entire amount because we were unable to determine what was purchased, for whom, and why. Specifically, we found transactions that had no receipt or insufficient documentation at seven bureaus, as detailed in Figure 1. (See Figure 2 for examples of insufficient documentation and Attachment 3 for examples of sufficient documentation.)

Bureau	Missing Documentation		Insufficient Documentation		Total Questioned Transactions	Total Questioned Costs
	No.	Value	No.	Value		
BIA	2	\$10,039	1	\$111	3	\$10,150
BLM	6	82,270	2	10,119	8	92,389
BOR	0	0	4	22,567	4	22,567
NPS	2	93	11	52,917	13	53,009
OS/DO	4	77,477	2	430	6	77,907
OSMRE	0	0	0	0	0	0
FWS	3	408	8	106,051	11	106,459
USGS	4	10,106	4	20,508	8	30,614
<b>Totals</b>	<b>21</b>	<b>\$180,393</b>	<b>32</b>	<b>\$212,702</b>	<b>53</b>	<b>\$393,095</b>

Figure 1. Number and value of transactions at each bureau that were missing documentation or had insufficient documentation. (Due to rounding, values might not add up to the stated totals.)

TAMM AS COUNTY BUILT  
512 N. CECIL AVE  
ROSEBURG, OR, 97470  
541-672-6286

**Phone Order**

XXXXXXXXXX [REDACTED]  
MASTERCARD      Entry Method: Manual

Amount: \$      19,276.65  
Tax: \$            0.00  
Total: \$          19,276.65

07/26/18      15:05:21  
Inv #: 000000007      Appr Code: [REDACTED]  
Apprvd: Online  
AVS Code: NO MATCH N  
CVV2 Code: MATCH M  
Cust #: [REDACTED]

Customer Copy  
THANK YOU

GOBBELL HAYS PRTNS INC  
1715 WILLOW AVE  
PHOENIX, AZ 85013

07/12/2018      15:46:26

CREDIT CARD  
MC SALE

Card #: XXXXXXXX [REDACTED]  
Card: MASTE  
: [REDACTED]  
C: [REDACTED]  
#: [REDACTED]  
Y #: [REDACTED]  
VICE  
Terminal Code: 00  
Method: Chip  
Amount: 1  
Code: 1

SALE AMOUNT      \$9999.94

CUSTOMER COPY

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**Merchant: GOBBELL HAYS PRTNS INC**  
217 Fifth Avenue North  
Nashville, TN 37219  
US

**Order Information**  
Description:      00517.55  
Order Number:  
Customer ID:

**Billing Information**

**Shipping Information**  
P.O. Number:  
Invoice Number:      1808999

Shipping:      0.00  
Tax:            0.00  
**Total: USD 11,990.00**

**Payment Information**  
Date/Time:      02-Jul-2018 07:28:34 PDT  
Transaction ID: [REDACTED]  
Transaction Type:      Authorization w/ Auto Capture  
Transaction Status:      Captured/Pending Settlement  
Authorization Code: [REDACTED]  
Payment Method:      MasterCard XXX [REDACTED]

Figure 2. Examples of insufficient documentation. These receipts do not show item descriptions or enough information to determine whether the expense is allowable.

The ICCP policy manual states that controls must exist to ensure proper supporting documentation accompanies all transactions. Office of Management and Budget (OMB) Circular No. A-123, Appendix B, “Improving the Management of Government Charge Card Programs,” dated January 15, 2009, requires agency personnel to provide written requests for purchases to cardholders to the maximum extent possible. If the requester is unable to make the request in writing, the cardholder should document in his or her file the requester’s name, item description, quantity, estimated cost, and date of request. The cardholder should also document availability of funds at the time of each purchase and obtain prior approval before making self-generated purchases. OMB Circular No. A-123, Appendix B, also states that agencies must have reasonable, effective internal controls so that items purchased can be accounted for, and so that use of purchased items is limited to official purposes. The Government Charge Card Abuse Prevention Act of 2012 states that records of each purchase card transaction (including records on associated contracts, reports, accounts, and invoices) must be retained in accordance with standard Government policies for the disposition of records.

### *Incomplete Statement Reviews*

We found that review and approval of purchase card transactions were not always done within the required timeframe, and we found one example where a supervisor should have identified an inaccurate claim.

Each bureau has implemented enhanced internal controls that require monthly review of a sample of transactions to identify any misuse of purchase cards. These reviews focus on timeliness of supervisor review and whether the transaction was fraudulent, prohibited, or a split purchase. Bureau reviews found no fraudulent, prohibited, or split purchases but did identify issues with timeliness of supervisor reviews.

Of the 282 purchase card transactions we reviewed, 52 transactions (or 18 percent) were not reconciled within the required 30 days of statement date by the cardholders, and 106 transactions (or 38 percent) were not reconciled by the approving officials within the required 30 days (see Figure 3 for a breakdown by bureau). Also included in these findings are 12 transactions that were not signed by either the cardholder or the approving officials in this timeframe.

When supervisors conduct timely reviews, they can identify potentially questionable transactions quicker. Such early identification can stop further questionable transactions and keep more funds from being misused. For example, in a recent investigation we found that a supervisor was able to prevent an employee from making additional fraudulent charges—after the employee charged more than \$14,000 for personal items and services—by confronting the employee about questionable charges that had been identified.<sup>3</sup>

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<sup>3</sup> OIG Report No. OI-CA-18-1034-I, *Personal Use of Government Credit Card*, USGS, June 14, 2019.

<b>Bureau</b>	<b>No. of Transactions</b>	<b>No. of Transactions We Could Not Review</b>	<b>No. of Transactions Not Reviewed by Cardholder</b>	<b>No. of Transactions Not Reviewed by Approving Official</b>
BIA	27	6	5	7
BLM	42	3	3	11
BOR	22	0	1	0
NPS	98	2	25	41
OS/DO	12	1	2	4
OSMRE	1	0	0	0
FWS	57	1	10	31
USGS	40	4	6	12
<b>Totals</b>	<b>299</b>	<b>17</b>	<b>52</b>	<b>106</b>

Figure 3. Cardholder and approving official review of purchase card transactions, by bureau.

We also noted an opportunity for improving efficiency of transaction reviews: When cardholders used the bank’s online system (PaymentNet), transactions were often reviewed before 30 days after the statement date. Specifically, out of the 102 transactions that were reviewed and approved using the online system, 82 transactions (or 80 percent) were reviewed by the cardholder and 60 transactions (or 59 percent) were approved by the approving official within the required 30 days of statement date. Within those 82 transactions, 36 transactions (44 percent) were reviewed by the cardholder before the statement date and 13 of the 60 transactions (22 percent) were approved by the approving official before the statement date. In November 2018, however, the DOI changed banks and the online system was no longer available to use for supervisory reviews. The DOI needs to reestablish an online system so supervisors can complete more timely reviews of transactions and better use data analytics to identify fraud, waste, and abuse.

We also found one example where a supervisor should have identified an inaccurate claim. In a transaction for \$120 for parking, the cardholder noted in the supporting documentation that only \$50 of the amount was for Government use and the remaining \$70 was a personal expense. The cardholder was not able to split the transaction, so the entire \$120 was charged on the Government purchase card. Parking is a direct billed expense, so by using the Government card, the cardholder owed the Government \$70 for the personal portion of the parking charge. Rather than writing a check to cover the personal expense, the cardholder claimed and was reimbursed the difference of \$50 on the travel voucher. In total, the Government paid \$170 for a parking expense when it should have only paid \$50. There was no evidence in the supporting documentation showing this error was ever identified and that the traveler was required to reimburse the Government the \$120 owed (\$70 personal expense plus \$50 inaccurate reimbursement).



The ICCP policy manual states that controls must exist to ensure a cardholder reconciles transactions within 30 days of the end of the cycle date. The policy also states that controls must exist to ensure the approving official/supervisor approves or disapproves transactions within 30 days of the end of the cycle date. In addition, the Government Charge Card Abuse Prevention Act of 2012 requires cardholders and their approving officials to verify the accuracy of charges on monthly statements using receipts and other supporting documentation.

*Missing Training Documentation*

Of the 267 cardholders reviewed, 232 (or 87 percent) did not document completion of the annual training required by the ICCP policy manual in the DOI tracking systems (see Figure 4 for details by bureau). Annual training helps ensure that managers and cardholders understand their roles and responsibilities and stay informed of any changes or updates to the charge card program. According to the acting charge card program manager, as of November 30, 2018, the DOI discontinued its “U.S. Department of the Interior Integrated Charge Card Program Web-Based Training” and now uses training offered by the General Services Administration (GSA) for both initial and refresher training. The acting charge card program manager also said that the DOI is incorporating the GSA training into DOI Talent for easier tracking of training completion.

<b>Bureau</b>	<b>No. of Cardholders With Documented Training Completion</b>	<b>No. of Cardholders Without Documented Training Completion</b>	<b>No. of Cardholders in Sample</b>
BIA	3	18	21
BLM	9	28	37
BOR	3	16	19
NPS	14	83	97
OS/DO	0	8	8
OSMRE	0	1	1
FWS	4	41	45
USGS	2	36	38
<b>Totals</b>	<b>35</b>	<b>231</b>	<b>266</b>

Figure 4. Number of cardholders who had and had not documented the completion of required annual training, by bureau.

The ICCP policy manual requires all cardholders and convenience check writers, approving officials/supervisors, and agency/organization program coordinators to complete mandatory training prior to appointment or card issuance. All cardholders and convenience check writers, approving officials/supervisors, and agency/organization program coordinators also must complete mandatory annual refresher training to maintain participation in the ICCP.

### *Purchases Over the Micropurchase Threshold*

Of the universe of 18,501 cardholders who made purchases between May 2 and August 2, we found that 2,757 cardholders (approximately 15 percent) made purchases over \$3,500 and 16 of 2,757 cardholders (less than 1 percent) made purchases over the \$10,000 threshold. In addition, we found 29 transactions for exactly the micropurchase threshold of \$10,000. These 29 transactions have been referred to our Office of Investigations.

The ICCP policy manual states the purchase card may be used above the micropurchase threshold only by warranted contracting officers.

### **Conclusion and Recommendations**

We found weaknesses in the internal controls over the purchase card process, resulting in \$393,095 in questioned costs. Specifically, we found missing or insufficient supporting documentation and oversight issues related to transaction review and training. These are indicators that the DOI and its bureaus may not have control over purchase card activities and are not in compliance with policy.

We make five recommendations to help the DOI improve the oversight of its purchase card program. Based on the Office of Acquisition and Property Management's response to our draft report, we made minor revisions to the report and have revised Recommendation 3. We consider four recommendations resolved but not implemented, and one recommendation unresolved. See Attachment 4 for the full response and Attachment 5 for the status of recommendations.

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

**DOI Response:** The DOI concurred with the recommendation and stated it will revise the "Review and Approve" and "Internal Controls" sections of the purchase card policy, which will replace the ICCP policy, to ensure the cardholder and approving official requirements are clearly understood and executed. The DOI will also add a "Consequences for Not Conducting Review and Approve" section to the policy. The DOI provided a target completion date of January 15, 2020.

**OIG Reply:** Based on the DOI's response, we consider this recommendation resolved but not implemented.

2. Hold the individuals accountable who do not perform reviews in accordance with policy

**DOI Response:** The DOI concurred with the recommendation and stated it will add a “Consequences for Not Conducting Review and Approve” section to the purchase card policy. The DOI provided a target completion date of January 15, 2020.

**OIG Reply:** Based on the DOI’s response, we consider this recommendation resolved but not 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

**DOI Response:** The DOI did not concur with this recommendation. In its response, the DOI stated that unlike J.P. Morgan Chase Bank under SmartPay 2 (the task order that expired on November 29, 2018), the DOI’s current vendor bank, Citibank, does not have an online review and approval system that is operational.

**OIG Reply:** As originally worded, this recommendation referred to use of the bank’s online system to review and approve transactions. Based on the DOI’s response (which indicated such a system does not exist with the current vendor bank), we have revised the recommendation to suggest that the DOI work with the current vendor bank, Citibank, to develop an online system for the review and approval of transactions. The SmartPay 3 master contract terms and conditions require Citibank to have an electronic access system that provides capabilities for cardholders to review each transaction and provide supporting documentation and for approving officials to review and approve each transaction. Therefore, we consider this recommendation unresolved.

4. Develop internal controls to ensure that cardholders and approving officials are taking and documenting completion of the required annual purchase card training

**DOI Response:** The DOI concurred with this recommendation. In its response, the DOI stated it will update the purchase card policy to require refresher training every 3 years per OMB Circular A-123, Appendix B, Section 3.4. The DOI stated it notified cardholders on September 28, 2018, of this change from annual refresher training to refresher training every 3 years in its “Acquisition Policy Flash! 18-22, Charge Card Program Transition.” The DOI further stated it will add charge card training to DOI Talent and will enable bureau agency/organization program coordinators (A/OPCs) to be able to run reports in DOI Talent to determine who has taken, and who has not taken, the required cardholder, approving official, and A/OPC training. The DOI will assign refresher training to all cardholders, approving officials, and A/OPCs for completion in calendar year 2020. Finally, the DOI will add a control to the “Internal Controls” section of the Purchase Card Policy to ensure cardholders, approving officials, and A/OPCs take refresher purchase card training at least every 3 years. The DOI provided a target completion date of January 31, 2021.

**OIG Reply:** Based on the DOI's response, we consider this recommendation resolved but not implemented.

5. Develop internal controls to ensure that only warranted contracting officers make purchases above the micropurchase threshold

**DOI Response:** The DOI did not concur with this recommendation. In its response, the DOI stated it currently has internal controls in place that include single purchase limits established with Citibank set at \$10,000 for non-warranted cardholders. The DOI will continue to work with Citibank to ensure this limit is enforced and that transactions that exceed the limit will be declined. The DOI will update the "Spending Limitations" and "Internal Controls" sections of the purchase card policy to highlight requirements for spending limitations and controls.

**OIG Reply:** Based on the DOI's response and the process currently in place, we consider this recommendation resolved but not implemented.

We will refer all five recommendations to the Assistant Secretary for Policy, Management and Budget: the revised Recommendation 3 for resolution, and Recommendations 1, 2, 4, and 5 for implementation tracking.

If you have any questions about this report, please contact me at 202-208-5745.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendation that have not been implemented.

Attachments (5)

## Scope and Methodology

### Scope

The scope of our audit included purchase card transactions made between May 2 and August 2, 2018, and the related internal control processes for 10 bureaus and offices within the U.S. Department of the Interior (DOI), namely:

- Bureau of Indian Affairs (BIA)
- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Reclamation (BOR)
- Bureau of Safety and Environmental Enforcement (BSEE)
- National Park Service (NPS)
- Office of Surface Mining Reclamation and Enforcement (OSMRE)
- Office of the Secretary and Department Offices (OS/DO)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)

BSEE and BOEM did not have any transactions identified in our audit sample. Therefore, no BSEE or BOEM transactions were reviewed, reducing the number of bureaus in our sample to eight.

### Methodology

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To determine whether existing internal controls at the DOI and the bureaus were designed to provide reasonable assurance that purchase card misuse would be prevented or detected in a normal course of business, we obtained an understanding of DOI and bureau policies and procedures and the related internal controls. We then assessed those internal controls by performing detailed tests of transactions. We relied on computer-generated data and emails from bureaus providing supporting documentation.

To accomplish our objectives, we:

- Gathered and reviewed general, administrative, and background information to provide a working knowledge of the DOI's Integrated Charge Card Program (ICCP)
- Obtained and reviewed relevant audit reports, as well as applicable laws and regulations
- Identified and reviewed policies and procedures related to the ICCP and bureau-specific policy
- Obtained the universe of 316,017 purchase card transactions, totaling approximately \$133 million from May 2 through August 2, 2018
- Selected and reviewed a judgmental sample of 299<sup>4</sup> transactions (involving 267 cardholders) totaling more than \$1,844,744; we identified transactions to examine based on transaction amount, when transactions occurred, and merchant category code
- Conducted interviews with DOI personnel responsible for oversight of the ICCP

To determine whether purchase card expenditures were made in compliance with applicable laws and regulations, we reviewed the Federal Acquisition Regulation, U.S. General Services Administration and Office of Management and Budget memoranda, , and DOI policies and procedures. We performed tests of Federal and agency acquisition requirements related to the purchase card procurement process.

To perform tests of internal controls and applicable laws and regulations, we selected a judgmental sample of 299 purchase card transactions. We obtained and reviewed related supporting documentation. We worked with DOI personnel in the Office of Acquisition and Property Management on a limited basis to resolve questions pertaining to ICCP process.

We used data from J.P. Morgan Chase Bank's PaymentNet and the DOI's Financial and Business Management System (FBMS) in conducting this audit. The PaymentNet data for purchase card transactions were transferred into the FBMS. The controls over the FBMS and purchase card transactions are evaluated as part of the annual DOI financial statement audits conducted by KPMG with oversight by the Office of Inspector General. In addition, under the General Services Administration's SmartPay2 contract, PaymentNet was subject to Government certification and accreditation assessments. Consequently, we believe that the data from these systems were sufficiently reliable given our audit objectives.

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<sup>4</sup> The audit team originally selected 300 transactions; however, 1 of the transactions was from the Office of Inspector General. Therefore, we removed it from our sample and only reviewed the 299 transactions.

**Monetary Impact**


<b>Issue</b>	<b>Questioned Costs</b>
Missing documentation	\$180,393
Insufficient documentation	\$212,702
<b>Total questioned costs</b>	<b>\$393,095</b>

**Examples of Sufficient Documentation**

The following three receipts show each vendor's name, item descriptions, quantity, a breakdown of costs, and the date of purchase—enough information to determine whether the expense is allowable.

21

Douglas County Bottling Co.  
512 NW Cecil Ave  
Roseburg, OR 97470  
(541) 472-6596  
"Your source of refreshment"



Printed	07/27/2018
Page	1/1
Invoice	68620

<b>Customer</b> Account # 22951 US FOREST SERVICE - MEDFORD US FOREST SERVICE 3040 BIDDLE ROAD MEDFORD, OR 97504	<b>Phone</b> Fax 541-618-2021 <b>Contact</b>
--	--

Date	Invoice #	Salesman	PO #	Stop #	Terms	Driver
7/27/2018	68620			0	30 Days - Charge	

Qty	Item	UPC	Item Description	Price	CRV	Dep	Rebill	Total
1680	138204	049000031652	16.9OZPLETN24X1 DASANI					\$14,112.00
54	130471	049000050752	20OZPLBTN6X3 PADE ZERO MIXED BRY HICN					\$966.60
54	137799	049000056433	20OZPLBTN6X3 PADE ZERO FRT PNCH HICN					\$966.60
162	125625	049000045659	20OZPLBTN6X3 PADE MT DRY BLAST HICN					\$2,899.80
54	123624	049000045666	20OZPLBTN6X3 PADE FRT PNCH HICN					\$966.60
1	53		PROCESSING FEE					\$597.95
0			Fire: Klendike					\$0.00
0			Incident: OR-RSF-000354					\$0.00
0			REQ: S2002 Dasani, S2003 Powerade					\$0.00

7005 Qty Shipped: 2005 Qty Ordered: 2005 Qty Returned: 0

**PAID**  
Credit Card  
Date: 7-30-18  
Auth #:

Total Sales	\$20508.95
Total Deposits	\$4809.60
Total Taxes	\$0.00
Total Payments	0
<b>Net Amount Due</b>	<b>\$20508.95</b>

Phone Order  
 Amount: \$ 20,508.95  
 Tax: \$ 0.00  
 Total: \$ 20,508.95

Cash  Check  Charge   
 Amount Paid: \$0.00

In case any suit or other collection action is required to collect any amount on this invoice, or any portion thereof, I promise and agree to pay, in addition to the amount shown on this invoice, the reasonable attorney's fees and costs, and I agree to be responsible for Attorney's fees to be allowed in said suit or action or in any and all such proceedings.





INDUSTRIES FOR THE BLIND, INC.  
 445 S. CURTIS RD.  
 WEST ALLIS, WI 53214  
 800-642-8778  
 customerservice@ibsupply.com  
 www.ibSupply.com

# INVOICE/RECEIPT

INVOICE NUMBER	IB910388
INVOICE DATE	06/12/2018
ORDER NUMBER	IB910388
ORDER DATE	06/06/2018
PAGE	1 of 1

BILLING ADDRESS		SHIPPING ADDRESS	
SEQUOIA NATIONAL PARK [REDACTED] SEQUOIA NATIONAL PARK 47050 GENERALS HWY THREE RIVERS, CA 93271 [REDACTED]@NPS.GOV		SIEN I&M [REDACTED] SEQUOIA NATIONAL PARK 47050 GENERALS HWY THREE RIVERS, CA 93271 [REDACTED]@NPS.GOV	
PO NUMBER / JOB ORDER NUMBER	TERMS	CUSTOMER ACCOUNT	
SIEN, I&M	NET 30	[REDACTED]@NPS.GOV	
DUNS #: [REDACTED]	Fed ID #: [REDACTED]		

SKU / Item Number	Contract Status	AbilityOne	Green	Ord.Qty.	Ship Qty.	Unit Price
Item Description				UOM	Status	Ext. Price
4FG5W / 7510015796874	GS-02F-0208N	YES	NO	1	1	[REDACTED]
SKILCRAFT Packaging Tape				PK		
83B7R / BRTTZE231	GS-02F-0208N	NO	NO	4	4	[REDACTED]
Tze Standard Adhesive Laminated Labeling Tape, 1/2"w, Black On White				EA		
23D5P / MMM17200ES		NO	NO	2	2	[REDACTED]
Command Adhesive Assortment Strips				PK		
1ZW7G / PENAX7PC12M		NO	NO	1	1	[REDACTED]
PRIME MECHANICAL PENCIL, BLACK, ASSORTEDS, DOZEN				DZ		
22P2H / BICMPLWP241	GS-02F-0208N	NO	NO	1	1	[REDACTED]
Xtra-Strong Mechanical Pencil, 0.9mm, Assorted, 24/pack				PK		

Date Captured: 06/12/2018 20:31PM  
 Credit Card #: XXXXXXXXXXXX [REDACTED]  
 Status: PAID IN FULL!

Any returns must be made within 30 days of the date of purchase. Products are subject to a 10% restocking fee, plus all return shipping charges if customer error. Custom furniture cannot be returned.

SUBTOTAL	\$89.37
SHIPPING	\$0.00
DISCOUNT	\$0.00
SALES TAX	\$0.00
LESS DEPOSIT	\$89.37
<b>TOTAL AMOUNT DUE</b>	<b>\$0.00</b>



<b>Invoice Number</b> 6-194-61212	<b>Invoice Date</b> May 28, 2018	<b>Account Number</b> [REDACTED]	Page 1 of 5
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FedEx Tax ID: [REDACTED]

**Billing Address:**  
ADAMS NATIONAL HISTORICAL PARK  
135 ADAMS ST  
QUINCY MA 02169-1749

**Shipping Address:**  
ADAMS NATIONAL HISTORICAL PARK  
181 ADAMS ST  
QUINCY MA 02169-1749

**Invoice Questions?**  
**Contact FedEx Revenue Services**  
Phone: (800) 645-9424  
M-F 7-5 (CST)  
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Internet: www.fedex.com/usgovt

**Invoice Summary May 28, 2018**

<b>FedEx Express Services</b>		
Transportation Charges		[REDACTED]
Special Handling Charges		[REDACTED]
Total Charges	USD	\$30.18
<b>FedEx Ground Services</b>		
Transportation Charges		[REDACTED]
Total Charges	USD	\$9.33
<b>TOTAL THIS INVOICE</b>	<b>USD</b>	<b>\$39.51</b>

Other discounts may apply.

*paid \$39.51 on 6-13-18*  
*cfm# [REDACTED]*

Detailed descriptions of surcharges can be located at fedex.com

To ensure proper credit, please return this portion with your payment to FedEx. Please do not staple or fold. Please make check payable to FedEx.  
 For change of address, check here and complete form on reverse side.

<b>Invoice Number</b> 6-194-61212	<b>Account Number</b> [REDACTED]	<b>Amount Due</b> USD \$39.51
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**Remittance Advice**  
Your payment is due by Jul 12, 2018

[REDACTED]

0008847 01 AB 0.405 \*\*AUTO T1 0 1146 02169-174915 -C01-P08855-11  
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**Response to Draft Report**

The Office of Acquisition and Property Management's response to our draft report follows on page 2.



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

SEP 12 2019

## Memorandum

To: Mark L. Greenblatt  
Inspector General

From: Megan Olsen *Megan Olsen*  
Director, Office of Acquisition and Property Management and  
Senior Procurement Executive

Subject: Response to Draft Report - The U.S. Department of the Interior Needs To  
Improve Internal Controls Over the Purchase Card Program, Report No. 2018-  
FIN-059

Thank you for providing us the opportunity to respond to the subject draft evaluation report. The report outlines several findings and communicates five recommendations. The Department of the Interior's (DOI) response to each of the recommendations, including planned corrective actions, is outlined below. In the section after our responses and corrective action plans, we are also providing general comments on the draft report for your consideration.

**Recommendation 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.

**Response: Concur.** The DOI will revise the Review and Approve and Internal Controls sections of the Purchase Card Policy to ensure the cardholder and approving official requirements are clearly understood and executed. The DOI will also add a "Consequences for not Conducting Review and Approve" section to the Purchase Card Policy.

Target Date: January 15, 2020

Responsible Official: Megan Olsen

**Recommendation 2.** Hold the individuals accountable who do not perform reviews in accordance with ICCP policy manual.

**Response: Concur.** The DOI will add a "Consequences for not Conducting Review and Approve" section to the Purchase Card Policy.

Target Date: January 15, 2020

Responsible Official: Megan Olsen

**Recommendation 3.** Develop policies and procedures that require cardholders and approving officials to use the bank’s online system to review and approve transactions.

**Response: Non-Concur.** Unlike JPMorgan Chase under SmartPay2, DOI’s current vendor bank, Citibank, does not currently have an online review and approve system that is operational.

Responsible Official: Megan Olsen

**Recommendation 4.** Develop internal controls to ensure that cardholders and approving officials are taking and documenting completion of the required annual purchase card training.

**Response: Concur with comment.** The DOI will update the Purchase Card Policy to require refresher training every three years per OMB Circular A-123, Appendix B, Section 3.4. The DOI has already notified purchase cardholders on September 28, 2018, of this change from annual refresher training to refresher training every three years in Acquisition Policy Flash! 18-22, *Charge Card Program Transition*. The DOI will add charge card training to DOI Learn and will enable bureau Agency/Organization Program Coordinators (A/OPC) to be able to run reports in DOI Talent to determine who has taken, and who has not taken, the required cardholder, approving official and A/OPC training. The DOI will assign refresher training to all cardholders, approving officials, and A/OPCs for completion in calendar year (CY) 2020. Finally, DOI will add a control to the Internal Controls section of the Purchase Card Policy to ensure cardholder, approving officials and A/OPCs take refresher purchase card training at least every three years.

Target Date: January 31, 2021

Responsible Official: Megan Olsen

**Recommendation 5.** Develop internal controls to ensure that only warranted contracting officers make purchases above the micropurchase threshold.

**Response: Non-Concur.** The DOI currently has internal controls in place to include single purchase limits (SPL) established with Citibank set at \$10,000 for non-warranted cardholders. The DOI will continue to work with Citibank to ensure this SPL is enforced and that transactions that exceed the SPL will decline. The DOI has already developed a report in VISA IntelliLink to identify any purchase transactions for \$10,000 and over. This report is currently available for Bureau Lead A/OPCs to run on a regular basis. The DOI will add the requirement for A/OPCs to run this report monthly in its annual Internal Control Guidance. The DOI will update the Spending Limitations and Internal Controls sections of the Purchase Card Policy to highlight spending limitations and control required.

For the two transactions cited in the draft report as evidence in insufficient monitoring of the micropurchase threshold, both transactions were made by warranted contracting officers. For the cited Bureau of Land Management (BLM) transaction, the cardholder for the \$11,452 transaction on August 2, 2018, with “WCI Elko Sanitation” had an active warrant as a contracting officer at the time of the transaction, and the transaction was within the authorized limits and was not a violation of policy. For the cited Bureau of Reclamation (BOR) transaction, the cardholder for

the \$10,304 transaction on May 3, 2018, with “CAPP USA” held an active warrant as a contracting officer at the time of the transaction, and the transaction was within the authorized limits and was not a violation of policy.

Responsible Official: Megan Olsen

### **Questioned Costs**

**OIG Comment.** It [DOI response] should also clearly indicate the dollar value of questioned costs that you plan to either allow or disallow.

**Response:** The DOI requests the OIG make available the details of the transactions they identified as problematic. The DOI will require bureaus to investigate the questionable transactions the OIG identified and take appropriate action.

Target Date: December 15, 2019

Responsible Official: Megan Olsen

### **General Comments on the Draft Report**

In the section entitled “Insufficient Monitoring of Micropurchase Threshold,” the draft report cites as evidence to support this conclusion of insufficient monitoring, “Out of the purchases made over \$10,000, we found that two transactions exceeded the \$10,000 threshold and were not made by a warranted contracting officer, in violation of ICCP policy. One transaction was at the BLM for sanitation removal totaling \$11,452, and the other transaction was at the BOR for the purchase of supplies from a GSA contract totaling \$10,304.”

As stated in our response to Recommendation 5, the cardholder for the \$11,452 BLM transaction on August 2, 2018, with “WCI Elko Sanitation held an active warrant as a contracting officer at the time of the transaction, and the transaction was within the authorized limits and not a violation of policy.

For the cited BOR transaction, the cardholder for the \$10,304 transaction on May 3, 2018, with “CAPP USA” held an active warrant as a contracting officer at the time of the transaction, and the transaction was within the authorized limits and not a violation of policy.

The draft OIG reports also cites that the OIG “found 27 transactions for exactly the micropurchase threshold of \$10,000 that were not made by a warranted contracting officer.” Given that these 27 transactions were permitted under the ICCP and that the two transactions identified for over \$10,000 were in fact made by warranted contracting officers, we request that the OIG remove the section entitled “Insufficient Monitoring of Micropurchase Threshold.”

Thank you for the opportunity to respond. If you have questions or require additional information, please contact me at (202) 513-0692 or by e-mail at [REDACTED][@ios.doi.gov](mailto:[REDACTED]@ios.doi.gov).

cc: Director, Office of Financial Management  
Attention: Chief, Division of Internal Control and Audit Follow-up

**Status of Recommendations**

<b>Recommendations</b>	<b>Status</b>	<b>Action Required</b>
1, 2, 4, 5	Resolved but not implemented	We will refer these recommendations to the Assistant Secretary for Policy, Management and Budget for implementation tracking.
3	Unresolved	We will refer this recommendation to the Assistant Secretary for Policy, Management and Budget for resolution.



# Report Fraud, Waste, and Mismanagement



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