



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 5, 2017

S. 1099 **Saving Federal Dollars Through Better Use of Government Purchase and Travel Cards Act of 2017**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on May 17, 2017*

S. 1099 would increase oversight of federal agencies' use of purchase and travel charge cards. The legislation would require the Office of Management and Budget and the General Services Administration (GSA) to develop a strategy to enhance the analysis of data to detect improper use of such cards. The bill also would establish an interagency task force to facilitate the sharing of information about the use of federal charge cards and to promote best practices to reduce fraud and improper payments. Finally, S. 1099 would require agencies to report to the Congress on the use of such cards.

Information from the GSA suggests that most provisions of the bill would codify current policy and practice. Under current law and policy, agencies have many tools to combat fraud and misuse related to charge cards. Agencies have coordinators to oversee the use of charge cards; they also use tools such as credit limits, blocks on merchants based on the type of business, activity reports, and employee guides that explain best practices for using federal charge cards. In addition, the 73 Inspector Generals (IG) and their 13,000 employees spend about \$2.7 billion a year to detect and deter fraud, waste, and mismanagement of government funds. Because of those ongoing activities, CBO estimates that implementing the bill would not significantly increase costs.

The bill could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Enacting S. 1099 would not affect revenues.

CBO estimates that enacting S. 1099 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 1099 contains no intergovernmental or private-sector mandates as defined in Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.