



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

The Social Security Administration's
Travel Charge Card Program

A-13-14-11414 | May 2015

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: May 29, 2015

Refer To:

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Travel Charge Card Program (A-13-14-11414)

The attached final report presents the results of our audit. Our objective was to assess the Social Security Administration's travel charge card program and centrally billed account activities.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

The Social Security Administration's Travel Charge Card Program

A-13-14-11414



May 2015

Office of Audit Report Summary

Objective

To assess the Social Security Administration's (SSA) travel charge card program and centrally billed account (CBA) activities.

Background

On October 5, 2012, the President signed into law the *Government Charge Card Abuse Prevention Act of 2012* (Pub.L. No. 112-194) (Act). The Act addresses agencies' management of their Government purchase and travel charge card programs. The Act codifies program integrity policies and reporting requirements for Government charge card programs. For example, the Act requires that the programs have certain internal controls and safeguards.

The Act also requires that Inspectors General of executive agencies with more than \$10 million in travel card spending conduct periodic audits or reviews of travel card programs to analyze the risk of illegal, improper, or erroneous purchases and payments. In Fiscal Year 2013, SSA reported about \$14 million in travel card expenses.

Additionally, the Act requires that internal controls be established and maintained when agencies have employees who have travel charges billed directly to the Government. For example, the Act directs agencies to verify that they do not reimburse CBA charges to an employee.

Findings

Generally, SSA complied with its travel charge card policies and procedures. For example, travel advances for employees were appropriate, relocated employees' expenses were allowable, and 7,912 (61 percent) employees' credit limits were reduced to \$11 or less when there was no activity.

We identified some instances of noncompliance with the Agency's policies and procedures, but these instances did not involve a significant number of employees or have a significant monetary impact. Specifically, the instances of noncompliance included 234 separated employees who retained travel charge cards but whose accounts did not have any charges in FY 2013; 3 cardholders who were reimbursed for \$4,347 in charges billed to the CBA; 7 cardholders who made unauthorized purchases and automated teller machine withdrawals totaling \$995; 4 cardholders who did not use the Government travel charge card for \$1,619 in travel-related expenses; and supervisors who did not approve the travel authorization for 5 employees before they travelled. Finally, we questioned whether 14 employees received travel charge card training, as required by Agency policy.

Recommendations

We made several recommendations for SSA to improve its travel charge card program and review the case for the one cardholder we identified during our audit who was incorrectly paid.

The Agency agreed with our recommendations.

TABLE OF CONTENTS

Objective	1
Background	1
Results of Review	2
Compliance with Travel Charge Card Policies and Procedures	3
Separated Employees Retain Travel Charge Cards	3
Reimbursements for Charges Billed to the CBA	4
Unauthorized Purchases	5
ATM Withdrawals	5
No Use of Government Travel Charge Cards	5
Travel Without Approved Travel Authorizations	6
Employees Without Travel Charge Card Training	6
Disciplinary Actions	7
Conclusions	8
Recommendations	8
Agency Comments	8
Appendix A – Scope and Methodology	A-1
Appendix B – Sampling Methodology	B-1
Appendix C – Agency Comments	C-1
Appendix D – Major Contributors	D-1

ABBREVIATIONS

AIMS	Administrative Instructions Manual System
ATM	Automated Teller Machine
CBA	Centrally Billed Account
C.F.R.	Code of Federal Regulations
FMM	Financial Management Manual
FY	Fiscal Year
OIG	Office of the Inspector General
OMB	Office of Management and Budget
Pub. L. No.	Public Law Number
SSA	Social Security Administration

OBJECTIVE

Our objective was to assess the Social Security Administration's (SSA) travel charge card program and centrally billed account (CBA) activities.

BACKGROUND

On October 5, 2012, the President signed into law the *Government Charge Card Abuse Prevention Act of 2012*¹ (Act), which reinforced efforts to prevent waste, fraud, and abuse in Government-wide charge card programs. The Act addresses agencies' management of their Government purchase and travel charge card programs. For example, the Act requires that the programs have certain internal controls and safeguards.²

Further, the Act requires that additional internal controls be established and maintained when agencies have employees who have travel charges billed directly to the Government.³ For example, the Act directs agencies to verify that they do not reimburse employees for CBA charges.

As reported in our *Fiscal Year 2014 Risk Assessment of SSA's Charge Card Programs*,⁴ SSA has policies and procedures in place to address the Act's requirements regarding its charge card programs. These policies and procedures were designed to reduce the risk of illegal, improper, and erroneous purchases made using the charge cards.

The Act also requires that Inspectors General of executive agencies with more than \$10 million in travel card spending conduct periodic audits or reviews of travel card programs to analyze the risks of illegal, improper, or erroneous purchases and payments.⁵ In Fiscal Years (FY) 2013 and 2014, SSA reported travel card expenses of about \$14 and \$13 million, respectively. Of the \$14 million, \$13.7 million related to individual cardholders.

We obtained electronic data extracts of all FY 2013 (a) travel charge card transactions and (b) non-local travel authorizations⁶ and vouchers.

¹ Pub. L. No.112-194, 126 Stat. 1445, 2012.

² *Id.* at Sec. 2(a).

³ *Id.* at Sec. 4(a).

⁴ SSA OIG, *Fiscal Year 2014 Risk Assessment of the Social Security Administration's Charge Card Programs*, (A-13-15-50002), p. 2, January 2015.

⁵ Pub. L. No.112-194, *supra* at Sec. 3(h)(3).

⁶ The travel authorization is the official authorizing document to travel at Government expense.

To assess the Agency's CBA activities, we obtained all 442 FY 2013 CBA travel charge card transactions. Of the 442 transactions, 386 were purchases totaling about \$202,839, and 56 were refunds totaling approximately \$23,303. We reviewed the 30 highest dollar CBA purchases and all 56 CBA refunds to determine whether SSA complied with its travel charge card policies and procedures.

To assess the Agency's travel charge card program, we reviewed (1) 12,906 cardholders who had not used their cards to determine whether their card limits had been reduced; (2) 50 cardholders whose travel card expenses exceeded the travel reimbursement to determine whether the employees made unauthorized purchases while on travel; and (3) 50 cardholders who had no travel authorizations but who had potential travel card expenses to determine whether SSA employees inappropriately used their travel card.

We also reviewed the 10 highest dollar value, non-local travel authorizations; 50 non-local travel authorizations with estimated travel costs of \$300 or more; and 50 cardholders who relocated in FY 2013. We also reviewed 26 cardholders who had disciplinary actions in FY 2013 to determine whether their travel cards had been cancelled. Lastly, we reviewed data pertaining to disciplinary actions the Agency took from October 2011 through September 2013. See Appendix A for our scope and methodology and Appendix B for our sampling methodology.

RESULTS OF REVIEW

Generally, SSA complied with its travel charge card policies and procedures. For example, travel advances were appropriate, relocated employees' expenses were allowable, 7,912 (61 percent) employees' credit limits were reduced to \$11 or less when there was no activity in FY 2013, and travel spending was in accordance with Office of Management and Budget (OMB) guidance. Also, the Agency reported it took disciplinary actions against 59 employees for inappropriately using travel cards.⁷

We identified some instances of noncompliance with the Agency's policies and procedures, but these instances did not involve a significant number of employees or have a significant monetary impact. Specifically, 234 separated employees retained travel charge cards, but we did not detect any charges to their accounts in FY 2013; 3 cardholders were reimbursed for \$4,347 in charges billed to the CBA; 7 cardholders made unauthorized purchases and automated teller machine (ATM) withdrawals totaling \$995; 4 cardholders did not use the Government travel charge card for \$1,619 in travel-related expenses; and supervisors did not approve the travel authorization for 5 employees before they travelled. Finally, we question whether 14 employees received travel charge card training, as required by Agency policy.

⁷ In this report, we consider the inappropriate use of the travel card to include misuse, unauthorized use, delinquent payments, failure to pay, and inappropriate expenses.

Compliance with Travel Charge Card Policies and Procedures

SSA generally complied with its travel charge card policies and procedures concerning travel advances, relocations, reduction of credit limits, and travel spending. According to SSA policy,⁸ an employee may request a cash advance using the Agency's third-party draft system when the employee (1) has applied for the Government travel card but will not receive it before they travel and (2) cannot use the Government travel card because of circumstances beyond their control. SSA issued 20 travel advances in FY 2013. Of the 20 advances, 5 were issued because the employee did not receive the travel card before required travel, and 15 were issued because the vendors did not accept the travel charge card.

The Agency reimburses employees for relocation travel. SSA policy⁹ states once relocation is authorized at Government expense, the employee is entitled to (1) transportation expenses between the old and new duty stations, (2) transporting household goods, (3) miscellaneous expenses, and (4) residence transaction expenses. We found relocated employees properly used the travel charge card for allowable expenses.

OMB Circular A-123, Appendix B, Attachment 5, states when mitigating risks of misuse and/or delinquency, charge card managers should keep current on new and innovative solutions to detect and prevent misuse and fraud, such as more restrictive spending limits during expected periods of inactivity. For the 12,906 cardholders reviewed, SSA reduced charge card limits to \$11 or less for 7,912 (61 percent) who had no activity in FY 2013.

Finally, OMB Memorandum M-12-12,¹⁰ states that each agency shall spend at least 30 percent less on travel expenses than in FY 2010. SSA reported credit card charges of \$13,738,024 in FY 2013, a 63-percent decrease from the \$37,435,298 in travel expenses reported in FY 2010.

Separated Employees Retain Travel Charge Cards

According to the Agency's 2013 Travel Card Management Plan, the approving official or supervisor ensures that either the cardholder or the appropriate Agency program coordinator informs the bank to close a travel credit card account. Procedures indicate the Agency closes employees' credit card accounts when the cardholders separate from the Agency. If applicable, supervisors must notify the appropriate Agency program coordinator to cancel the account within 1 pay period of the employee's separation date.

Beginning in 2005, the lead Agency program coordinator received a monthly report from SSA's Office of Personnel of all employees who left the Agency. SSA staff further explained that each month, its staff uses the monthly reports to query Citibank's information system to identify any

⁸ SSA, AIMS, FMM, 07.29.03.E (September 20, 2010).

⁹ SSA, AIMS, FMM, 07.22.02 E (November 5, 2009).

¹⁰ OMB, M-12-12, *Promoting Efficient Spending to Support Agency Operations*, Section 1 - Travel (May 11, 2012).

separated employees whose travel card accounts remained open. The lead Agency program coordinator then closed the accounts identified. Because of the timing of the monthly reports, staff explained not all separated employees were included. Staff further stated the Office of Personnel changed the timing of the monthly report beginning in 2010, and therefore all separated employees should be included in the monthly report.

As of September 30, 2013, 234 employees who had left SSA had active travel charge cards. These employees left the Agency between July 2002 and September 2013. We found 142 of these former employees had separation dates after December 2010; therefore, we question the effectiveness of the current monthly review process for identifying and closing travel charge card accounts of separated employees. Of the 234 former employees, 147 had a credit limit of \$1 or less. The remaining 87 employees' credit limits were \$500 or more. We did not detect any charges to these cards in FY 2013. However, these former employees could have continued using their Government travel charge cards. We notified SSA staff about these individuals. Agency staff reported the travel card accounts were closed in October 2014.

Reimbursements for Charges Billed to the CBA

There were 442 transactions involving the Agency's CBA for the audit period October 1, 2012 to September 30, 2013. Of the 442 transactions, we selected 86 to review.¹¹ SSA improperly reimbursed three cardholders¹² a total of \$4,347 for travel charges billed to the CBA. One cardholder repaid the \$1,342 debt. After we notified the Agency in August 2014, it began the process of collecting the remaining \$3,005 from the other two cardholders. As of February 2015, the Agency had reported another cardholder repaid the \$1,661 debt. However, SSA had not recovered the \$1,344 debt from the third cardholder.

SSA policy¹³ states, “. . . employees should not claim CBA charges on their travel voucher because these expenses are not reimbursable to the employee.” According to Agency staff, the overpayments occurred because the three cardholders prepared travel vouchers after the Division of Travel Services performed its validity and overpayment checks. The Division of Travel Services performs these checks to ensure travel card charges are correct and cardholders are not claiming CBA charges on their travel vouchers. Also, SSA staff reported neither the travel arranger nor the approving official properly annotated on the travel voucher that the airfare was billed to the CBA.

Further, Agency staff reported SSA had implemented an additional internal control for reimbursements. The control involved alerting the traveler and arrangers not to claim CBA charges on travel vouchers billed to the CBA.

¹¹ See Appendix B for additional information on the selection criteria used.

¹² Two cardholders were SSA employees, and one cardholder was a SSA Advisory Board member.

¹³ SSA, AIMS, FMM, 07.32.02 .L (September 6, 2013).

Unauthorized Purchases

SSA policy¹⁴ states employees may only use the Government travel card and automated teller machines (ATM) for official business travel and only for those expenses authorized on the travel authorization, including using an ATM for authorized cash withdrawals. Employees may not use the Government travel card for other persons or personal purposes.

Of the 100 cardholders and 60 non-local travel authorizations¹⁵ reviewed, we found 3 employees made unauthorized Government charge card purchases. Two employees made restaurant purchases totaling \$100 on dates that were outside their authorized travel period. The remaining employee made a purchase through Hotwire and another at a Hookah Bar, totaling \$106, during official business travel. SSA assumes no liability to the Government travel card vendor for individual employee Government travel cards and/or accounts.¹⁶ Also, the employees did not claim these charges on their travel vouchers.

ATM Withdrawals

Our review of 50 randomly selected employee travel accounts found 4 employees withdrew approximately \$789 from ATMs even though their travel authorizations did not indicate such withdrawals would be made, as required. SSA policy¹⁷ states “. . . employees who want to obtain cash via ATM withdrawals must enter the request for the withdrawal on the travel authorization. The request must identify the dollar amount of the ATM withdrawal requested.” While the four employees were on approved travel, these ATM withdrawals were unauthorized because the employees did not request cash advances on their travel authorizations.

No Use of Government Travel Charge Cards

According to SSA policy,¹⁸ employees should not purchase transportation tickets (airfare, rail fare, etc.) with personal funds or personal charge cards. Further, according to Federal regulations,¹⁹ employees are required to use the Government contractor-issued travel charge card for all official expenses unless he/she has an exemption.

¹⁴ SSA, AIMS, FMM, 07.32.07.E (September 6, 2013).

¹⁵ We tested (a) 50 randomly selected cardholders with travel card expenses totaling \$300 or more that exceeded the travel reimbursement, (b) 50 randomly selected cardholders without travel authorization totaling \$300 or more but who had potential travel card expenses, (c) 10 highest dollar value non-local travel authorizations, and (d) 50 randomly selected additional non-local authorizations with estimated travel costs of \$300 or more.

¹⁶ SSA, AIMS, FMM, 07.32.07.F (September 6, 2013).

¹⁷ SSA, AIMS, FMM, 07.29.03.C (September 20, 2010).

¹⁸ SSA, AIMS, FMM 07.32.02.C (September 6, 2013).

¹⁹ Federal Travel Regulation § 301-51-1; 41 C.F.R. § 301-51-1.

Of the 50 employees reviewed, 4 did not use their travel charge cards during official business travel for \$1,619 in airfare and lodging, as required by policy. The Agency loses the opportunity to collect rebates when employees do not use their Government travel charge cards. Staff explained SSA periodically issues travel update articles to remind employees of various travel card issues including required use of cards for official business expenses.

Travel Without Approved Travel Authorizations

Our review of 50 employees' FY 2013 travel authorizations found 5 employees traveled before they received travel authorization approval. Agency policy²⁰ states, “. . . employees should not travel without an approved travel authorization except in unexpected and emergency situations when it is not possible to obtain a travel authorization prior to the performance of official travel.” In this situation, the supervisor should ensure the employee's travel authorization is approved before they travel.

For example, one employee's travel authorization dates were February 22 through 25, 2013. However, the approving official did not approve the travel authorization until March 19, 2013. In this instance, the approving official did not sign the authorization before the employee's official travel dates. Agency staff stated they will use the travel update articles to remind staff to have approved travel authorizations before pursuing official business travel.

Employees Without Travel Charge Card Training

SSA policy²¹ states, “. . . it is required that employees receive training on the proper use of the Government travel card prior to the agency submitting the application to the Government travel card vendor.” SSA employees issued a Government travel card and personal identification number are responsible for keeping their account current under the agreement they signed with the Government travel card vendor and the Employee Travel Card Obligation Acknowledgement Form. SSA assumes no liability to the Government travel card vendor for individual employee Government travel cards and/or accounts.²²

We reviewed the travel charge card training documentation for 50 employees. Of the 50, we question whether 14 travel cardholders completed travel card training in compliance with Agency policy. There was no documentation that six employees had completed the training. We found two employees completed training several months after they submitted their SSA Employee Travel Card Obligation Acknowledgement forms. For example, one employee completed the training almost 2 years after signing the form.

²⁰ SSA, AIMS, FMM, 07.27.02.B (July 3, 2012).

²¹ SSA, AIMS, FMM, 07.32.03.C (September 6, 2013).

²² SSA, AIMS, FMM, 07.32.07.F (September 6, 2013).

In addition, SSA was unable to provide signed copies of the Employee Travel Card Obligation Acknowledgement forms for six employees. Of the six employees, three also had no documentation that training was completed. Agency staff stated it will remind Agency Program Coordinators to ensure training is completed timely and maintain documentation.

Disciplinary Actions

In its 2013 Travel Card Management Plan, SSA outlined procedures for employee disciplinary actions. We reviewed information SSA provided regarding disciplinary actions involving travel cardholders for the period October 12, 2011 to September 30, 2013. SSA takes disciplinary actions when monitoring the travel cards indicates inappropriate use.²³

According to Agency staff, to determine the appropriate penalty for travel card disciplinary action, a Labor Relations or Employee Relations Specialist examines each case's facts and scenarios; checks the case tracking system for similar cases for a range of penalties in prior cases; and applies the Douglas Factors,²⁴ which is a required action, based on case law. The Agency reported 59 employees involved in disciplinary actions for inappropriate use of travel cards during our audit period. See Table 1 for the 59 disciplinary actions.

Table 1: Disciplinary Actions for Inappropriate Use of Travel Charge Card During the Period October 2011 Through September 2013

Disciplinary Action	Occurrences	Amount
Counseling	15	\$22 - \$5,148
Reprimand	12	\$88 - \$2,520
1 to 4-day Suspension	6	\$1,253 - \$6,194
5 to 10-day Suspension	13	\$117 - \$12,409
11 to 15-day Suspension	6	\$873 - \$9,156
Demotion	1	\$1,047
Resignation	2	\$1,485 - \$134,574
Removal	1	\$68,000
Removal/Termination ²⁵	3	\$954 - \$2,206

For example, one employee resigned in lieu of removal from the Agency for inappropriate use of the Government travel charge card. There were approximately 1,600 separate charges on the travel charge card between January 2009 and February 2012. The employee admitted to using

²³ See Footnote 7.

²⁴ The Merit Systems Protection Board in its decision, *Douglas vs. Veterans Administration*, 5 M.S.P.B. 313, 5 M.S.P.R. 280 (1981), established criteria that supervisors must consider in determining an appropriate penalty to impose for an act of employee misconduct.

²⁵ These employees were in probationary status when they were removed or terminated.

the travel charge card for personal expenses and cash advances totaling over \$134,000. Also, the employee admitted he failed to pay the full balance due on the card, as required. On May 23, 2012, this employee submitted his notice of resignation to the Agency. In FY 2013, Agency staff reported performing monthly reviews of travel charge card transactions for questionable charges and these reviews should eliminate some unauthorized purchases.

CONCLUSIONS

Generally, SSA complied with its travel charge card policies and procedures. Our review identified some instances of noncompliance, but these matters did not involve a significant number of employees or have a significant monetary impact. Specifically, the instances of noncompliance included 234 separated employees who retained travel charge cards but whose accounts did not reflect any charges in FY 2013; 3 cardholders were reimbursed \$4,347 in charges billed to the CBA; 7 cardholders made unauthorized purchases and ATM withdrawals totaling \$995; 4 cardholders did not use the Government travel charge card for \$1,619 in travel-related expenses; and supervisors did not approve the travel authorization for 5 employees before travel. Finally, we question whether 14 employees received travel charge card training as required by Agency policy.

RECOMMENDATIONS

We recommend the Agency:

1. Review all current travel cardholders to ensure they are still employed at SSA and perform a comprehensive review annually to identify any separated employees whose cards were not cancelled when they separated.
2. Ensure the one cardholder in our review repays the Agency \$1,344 in travel expenses.
3. Remind employees to use their Government travel charge card only for authorized purchases and ATM withdrawals when on official business travel.
4. Remind supervisors to ensure employees' travel authorizations are approved before they travel and attach appropriate documentation if emergencies occur.
5. Remind approving officials to (a) ensure employees timely complete training and (b) retain appropriate documentation indicating employees completed the required training.

AGENCY COMMENTS

The Agency agreed with our recommendations. The Agency's comments are included in Appendix C.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To achieve our objective, we:

- Reviewed applicable laws, regulations, Social Security Administration (SSA) policies and procedures, and prior audits in regulating the travel charge card program and centrally billed accounts (CBA).
- Reviewed prior Office of the Inspector General reports.
- Interviewed staff from SSA's Division of Travel Services and Office of Human Resources.
- Obtained and reviewed SSA's Annual Charge Card Management Plan for 2013.
- Obtained travel charge card data for Fiscal Year 2013 from Citibank¹ and E² Solutions.² This included 14,246 cardholders and 16,814 non-local travel authorizations.³ Based on our analysis, we selected and reviewed several samples of cardholders and transactions. See Appendix B for more information.
- Obtained and reviewed all 442 CBA Citibank travel charge card transactions for Fiscal Year 2013. Based on our analysis, we selected 86 transactions to review. See Appendix B for more detailed information.
- Obtained 59 disciplinary actions reported for the period October 12, 2011 through September 30, 2013. Of the 59, we reviewed information for 17 disciplinary actions.
- Randomly selected 50 employees hired between October 1, 2012 and September 30, 2013 to assess compliance with policies and procedures for new cardholders. See Appendix B for additional information.
- Reviewed 47 cardholders with 2 or more delinquent records between October 1, 2012 and September 30, 2013.
- Reviewed all 20 cash advances issued between October 1, 2012 and September 30, 2013.
- Determined whether SSA had cancelled individual travel cards when employees separated from the Agency.

¹ Citibank provides credit card services for SSA's credit card programs.

² E2 Solutions is a Web-based travel and expense management tool. It offers a convenient and user-friendly way to create and track travel authorizations, get authorization approvals, submit travel vouchers, receive travel reimbursements and book travel reservations.

³ Our review did not include the Office of the Inspector General travel charge cardholders or their transactions.

- Reviewed the travel card rebates received by the Agency for prompt payment for the period October 1, 2012 through September 30, 2013.
- Obtained and reviewed the Agency's implementation of the Office of Management and Budget's Memorandum M-12-12 to reduce travel spending by 30 percent.

We determined the computer-processed data used for this audit were sufficiently reliable for their intended use. Further, any data limitations were minor in the context of this assignment, and the use of the data should not lead to an incorrect or unintentional conclusion. We obtained data used in our audit from Citibank and the E² Solutions systems.

The principal entity audited was the Office of the Deputy Commissioner for Budget, Finance, Quality, and Management. We conducted our review between June 2014 and February 2015 at SSA's Headquarters in Baltimore, Maryland. We conducted this performance audit in accordance with generally accepted 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.

Appendix B – SAMPLING METHODOLOGY

We obtained individually billed Citibank and E² Solutions travel charge card data for the period October 1, 2012 through September 30, 2013. These data included 14,246 cardholders and 16,814 non-local travel authorizations.¹ Based on our analysis, we:

- Reviewed 26 cardholders with disciplinary actions to determine whether credit limits were reduced or the Government travel charge cards were cancelled.
- Reviewed 12,906 cardholders with no Government travel charge card use.
- Randomly selected 50 of 406 cardholders with travel card expenses totaling \$300 or more and potential Government charge card expenses without a travel authorization.
- Randomly selected 50 of 245 cardholders with travel card expenses totaling \$300 or more and the travel card expenses exceeded the travel reimbursement.
- Reviewed the 10 highest dollar value non-local travel authorizations.
- Randomly selected 50 of 14,476 non-local travel authorizations totaling \$300 or more to determine whether cardholders (1) received authorization prior to travel; (2) completed travel charge card training; (3) received approval for automated teller machine withdrawals; and (4) used the travel charge card for official business-related expenses.
- Randomly selected 50 of 215 relocated employees with travel card expenses totaling \$300 or more for appropriate use of the travel charge card.

In addition, we obtained all 442 centrally billed account (CBA) Citibank travel charge card transactions for the period October 1, 2012 through September 30, 2013. Of the 442 transactions, 386 were CBA purchases totaling \$202,839 and 56 were CBA refunds totaling \$23,303. Based on our analysis, we reviewed

- the 30 highest dollar CBA purchase transactions and
- 56 CBA refund transactions.

Finally, we randomly selected 50 employees hired between October 1, 2012 and September 30, 2013 to determine whether the Agency followed policies and procedures for new cardholders.

¹ Our review did not include the Office of the Inspector General travel charge cardholders or their transactions.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: April 27, 2015 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Frank Cristaudo /s/
Executive Counselor to the Commissioner

Subject: Office of the Inspector General Draft Report, "The Social Security Administration's Travel Charge Card Program" (A-13-14-11414) - INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “THE SOCIAL SECURITY ADMINISTRATION’S TRAVEL CHARGE CARD PROGRAM” (A-13-14-11414)

General Comments

We appreciate OIG’s efforts in conducting this review. We are committed to ensuring we administer the travel charge card program regulations appropriately and that we have the proper controls and monitoring procedures in place. . Below is our response to the recommendations.

Recommendation 1

Review all current travel cardholders to ensure they are still employed at the Social Security Administration and perform a comprehensive review annually to identify any separated employees whose cards were not cancelled when they separated.

Response

We agree. We implemented an annual review process of all travel cardholders. For those individuals we determine are no longer Social Security employees, we will take the necessary actions to cancel the charge card. We conducted the initial review at the end of December 2014. We will continue conducting this review at the end of each calendar year, starting in 2015.

Recommendation 2

Ensure the one cardholder in our review repays the Agency \$1,344 in travel expenses.

Response

We agree. We started the collection process by sending a certified letter to the cardholder requesting repayment. We will continue our efforts in accordance with the collection statutes until we are reimbursed. In addition, we enhanced our internal control procedures to prevent this type of transaction from occurring in the future.

Recommendation 3

Remind employees to use the Government travel charge card only for authorized purchases and automated teller machine withdrawals when on official business travel.

Response

We agree. We included a reminder in our ongoing hands-on training sessions to use the travel charge card only for authorized purchases and automated teller machine withdrawals when on official business travel. In addition, we will include this message in a future Travel Update publication, scheduled for 2015.

Recommendation 4

Remind supervisors to ensure employees' travel authorizations are approved before they travel and attach appropriate documentation if emergencies occur.

Response

We agree. We included a reminder in our ongoing hands-on training sessions for supervisors to ensure they approve travel authorizations and attach the proper documentation before employee travel takes place. In addition, we will include this message in a future Travel Update publication, scheduled for release in 2015.

Recommendation 5

Remind approving officials to (a) ensure employees timely complete training and (b) retain appropriate documentation indicating employees completed the required training.

Response

We agree. We included a reminder for approving officials in our ongoing hands-on training sessions that began in January 2015, to ensure employees complete training timely, and document when the training was completed. We scheduled another training class in May 2015 for front office staffs, and other special groups (for example, the Office of Acquisition and Grants, SES Class VII, and the SSA Advisory Board). We also sent out an email offering the training to all employees to ensure everyone is aware of the travel card requirements and policies. In addition, we will include this message in a future Travel Update publication, scheduled for release in 2015.

Appendix D – MAJOR CONTRIBUTORS

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