



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** February 28, 2025

**Refer to:** 032416

**To:** Mr. Russell Vought  
Director  
Office of Management and Budget

**From:** Michelle L. Anderson  
Assistant Inspector General for Audit

**Subject:** Fiscal Year 2024 Assessment of the Social Security Administration's Charge Card Programs

As required by the *Government Charge Card Abuse Prevention Act of 2012 (Act)*, we assessed the risk of illegal, improper, and erroneous purchases made through the Social Security Administration's (SSA) charge card programs. We determined the risk is low.

## BACKGROUND

The Act—as implemented by Appendix B to Office of Management and Budget (OMB) Circular A-123, *A Risk Management Framework for Government Charge Card Programs*—requires that all Executive Branch agencies implement safeguards and internal controls to prevent waste, fraud, and abuse of purchase cards, travel cards, integrated cards, and centrally billed accounts.<sup>1,2</sup>

For Executive Branch agencies with \$10 million in annual purchase and/or \$10 million in travel spending, the Act tasks Inspectors General to:<sup>3</sup>

- periodically assess agencies' purchase card or convenience check programs and travel card programs to identify and analyze the risks of illegal, improper, or erroneous purchases and payments;

---

<sup>1</sup> *Government Charge Card Abuse Prevention Act of 2012*, Pub. L. No. 112-194, §§ 2 through 4, 126 Stat. 1445, pp. 1445 through 1450 (2012).

<sup>2</sup> OMB, *A Risk Management Framework for Government Charge Card Programs*, Circular A-123, Appendix B, Cover Memorandum (2019), establishes standard minimum requirements and best practices for Government charge card programs that may be supplemented by individual agency policies and procedures.

<sup>3</sup> OMB, *A Risk Management Framework for Government Charge Card Plans*, Circular A-123, Appendix B, sec. 2.9, pp. 13-14 (2019).

- analyze or audit, as necessary, purchase and travel card transactions designed to identify potentially illegal, improper, or erroneous uses of purchase and travel cards;
- report to the Director of OMB on the implementation of recommendations made to the head of the Executive Branch Agency to address findings from any analysis or audit of purchase or travel card transactions; and
- report jointly with the respective agency to the head of OMB on confirmed charge card violations.

Because SSA reported it had approximately \$33 million in purchase card spending and/or approximately \$9 million in travel card and centrally billed account spending in Fiscal Year (FY) 2024, the Act requires that we identify and analyze risks of illegal, improper, and erroneous use of purchase and travel cards.<sup>4</sup> For additional information about our scope and methodology, see Attachment 1.

## **RISK OF ILLEGAL, IMPROPER, AND ERRONEOUS PURCHASES**

For FYs 2013 through 2020 and FY 2023, we determined SSA's overall risk of illegal, improper, or erroneous purchases made through charge card programs was low.<sup>5</sup> Because the Agency had not made significant changes to its controls since our 2023 assessment,<sup>6</sup> we determined the risk in FY 2024 remained low. Nothing came to our attention that required we analyze or audit SSA's purchase and travel card purchases and payments.

### **Required Safeguards and Internal Controls**

SSA has safeguards and internal controls that are intended to prevent waste, fraud, and abuse of purchase cards, travel cards, and centrally billed accounts. The Agency's policies and procedures address the requirements in the Act and OMB Circular A-123, Appendix B.<sup>7</sup> The Agency's Purchase and Travel Card Management Plans address the Act's requirements and outlines policies and procedures the Agency believes are critical to (1) ensuring a system of internal control is followed and (2) minimizing the potential for fraud, misuse, and delinquency. For example, to address the Act's requirement to pay purchase card accounts within prescribed deadlines to avoid interest penalties, SSA uses an automated process to pay purchase card invoices daily to avoid interest penalties.<sup>8,9</sup>

---

<sup>4</sup> SSA used centrally billed accounts when employees used SSA's travel management system to make travel reservations. However, SSA did not use convenience checks or integrated charge cards.

<sup>5</sup> For FYs 2021 and 2022, we met the requirement of the Act by reporting the report on the status of SSA's recommendations related to purchase and travel card programs. We did not perform our annual assessments.

<sup>6</sup> SSA OIG, *Fiscal Year 2023 Periodic Assessment of the Social Security Administration's Charge Card Programs* (032314), April 2024.

<sup>7</sup> See Attachment 2 for the required safeguards and internal controls for purchase and travel cards.

<sup>8</sup> *Government Charge Card Abuse Prevention Act of 2012*, Pub. L. No. 112-194, § 2, 126 Stat. 1446, p. 1446 (2012).

<sup>9</sup> SSA, *Purchase Card Management Plan*, § 4.2, p. 10 (June 28, 2024).

OMB requires that SSA update its management plans every 2 years from the date of the last update or more frequently to remain current.<sup>10</sup> The Agency updated its Travel Card Management Plan in January 2024, as required. SSA should have updated its Purchase Card Management Plan in January 2024. However, the Agency updated it in June 2024 because its employees did not obtain from appropriate contacts purchase card information timely. SSA reported it plans to submit to OMB the Purchase Card Management Plan by January 2026, as required.

### **Status of Recommendations**

There were no open or closed prior-year recommendations pertaining to SSA's charge card program.<sup>11</sup> In addition, there were no current year audit recommendations to report to OMB. See Attachment 3 for the status of recommendations we submitted to OMB on November 19, 2024.

### **Charge Card Violations, Misuse, or Delinquency**

As required by the Act, we and the Agency reported to OMB that SSA had no known, and completed reviews and investigations of, use or abuse of purchase cards that resulted in fraud, loss to the Government, or misappropriation of funds or assets in FY 2024.<sup>12</sup>

Agency staff reported three instances of misuse or delinquency in purchase and travel card accounts. Specifically, SSA reported one instance of disciplinary actions for misuse of a purchase card and two instances of delinquent travel card accounts.

SSA had no ongoing investigations or legal proceedings relevant to purchase and travel card programs.



Michelle L. Anderson

cc:

Leland Dudek, Acting Commissioner of Social Security Administration

---

<sup>10</sup> OMB, *A Risk Management Framework for Government Charge Card Plans*, Circular A-123, Appendix B, sec. 3.1, p. 18 (2019).

<sup>11</sup> OMB, *A Risk Management Framework for Government Charge Card Plans*, Circular A-123, Appendix B, section 2.9, p. 13 (2019).

<sup>12</sup> OMB, *A Risk Management Framework for Government Charge Card Plans*, Circular A-123, Appendix B, section 2.9, p. 14 (2019).

## **ATTACHMENT 1 – SCOPE AND METHODOLOGY**

---

To accomplish our objective, we:

- Reviewed the *Government Charge Card Abuse Prevention Act of 2012 (Act)*.
- Reviewed Office of Management and Budget (OMB) Circular A-123, Appendix B – *A Risk Management Framework for Government Charge Card Plans* (revised August 2019).
- Reviewed Social Security Administration (SSA) policies and procedures related to charge cards.
- Reviewed our most recent memorandums, assessments, and reports related to charge cards.
  - *Fiscal Year 2023 Periodic Assessment of the Social Security Administration’s Charge Card Programs (032314)* (April 2024);
  - *Status of the Social Security Administration’s Charge Card Programs for Fiscal Year 2022 (032312)* (January 2023);
  - *Fiscal Year 2020 Assessment of the Social Security Administration’s Charge Card Programs (A-13-19-50835)* (January 2021);
  - *Council of the Inspectors General on Integrity and Efficiency Purchase Card Project (A-13-17-50266)* (February 2018);
  - *The Social Security Administration’s Fiscal Year 2014 Government Purchase Card Program (A-13-15-50038)* (May 2016); and
  - *The Social Security Administration’s Travel Charge Card Program (A-13-14-11414)* (May 2015).
- Reviewed SSA’s policy, procedures, and charge card management plans for new or significant changes that affected its compliance with the Act and OMB Circular A-123, Appendix B.
- Reviewed purchase and travel card transactions made through SSA’s charge card programs for the period October 1, 2023 through September 30, 2024.
- Reviewed centrally billed account transactions made through SSA’s travel card program for the period October 1, 2023 through September 30, 2024.
- Reviewed SSA’s annual risk profile or Office of Management and Budget Circular A-123 enterprise-risk management process for charge card programs.
- Reviewed SSA’s annual Charge Card Management Plans for 2022, 2023, and 2024.
- Reviewed misuse information from our Office of Investigations, including ongoing investigations or legal proceedings relevant to purchase and travel card programs.

- Obtained SSA's delinquent purchase and travel card account information for the period October 1, 2023 through September 30, 2024.
- Obtained information on disciplinary actions SSA took against employees for their misuse of purchase or travel cards for the period October 1, 2023 through September 30, 2024.
- For compliance with the Act, identified and reported to OMB the status of prior and current year charge card audit recommendations to determine whether any of those recommendations remained unimplemented.
- For compliance with the Act, verified SSA, in coordination with our Office of Investigations, submitted to OMB semiannual reports on confirmed charge card violations.

We conducted our assessment from October through December 2024. SSA provided information pertaining to its charge card programs. We did not independently determine the accuracy of the information. Therefore, we provide no assurance the information is accurate. During our review, nothing came to our attention that would indicate the information provided is not reliable.

## **ATTACHMENT 2 – REQUIREMENTS FOR PURCHASE AND TRAVEL CARDS AND CENTRALLY BILLED ACCOUNTS**

---

The *Government Charge Card Abuse Prevention Act of 2012 (Act)*—as implemented by Appendix B to Office of Management and Budget (OMB) Circular A-123, *A Risk Management Framework for Government Charge Card Programs*—requires that all Executive Branch agencies implement safeguards and internal controls to prevent waste, fraud, and abuse of purchase cards, travel cards, and centrally billed account.<sup>1,2</sup>

### **Purchase Cards**

- There is a record in each Executive Branch agency of each purchase card the agency issued for official use, annotated with the limitations on single and total transactions that are applicable to the use of each card or check by that purchase cardholder.
- Each purchase cardholder and individual issued a convenience check is assigned an approving official other than the cardholder who has the authority to approve or disapprove transactions.
- The purchase cardholder and each official with authority to authorize expenditures charged to the purchase card are responsible for reconciling the charges appearing on each statement of account for that purchase card with receipts and other supporting documentation; and forwarding a summary report to the certifying official in a timely manner of information necessary to enable the certifying official to ensure the Government ultimately pays only for valid charges that are consistent with the terms of the applicable Government-wide purchase card contract entered into by the Administrator of General Services.
- Any disputed purchase card charge, and any discrepancy between a receipt and other supporting documentation and the purchase card statement, is resolved in the manner prescribed in the applicable Government-wide purchase card contract entered by the Administrator of General Services.
- Payments on purchase card accounts are made within prescribed deadlines to avoid interest penalties.
- Rebates and refunds based on prompt payment, sales volume, or other actions by the agency on purchase card accounts are reviewed for accuracy and properly recorded as a receipt to the agency that pays the monthly bill.

---

<sup>1</sup> *Government Charge Card Abuse Prevention Act of 2012*, Pub. L. No. 112-194, §§ 2 through 4, 126 Stat. 1445, pp. 1445 through 1450 (2012).

<sup>2</sup> OMB, *A Risk Management Framework for Government Charge Card Programs*, Circular A-123, Appendix B, Cover Memorandum (2019), establishes standard minimum requirements and best practices for Government charge card programs that may be supplemented by individual agency policies and procedures.

- Records of each purchase card transaction (including records on associated contracts, reports, accounts, and invoices) are retained in accordance with Government policies on the disposition of records.
- Periodic reviews are performed to determine whether each purchase cardholder needs a purchase card.
- Appropriate training is provided to each purchase cardholder and official with responsibility for overseeing the use of purchase cards issued by the Executive Branch agency.
- The Executive Branch agency has specific policies regarding the number of purchase cards issued by various component organizations and categories of component organizations, the credit limits authorized for various categories of cardholders, and categories of employees eligible to be issued purchase cards, and that those policies are designed to minimize the financial risk to the Government of the issuance of the purchase cards and to ensure the integrity of purchase cardholders.
- The Executive Branch agency uses effective systems, techniques, and technologies to prevent or identify illegal, improper, or erroneous purchases.
- The Executive Branch agency invalidates the purchase card of each employee who ceases to be employed by the agency, immediately upon termination of the employment of the employee; or transfers to another unit of the agency, immediately upon the transfer of the employee unless the agency determines that the units are covered by the same purchase card authority.
- The Executive Branch agency takes steps to recover the cost of any illegal, improper, or erroneous purchase made with a purchase card or convenience check by an employee, including, as necessary, through salary offsets.

## **Travel Cards**

- There is a record in each Executive Branch agency of each holder of a travel charge card issued on the agency's behalf for official use, annotated with the limitations on amounts that are applicable to the use of each such card by that travel charge cardholder.
- Rebates and refunds based on prompt payment, sales volume, or other actions by the agency on travel charge card accounts are monitored for accuracy and properly recorded as a receipt of the agency that employs the cardholder.
- Periodic reviews are performed to determine whether each travel charge cardholder has a need for the travel charge card.
- Appropriate training is provided to each travel charge cardholder and official responsible for overseeing the use of travel charge cards issued by the Executive Branch agency.

- Each Executive Branch agency has specific policies regarding travel charge cards issued for various component organizations and categories of component organizations, the credit limits authorized for various categories of cardholders, and categories of employees eligible to be issued travel charge cards and designs those policies to minimize the financial risk to the Government of the issuance of the travel charge cards and ensure the integrity of travel charge cardholders.
- Each Executive Branch agency has policies to ensure its contractual arrangement with each travel charge card issuing contractor contains a requirement that the creditworthiness of an individual be evaluated before the individual is issued a travel charge card, and that no individual be issued a travel charge card if that individual is found not creditworthy because of the evaluation.
- Each Executive Branch agency uses effective systems, techniques, and technologies to prevent or identify improper purchases.
- Each Executive Branch agency ensures the travel charge card of each employee who ceases to be employed by the agency is invalidated immediately upon termination of the employment of the employee (or, in the case of a member of the uniformed services, upon separation or release from active duty or full-time National Guard duty).
- Each Executive Branch agency shall ensure that, where appropriate, travel card payments are issued directly to the travel card-issuing bank for credit to the employee's individual travel card account.

### **Centrally Billed Accounts**

- The Executive Branch agency shall ensure that officials with the authority to approve official travel verify that centrally billed account charges are not reimbursed to an employee.
- The Executive Branch agency shall dispute unallowable and erroneous charges and track the status of the disputed transactions to ensure appropriate resolution.
- The Executive Branch agency shall submit requests to servicing airlines for refunds of fully or partially unused tickets, when entitled to such refunds, and track the status of unused tickets to ensure appropriate resolution.



## **ATTACHMENT 3 – STATUS OF CORRECTIVE ACTIONS FOR AUDIT RECOMMENDATIONS**

---

The *Government Charge Card Abuse Prevention Act of 2012*—as implemented by Appendix B to Office of Management and Budget (OMB) Circular No. A-123, *A Risk Management Framework for Government Charge Card Programs*—requires that Inspectors General of Executive Branch Agencies with more than \$10 million in annual purchase and/or travel card spending report on the implementation of recommendations made to the Social Security Administration (SSA) to address findings of any analysis or audit of purchase card or travel card transactions or programs.<sup>1,2</sup>

### **Prior-year Purchase and Travel Card Audit Recommendations**

In 2015, we issued a travel card report with five recommendations and purchase card reports in 2016 and 2018 with six recommendations to address findings for travel and purchase card transactions and programs.<sup>3,4</sup> As of the end of Fiscal Year (FY) 2020, SSA had taken corrective actions and closed all recommendations. Therefore, SSA had no open or closed prior-year recommendations for FY 2024. See Figure C–1: FY 2024 Status of Prior-and Current-year Recommendations for the report we submitted to OMB, as required.

### **Current-year Purchase and Travel Card Audit Recommendations**

Nothing came to our attention that would affect SSA’s management of its charge card programs. We did not identify any new or updated changes that were significantly or materially different than FY 2023. Therefore, we did not perform an audit or comprehensive analysis of the FY 2024 purchase and travel card programs. As indicated in Figure C–1: FY 2024 Status of Prior-and Current-year Recommendations, we reported to OMB there are no current-year recommendations related to findings of purchase and travel card programs.

---

<sup>1</sup> *Government Charge Card Abuse Prevention Act of 2012*, Pub. L. No. 112-194, §§ 2 through 4, 126 Stat. 1445, pp. 1445 through 1450 (2012).

<sup>2</sup> OMB, *A Risk Management Framework for Government Charge Card Plans*, Circular A-123, Appendix B, sec. 2.9, p. 13 (2019)

<sup>3</sup> SSA, OIG, *The Social Security Administration’s Travel Charge Card Program*, A-13-14-11414 (May 2015).

<sup>4</sup> SSA, OIG, *The Social Security Administration’s Fiscal Year 2014 Government Purchase Card Program*, A-13-15- 50038 (May 2016) and SSA, OIG, *Council of the Inspectors General on Integrity and Efficiency Purchase Card Project*, A-13-17-50266 (February 2018).

**Figure C–1: FY 2024 Status of Prior- and Current-year Recommendations**

Agency OIG Recommendations								
Agency:		Social Security Administration (SSA)						
OIG POC:								
Agency	Card Type	OMB Circular A-123, Appendix B Section of Recommendation	Summary of Conditions	Status/Disposition	Current Year (CY) or Prior Year Finding (FY-20XX)	OIG Report Number	OIG Report Date	Comments
SSA/OBFM/OAG	Purchase	N/A	None	N/A	N/A	N/A	N/A	As of fiscal year (FY) 2020, SSA closed all prior year recommendations and made corrective actions to address findings related to purchase and travel card programs. In our April 2024 informational report, <i>Fiscal Year 2023 Periodic Assessment of the Social Security Administration's Charge Card Programs</i> , we reported the overall risk of illegal, improper, or erroneous purchases and payments made through SSA's charge card programs as low. As such, we did not perform audits or analyses and have no current year recommendations to report.
SSA/OBFM/OFPO	Travel	N/A	None	N/A	N/A	N/A	N/A	




- Mission:** The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.
- Report:** Social Security-related scams and Social Security fraud, waste, abuse, and mismanagement, at [oig.ssa.gov/report](https://oig.ssa.gov/report).
- Connect:** [OIG.SSA.GOV](https://oig.ssa.gov)


Visit our website to read about our audits, investigations, fraud alerts, news releases, whistleblower protection information, and more.

Follow us on social media via these external links:

 @TheSSAOIG

 OIGSSA

 TheSSAOIG

 Subscribe to email updates on our website.