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**TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION**



***Review of the Internal Revenue Service's  
Purchase Card Violations Report***

July 26, 2017

Reference Number: 2017-10-060

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

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## HIGHLIGHTS

### REVIEW OF THE INTERNAL REVENUE SERVICE'S PURCHASE CARD VIOLATIONS REPORT

## Highlights

Final Report issued on July 26, 2017

Highlights of Reference Number: 2017-10-060 to the Internal Revenue Service Deputy Commissioner for Operations Support.

### IMPACT ON TAXPAYERS

Federal audits of agency charge card programs have found varying degrees of fraud, waste, and abuse. On October 5, 2012, the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) was signed into law, requiring Executive Branch agencies to establish and maintain safeguards and internal controls for the Government charge card programs.

### WHY TIGTA DID THE AUDIT

This audit was initiated because the Charge Card Act requires each agency with more than \$10 million in purchase card spending annually to submit semiannual reports of employee purchase card violations and the disposition of those violations, including any disciplinary actions taken. The overall objective of this review was to assess the IRS's implementation of and compliance with the law's requirements for the period October 1, 2016, through March 31, 2017.

### WHAT TIGTA FOUND

The IRS properly identified and reported 20 instances of confirmed purchase card misuse and two instances of purchase card misuse pending final agency action. The 20 confirmed purchase card misuse cases reported by the IRS collectively totaled \$1,716.

TIGTA also reviewed the IRS's current charge card guidance and determined that policies and controls have been established and designed to mitigate the risk of fraud and inappropriate Government travel and purchase card practices, including controls that address centrally billed travel card accounts.

Finally, TIGTA reviewed the final version of the Fiscal Year 2017 Department of the Treasury Charge Card Management Plan and determined that it had been updated and continues to include controls over travel cards in compliance with the requirements of the Charge Card Act.

### WHAT TIGTA RECOMMENDED

TIGTA made no recommendations as a result of the work performed during this review. Key IRS officials agreed with the facts presented in this report.



TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

**DEPARTMENT OF THE TREASURY**  
**WASHINGTON, D.C. 20220**

July 26, 2017

**MEMORANDUM FOR DEPUTY COMMISSIONER FOR OPERATIONS SUPPORT**

**FROM:** Michael E. McKenney  
Deputy Inspector General for Audit

**SUBJECT:** Final Audit Report – Review of the Internal Revenue Service’s  
Purchase Card Violations Report (Audit # 201710004)

This report presents the results of our review of the Internal Revenue Service’s (IRS) Purchase Card Violations Report. The overall objective of this review was to assess the IRS’s implementation of and compliance with the Government Charge Card Abuse Prevention Act of 2012 requirements for the period October 1, 2016, through March 31, 2017.<sup>1</sup> This review is included in our Fiscal Year 2017 Annual Audit Plan and addresses the major management challenge of Reducing Fraudulent Claims and Improper Payments.

The Treasury Inspector General for Tax Administration made no recommendations as a result of the work performed during this review. However, key IRS officials reviewed this report prior to its issuance and agreed with the facts and conclusions presented.

If you have any questions, please contact me or Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations).

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<sup>1</sup> Pub. L. No. 112-194 (Oct. 2012). On September 6, 2013, the Office of Management and Budget issued Memorandum M-13-21, *Implementation of the Government Charge Card Abuse Prevention Act of 2012*, with implementation guidance for the Act. On November 18, 2013, the General Services Administration issued Smart Bulletin No. 021, *OMB Memorandum M-13-21 and Charge Card Compliance Summary*, which included a summary compliance checklist for agency use and sample reporting templates.



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***Review of the Internal Revenue Service's  
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***Abbreviations***

ALERTS	Automated Labor and Employee Relations Tracking System
CCS	Credit Card Services
IRS	Internal Revenue Service
OMB	Office of Management and Budget
TIGTA	Treasury Inspector General for Tax Administration



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## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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### **Background**

Government purchase cards are an affordable and streamlined means for making payments. According to the Internal Revenue Service (IRS), between October 1, 2016, and March 31, 2017, the IRS purchase card program included 2,781 purchase cardholders. IRS records show that these cardholders made 23,000 purchases totaling almost \$8.2 million with their purchase cards. Additionally, cardholders with the authority to write convenience checks (an alternative method of payment used with vendors who do not accept purchase cards for payment of goods and services) wrote 73 checks totaling more than \$28,000.

The Federal Acquisition Regulation designated the purchase card as the preferred method for making purchases up to the micro-purchase threshold.<sup>1</sup> According to the Government Accountability Office, although the use of purchase cards has been credited with reducing administrative costs and simplifying the acquisition process, audits of agency purchase card programs have found varying degrees of fraud, waste, and abuse. In a June 2013 audit of purchase cards, we found that, while some controls worked as intended, the IRS's purchase card program lacked consistent oversight to identify and address inappropriate use.<sup>2</sup> Beginning in July 2014, and continuing through our subsequent reviews of the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act)<sup>3</sup> requirements, we found that the IRS had established policies and controls to mitigate the risk of fraud and inappropriate Government travel and purchase card practices and that the instances of purchase card misuse identified by the IRS were minimal and all for nominal amounts.<sup>4</sup>

The Charge Card Act requires Executive Branch agencies to establish and maintain safeguards and internal controls for Government charge card programs.<sup>5</sup> Additionally, agencies with more than \$10 million in purchase card spending annually must submit semiannual reports of employee purchase card violations, the disposition of those violations, and any disciplinary actions taken.

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<sup>1</sup> The Federal Acquisition Regulation includes limitations of micro-purchases, which are no more than \$3,500 for goods, \$2,500 for services, and \$2,000 for construction. 48 C.F.R. §13.201(b)-(c) (Oct 2015).

<sup>2</sup> Treasury Inspector General for Tax Administration (TIGTA), Ref. No. 2013-10-056, *The Purchase Card Program Lacks Consistent Oversight to Identify and Address Inappropriate Use*, p. 2 (June 2013).

<sup>3</sup> Pub. L. No. 112-194 (Oct. 2012).

<sup>4</sup> TIGTA, Ref. No. 2014-10-048, *Review of the Internal Revenue Service's Purchase Card Violations Report*, p. 4 and 5 (July 2014).

TIGTA, Ref. No. 2015-10-070, *Review of the Internal Revenue Service's Purchase Card Violations Report*, p. 4–6 (July 2015).

TIGTA, Ref. No. 2016-10-055, *Review of the Internal Revenue Service's Purchase Card Violations Report*, p. 5 and 6 (July 2016).

<sup>5</sup> Pub. L. No. 112-194 (Oct. 2012).



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## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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Because Government charge card program oversight involves multiple agency functions, successful implementation of the Charge Card Act requires collaboration between agencies and Inspectors General. The Charge Card Act established additional reporting and audit requirements for Offices of Inspectors General, including the Treasury Inspector General for Tax Administration (TIGTA). The Office of Management and Budget (OMB) and the General Services Administration have issued guidance and templates for reporting violations.<sup>6</sup>

Additional requirements of the Charge Card Act include augmentation of existing internal controls. At a minimum, all agency charge card management plans are required to be reviewed and updated to reflect the following internal control activities related to centrally billed travel card accounts:<sup>7</sup>

- ***To prevent an individual from being reimbursed for a bill already paid by the Government*** by ensuring that agency officials who approve or settle official travel verify that charges paid directly by the Government to the bank are not also reimbursed to an employee's individually billed account.
- ***To prevent the Government from spending money on unallowable or erroneous charges*** by ensuring that the agency disputes these charges and tracks the status of disputed transactions to ensure appropriate resolution.
- ***To prevent the Government from spending money on unused tickets*** by verifying that the agency (travel management center or service or commercial travel office) submits requests to servicing common carriers for refunds of fully or partially unused tickets and tracks the status of those tickets to ensure resolution.

To ensure compliance with the Charge Card Act, each agency head is required to provide an annual certification that the appropriate policies and controls are in place or that corrective action has been taken to mitigate the risk of fraud or inappropriate travel and purchase charge card practices. The annual certification is included as part of the existing annual assurance statement under the Federal Managers' Financial Integrity Act of 1982.<sup>8</sup> In addition, each agency must continue to maintain and annually submit a charge card management plan no later than January 31, as required by OMB Circular A-123, Appendix B, which provides guidance that

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<sup>6</sup> On September 6, 2013, the OMB issued Memorandum M-13-21, *Implementation of the Government Charge Card Abuse Prevention Act of 2012*, and on November 18, 2013, the General Services Administration issued Smart Bulletin No. 021, *OMB Memorandum M-13-21 and Charge Card Compliance Summary*, which included a summary compliance checklist for agency use and sample reporting templates.

<sup>7</sup> Centrally billed travel card accounts are corporate accounts issued to an agency business organization that may be used to pay for transportation expenses when an employee is authorized to perform official travel but does not have an individually billed account card, *e.g.*, new employees who have not been issued a travel card or infrequent travelers. Centrally billed accounts are paid directly by the Government to the card-issuing entity.

<sup>8</sup> 31 U.S.C. § 3512.



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## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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establishes minimum requirements for Government purchase card programs and suggests best practices.<sup>9</sup>

Within the IRS purchase card program, the Office of Procurement Policy is responsible for providing policy guidance, and the Credit Card Services (CCS) Branch has oversight responsibility.<sup>10</sup> In addition, the CCS Branch is responsible for tracking and reporting to the Labor and Employee Relations function instances of alleged inappropriate purchase card use as part of the process for determining and implementing the appropriate disciplinary or nondisciplinary action.<sup>11</sup> The Chief Financial Officer and CCS Branch share joint responsibility for the centrally billed travel card program. The Chief Financial Officer is responsible for program policy, while the CCS Branch is responsible for program administration and procedures. The IRS's purchase card policy is set forth in the Purchase Card Program and the *Internal Revenue Service's Purchase Card Guide*.<sup>12</sup> The *IRS Restricted Purchase List* also provides cardholders with detailed information on what is and is not an acceptable purchase.<sup>13</sup>

The CCS Branch inputs employee misconduct allegations, including those involving purchase cards, into the Automated Labor and Employee Relations Tracking System (ALERTS). The ALERTS records employee misconduct allegations and cases and management's responses, except for cases involving the IRS Office of Chief Counsel. The CCS Branch identifies instances of purchase card misuse and refers any involving Chief Counsel employees to the Office of Chief Counsel, which maintains a separate system to track its employee misconduct issues and final dispositions. The details of these cases are not available in the ALERTS. However, the Office of Chief Counsel provides the CCS Branch with the final disposition of any cases related to purchase card misuse, which are reported in the semiannual purchase card violations report.

Additionally, TIGTA's Office of Investigations maintains the Criminal Results Management System, which provides TIGTA with the ability to manage and account for the thousands of complaints received, investigations initiated, and leads developed from law enforcement initiatives. We reviewed charge card misuse cases from each of these systems to ensure that the IRS purchase card violations report appropriately identified all reported instances of misuse.

We analyzed information obtained from Agency-Wide Shared Services and CCS Branch management and staff located in Jacksonville, Florida, and Cincinnati, Ohio, and Office of Chief

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<sup>9</sup> OMB Circular No. A-123, Appendix B (Revised), *Improving the Management of Government Charge Card Programs* (Jan. 2009).

<sup>10</sup> The CCS Branch is within the Agency-Wide Shared Services function.

<sup>11</sup> The Labor and Employee Relations function is a function in the Human Capital Office within the Workforce Relations Division. The function is responsible for advising and supporting managers on employee conduct and performance matters.

<sup>12</sup> Internal Revenue Manual 1.35.4, *Purchase Card Program* (Sept. 2014), and Document 9185, *The Internal Revenue Service's Purchase Card Guide* (July 2016).

<sup>13</sup> The *IRS Restricted Purchase List* is available through a link on the IRS Office of Procurement Intranet page.



## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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Counsel management and staff located in Washington, D.C., during the period February through June 2017. It is important to note that the IRS and TIGTA reviews relate to the proper identification and reporting of known cases of purchase card abuse. Uncovering fraud and abuse not identified by the IRS systems and management controls were beyond the scope of this audit.

We conducted this performance 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



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## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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### ***Results of Review***

#### ***Implementation of and Compliance With the Government Charge Card Abuse Prevention Act of 2012 Requirements***

##### ***Semiannual report on IRS purchase card violations and actions taken by management in response***

TIGTA found that the IRS properly identified and reported 20 instances of confirmed purchase card misuse and two instances of potential purchase card misuse pending investigation. The 20 confirmed purchase card misuse cases collectively totaled \$1,716. Personal use items that were purchased were hand sanitizer/wipes, magnifying glasses, postage stamps, fans, tissues, calendars, and Public Transportation Subsidy Program benefits. In eight instances, the items were returned and the amount was credited back to the related IRS charge card account, totaling \$1,079. The remainder are pending cardholder action.

With respect to personnel actions taken in the 20 cases, employees:

- Received oral counseling in three cases.
- Received a cautionary letter in four cases.
- Received written counseling in three cases.

The remaining 10 cases were closed without any personnel actions taken. However, in five of those 10 cases, the cardholder did receive a notification of the violation. We reviewed the violations the IRS identified for the purchase card violations report, the methodology the IRS used for those violations, and related supporting documentation. We also reviewed information provided by TIGTA's Office of Investigations on purchase card abuse cases and complaints occurring during the review period. There were no purchase card misuse cases reported by TIGTA's Office of Investigations. In addition, we followed up on the status of four cases previously reported as pending final agency action in our previous review. These four cases were confirmed to be instances of purchase card misuse and are included among the 20 cases identified in the purchase card violations report in Appendix IV.

##### ***Purchase cardholders continue to split purchases to circumvent established micro-purchase limits and make purchases prior to securing funding***

In addition to the 20 confirmed misuse cases reported in the semiannual violations report, the CCS Branch also identified 46 purchase card transactions totaling almost \$90,000 that it determined to have met the Charge Card Act's definition of administrative matters (policy noncompliance), which included 15 instances of split purchases totaling more than \$83,000. The



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IRS defines split purchases as transactions that were made by a single cardholder, on the same day, with the same vendor, having a total purchase price that exceeds the micro-purchase threshold. When purchases are split in this manner, normal procurement policies and procedures are not followed and the micro-purchase/single-transaction dollar limits are circumvented. Split purchase transactions can also result in the overpayment for goods and services. Splitting a purchase is a violation of Federal regulations and IRS policy which dictate that inappropriate use will be referred to Labor Relations for review and recommendation on the appropriate disciplinary or nondisciplinary action. If a cardholder requires goods or services from a vendor that exceed the micro-purchase threshold, the cardholder is required to notify the Office of Procurement Policy so the appropriate competitive process is used to ensure that the IRS gets the best value for the items required.<sup>14</sup>

Further, of the 46 purchase card transactions that were related to administrative matters, the CCS Branch found 27 instances in which funding or manager approval was not secured before the purchase was made. There was one instance in which the single-transaction limit of \$3,500 was exceeded, and three other instances of procedural errors.<sup>15</sup> Also, the CCS Branch identified another 17 instances totaling more than \$900 of prohibited purchases being made that were for valid business needs, but the cardholder did not have authority to purchase the items. For instance, information technology equipment (keyboards, external hard drives, external CD/DVD writers, cables, USB hubs, chargers, and mice) that was not purchased by Information Technology organization functional cardholders.

The IRS penalty guide provides a range of disciplinary and nondisciplinary actions that can be applied for each violation of policy or inappropriate use. Consistent actions to address purchase card misuse and policy noncompliance are necessary to ensure that such violations do not reduce the overall effectiveness of controls over the purchase card program, provide a deterrent factor for purchase card misuse, and shield the purchase card program from repeated violations of applicable laws and regulations.

### ***Review of the Department of the Treasury Charge Card Management Plan and IRS charge card guidance***

TIGTA reviewed the final version of the Fiscal Year 2017 Department of the Treasury Charge Card Management Plan and determined that it continues to include the new internal controls required by the Charge Card Act and OMB Memorandum M-13-21. Those controls require agencies to verify that payments made directly to the bank from the Government are not also paid to an individually billed account, agencies submit requests to common carriers for partial or full refunds on unused tickets, and agencies develop penalties and disciplinary actions for charge

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<sup>14</sup> 48 C.F.R. 13.003 (b)(1) (Jan 2017); 48 C.F.R. 13.202 (June 2013); 48 C.F.R. 13.301 (Dec. 2009); Document 9185, *The Internal Revenue Service's Purchase Card Guide* (July 2016).

<sup>15</sup> The procedural errors involved the purchase of items without using the appropriate contract source and the use of a convenience check instead of purchase card.



## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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card violations. We will review the IRS's Fiscal Year 2017 annual assurance statement under the Federal Manager's Financial Integrity Act of 1982 (due annually on November 15) in our next semiannual report due in January 2018.

We also reviewed the IRS's current charge card guidance and determined that policies and controls were in place to mitigate the risk of fraud and inappropriate Government travel and purchase charge card practices, including internal controls that address centrally billed travel card accounts. For example, the IRS conducts monthly and quarterly reviews of purchase card activity that are used to identify instances of inappropriate purchase card use (identified uses are then reported in the ALERTS).



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## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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### **Appendix I**

#### **Detailed Objective, Scope, and Methodology**

Our overall objective was to assess the IRS's implementation of and compliance with the Government Charge Card Abuse Prevention Act of 2012<sup>1</sup> (Charge Card Act) for the period of October 1, 2016, through March 31, 2017.<sup>2</sup> To accomplish this objective, we:

- I. Determined how the IRS implemented legislative requirements of the Charge Card Act for the period of October 1, 2016, through March 31, 2017.
  - A. Reviewed Public Law No. 112-194, related OMB implementing guidance M-13-21, OMB Circular A-123 (Appendix B), OMB Circular A-50, and any current Department of the Treasury and IRS policies and procedures related to Government charge cards and, specifically, purchase cards.
  - B. Reviewed the IRS Internal Revenue Manual and other internal guidance to determine if they have been updated to reflect the changes noted in Objective III.
  - C. Interviewed key IRS personnel from the CCS Branch, the Office of the Chief Financial Officer, the Deputy Chief Counsel of Operations, and Human Capital Office's Labor Relations office to determine:
    1. The approach used to prepare the IRS's semiannual purchase card violations report for the period October 1, 2016, through March 31, 2017, and determined if it is reasonable.
    2. How the IRS established when purchase cards had been misused by IRS employees.
    3. What adverse or administrative personnel actions the IRS took in response to purchase card misuse.

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<sup>1</sup> Pub. L. No. 112-194 (Oct. 2012). On September 6, 2013, the OMB issued Memorandum M-13-21, *Implementation of the Government Charge Card Abuse Prevention Act of 2012*. On November 18, 2013, the General Services Administration issued Smart Bulletin No. 021, *OMB Memorandum M-13-21 and Charge Card Compliance Summary*, which included a summary compliance checklist for agency use and sample reporting templates.

<sup>2</sup> It is important to note that the IRS and TIGTA reviews relate to the proper identification and reporting of known cases of purchase card abuse. Uncovering fraud and abuse not identified by IRS system and management controls was beyond the scope of this audit.



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- II. Reviewed purchase card (and convenience check) violations by IRS employees and identified the actions the IRS took as a result of these violations.<sup>3</sup>
- A. Determined the total number of confirmed violations involving misuse of a purchase card for the specified period. We determined whether these violations constitute: 1) abuse;<sup>4</sup> 2) fraud;<sup>5</sup> or 3) other loss, waste, or misuse.<sup>6</sup>
  - B. Determined the number of adverse personnel actions, punishments, or other actions taken in response to each reportable violation involving misuse of a purchase card for the specified period. We also determined whether the actions involved: 1) demotions, 2) reprimands, 3) suspensions, 4) removals, or 5) any other adverse or administrative personnel actions.<sup>7</sup>
  - C. Determined the total number and status of all pending violations for the specified period. Determined if these pending violations were: 1) pending investigation, 2) pending a hearing, 3) pending final agency action, or 4) pending a decision on appeal.<sup>8</sup>
- III. Determined whether the draft Department of the Treasury Fiscal Year 2017 Charge Card Management Plan had been finalized and reviewed whether it continues to include controls over travel cards required by the Charge Card Act. Specifically, we reviewed whether the Charge Card Management Plan has controls to:
- A. Verify that charges paid directly by the Government to the bank are not also reimbursed to an employee or an employee's individually billed account.
  - B. Verify that the IRS (travel management center or service or commercial travel office) submits requests to servicing common carriers for refunds of fully or partially unused tickets and tracks the status of these tickets to ensure resolution.

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<sup>3</sup> The review period was from October 1, 2016, through March 31, 2017.

<sup>4</sup> Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud or noncompliance with provisions of laws, regulations, contracts, or grant agreements.

<sup>5</sup> Fraud involves obtaining something of value through willful misrepresentation. Whether an act is, in fact, fraud is a determination to be made through the judicial or other adjudicative system and is beyond auditors' professional responsibility.

<sup>6</sup> These three categories were identified in the General Services Administration's guidance of OMB Memorandum M-13-21.

<sup>7</sup> These five categories were identified in the General Services Administration's guidance of OMB Memorandum M-13-21.

<sup>8</sup> These four categories were identified in the General Services Administration's guidance of OMB Memorandum M-13-21.



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## ***Review of the Internal Revenue Service's Purchase Card Violations Report***

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- C. Implement penalties for charge card violations that are jointly developed by agency charge card management and human resources components.
- D. Define and apply appropriate and consistent employee disciplinary procedures.
- E. Comply with joint external reporting requirements of TIGTA and IRS management.

### **Internal controls methodology**

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: IRS internal policies and procedures and other guidance pertaining to travel cards, purchase cards, and convenience checks and CCS Branch inappropriate use forms, log, and supporting documentation.

To assess these controls, we reviewed the IRS's methodology for reporting confirmed and pending violations in the purchase card violations report and analyzed inappropriate use forms, logs, and supporting documentation as well as cases of confirmed and pending purchase card violations contained within the Office of Chief Counsel's tracking log, the ALERTS, and the Criminal Results Management System. We also reviewed prior TIGTA audit reports and IRS policies and procedures related to the Charge Card Act, including controls over centrally billed travel card accounts.



***Review of the Internal Revenue Service's  
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**Appendix II**

***Major Contributors to This Report***

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Alicia P. Mrozowski, Director

Seth A. Siegel, Audit Manager

Trisa M. Brewer, Lead Auditor

Nathaniel I. Russell, Senior Auditor



***Review of the Internal Revenue Service's  
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**Appendix III**

***Report Distribution List***

Commissioner  
Office of the Commissioner – Attn: Chief of Staff  
Deputy Commissioner for Services and Enforcement  
Chief Counsel  
Chief, Agency-Wide Shared Services  
Chief Financial Officer  
IRS Human Capital Officer  
Director, Agency-Wide Shared Services  
Director, Workforce Relations Division, IRS Human Capital Officer  
Director, Office of Audit Coordination



**Review of the Internal Revenue Service's  
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**Appendix IV**

**Internal Revenue Service's  
Purchase Card Violations Report**

<b>PURCHASE CARD VIOLATION DATA</b>	
<b>I. Summary description of confirmed violations involving misuse of a purchase card or integrated card.<sup>1</sup></b>	<b>October 1, 2016 through March 31, 2017</b>
a. Abuse.	0
b. Fraud.	0
c. Other loss, waste, or misuse: <i>Cardholders purchased restricted or prohibited items.</i>	20

<b>II. Summary description of all adverse personnel actions, punishment, or other actions taken in response to each reportable violation involving misuse of a purchase or integrated card.<sup>2</sup></b>	<b>October 1, 2016 through March 31, 2017</b>
a. Documentation of Counseling: <i>Oral or written counseling issued.</i>	10
b. Demotion.	0
c. Reprimand.	0
d. Suspension.	0
e. Removal.	0
f. Other (no action taken): <i>Closed without any IRS management adverse personnel action.</i>	10

<b>III. Status of all pending violations.</b>	<b>October 1, 2016 through March 31, 2017</b>
a. Number of violations pending investigation.	2
b. Number of violations pending hearing.	0
c. Number of violations pending final agency action.	0
d. Number of violations pending decision on appeal.	0

*Source: IRS review of inappropriate use forms, logs, and case information contained in the ALERTS database.*

<sup>1</sup> Terms used are defined in the *Government Auditing Standards* (Government Accountability Office, GAO-12-331G, *Government Auditing Standards* (Dec. 2011)).

<sup>2</sup> This summary is for adverse personnel actions, not for administrative errors.