



**UNITED STATES**  
**NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE  
INSPECTOR GENERAL**

August 7, 2014

MEMORANDUM TO: Mark A. Satorius  
Executive Director for Operations

Maureen E. Wylie  
Chief Financial Officer

FROM: Stephen D. Dingbaum */RA/*  
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S  
TRAVEL CHARGE CARD PROGRAM (OIG 13-A-17)

REFERENCE: ACTING CHIEF FINANCIAL OFFICER MEMORANDUM  
DATED JULY 2, 2014

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations 1 through 6, 10, and 11 as discussed in the agency's response dated July 2, 2014. Based on this response, recommendations 3, 5, 10, and 11 are closed and recommendations 1, 2, 4, and 6 are in resolved status. Recommendations 7, 8, 9, and 12 were previously closed. Please provide an updated status of the resolved recommendations by April 30, 2015.

If you have any questions or concerns, please call me at 415-5915 or Eric Rivera, Team Leader, at 415-7032.

Attachment: As stated

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## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 1: Develop and implement a policy to pay centrally billed travel card accounts daily or weekly.

Agency Response  
Dated July 2, 2014:

The implementation of the new eTravel system has been further delayed. Once the new eTravel system has proven a stable environment, the OCFO will look into the feasibility of paying the centrally billed travel card on a daily or weekly basis. We expect to complete this evaluation by March 31, 2015.

OIG Analysis:

The proposed action meets the intent of the recommendation. OIG will close this recommendation when the agency provides a copy of the centrally billed travel card account payment policy and OIG determines it requires payment daily or weekly. Additionally, the agency needs to provide, and OIG will review, documentation to prove that the policy has been implemented.

**Status:**

Resolved.

## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 2: Check the productivity and sales refund deals offered by charge card vendors in comparison to other governmentwide charge card contracts to ensure a competitive rate.

Agency Response  
Dated July 2, 2014:

NRC competitively bid the current charge card contract among the existing banks when the previous charge card contract expired (November 29, 2008), and Citibank was selected based on the best value and fit to the agency for both purchase and travel cards. OCFO reached out to the GSA's Office of Charge Card Management (OCCM) for assistance in comparing productivity and refund rates among various agencies. Since GSA was unable to share agency specific information with the NRC, OCFO contacted the Department of Veterans Affairs (VA), Department of the Treasury (Treasury), Department of the Interior (DOI), Department of Justice (DOJ), Department of Commerce (DOC), National Aeronautics and Space Administration (NASA), Federal Communications Commission (FCC), GSA, and Small Business Administration (SBA) about their rebate programs. OCFO is in the process of obtaining this data and will analyze the results to determine if it would be cost effective to make a change prior to exercising the next option period. NRC's current contract with Citibank does not expire until November 29, 2015, which precludes the agency from taking any action at this time. OCFO has asked GSA to perform a review of NRC's travel card rebate program to look for potential savings. GSA has agreed to perform the review with a tentative target date for the first quarter of FY15. This will be completed by January 30, 2016.

OIG Analysis: The proposed action meets the intent of the recommendation. OIG will close this recommendation when the agency provides documentation demonstrating that the agency has compared NRC productivity and sales refund deals to those offered to other governmentwide charge card contracts to ensure a competitive rate.

Status: Resolved.

## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 3: Explore the possibility of using another agency's existing task order ("tag along") to obtain a better rebate rate.

Agency Response  
Dated July 2, 2014:

OCFO explored the possibility of using another agency's task order by contacting the nine agencies listed above under Recommendation 2. Five of these agencies (VA, Treasury, DOI, DOJ, and DOC) allow "tag along" services but no action can be taken at this time since NRC is under contract with Citibank until November 29, 2015. OCFO will revisit this issue prior to exercising option period two with Citibank. Option period two starts on November 30, 2015. Therefore, NRC will again contact the various agencies that offer "tag along" services in the third quarter of FY15 to determine if a better productivity and sales refund rate can be obtained. The OCFO considers corrective actions for Recommendation 3 completed.

OIG Analysis:

OIG reviewed a report titled "Review of Other Agencies Travel Charge Card Program" showing that OCFO explored the possibility of "tag along" on the task orders of nine agencies' travel charge card programs to obtain a better rebate rate. OIG also reviewed the supporting email messages provided and determined that OCFO has satisfied the intent of this recommendation. Therefore, this recommendation is considered closed.

**Status:** Closed.

## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 4: Revise Management Directive 14.1 to require that employees who travel more than five times per year must use their Government travel card for official travel expenses.

Agency Response  
Dated July 2, 2014:

Agree. Management Directive 14.1 "Official Temporary Duty Travel" has been revised to incorporate these changes. The Management Directive was sent to the Chairman's Office in January 2013. The OCFO considers Recommendation 4 resolved, and OCFO will consider action completed when the Management Directive is issued.

OIG Analysis:

The proposed action meets the intent of the recommendation. OIG will close this recommendation when the agency provides a copy of the revised MD 14.1 and OIG determines that it includes a requirement that employees who travel more than five times per year must use their Government travel card for official travel expenses.

**Status:**

Resolved.

## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 5: Identify frequent travelers and monitor card use to determine if (a) they have a travel card, and (b) are using it to pay for official travel expenses.

Agency Response  
Dated July 2, 2014:

Since there is insufficient staffing to conduct a 100 percent check, OCFO will conduct a random sampling each quarter using the following tool: <http://www.random.org/sequences/> and review 45 records to see if the frequent travelers are using their travel charge cards to pay for official travel expenses. This number (45) was obtained from the Chief Financial Officers Council's A-123 Implementation Guide for OMB Circular A-123 dated July 2005. OCFO determined it will take approximately 200 hours, quarterly, to review all of the randomly selected frequent travelers' travel vouchers and their travel charge card statements to verify they are using their travel charge cards to pay for official travel expenses. OCFO started this review process with the first quarter FY14 and will continue to identify frequent travelers to see if they have a travel charge card with information pulled at the end of each quarter for the prior 12 months. Any travelers not in compliance from one quarterly review will be rechecked in each ensuing quarter until they comply.

After meeting with the Office of the Chief Human Capital Officer (OCHCO) in March, OCFO developed procedures to handle non-compliance cases in the same manner as OCFO handles delinquency cases. We will notify the employee that they must start using their travel charge card immediately for any future trips, and we will ensure compliance by following up with the travelers we notify during our next quarterly review.

A working group (OCFO, Office of the Inspector General (OIG), OCHCO, and Office of the General Counsel (OGC)) has been established to standardize the procedures to be followed for all misuse cases. The OCFO considers Recommendation 5 implemented.

## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

##### Recommendation 5 (continued):

**OIG Analysis:**

OIG reviewed an example of the spreadsheet listing names of frequent travelers, their trips and travel card use. OIG also reviewed the supporting document listing NRC's frequent travelers. Finally, OIG reviewed the notes of OCFO's selection methodology for the extent of testing for frequent traveler charge card use and determined that OCFO has satisfied the intent of this recommendation. This recommendation is therefore considered closed.

**Status:**

Closed.

## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 6: Implement mandatory split disbursement for individually billed accounts.

Agency Response  
Dated July 2, 2014:

The implementation of the new eTravel system has been further delayed. Once the new eTravel system has proven a stable environment, the OCFO will complete the evaluation on the system capability of making split disbursement mandatory. We now expect to complete this evaluation by March 31, 2015.

OIG Analysis:

The proposed action meets the intent of the recommendation. OIG will close this recommendation when the agency provides documentation to show that split disbursement is mandatory and has been implemented for individually billed accounts.

**Status:**

Resolved.



## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 10: Benchmark NRC's data reporting strategies and results to at least three peer agencies.

Agency Response  
Dated July 2, 2014:

OCFO contacted the GSA and was provided with information from the master contract that the contractor shall offer its standard commercial reports. OCFO also contacted the National Gallery of Art (NGA), Social Security Administration (SSA), and United States Postal Service (USPS) and asked if they were willing to share the reports they use to obtain information for the statistical reports for the travel charge card program. OCFO also reviewed the reporting information listed in the Agency Travel Charge Card Management Plan that was submitted on the Office of Management and Budget's MAX Web site.

OCFO learned the following: The NGA has an internal database they use to obtain information for most of the fields required on the statistical reports. They also use Citibank to run a report to obtain the number of travel charge cardholders. SSA shared that they get the data either from running or obtaining reports directly from the Citibank system. USPS shared that they are not considered an executive agency and do not report statistical data to OMB. The Broadcasting Board of Governors' (BBG) Management Plan showed they get their data from the card issuing bank for most of the fields on the statistical report.

After benchmarking NRC's data reporting strategies with the NGA, SSA, and the BBG, OCFO found they are in line with these agencies since OCFO uses the Citibank system to obtain information for statistical reporting (outside of the fields where the information is provided by another source). OCFO has been using the reports available from Citibank starting with the first quarter FY14 statistical reporting and will continue using the reports for all future quarterly statistical reporting. The OCFO considers Recommendation 10 implemented.

**Audit Report**

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**OIG-13-A-17**

**Status of Recommendations**

Recommendation 10 (continued):

**OIG Analysis:**                      OIG reviewed documentation showing that OCFO benchmarked quarterly statistical reporting strategies and results with peer agencies.  OIG determined that OCFO has satisfied the intent of this recommendation.  This recommendation is therefore considered closed.

**Status:**                                Closed.

## Audit Report

### AUDIT OF NRC'S TRAVEL CHARGE CARD PROGRAM

OIG-13-A-17

#### Status of Recommendations

Recommendation 11: Review and analyze benchmarking information to determine if it can be implemented at NRC.

Agency Response  
Dated July 2, 2014:

The OCFO has reviewed and analyzed the information provided by other agencies and has determined that they are in line with other agencies in obtaining reporting information for the statistical reports by running reports in the Citibank system and obtaining information from Citibank. OCFO has been using the reports available from Citibank starting with the first quarter FY14 statistical reporting and will continue using the reports for all future quarterly statistical reporting. The OCFO considers Recommendation 11 implemented.

OIG Analysis:

OIG reviewed documentation provided by OCFO for "Statistical Reporting Fields and NRC's Process" demonstrating use of Citibank's Custom Reporting System, where appropriate, to gather data for the required quarterly statistical reporting. OIG determined that OCFO has satisfied the intent of this recommendation. This recommendation is therefore considered closed.

**Status:** Closed.