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United States Department of State

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Office of Audits

January 2020

**Management Assistance Report: United
States Agency for Global Media
Travel Card Policy Is Not in Compliance
With Federal Travel Regulations**

MANAGEMENT ASSISTANCE REPORT

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Summary of Review

The Federal Travel Regulation (FTR) 41 Code of Federal Regulations (C.F.R.), Chapters 300–304, implements statutory requirements and Executive branch policies for travel by Federal civilian employees and others authorized to travel at Government expense.¹ The FTR states that all Government employees are required to use Government contractor-issued travel charge cards to pay for all official travel expenses, unless exempted.² The FTR was modified in September 2016, removing some exemptions. During a mandated risk assessment of the United States Agency for Global Media (USAGM) credit card programs, the Office of Inspector General (OIG) obtained and reviewed a copy of USAGM’s travel policy. This policy was issued in 2015, before the 2016 modifications of the FTR’s exemptions for the use of Government contractor-issued travel charge cards. Therefore, the exemptions allowed by USAGM’s Travel Charge Cardholder Policy for the use of travel charge cards do not reflect current FTR requirements.

OIG made one recommendation to address the deficiency identified in this report. In response to a draft of this report, USAGM concurred with the recommendation. On the basis of USAGM’s concurrence, OIG considers the recommendation resolved, pending further action. A synopsis of USAGM’s response to the recommendation offered and OIG’s reply follow the recommendation in the Results section of this report. USAGM’s response to a draft of this report is reprinted in its entirety in Appendix A.

BACKGROUND

FTR 41 C.F.R., Chapters 300–304, implements statutory requirements and Executive branch policies for travel by Federal civilian employees and others authorized to travel at Government expense.³ One purpose of the FTR is to communicate policies in a clear manner to Federal agencies and employees.⁴ One topic covered by the FTR is the use of Government contractor-issued travel charge cards.⁵

This Management Assistance Report is intended to inform USAGM of a deficiency in USAGM’s travel policy that OIG identified during its mandated annual risk assessment of USAGM’s credit card programs, which is currently underway. In performing the work related to this deficiency, OIG corresponded with USAGM officials and reviewed applicable criteria and supporting documentation. OIG believes that the evidence obtained provides a reasonable basis for the deficiency identified in this report.

¹ 41 C.F.R. § 300-1.

² 41 C.F.R. § 300-51.1.

³ 41 C.F.R. § 300-1.1.

⁴ 41 C.F.R. § 300-1.2.

⁵ 41 C.F.R. §§ 301-51.1, 301-51.2, and 301-51.3.

RESULTS

Finding A: USAGM Travel Card Policy Does Not Comply With Current Federal Travel Regulations

The FTR requires all Government employees to use Government contractor-issued travel charge cards as the method of payment for all official travel expenses, unless exempted.⁶ The FTR's exemptions were modified in September 2016,⁷ and agencies were given until November 14, 2016, to comply with the new requirements.⁸ Fewer exemptions are allowed now than prior to the 2016 update. For example, the FTR no longer has an exemption for employees who travel five or fewer times each year.⁹

The updated FTR allows exemptions for the following:

- Expenses for which payment through the Government contractor-issued travel charge card is impractical or imposes unreasonable burdens or costs.
- When it is necessary in the interest of the agency.
- For any employee who has an application pending for the Government contractor-issued travel charge card.
- For any employee when issuance of the Government contractor-issued travel charge card would adversely affect the mission or put the employee at risk.
- For any employee who is not eligible to receive a Government contractor-issued travel charge card.¹⁰

During a mandated risk assessment of USAGM's credit card programs, OIG obtained and reviewed a copy of USAGM's Travel Charge Cardholder Policy.¹¹ The policy was issued in 2015, which was before the exemptions for the use of Government contractor-issued travel charge cards were modified in the FTR. USAGM officials stated that USAGM did not have other travel card policies or manuals.

As shown in Table 1, most of the exemptions allowed by USAGM's Travel Charge Cardholder Policy for the use of travel charge cards do not reflect the current FTR requirements but instead generally reflect the exemptions authorized by the earlier version of the FTR.

⁶ 41 C.F.R. § 301-51.1.

⁷ Federal Register, Volume 81, Issue 178 (September 14, 2016).

⁸ Ibid.

⁹ 41 C.F.R. § 301-51.3.

¹⁰ 41 C.F.R. § 301-51.2 and 301-51.3.

¹¹ USAGM, Travel Charge Cardholder Policy (April 29, 2015).

Table 1: FTR and USAGM Travel Charge Card Exemptions

FTR Exemptions Prior to September 2016	USAGM Exemptions^a
Expenses incurred at a vendor that does not accept the Government contractor-issued travel charge card	Expenses incurred by a vendor that does not accept the Government-contractor issued travel charge card
Laundry/dry cleaning	Laundry/dry cleaning
Parking	Parking
Transit system at a temporary duty location	Local transportation system
Taxi	Taxi
Tips	Tips
Meals (when use of the card is impractical)	Meals
Phone calls (when a Government calling card is available for use in accordance with agency policy)	Phone calls
An employee who has an application pending for the travel charge card	An employee who has an application pending for the travel charge card
Employees who travel five or fewer times a year	Employees who travel five or fewer times a year. Employees who travel three or fewer times in 3 consecutive years ^b An employee whose travel card has been suspended or cancelled ^b

^a The FTR allows the head of the agency to grant additional exemptions from the mandatory use of the Government contractor-issued travel charge card.

^b The head of USAGM (or designee) has exempted employees who travel three or fewer times in 3 consecutive years and employees whose cards have been suspended or canceled.

Source: Prepared by OIG on the basis of 41 C.F.R. §§ 301-51.2, 301-51.3, and USAGM's "Travel Charge Cardholder Policy."

Most of the exemptions included in the existing policy simply do not correlate with permitted exemptions set forth in the current FTR. Accordingly, USAGM's Travel Charge Cardholder Policy regarding use of Government contractor-issued travel charge cards is not in compliance with the FTR. OIG is therefore offering the following recommendation.

Recommendation 1: OIG recommends that the United States Agency for Global Media update its Travel Charge Cardholder Policy to implement requirements found in the Federal Travel Regulation, 41 C.F.R., §§ 301-51.1, 301-51.2, 301-51.3, and 301-51.4.

Management Response: USAGM concurred with the recommendation, stating that it is in the process of updating its Travel Charge Cardholder Policy to implement requirements found in the FTR.

OIG Reply: On this basis of USAGM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that USAGM updated its Travel Charge Cardholder Policy to implement requirements found in the FTR.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the United States Agency for Global Media update its Travel Charge Cardholder Policy to implement requirements found in the Federal Travel Regulation, 41 C.F.R., §§ 301-51.1, 301-51.2, 301-51.3, and 301-51.4.

APPENDIX A: UNITED STATES AGENCY FOR GLOBAL MEDIA RESPONSE



U.S. AGENCY FOR
GLOBAL MEDIA

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330 Independence Avenue SW | Washington, DC 20237 | usagm.gov

December 23, 2019

Ms. Denise M. Colchin
Director
Contracts, Grants, and Infrastructure Division
Office of the Inspector General
U.S. Department of State

Dear Ms. Colchin:

Thank you for the opportunity to comment on the draft Management Assistance Report: *The United States Agency for Global Media Travel Policy Is Not in Compliance with Federal Travel Regulations*.

The agency concurs with the recommendation issued in the report, as detailed in the enclosure to this letter. We are in the process of updating the agency's Travel Charge Cardholder Policy to implement requirements found in the Federal Travel Regulation, 41 C.F.R., §§301-51.1, 301-51.2, 301-51.3, and 301-51.4.

Please do not hesitate to contact us should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant K. Turner".

Grant K. Turner
Chief Executive Officer and Director

Enclosures: As Stated

OIG Management Assistance Report

*The United States Agency for Global Media Travel Policy Is Not in Compliance with
Federal Travel Regulations (AUD-CGI-IB-20-XX)*

December 23, 2019

Recommendation 1: OIG recommends that the United States Agency for Global Media update its Travel Charge Cardholder Policy to implement requirements found in the Federal Travel Regulation, 41 C.F.R. §§301-51.1, 301-51.2, 301-51.3, and 301-51.4.

USAGM Response: USAGM concurs with the recommendation. USAGM is in the process of updating its Travel Charge Cardholder Policy to implement requirements found in the Federal Travel Regulation.

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