



U.S. Commodity Futures Trading Commission  
OFFICE OF INSPECTOR GENERAL



# AUDIT OF CFTC's COMPLIANCE WITH THE GOVERNMENT CHARGE CARD ABUSE PREVENTION ACT

Project Number: 24-AU-07

APRIL 17, 2025



**TO:** Caroline Pham, Acting Chairman  
Kristin Johnson, Commissioner  
Christy Goldsmith Romero, Commissioner  
Summer Mersinger, Commissioner

**FROM:** Christopher Skinner, Inspector General

A handwritten signature in black ink, appearing to read 'C. Skinner'.

**DATE:** April 17, 2025

**SUBJECT:** CFTC's Compliance with the Government Charge Card Abuse Prevention Act of 2012 (24-AU-07)

Attached is the Independent Auditor's Report of the U.S. Commodity Futures Trading Commission's compliance with the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act). We contracted with the Joachim Group CPAs & Consultants (Joachim Group) to examine the management of government issued purchase and travel cards. The Joachim Group conducted the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and is responsible for the attached audit report and the conclusions expressed therein.<sup>1</sup> The OIG monitored the auditor's progress throughout the compliance audit and reviewed the respective audit report and related documentation.

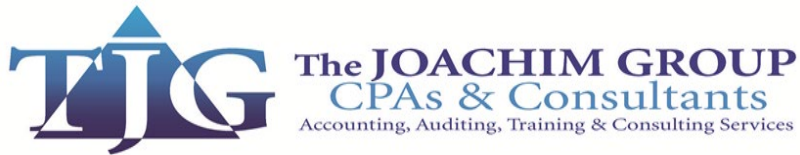
In summary, the Joachim Group identified instances of noncompliance related to training, card deactivation, transaction preapproval, international travel card account designations, and policies. The findings and accompanying recommendations, though non-monetary, can result in improvements in the management and operations of the CFTC Charge Card programs.

On March 27, 2025, we provided management with a draft report for review and comment. In its April 17, 2025, response, management concurred with all findings and recommendations included in the report.

We appreciate the cooperation and support received from CFTC personnel during the audit. If you have any further questions, please contact me or Tony Baptiste, senior program analyst.

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<sup>1</sup> The OIG does not express opinions on the Commission's Charge Card program or whether it complied with Office of Management and Budget (OMB) guidance.



**Commodity Futures Trading Commission (CFTC)**  
**Office of Inspector General (OIG)**  
**Report of CFTC Compliance with the**  
**Government Charge Card Abuse Prevention Act (GCCAPA) of 2012**

**Compliance Report for the fiscal year ended September 30, 2023**

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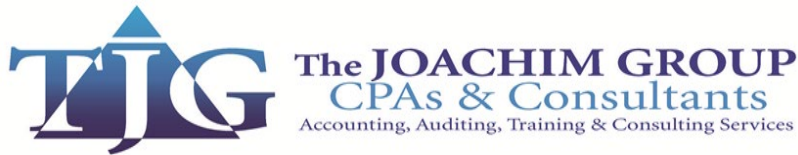
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Commodity Futures Trading Commission  
Office of Inspector General  
Washington, D.C.

We have audited the Commodity Futures Trading Commission's (CFTC, Agency, or the Commission) compliance with the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act or GCCAPA), specifically focusing on the management of CFTC's purchase card disbursements and travel card transactions for the fiscal year (FY) ended September 30, 2023.

In our opinion, CFTC generally complied with the Charge Card Act related to the management and oversight of its purchase and travel card programs for the FY ended September 30, 2023.

In this Generally Accepted Government Auditing Standards (GAGAS) compliance audit, our objective was to identify adherence to the Charge Card Act, OMB A123 Appendix B, or CFTC's internal policies. In performing the audit, we found non-monetary instances of noncompliance in the areas related to training, card deactivation, purchase card transaction preapproval, travel card usage, and policies. Our findings and accompanying recommendations, though non-monetary, can result in improvements in the management and operations of the Charge Card program.

Our audit includes recommendations to address the areas of noncompliance, and these are included in the Results and Recommendations section beginning on page 7.

Roanoke, Virginia

Date

# Background, Objectives, Scope, and Methodology

## Background

This compliance audit of CFTC's Government Charge Card Program was conducted to assess adherence to the Charge Card Act and associated federal requirements. On October 5, 2012, the President signed into law the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act or GCCAPA), Public Law 112-194, which reinforced administration efforts to prevent waste, fraud, and abuse of government-wide charge card programs. The audit covered various aspects of the program, including issuance and management of travel and purchase cards.

The audit was performed using a combination of compliance tests and tests of controls. We selected a stratified random sample of transactions for travel and purchase cards from the FY ended September 30, 2023. Our approach was designed to evaluate the effectiveness of internal controls over the card programs and ensure compliance with federal regulations.

The Office of the Inspector General's (OIG) mission is to detect waste, fraud, and abuse and to promote integrity, economy, efficiency, and effectiveness in the CFTC's programs and operations. As such, it has the ability to review all of the Commission's programs, activities, and records.

Consistent with existing guidance in Office of Management and Budget (OMB) Circular No. A-123, Appendix B (A Risk Management Framework for Government Charge Card Programs) and OMB Memorandum M-12-12 (Promoting Efficient Spending to Support Agency Operations), the Charge Card Act requires all Executive Branch agencies (agencies) to establish and maintain safeguards and internal controls for purchase cards, travel cards, integrated cards, and centrally billed accounts.

The Charge Card Act also establishes additional reporting and audit requirements, consistent with existing statutory responsibilities to avoid improper payments and protect privacy, among other things. Because Government Charge Card Program oversight involves multiple agency functions, successful implementation of the Charge Card Act will require collaboration across agency charge card and human capital components and the OIG. To ensure compliance with the Charge Card Act, OMB M-13-21 (Implementation of the Charge Card Abuse Prevention Act) provides an overview of the following aspects of compliance with the Charge Card Act:

- Required Safeguards and Internal Controls,
- Reports of Purchase and Travel Card Violations, and
- OIG Risk Assessments and Audits.

If annual agency purchase card spending exceeds \$10 million, the Charge Card Act and OMB M-13-21 require the OIG and the head of CFTC to jointly submit semiannual reports to the director of OMB summarizing confirmed card violations and disciplinary actions taken. The \$10 million purchase card spending threshold relates only to the violations reporting requirement. All Executive Branch departments and agencies are required to implement the Charge Card Act's required internal controls for purchase cards, travel cards, and centrally billed accounts.

## *Reporting Entity*

The CFTC is an independent agency of the Executive Branch of the federal government. Congress created the CFTC in 1974 under the authorization of the Commodity Exchange Act (CEA) with the mandate to regulate commodity futures and option markets in the United States. The agency's mandate was renewed and expanded under the Futures Trading Acts of 1978, 1982, and 1986; the Futures Trading Practices Act of 1992; the CFTC Reauthorization Act of 1995; the Commodity Futures Modernization Act of 2000; and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). Congress passed the Food, Conservation, and Energy Act of 2008, which reauthorized the Commission through FY 2013. In the absence of formal reauthorization, the CFTC has continued to operate through annual appropriations.

The CFTC is responsible for ensuring the economic utility of futures markets by encouraging their competitiveness and efficiency, ensuring their integrity, and protecting market participants against manipulation, abusive trade practices, and fraud.

Each CFTC division of office designates a purchase card approving official (AO), who generally maintains and manages the purchase card disbursements for that division or office. In addition, each division or office is assigned a business management specialist who ensures availability of funds for the requested purchase(s). Conversely, all CFTC employees required to travel for official business needs are issued a travel card upon satisfying all required federal and agency training requirements. The traveler assumes the responsibility to adhere to all federal travel regulations and agency policies, as applicable.

In FY 2023, CFTC had two types of accounts within its travel card program:

1. Centrally Billed Accounts (CBA) – established by CFTC to pay for official purchases, travel, and travel-related expenses.
2. Individually Billed Accounts (IBA) – issued to CFTC employees to pay for official travel and travel-related expenses.

### ***Data***

For the FY ended September 30, 2023, CFTC purchase card data:

- Total transactions count: 1640
- Total disbursement amount:<sup>1</sup> \$2,006,052

For the FY ended September 30, 2023, CFTC IBA travel card data from US Bank:

- Total IBA travel card transactions count: 4928
- Total IBA travel card transactions amount: \$741,193

Purchase card disbursements are paid through a CBA and IBA travel card transactions are paid by a travel cardholder.

### ***Required Regulatory and Other Applicable Standards***

We conducted our audit in accordance with Generally Accepted Auditing Standards (GAAS) and GAGAS. We also utilized the Council of the Inspectors General on Integrity and Efficiency (CIGIE) quality standards, applicable Executive Orders, OMB and the U.S. Government Accountability Office guidance, and the GCCAPA. Our Independent Auditor’s Report on CFTC’s compliance with the GCCAPA was prepared in accordance with AU-C Section 935, *Compliance Audits*. This section is applicable when an auditor is engaged, or required by law or regulation, to perform a compliance audit that requires an auditor to express an opinion on compliance.

### **Objectives and Scope**

The Charge Card Act and OMB M-13-21 require each OIG to perform risk assessments and periodic audits, if necessary, to detect illegal, improper, or erroneous purchase and travel card activity, and also require the OIG, in coordination with CFTC, to report to the director of OMB on the implementation of recommendations from any audits performed, and the director of OMB will transmit results to Congress and the Comptroller General.

Our objective was to determine whether CFTC complied with the GCCAPA for FY 2023. Specifically, the OIG engaged us to conduct an annual audit of the CFTC’s purchase card and travel card programs to analyze the risks of illegal, improper, and erroneous purchases for FY 2023.

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<sup>1</sup> A disbursement is a specific type of payment from a dedicated fund source for a particular reason (i.e., agency mission objectives), while a transaction is a broader term relating to any financial exchange.

## **Methodology**

We employed a risk-based approach that is based on a sound and proven methodology that has been successfully used in other GAGAS Yellow Book audits and by federal OIGs. Our approach has been refined based on lessons learned and best practice knowledge gained from other audits.

For a detailed discussion of our audit approach, including testing phases and procedures, see **Appendix A** on page 11.



# Results and Recommendations

This section of the compliance audit report addresses our findings and the associated recommendations resulting from our evaluation of the CFTC Charge Card Program as mandated by the Charge Card Act. The audit was conducted to assess the adequacy of regulatory compliance and internal controls within the program. Our detailed examination led to the identification of the findings below that include specific recommendations aimed at enhancing the effectiveness, security, and compliance of the Charge Card Program. These recommendations are intended to rectify the deficiencies noted during the audit and to prevent future occurrences of noncompliance and abuse. Each finding and its corresponding recommendations are presented below to guide the implementation of necessary corrective actions.

## Training Compliance

Training records did not always indicate that travel cardholders and purchase card AOs received the training required of Charge Card<sup>2</sup> Program participants.

Travel Card Training: It was observed that 27 of 68 sampled travel cardholders who received replacement travel cards did not have documentary proof of having received initial or refresher training prior to card reissuance, including two cardholders whose cards had expired for over three years. Additionally, two new travel cardholders completed mandatory training after their cards were activated. OMB Circular A-123, Appendix B, paragraph 4.1, requires proper training before an employee assumes responsibility as a charge cardholder. Further, paragraph 4.4 of Appendix B requires that all charge card program participants, among other things, must be trained prior to appointment, must take refresher training at a minimum of every three years, and that copies of required training certificates must be maintained pursuant to National Archives and Records Administration (NARA) requirements.

Purchase Card Training: Additionally, two purchase card disbursements were approved by a non-designated purchase card AO without the requisite AO purchase card training. OMB Circular A-123, Appendix B, paragraph 4.1, requires AOs to receive the same training as purchase cardholders and other relevant training as required by agency policy.

These deficiencies result from insufficient record-keeping practices, insufficient enforcement of travel and purchase card training policies, and inefficient internal controls related to AO training requirements. These deficiencies increase the risk of noncompliance and potential misuse of government purchase cards.

**Recommendation 1:** We recommend that CFTC implement a training framework that ensures all travel cardholders complete mandatory training requirements prior to card issuance and that purchase card AOs complete mandatory training requirements prior to performing AO task approvals.

## Pre-approval, Processing, Documentation and Use of Charge Card Disbursements and Transactions

Deficiencies were noted in the approval, processing, and documentation of purchase card disbursements and use of travel card transactions.

### Purchase Card Disbursements

Approvals. Our review of 57 purchase card disbursements indicated that 18 lacked required pre-approval checks for fund availability. CFTC Policy, “Using the Purchase Card” (2023 version, page three), states “You must determine the availability of funds from the appropriate budget object classification Budget or Account Manager. Even if you have a monthly purchase limit of \$10,000, for example, you cannot assume that funds are automatically available to cover your purchases.” This occurred because the CFTC lacked a

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<sup>2</sup> According to OMB Circular A-123, paragraph 1.8, and as used in this report, the term charge card refers to the various types of government charge cards including both travel cards and purchase cards.

control mechanism to ensure that pre-approval reviews for fund availability were consistently documented prior to making purchase card disbursements.

Processing. Additionally, approvals by the AO for 15 of 57 purchase card disbursements occurred beyond the 30-day requirement (transaction posting date) established by OMB Circular A-123, Appendix B and CFTC internal policy. Specifically, OMB Circular A-123, Appendix B, section 2.4, requires “that the AO approves or disapproves charge card transactions in accordance with agency policy, but no later than 30 days after the end of the cycle date.” In addition, CFTC policy, “Using the Purchase Card” (2023 version, page six) states, “transactions must be reviewed and approved or rejected by the cardholder and Approving Official within thirty days of posting to the cardholder’s account.” This occurred due to ineffective communication between AOs and cardholders to obtain supporting documents. Additionally, this resulted due to insufficient automated reminders for purchase card disbursement approvals.

Documentation. We also noted that four of the 57 purchase card disbursements lacked documentation to support the amount being paid with the purchase card. Appropriate supporting documentation would include an invoice, receipt, internet printout or other documentation supporting the charge. OMB Circular A-123, Appendix B, section 2.4, requires that proper supporting documentation accompanies charge card transactions. Further, CFTC policy, “Using the Purchase Card” (2023 version, page six) discusses appropriate transaction documentation to be retained to support each purchase. This includes:

- Written request for purchase
- Record of purchase (invoice, receipt, internet printout, written notes)
- Record of receipt and acceptance (packing slip signed by the recipient of the goods and services, email from the recipient of goods and services, etc.). Cardholders should ensure that they obtain these documents from the recipient of the purchase.

This occurred because documentation requirements were not applied consistently for purchase card disbursements.

The lack of required pre-approval checks for fund availability, the delayed processing disbursement approvals by the AOs, and insufficient documentation to support purchase card disbursements increases the risk of among other things, fraud, waste, duplicate purchases, unauthorized purchases, and Antideficiency Act violations.

**Recommendation 2:** We recommend that CFTC include pre-approval checks for fund availability in its training; enhance controls to alert AOs of disbursements requiring approval before the 30-day timeframe expires and ensure that disbursements are not approved without adequate supporting documents.

## **Travel Card Transactions**

CFTC established the CBA to pay for official purchases, travel, and travel-related expenses. Specifically, CFTC policy “CFTC Procedure: Travel Credit Card” paragraph II, requires that the CBA must be used when CFTC employees travel internationally for transportation expenses, and, if appropriate, hotel expenses. CFTC also established the IBA which is issued to CFTC employees to pay for official travel and travel-related expenses. We tested and reviewed a sample of FY23 international travel card transactions which discovered that two of 29 travel card transactions were processed through an IBA instead of a CBA as required by CFTC policy. This occurred due to the lack of consistent enforcement of the use of CBA accounts for international travel.

**Recommendation 3:** We recommend that CFTC enforce the use of centrally billed accounts for travel cards used for international travel.

## **Post-employment Charge Card Deactivation**

There were significant delays in the deactivation of employee purchase and travel cards following separation from the agency.

### **Purchase Cards**

Of the employees that separated from the CFTC in FY23, we found that one out of the four purchase cards remained active after the employee separated from the CFTC. According to OMB Circular A-123, Appendix B, attachment A.5, charge card managers should establish a control to ensure that card accounts are canceled when the employee retires or leaves the agency. We noted that the CFTC did not have a policy, or documented procedures related to promptly cancel employee purchase cards upon employee separation. Additionally, no disbursements were made following employee separation.

### **Travel Cards**

Of the employees that separated from the CFTC in FY23, we found that 16 out of the 20 travel cards remained active after the employee separated. OMB Circular A-123, Appendix B, attachment A.5, requires charge card managers to establish a control to ensure that card accounts are canceled when the employee retires or leaves the agency. We noted that the CFTC did not have a policy, or documented procedures related to promptly cancel employee travel cards upon employee separation.

This violates the Charge Card Act section 3 (P.L. 112-194; 5 U.S.C. § 5701 note), which states, “Each executive agency ensures that 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.”

### **Post-employment Travel Card Transactions**

Our review further found that four of the 16 travel card accounts indicated that these individuals incurred charges after their employment had ended with CFTC, with no records available to track the nature of these transactions other than what populated in the US Bank transaction reports.

Specifically, two of the four cardholders incurred credit refunds which were issued by the bank. Both individuals incurred a credit balance on their account which remained for longer than six months. The bank initiated those refunds to reconcile and purge the accounts. US Bank advised that all accounts must have a \$0.00 balance prior to removal from their system. Thus, we confirmed that these were not new transactions personally incurred by the individuals post CFTC employment.

The other two accounts personally procured charges post CFTC employment. US Bank advised that both individuals have made payment to cover the costs of those charges. The bank did not absorb those costs as the individuals’ payments satisfied their outstanding balances. Once their payments were made and processed, the bank closed and removed their respective accounts.

The primary cause for this oversight was the lack of an effective system to monitor card status that includes timely and formal communication between the Human Resources (HR) branch and Charge Card Program administrators to ensure timely card cancellation. This procedural lapse increases the risk of unauthorized transactions and potential fraud, exposing the organization to significant security and financial risks.

**Recommendation 4:** We recommend that CFTC develop and implement a comprehensive policy that mandates the immediate deactivation of all purchase and travel cards upon notification by HR of an employee’s separation or transfer. Additionally, instituting a regular monitoring system to track and validate the deactivation status of charge cards for all separated employees is recommended. Monthly reviews of charge card activity reports should also be conducted to identify any lapses in the deactivation process to prevent unauthorized use.

## Updating Travel Card Policies

Several travel policies had not been updated since 2008. Chapter three of OMB Circular A123 published guidance for maintaining written policies and procedures for the appropriate use of charge cards. This includes the requirement to update said policies every two years from the date of the last update or more frequently if needed. The lack of periodic reviews and updates to travel policies can be attributed to insufficient oversight to ensure that policies remain current with federal regulations and practices. Outdated travel policies can lead to noncompliance with federal laws and regulations, inefficient travel management, potential financial waste, and increased risk of fraud and misuse of government resources. Additionally, the lack of updated guidance may lead to inconsistencies in policy enforcement and misunderstandings among staff regarding travel procedures and reimbursements.

**Recommendation 5:** We recommended that CFTC review, revise, and update all travel policies to align with the current requirements of the Federal Travel Regulations, OMB directives, and the Government Charge Card Abuse Prevention Act.

## Appendix A: Audit Procedures

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### Phase 1 – Planning Procedures

We developed a customized audit work plan that focused on the most efficient and effective way to accomplish the stated objectives. Tasks performed during this phase included but were not limited to:

- Conducted initial interviews with CFTC OIG to clearly define the scope of the engagement.
- Identified any CFTC programs as having a high risk of inappropriate purchase card or travel card transactions.
- Reviewed CFTC’s FY 2023 *Annual Financial Report* and audited financial statements to identify all matters related to the purchase card and travel card programs.
- Reviewed CFTC’s FY 2023 *FMFIA Internal Control Report* including the annual certification that the appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices.
- Inquired of management and OIG regarding any outstanding recommendations made in prior Notification of Findings and Recommendations or OIG reports addressing compliance with the CFTC’s purchase card and travel card programs and the CGPA.
- Reviewed existing agency policies and procedures and identified significant cycles and systems related to the purchase and travel card programs and obtained an understanding of the controls in place related to the purchase and travel card programs.
- Identified significant provisions of laws and regulations related to the audit of the purchase and travel card programs, including:
  - Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194)
  - Office of Management and Budget (OMB) Circular A-123, Appendix B (Improvement the Management of Government Charge Card Programs)
  - OMB Memorandum M-12-12 (Promoting Efficiency Spending to Support Agency Operations)
  - OMB Memorandum M-13-21 (Implementation of the Government Charge Card Abuse Prevention Act of 2012).
  - Federal Acquisition Regulation
  - Council of the Inspectors General on Integrity and Efficiency (CIGIE) Report on the Government Purchase Card Initiative, July 2018.
- Interviewed key personnel, performed walk-throughs of selected transactions from initiation to completion and reviewed supporting documentation, and documented our understanding of the internal control controls in place related to the purchase and travel card programs.
- Performed a risk-assessment approach as part of the planning phase to identify and address areas vulnerable to noncompliance with the Charge Card Act and to analyze the risks of illegal, improper, and erroneous purchases for FY 2023. We systematically identified risk factors by reviewing current purchase card and travel card data for anomalies and conducted interviews with key personnel involved in the relevant process. Following identification, risks were evaluated using both qualitative and quantitative analysis methods, allowing us to prioritize them based on their potential impact and likelihood of occurrence.
- Engaged in discussions with the audit team about the susceptibility of the entity’s material noncompliance due to fraud or error and the application of the relevant authoritative guidance above to the entity’s facts and circumstances. These discussions considered the risk of management override of controls and other relevant factors. We inquired of management, OIG, and others within the entity about their knowledge of any fraud or suspected fraud affecting the entity. We identified and assessed fraud risk factors, considering incentives/pressures, opportunities, and attitudes/rationalizations.

## Phase 2 – Fieldwork Procedures

During this phase, we developed a detailed test program and incorporated specific testing strategies to identify any erroneous payments and to determine whether the agency is complying with the GCCAPA. Our understanding of the data set populations are as follows:

### Analyzing the Populations/Data Set

We obtained from CFTC a schedule of all purchase and travel card transactions for FY 2023. To reconcile the listings to the general ledger, we performed the following:

For the nonpayroll disbursements, we obtained the following from CFTC management:

1. FY23 Disbursement Validation – this file contained an Excel summary of all payroll disbursements by month and nonpayroll disbursements by quarter. The total of the payroll and nonpayroll disbursements was validated and reconciled to the CFTC trial balance as of September 30, 2023.
2. FY23 Quarterly Non-Payroll Disbursements – there were a total of four Excel files that contained all disbursements for each quarter for the following Standard General Ledger (SGL) accounts:
  - a. 48020000 - undelivered orders - obligations, prepaid/advanced.
  - b. 48720000 - downward adjustments of prior-year prepaid/advanced undelivered orders - obligations, refunds collected.
  - c. 49020000 - delivered orders - obligations, paid.
  - d. 49720000 - downward adjustments of prior-year paid delivered orders - obligations, refunds collected.
  - e. 49820000 - upward adjustments of prior-year delivered orders - obligations, paid.

We reconciled the total in the FY23 Quarterly Non-Payroll Disbursements to the FY23 Disbursement Validation file.

3. We filtered the FY23 Quarterly Non-Payroll Disbursement to determine the purchase card and travel card transactions and reconciled the reports to the purchase card and travel card disbursement files received from CFTC:

#### *Travel cards:*

- Source = Budgetary Transaction
- USSGL = 4902, 4972, and 4982
- BOC = 21000, 21010, and 21049

#### *Purchase cards:*

- Source = Budgetary Transaction
- Category = Treasury Confirmation
- USSGL = 4902
- BOC = 251CC, and 25257
- Vendor = US Bank
- AP Invoice Starts with = 5568

4. After receiving the data, we analyzed the data to identify trends, patterns, anomalies, and exceptions within the data to identify indicators of erroneous transactions. For the fiscal year ended September 30, 2023, CFTC had 1,640 purchase card disbursements that were made by 38 CFTC employees (see table 1 on the following page), each with their own respective purchase limits, and 4,928 travel card transactions downloaded from US Bank (see table 2 on the following page).

Table 1: Summary of Purchase Card Disbursements for FY23

<b>Purchase Card Data</b>	
<b>Transactions Count</b>	1,640
<b>Total Disbursement Amount</b>	\$2,006,052
<b>CFTC Employees</b>	38
<b>Total Merchants</b>	552
<b>Transaction Statistics</b>	<b>Max:</b> \$22,267
	<b>Mean:</b> \$1,223
	<b>Median:</b> \$468
	<b>Min:</b> (\$4,056)

To test for certain compliance over the use of travel cards, we obtained from CFTC a schedule of all travel Card transactions that were downloaded from US Bank.

Table 2: Summary of Travel Card Transactions from US Bank for FY23

	<b>IBA Transactions</b>
<b>Total Transactions</b>	4,928
<b>Transaction for Trains, Airlines, and Hotels</b>	439
<b>Transactions for Cars and Food</b>	384
<b>Total Amount of Transactions</b>	\$741,193

### Testing Procedures

To accomplish our objectives, we performed the following:

- Based on sampling stratification methodology, we selected a sample of purchase disbursements and travel card transactions incurred by CFTC and CFTC employees during FY 2023. We used data analytics tools to analyze charge card data for patterns indicative of misuse of abuse (e.g., high-value transactions, frequent transactions at specific vendors, transactions outside of normal business hours) and identify trends, patterns, anomalies, and exceptions within data to identify indicators of illegal, improper, and erroneous purchases.
- We requested CFTC to compile all documents necessary to support the propriety of the payment made by CFTC and performed dual-purpose testing of our sample selections of purchase cards and travel card disbursements. A dual-purpose test is an audit procedure that is used as both a test of internal control over compliance and compliance test. We performed the following procedures:
  - o Determined whether the disbursement or transaction was approved by someone other than the cardholder and preapproved by the Budget Management Specialist or Budget Officer.
  - o Examined documentation for any indication of split disbursement to circumvent single purchase limits for the cardholder.
  - o Verified that all transactions were properly supported by necessary documentation, such as travel vouchers, travel authorization, receipts, invoices, and other pertinent documents.
  - o Determined if travelers were in a travel status at the time of use of the travel card.
  - o Checked that all payments were executed within the stipulated deadlines.
  - o Ensured that sales tax was not paid on purchases, or if paid, that steps were taken to recover these amounts promptly.
  - o Confirmed disbursements or transactions were conducted with approved vendors under the correct Merchant Category Classification Codes, including documentation of justifications and approvals for any deviations.

- o Ensured no disbursements or transactions occurred with blocked or prohibited vendors; if exceptions were found, we verified that proper justifications were documented.
- o Assessed if any disputed charges or discrepancies were resolved and documented adequately.
- o Verified that all rebates and refunds are accurately recorded and received.
- o Reviewed reconciliation between the charge card statement and supporting documents.
- o Investigated any disbursements or transactions that might be illegal, improper, or erroneous, ensuring strict compliance with federal regulations.
- o Reviewed training records for all charge cardholders and approving officials to ensure completion of mandatory training as stipulated by federal regulations.
- o Confirmed that all newly appointed charge cardholders and approving officials made disbursements only after the official approval and training completion dates.
- o Assessed the timeliness of deactivating charge cards for terminated employees to ensure no transactions were authorized beyond their termination date.





## U.S. COMMODITY FUTURES TRADING COMMISSION

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### MEMORANDUM

**DATE:** April 17, 2025

**TO:** Chris Skinner, Inspector General

**FROM:** Jeffrey Sutton  
Executive Director, Division of Administration

**SUBJECT:** Inspector General Report on CFTC Compliance with the  
Government Charge Card Abuse Prevention Act (GCCAPA)  
of 2012

Thank you for the opportunity to comment on the Office of the Inspector General's (OIG) draft report, CFTC Compliance with the Government Charge Card Abuse Prevention Act (GCCAPA) of 2012, for the fiscal year ended September 30, 2023. The Division of Administration (DA) concurs and submits the attached comments to the recommendations described in the report.

We appreciate the dialogue between our offices to ensure the report is as accurate as possible. Our office will create a Corrective Action Plan within 30 days of the OIG report being published. If you require further assistance, please contact Keith Ingram, Accounting Officer at 202-418-5612.

**Division of Administration**  
**OIG FY 2023 Credit Card Compliance Audit Response**

**OIG Audit Results and Recommendations**

This section of the compliance audit report addresses our findings and the associated recommendations resulting from our evaluation of the CFTC Charge Card Program as mandated by the Charge Card Act. The audit was conducted to assess the adequacy of regulatory compliance and internal controls within the program. Our detailed examination led to the identification of the findings below that include specific recommendations aimed at enhancing the effectiveness, security, and compliance of the Charge Card Program. These recommendations are intended to rectify the deficiencies noted during the audit and to prevent future occurrences of noncompliance and abuse. Each finding and its corresponding recommendations are presented below to guide the implementation of necessary corrective actions.

***“Training Compliance***

*Training records did not always indicate that travel cardholders and purchase card AOs received the training required of Charge Card2 Program participants.*

*Travel Card Training: It was observed that 27 of 68 sampled travel cardholders who received replacement travel cards did not have documentary proof of having received initial or refresher training prior to card reissuance, including two cardholders whose cards had expired for over three years. Additionally, two new travel cardholders completed mandatory training after their cards were activated. OMB Circular A-123, Appendix B, paragraph 4.1, requires proper training before an employee assumes responsibility as a charge cardholder. Further, paragraph 4.4 of Appendix B requires that all charge card program participants, among other things, must be trained prior to appointment, must take refresher training at a minimum of every three years, and that copies of required training certificates must be maintained pursuant to National Archives and Records Administration (NARA) requirements.*

*Purchase Card Training: Additionally, two purchase card disbursements were approved by a non-designated purchase card AO without the requisite AO purchase card training. OMB Circular A-123, Appendix B, paragraph 4.1, requires AOs to receive the same training as purchase cardholders and other relevant training as required by agency policy.*

*These deficiencies result from insufficient record-keeping practices, insufficient enforcement of travel and purchase card training policies, and inefficient internal controls related to AO training requirements. These deficiencies increase the risk of noncompliance and potential misuse of government purchase cards.*

***Recommendation 1: We recommend that CFTC implement a training framework that ensures all travel cardholders complete mandatory training requirements prior to card issuance and that purchase card AOs complete mandatory training requirements prior to performing AO task approvals.”***

**Management’s Response:** Management concurs with the recommendation.

***“Pre-approval, Processing, Documentation and Use of Charge Card Disbursements and Transactions***

*Deficiencies were noted in the approval, processing, and documentation of purchase card disbursements and use of travel card transactions.*

***Purchase Card Disbursements***

*Approvals. Our review of 57 purchase card disbursements indicated that 18 lacked required pre-approval checks for fund availability. CFTC Policy, “Using the Purchase Card” (2023 version, page three), states “You must determine the availability of funds from the appropriate budget object classification Budget or Account Manager. Even if you have a monthly purchase limit of \$10,000, for example, you cannot assume that funds are automatically available to cover your purchases.” This occurred because the CFTC lacked a control mechanism to ensure that pre-approval reviews for fund availability were consistently documented prior to making purchase card disbursements.*

**Processing.** *Additionally, approvals by the AO for 15 of 57 purchase card disbursements occurred beyond the 30-day requirement (transaction posting date) established by OMB Circular A-123, Appendix B and CFTC internal policy. Specifically, OMB Circular A-123, Appendix B, section 2.4, requires “that the AO approves or disapproves charge card transactions in accordance with agency policy, but no later than 30 days after the end of the cycle date.” In addition, CFTC policy, “Using the Purchase Card” (2023 version, page six) states, “transactions must be reviewed and approved or rejected by the cardholder and Approving Official within thirty days of posting to the cardholder’s account.” This occurred due to ineffective communication between AOs and cardholders to obtain supporting documents. Additionally, this resulted due to insufficient automated reminders for purchase card disbursement approvals.*

**Documentation.** *We also noted that four of the 57 purchase card disbursements lacked documentation to support the amount being paid with the purchase card. Appropriate supporting documentation would include an invoice, receipt, internet printout or other documentation supporting the charge. OMB Circular A-123, Appendix B, section 2.4, requires that proper supporting documentation accompanies charge card transactions. Further, CFTC policy, “Using the Purchase Card” (2023 version, page six) discusses appropriate transaction documentation to be retained to support each purchase. This includes:*

- Written request for purchase*
- Record of purchase (invoice, receipt, internet printout, written notes)*
- Record of receipt and acceptance (packing slip signed by the recipient of the goods and services, email from the recipient of goods and services, etc.). Cardholders should ensure that they obtain these documents from the recipient of the purchase.*

*This occurred because documentation requirements were not applied consistently for purchase card disbursements.*

*The lack of required pre-approval checks for fund availability, the delayed processing*

*disbursement approvals by the AOs, and insufficient documentation to support purchase card disbursements increases the risk of among other things, fraud, waste, duplicate purchases, unauthorized purchases, and Anti-deficiency Act violations.*

***Recommendation 2:*** *We recommend that CFTC include pre-approval checks for fund availability in its training; enhance controls to alert AOs of disbursements requiring approval before the 30-day timeframe expires and ensure that disbursements are not approved without adequate supporting documents.*

**Management's Response:** Management concurs with the recommendation

***“Travel Card Transactions***

*CFTC established the CBA to pay for official purchases, travel, and travel-related expenses. Specifically, CFTC policy “CFTC Procedure: Travel Credit Card” paragraph II, requires that the CBA must be used when CFTC employees travel internationally for transportation expenses, and, if appropriate, hotel expenses. CFTC also established the IBA which is issued to CFTC employees to pay for official travel and travel-related expenses. We tested and reviewed a sample of FY23 international travel card transactions which discovered that two of 29 travel card transactions were processed through an IBA instead of a CBA as required by CFTC policy. This occurred due to the lack of consistent enforcement of the use of CBA accounts for international travel.*

***Recommendation 3:*** *We recommend that CFTC enforce the use of centrally billed accounts for travel cards used for international travel.*

**Management's Response:** CFTC will update its CBA policy to address circumstances where the CBA card can be used for purposes other than flights for foreign travel.

***“Post-employment Charge Card Deactivation***

*There were significant delays in the deactivation of employee purchase and travel cards following separation from the agency.*

***Purchase Cards***

*Of the employees that separated from the CFTC in FY23, we found that one out of the four purchase cards remained active after the employee separated from the CFTC. According to OMB Circular A-123, Appendix B, attachment A.5, charge card managers should establish a control to ensure that card accounts are canceled when the employee retires or leaves the agency. We noted that the CFTC did not have a policy, or documented procedures related to promptly cancel employee purchase cards upon employee separation. Additionally, no disbursements were made following employee separation.*

***Travel Cards***

*Of the employees that separated from the CFTC in FY23, we found that 16 out of the 20 travel cards remained active after the employee separated. OMB Circular A-123, Appendix B, attachment A.5, requires charge card managers to establish a control to ensure that card accounts are canceled when the employee retires or leaves the agency. We noted that the CFTC did not have a policy, or documented procedures related to promptly cancel employee*

*travel cards upon employee separation. This violates the Charge Card Act section 3 (P.L. 112-194; 5 U.S.C. § 5701 note), which states, "Each executive agency ensures that 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."*

#### ***Post-employment Travel Card Transactions***

*Our review further found that four of the 16 travel card accounts indicated that these individuals incurred charges after their employment had ended with CFTC, with no records available to track the nature of these transactions other than what populated in the US Bank transaction reports.*

*Specifically, two of the four cardholders incurred credit refunds which were issued by the bank. Both individuals incurred a credit balance on their account which remained for longer than six months. The bank initiated those refunds to reconcile and purge the accounts. US Bank advised that all accounts must have a \$0.00 balance prior to removal from their system. Thus, we confirmed that these were not new transactions personally incurred by the individuals post CFTC employment.*

*The other two accounts personally procured charges post CFTC employment. US Bank advised that both individuals have made payment to cover the costs of those charges. The bank did not absorb those costs as the individuals' payments satisfied their outstanding balances. Once their payments were made and processed, the bank closed and removed their respective accounts.*

*The primary cause for this oversight was the lack of an effective system to monitor card status that includes timely and formal communication between the Human Resources (HR) branch and Charge Card Program administrators to ensure timely card cancellation. This procedural lapse increases the risk of unauthorized transactions and potential fraud, exposing the organization to significant security and financial risks.*

***Recommendation 4:*** *We recommend that CFTC develop and implement a comprehensive policy that mandates the immediate deactivation of all purchase and travel cards upon notification by HR of an employee's separation or transfer. Additionally, instituting a regular monitoring system to track and validate the deactivation status of charge cards for all separated employees is recommended. Monthly reviews of charge card activity reports should also be conducted to identify any lapses in the deactivation process to prevent unauthorized use."*

**Management's Response:** Management concurs with the recommendation.

#### ***Updating Travel Card Policies***

*Several travel policies had not been updated since 2008. Chapter three of OMB Circular A123 published guidance for maintaining written policies and procedures for the appropriate use of charge cards. This includes the requirement to update said policies every two years from the date of the last update or more frequently if needed. The lack of periodic reviews and updates to travel policies can be attributed to insufficient oversight to ensure that policies remain current with federal regulations and practices. Outdated travel policies can lead to*

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*noncompliance with federal laws and regulations, inefficient travel management, potential financial waste, and increased risk of fraud and misuse of government resources.*

*Additionally, the lack of updated guidance may lead to inconsistencies in policy enforcement and misunderstandings among staff regarding travel procedures and reimbursements.*

***Recommendation 5:*** *We recommended that CFTC review, revise, and update all travel policies to align with the current requirements of the Federal Travel Regulations, OMB directives, and the Government Charge Card Abuse Prevention Act.”*

**Management’s Response:** Management concurs with the recommendation.

