

Government Travel and Government Credit Card Misuse

Travel

NRC employees are encouraged to use the Government's resources wisely. For example, try to think of ways to save the Government money before you make travel reservations. Ask yourself if taking a limousine is more cost effective than driving your own car to the airport and paying for parking. Ask yourself if it is cost effective to fly out of one airport and into a different airport on a single trip. Normally, that is an additional expense for the Government. Do you fly first class? You may upgrade to first class only if you pay the additional expense from your personal funds. In some instances, the OIG has found that NRC employees are upgrading to deluxe cars at an additional expense to the Government. In the current economic crisis, Government travelers need to do their part to conserve.

The NRC has an entire Web page devoted to NRC travel, travel regulations, Federal travel regulations, use of the Government credit card, and other travel information. You can find it on the internal Web site under "travel."

Credit card

NRC employees are issued a Citibank Travel card with no application fee, no annual fee, and no interest charges. The card is intended to save the Government the expense of travel advances and to provide employees on official travel a convenient method of handling the expenses associated with that travel. The Government bears the expense of administering the travel card program. New applicants for the Citibank Travel Charge card must now have a credit history check to determine credit worthiness. NRC uses Fair Isaac Corporation to determine each applicant's credit score.

When a Government employee applies for a Citibank Travel Charge Card, he or she signs an agreement with the company stating that the card will not be used for personal, family, or household purposes. The bottom line is that according to the Federal Travel Regulation, 301.51.6, Government employees may only use their Government-issued travel card for official travel related expenses.



Examples of misusing the travel card include failure to pay the account balance in full by the statement due date, **even if you have not been reimbursed**, as well as using it for personal use of unauthorized purchases such as:

Inside this issue:

Management Directive 14.1	2
Travel Card Management Plan	2-3
NRC/OIG Cases on Credit Card Misuse	3-4
Other Government Cases on Travel Card Misuse	4-5

Special points of interest:

- *Use of the Government Credit Card*
- *Rules and Regulations*
- *NRC/OIG Cases on Misuse of the Government Credit Card*
- *Other Agency Cases on Misuse of the Government Credit Card*



Management Directive and Travel Management Plan

- Clothing
- Automobiles (including car repair and services)
- Spa services
- Theme park or sporting event tickets
- Medical services (including prescriptions)
- Entertainment equipment (such as televisions, stereos, computers)
- Membership fees
- Downloading iTunes
- Cell phone charges
- Flowers
- Office supplies for personal use

Despite the numerous Yellow Announcements issued on the subject, and advice from senior managers, some NRC employees are still using their Government-issued credit card to purchase items not reimbursable on their travel vouchers.

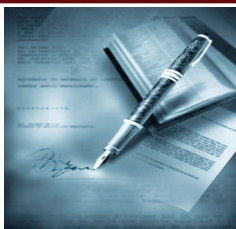
The following pages have summarized excerpts from the management directive regarding travel and the NRC's Travel Card Management Plan.

Management Directive 14.1 Says...

A card holder may use his or her travel charge card only for expenses directly related to official travel. This includes cash withdrawals/travel advances through ATM's, expenses for hotels, meals, and rental cars. A traveler may charge an airline ticket when a Travel Management Center (TMC) representative is not avail-

able or when the traveler has been authorized to charge the ticket.

Travelers must keep in mind that use of the Government-issued travel charge card for any unauthorized reason that would **not** be eligible for reimbursement on a travel voucher may result in disciplinary action up to and including removal.



TRAVEL CARD MANAGEMENT PLAN

Credit Worthiness

The *Consolidated Appropriations Act, 2005*, requires that Executive Branch agencies assess the credit worthiness of all new travel card applicants prior to processing their applications. An applicant's Fair Isaac Corporation (FICO) score is NRC's primary tool for evaluating employee credit worthiness. An applicant for the Citibank card must provide approval for the NRC to obtain his or her FICO score. The Travel Card Project Manager (TCPM) and Headquarters' Agency Organization Program Manager (A/OPC) obtain a FICO-based credit worthiness evaluation from the NRC Office of Administration, Division of Facilities and Security (ADM/DFS).

ADM/DFS will assign the employee with one of four credit worthiness levels. The A/OPC will not have access to the applicant's FICO score, but will assign a credit limit to the applicant's account based upon the credit wor-

thiness levels provided by ADM/DFS. Applicants who agree to a credit worthiness evaluation and have a FICO score of 660 or higher will receive an NRC travel card with the agency standard credit limit. If the FICO score is below 660, they will receive a restricted NRC travel card with a reduced credit limit.

If an applicant does not grant a credit worthiness evaluation, or the NRC cannot obtain a FICO score for a credit worthiness evaluation, the NRC will use the financial information in the applicant's SF-86, "Questionnaire for National Security Positions."

There may be circumstances that warrant exceptions to the policy. Cardholders should contact the A/OPC for approval before making a purchase, particularly if they are unsure. The A/OPC will notate the exception for future reference.

Travel Card Delinquencies

Each employee with a travel card is responsible for paying their balance in full by the statement due date (**even if they have not been reimbursed for their travel expenses**).

30 Day Past Due Notice

A travel card is deemed past due if the cardholder fails to pay the balance within 30 days from the closing date on the billing statement in which the change appeared. If the account is 30 days past due, the OCFO, DFS, A/OPC will notify the employee by email. The bank considers



Management Directive and Travel Management Plan

the account delinquent if payment has not been received 45 calendar days from the closing date on the billing statement in which the charge appeared.

60 (or more) Day Past Due Notice

If payment has not been received within 61 calendar days from the closing date, the cardholder's account will be automatically suspended by the bank. The DFS director will send a letter to the cardholder's Office Director, or Regional Administrator, a copy to



the employee, the Office of Human Resources (HR), and the OIG. The letter will contain the amount of the delinquency and request the employee to take immediate action.

Administrative – Disciplinary Actions

Citibank provides NRC with a monthly report of employee travel card accounts. The reports are reviewed for delinquent balances, as well as deliberate misuse of the travel card for unauthorized purchases. If misuse is suspected, it will be referred to the OIG. The OIG performs a bimonthly review of the Citibank Purchase Card as well as the Citibank Travel Card for delinquencies and possible misuse of the cards for unau-

thorized purchases. When misuse is detected, the employees' office director or regional administrator is notified.

Depending upon how egregious the misuse, or for repeat offenders, an OIG investigation may be opened.

The NRC is required to report the number of administrative or disciplinary actions caused by travel card delinquency to Office of Management and Budget. After coordination with the OIG, and the employee's supervisor, HR will determine if administrative or disciplinary action is appropriate.

NRC/OIG Cases on Travel Card Misuse

OIG determined that an employee misused his NRC Citibank Government Visa Travel



Card and made non-official purchases on 18 different occasions. Non-official purchases included purchasing airline tickets for his wife; a rental car for personal travel while on annual leave taken in conjunction with official travel; and novelty shop items, gasoline, automotive, rental car, and Internet charges while not on official travel. This was the employee's second offense related to misuse of the Citibank travel card and he was suspended for 14 days without pay.

An OIG investigation determined that an employee made nine purchases on her NRC Government-issued Citibank travel card that were not associated with official travel. The purchases totaled \$902.02, and included purchases of an airline ticket, flowers, a meal at a local restaurant, beauty products and services, and gasoline. The employee entered into a voluntary alternative discipline agreement and was advised that if misuse occurred again, the employee would be disciplined further.



Another OIG investigation determined that an employee used her Government-issued Citibank

Travel Card to make 28 transactions for personal items totaling \$6,065.56. These charges included cash withdrawals, fees, flowers, and other personal items that were not made in connection with official travel. OIG also determined that the employee misled her immediate supervisor by claiming that she made two payments to Citibank. In addition, she told another manager that the reason her payments had not been credited to her Citibank account was



NRC/OIG Cases on Travel Card Misuse

Citibank did not accept her money orders. However, OIG found that she had not submitted any payments to Citibank during the times she stated. Management proposed removal of this employee; however, the employee resigned in lieu of termination.

purchased airline tickets, withdrew \$3,310 in cash advances not associated with official travel, and had five other questionable purchases on her Citibank card. The employee was counseled regarding her use of the credit card.



An OIG investigation revealed that a manager made 60 personal purchases on her NRC Government Citibank Visa travel card which totaled \$6,057.54. The manager charged \$2,966 to a music store,



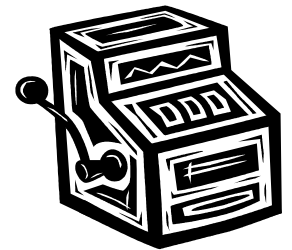
Other Government Cases on Travel Card Misuse

- A National Science Foundation's (NSF) OIG investigation revealed that the Travel Card Program Manager misused her own travel card and then altered official records to hide the evidence. The manager pled guilty to a felony and was sentenced to 20 weekends in jail and 2 years supervised probation, fined \$1,000, and permanently barred from Government service. The manager was responsible for the daily administration of the Travel Card program, including oversight of misuse and recommending salary offset for delinquent accounts. Following an audit and subsequent investigative review of NSF travel records, the OIG received an anonymous tip



alleging that the travel card program manager (a GS-15 Supervisory Accountant) was misusing her own travel card by making unauthorized ATM cash withdrawals. ATM cash withdrawals are authorized only when made in connection with official Government travel. Otherwise, such withdrawals amount to personal, interest-free loans. Their review of NSF and Bank of America records confirmed that the manager frequently used the travel card to make purchases from local retailers and ATM withdrawals, unrelated to official travel.

- An investigation was completed by the Federal Reserve Board involving allegations of improper use of a Government Travel Card by a Board employee. The OIG initiated this investigation in response to a referral from the Board that the employee repeatedly misused the card even after receiving three warnings for using it inappropriately for cash advances in the New York and Philadelphia areas to pay for gambling activities at various casinos in Atlantic City, New Jersey. In addition, as of April 2008, the outstanding



Other Government Cases on Travel Card Misuse

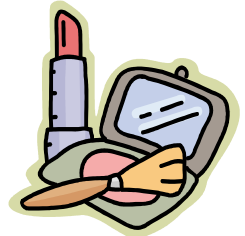
balance on the employee's travel card account was about \$10,700 and was nearly 120 days delinquent. The investigation confirmed that, after receiving the three warnings, the employee obtained numerous unauthorized cash withdrawals for personal use at gambling casinos. The investigation also confirmed that the employee had received reimbursement for all official travel related expenses and that his delinquent account was for non-payment, and not the result of either a dispute with the credit card company or a delay on the Board's part for not reimbursing the employee. The employee was suspended for 14 calendar days without pay.



- A former Tennessee Valley Authority (TVA) River Operations employee was charged in the Eastern District of Tennessee with theft and mail fraud in an 11-count Federal indictment. The indictment charged the former employee used TVA credit cards to purchase items for personal use, including color televisions, storage sheds, and other items totaling over \$70,000. A breakdown in internal controls in that case allowed the alleged misuse to continue for several months before it was detected.
- A former TVA Fossil Power Group employee was charged in the State of Alabama with the



fraudulent use of a TVA credit card. The former employee was charged with using a TVA credit card subsequent to his termination from TVA to obtain more than \$4,000 in services. The investigation of a credit card charge to a cosmetic company showed a TVA manager purchased several items in violation of ethics regulations. The manager purchased the items to give his employees. He purchased them from his wife, a consultant for the cosmetics company, who received a commission on the sale. The TVA manager was counseled and required to reimburse TVA for the amount of the charges.



Any time you suspect Government Travel Card abuse or abuse of Government Travel Regulations, please contact the Office of the Inspector General by mail, telephone, or the Web. You may request anonymity.

USNRC
Office of the Inspector General
Mail Stop O 5E13
11555 Rockville Pike
Rockville, MD 20852

We're on the Web!! Click on the Internal or External Web site. Scroll to the bottom of the page. Click on Inspector General on the left. Click on the telephone. Click on Submit on-line form, type your complaint, and hit submit. The OIG does not try to find out where the email came from. You are always anonymous.

HOTLINE
1-800-233-3497

TDD
1-800-2702787