

# GOVERNMENT MANAGERS COALITION

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October 14, 2014

The Honorable John Mica  
Chairman  
Subcommittee on Government Operations  
2157 Rayburn House Office Building  
Washington, DC 20515

The Honorable Gerald Connolly  
Ranking Member  
Subcommittee on Government Operations  
512 Ford House Office Building  
Washington, DC 20515

Dear Chairman Mica and Ranking Member Connolly:

As you know, the Government Managers Coalition (GMC) consists of the five major federal sector executive and managerial professional associations representing over 200,000 executives and managers in the federal government. The GMC advocates for good governance and policies throughout the federal workforce. On behalf of the member organizations of the GMC, we write to share our perspective for the Subcommittee's hearing entitled, "Private Gym Memberships, Gift Cards, and Hair Salons: Examining the Misuse of Government-Supplied Credit Cards."

In particular, we would like to bring to the Subcommittee's attention the connection between misuse of government-supplied credit cards with a broader issue that affects all federal employees, and particularly front-line supervisors and managers, as well as overall agency and government operations – that being a lack of effective training to ensure all employees understand the rules, regulations, and laws they must operate under. Often, employees are given policy manuals or guidance that are lengthy and opaque, and related training is provided as a check the box activity for a variety of policies, rather than being given as a straightforward, integrated course.

We hope the Subcommittee uses this hearing as an opportunity to discuss not only the problems with misuse of government-supplied credit cards identified by inspectors general, but also solutions to put this issue, as well as many other issues that have been raised in recent years, to rest. The GMC strongly believes investment in employees through training is an essential element of stemming the tide of recent reports of charge card misuse, general mismanagement, and other "scandals."

A cursory overview of reports by the Inspectors General of several agencies specifically recommend training for employees, as well as for supervisors and managers, regarding the use of government-supplied credit cards. Several reports which contain such recommendations are provided to demonstrate this.

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- TIGTA, August 2011, “Controls Over the Purchase Card Program Were Not Effective in Ensuring Appropriate Use”<sup>1</sup>
- TIGTA, April 2013, “Travel Card Controls are Generally Effective, but More Aggressive Actions to Address Misuse Are Needed”<sup>2</sup>
- TIGTA, June 2013, “The Purchase Card Program Lacks Consistent Oversight to Identify and Address Inappropriate Use”<sup>3</sup>
- VA OIG, September 2008, “Audit of Veterans Health Administration’s Government Purchase Card Practices”<sup>4</sup>
- VA OIG, April 2014, “Audit of Engineering Service Purchase Card Practices at the Ralph H. Johnson VA Medical Center, Charleston, South Carolina”<sup>5</sup>
- Commerce OIG, May 2013, “Internal Controls for Commerce Purchase Card Transactions Need to be Strengthened”<sup>6</sup>
- DHS OIG, April 2013, “FEMA Can Improve Its Purchase Controls at Joint Field Offices”<sup>7</sup>
- EPA OIG, March 2014, “Ineffective Oversight of Purchase Cards Resulted in Inappropriate Purchases at EPA”<sup>8</sup>

Each of these reports recommends more and improved training for charge card users, as well as purchase card approving officials, as ways to bolster internal controls and to address the issue of charge card misuse.

Although the Government Charge Card Abuse Prevention Act of 2012 (P.L. 112-194) contains provisions dictating an agency ensures appropriate training is provided to each purchase card holder and officials with responsibility for overseeing the use of such cards, it is clear from the recommendations of inspectors general that such training is often insufficient or ineffective.

Given that P.L. 112-194 already provides a mechanism for robust oversight and reporting of charge card misuse, we suggest strengthening the underlying statutory requirements regarding training for all employees, and for supervisors and managers in particular. Giving managers one-off trainings on individual issues, rather than providing a comprehensive training program is neither effective nor cost-efficient.

It is well known that in times of tight budgets training is often the first budget category to be cut, and the GMC believes the results of cutting training is demonstrated, as just one example, in the persistent issues agencies have with charge card misuse. Congress has a fiduciary duty to

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<sup>1</sup> <http://www.treasury.gov/tigta/auditreports/2011reports/201110075fr.pdf>

<sup>2</sup> <http://www.treasury.gov/tigta/auditreports/2013reports/201310032fr.pdf>

<sup>3</sup> <http://www.treasury.gov/tigta/auditreports/2013reports/201310056fr.pdf>

<sup>4</sup> <http://www.va.gov/oig/52/reports/2008/VAOIG-07-02796-203.pdf>

<sup>5</sup> <http://www.va.gov/oig/pubs/VAOIG-13-02267-124.pdf>

<sup>6</sup> <http://www.oig.doc.gov/Pages/Internal-Controls-for-Purchase-Card-Transactions-Need-to-Be-Strengthened.aspx>

<sup>7</sup> [http://www.oig.dhs.gov/assets/Mgmt/2013/OIG\\_13-77\\_Apr13.pdf](http://www.oig.dhs.gov/assets/Mgmt/2013/OIG_13-77_Apr13.pdf)

<sup>8</sup> <http://www.epa.gov/oig/reports/2014/20140304-14-P-0128.pdf>

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the American people to ensure the government is operating at its optimal capability. No company in America neglects investing in their workforce, nor should the federal government.

The GMC stands ready to work with the Subcommittee to craft solutions to improve government operations and the management of the federal workforce. We believe a focus on employee training and development is a key aspect of achieving positive gains in each of these areas.

Sincerely,



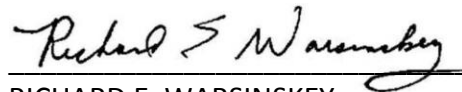
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President  
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CC: Members of the Subcommittee on Government Operations