

MEMORANDUM

To: Agency Program Coordinators
From: CCSC Compliance Section
Subject: Review of Cardholder Transactions
Date: May 12, 2014
RE: Update to Instructions (Highlighted in Yellow)

The Charge Card Service Center (CCSC) is in the process of implementing an oversight and compliance program that ensures the charge card program is in compliance with the Departmental Regulation (DR) 5013-6 and Office of Management and Budget (OMB) Circular A-123. This memo outlines the program area that the CCSC will be implementing.

With the implementation of this program, the CCSC is providing support to the agencies in reducing and/or mitigating risk of fraud, abuse, and misuse within the respective agencies. The CCSC's intent with this program is to help the agencies increase the integrity of their internal programs, apply best practices, and ensure the agencies are in compliance with DR 5013-6.

The program area is the Questionable Transaction Report (QTR). The CCSC's Compliance Section will conduct a routine review of cardholder transactions to identify potential fraud, misuse, and abuse via the QTR. The report identifies questionable transactions related to both the purchase card and convenience check transactions.

The QTR is designed to help the Agency Program Coordinators (APCs) perform the required oversight. The CCSC is not taking the position that the transactions in the QTR represent waste, fraud, or abuse. Rather, we are allowing the APCs to review the transactions and provide CCSC with details to ensure the transactions are inline with the departmental regulations.

The CCSC is fully aware and confident that 99 percent of our cardholders are using their cards and convenience checks correctly in support of their respective agency's mission. However, the CCSC and the agencies have a responsibility as stewards of the taxpayer's dollars to ensure that we are doing all that we can to provide effective oversight; making sure that our transactions are allowable and in support of the Department's mission without variation.

The following section describes in detail the program area, process for the program area, and when the programs will begin.

Questionable Transactions Report Program Area

A Questionable Transaction Report (QTR) will be sent to the agencies/divisions' APCs that identify purchase card transactions and the convenience check transactions that have been flagged by the CCSC's Compliance Section.

The first QTR the CCSC sends is going to contain transactions selected and reviewed from the cardholder transactions for the month of March 2013.

Subsequent QTR sent to the APCs will contain cardholder transactions for April 2013, May 2013, and so on respectively.

Criteria for Transactions Included in the QTR

The Compliance Section will use, but is not limited to, the following criteria for selecting transactions to include in the QTR:

- Blocked Merchant Category Code (MCC): Antique Shops, Massage Parlors, Billiard/Pool Establishment, Membership Clubs (Sports), and Betting/Casino/Lotto
- Other Transactions: Restaurants, Bowling Alleys, and Motion Picture Theaters
- Fuel Service Stations (Open from May 1, 2014, through September 1, 2014)
- Possible Single Purchase Limit Violation
- Split Transactions (Split transactions so that purchases are below the purchase limits)
- Convenience Check: Illegible Payee
- Convenience Check: Written over \$2,500
- Convenience Check: Written to individual named party (People's Names)
- Convenience Check: Written without Debt Collection Improvement Act Waivers
- Convenience Check: Written to Visa Merchants (merchants that accept the VISA card)
- Convenience Check: Written with no vendor tax identification number (TIN) in the Access Online system

How to Respond to the QTR Program Area

The following section provides the process steps required by the APCs to successfully respond to the CCSC:

1. The CCSC sends each agency APC the QTR (in a spreadsheet) monthly that requires a response. The CCSC names the spreadsheet as [Agency] [MM] 2013 QTR.xlsx. Within the spreadsheet, there are two worksheets (tabs):
 - Purchase Card Transactions
 - Convenient Check Transactions
2. The APC completes each worksheet (tab) by completing the following columns for each transaction:
 - **Acceptable Transaction?:** Required column for all transactions. Please select one of the following:
 - If Yes: no further action required.
 - If No: complete the **Action Taken?** column.
 - **APC/LAPC's Comments:** This column is optional.
3. Within 15 calendar days of receiving the CCSC's e-mail, the APC sends the updated spreadsheet to the [CCSC Inbox](#), using the following in the subject line of the e-mail, "[Agency] [Month] [Year] Questionable Transactions Report," for example, FS May 2013 Questionable Transactions Report.
4. The CCSC reviews the responses to the QTR for adherence to program policies and contacts the APC as needed.

QTR Program Area Begin Date

The CCSC sent the first QTR report on **June 3, 2013, and it was due back to the CCSC by June 21, 2013**. The CCSC has sent subsequent QTR reports to the agencies/divisions on the 10th of each month since June 2013 and has requested a response to the QTR report and each of the transactions within 15 business days of receipt.

Summary

Again, with the implementation of this program, the CCSC is providing the agencies with support and oversight of their Charge Card Programs to mitigate the risk of fraud, abuse, and misuse. In addition, this program will apply best practices across the USDA Charge Card Program and ensure the agencies are in compliance with DR 5013-6.

We appreciate your cooperation in this endeavor as we strive to make USDA's charge card program the most secure, efficient, and innovative charge card program in the Federal Government.