

GAO: Forest Service Credit Cards Misused

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WASHINGTON - A new billiard table, a \$2,900 aquarium, costumes and caterers are among the many improper charges made on government credit cards by Forest Service workers, Congress' investigative agency says.

The General Accounting Office said Friday that an audit found instances of credit card abuse that demonstrate a lack of oversight by Forest Service officials.

Studying a sample of 230 purchases, the GAO said employees of the Agriculture Department agency made \$1.6 million in improper purchases from Oct. 1, 2000, through Sept. 30, 2001. Based on that, it estimated that overall improper charges at the agency reached \$2.7 million.

During the audit, 14,000 of 30,000 Forest Service workers held government credit cards.

"The Forest Service lacks certain basic internal controls over its purchase card program, and thus it is susceptible to waste, fraud and abuse," the GAO reported. The agency in some cases neglected to cancel cards held by employees who no longer work there, it said.

In addition to the \$1.6 million in improper purchases it identified, the GAO deemed \$1 million in purchases questionable and wasteful. Digital cameras, hotel cancellation fees, costumes and a tent were among the 644 transactions. Workers also used the cards to pay for a caterer, Have Party Will Travel, and to buy items at Mick's Scuba Inc. One was used at a bingo casino.

The purchases seem fraudulent, the auditors said, but the Forest Service didn't provide enough records for them to make any conclusions.

Workers also failed to keep an inventory of \$439,789 purchases, the audit found. The items included equipment that workers use for monitoring forests - all-terrain vehicles, motorcycles, snowmobiles, night-vision goggles, video cameras, and binoculars.

"Without proper recording and accounting for these vulnerable assets, there is an increased risk of misappropriation of these items," the GAO report said.

In some cases, workers who left the agency still had active cards, it said.

The Forest Service has been under scrutiny for its spending for the past four years. In 1999, the GAO designated the agency's financial management as a high-risk area because of poor accounting and financial problems. A 2001 audit by the Agriculture Department's inspector general said the service was failing to adequately monitor workers' credit card charges and check purchases.

The GAO recommended in Friday's report that the Forest Service improve tracking of spending and inventory and ensure that cards are promptly canceled when workers suspect the cards are lost or stolen and when workers leave the agency said.

Heidi Valetkevitch, a Forest Service spokeswoman, said the agency has been working to improve oversight. The expense records GAO reviewed "are two years old," she said. "We think that we have better program controls now."

The agency now has a system that alerts management when a questionable purchase is made, she said, and supervisors must review expenses and give monthly updates to their managers.

Sen. Charles Grassley, R-Iowa, and Rep. Jan **Schakowsky**, D-Ill., sought the report. Grassley said he suspects that "\$3 million is just the tip of the iceberg."

Last year, Grassley and Sen. Robert Byrd, D-W.Va., helped push a Defense Department budget through aimed at curbing the problem. Audits had shown federal workers used the cards at brothels and sporting events and to buy jewelry, prompting the Bush administration to cancel thousands of credit cards at the Defense Department. The Education Department also blocked payments to thousands of businesses.

The Agriculture Department, the Forest Service's parent, also was reviewed recently by the department's inspector general. Auditors told it to increase oversight of credit cards.