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INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 21, 2025



(U) Audit of the DoD Government Travel Charge Card Program: The Visa IntelliLink Compliance Management System

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(U) Results in Brief

(U) Audit of the DoD Government Travel Charge Card Program: The Visa IntelliLink Compliance Management System

January 21, 2025

(U) Objective

(U) The objective of this audit is to determine whether DoD officials effectively used policies, procedures, and data systems to identify Government Travel Charge Card (GTCC) misuse, abuse, or fraud. Specifically, this audit report is on the effective use of the Visa IntelliLink Compliance Management data mining system (VICM system).

(U) Background

(U) According to the General Services Administration SmartPay® statistics, during FY 2023, the DoD GTCC program spent \$6.4 billion on 2.3 million open individually billed accounts and 9,416 open centrally billed accounts. The VICM system is a web-based tool which provides the DoD with automated compliance analysis, recordkeeping for all GTCC transactions, and identification and tracking of potential misuse, abuse, and policy violations.

(U) Findings

(U) DoD GTCC program officials did not effectively use policies, procedures, or the VICM system to identify DoD GTCC misuse, abuse, or potential fraud. Specifically, the Defense Travel Management Office's (DTMO's) implementation and management of the VICM system limited the effectiveness of the system to identify and assist reviewers in investigating high-risk GTCC transactions. This occurred because DTMO officials did not analyze the results of dispositioned VICM compliance cases, revise overlapping rules, update existing rules, or identify

(U) Findings (cont'd)

(U) federal holidays or other days susceptible to elevated risk. In addition, Component Program Managers (CPMs) and Agency Program Coordinators (APCs) did not always have active VICM system user accounts or initiate and complete VICM compliance cases when they had active accounts. This occurred because DTMO officials did not oversee and enforce the use of the VICM system for CPMs and APCs and DTMO officials did not review the status of VICM compliance case completion to ensure that CPMs and APCs were completing VICM compliance cases in a timely manner.

(U) As a result, the DoD did not achieve the full benefits of the VICM system. Specifically, the DoD did not effectively use the VICM system to identify high-risk transactions where misuse, abuse, and fraud was more likely. For example, we identified the following transactions that were not reviewed in the VICM system:

- (U) 7,805 transactions, totaling \$387,642.66, at known high-risk merchants, including casino ATMs and a mobile application store;
- (U) 3,246 transactions, totaling \$112,484.69, at merchant category code 5813 "Bar, Lounge, Disco, Nightclub, Tavern-Alcoholic Drinks" on holidays and some major sporting events; and
- (U) 3.9 million transactions, totaling \$1.2 billion, due to Hierarchy Level 3 APCs not having active VICM user accounts.

(U) DoD GTCC program officials will continue to miss opportunities to identify and address misuse, abuse, and potential fraud until the DTMO improves GTCC program controls.

(U) Recommendations

(U) We made 15 recommendations to the Director, Defense Support Services Center, requiring the DTMO to review, update, and create the VICM rules and settings to identify high-risk merchants and transactions and ensure that CPMs and APCs use the VICM system.



(U) Results in Brief

*(U) Audit of the DoD Government Travel Charge Card Program:
The Visa IntelliLink Compliance Management System*

(U) Management Comments and Our Response

(U) The responses to our recommendations addressed the specifics of the recommendations. Of the 15 recommendations, 3 were closed and 12 are resolved but will remain open until the DTMO provides evidence that the agreed-upon corrective actions were taken.

(U) Please see the Recommendations Table on the next page for the status of recommendations.

(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Director, Defense Human Resource Activity	None	1, 2, 4, 5, 7, 8, 9, 10, 11, 12, 13, and 14	3, 6, and 15 (U)

(U) Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **(U) Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **(U) Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **(U) Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.





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OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

January 21, 2025

MEMORANDUM FOR DIRECTOR, DEFENSE HUMAN RESOURCES ACTIVITY

SUBJECT: (U) Audit of the DoD Government Travel Charge Card Program:
The Visa IntelliLink Compliance Management System
(Report No. DODIG-2025-060)

(U) This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

(U) The Director, Defense Support Services Center, agreed to address all 15 recommendations presented in the report. Of the 15 recommendations, 3 were closed based on the actions taken and 12 are resolved but will remain open. We will close the recommendations when you provide us documentation showing that all agreed-upon actions to implement the recommendations are completed. Therefore, within 90 days please provide us your response concerning specific actions in process or completed on the recommendations. Send your response to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET. Management took action sufficient to address the three remaining recommendations in this report, and we consider the recommendations closed.

(U) DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, within 30 days please provide us your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Send your response to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

(U) If you have any questions, please contact me at [REDACTED].

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink, appearing to read "Carmen J. Malone", is written over a white background.

Carmen J. Malone
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

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(U) Introduction

(U) Objective

(U) The objective of this audit is to determine whether DoD officials effectively used policies, procedures, and data systems to identify Government Travel Charge Card (GTCC) misuse, abuse, or fraud.¹

(U) This is the first of two reports reviewing the DoD GTCC program. Specifically, this audit will cover the effective use of the Visa IntelliLink Compliance Management data mining system (VICM system), and the second audit will cover the CitiManager system. See Appendix A for the scope, methodology, and prior coverage related to the objective.

(U) Section 5701, title 5, United States Code, requires the Inspector General of each Executive agency with over \$10 million in travel card spending to conduct periodic audits of the GTCC program to analyze risks of illegal, improper, or erroneous purchases and payments.

(U) Background

(U) According to the General Services Administration (GSA) SmartPay® statistics, during FY 2023, the DoD GTCC program had approximately 24.3 million GTCC transactions, totaling \$6.4 billion.² As of May 31, 2024, the DoD GTCC program included 2.3 million open individually billed accounts (IBAs) and 9.4 thousand open centrally billed accounts (CBAs).³ See Figure 1 for the distribution of open DoD cardholder accounts by Military Service and Independent Agencies.⁴

¹ (U) This report contains information that has been redacted because it contains information that was received from Visa systems and has been redacted and marked as Controlled Unclassified Information (CUI) at the insistence of company officials who do not consent to the release of their information to the public. CUI is Government-created or owned unclassified information that allows for, or requires, safeguarding and dissemination controls in accordance with laws, regulations, or Government-wide policies.

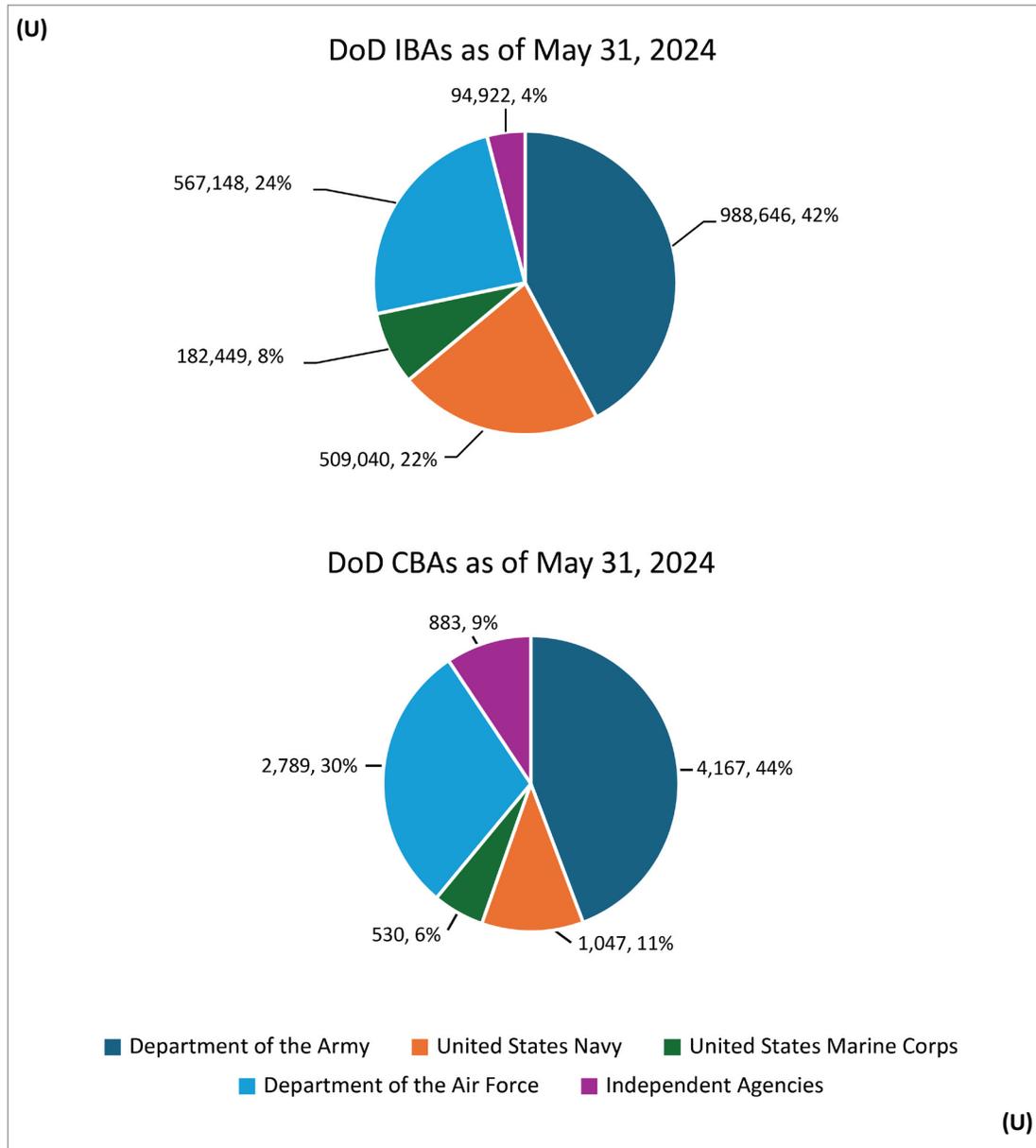
² (U) The GSA SmartPay® program provides charge cards to U.S. government agencies, as well as tribal governments, through master contracts that are negotiated with major banks.

³ (U) IBA cards are issued to DoD personnel (military or civilian) to access travel funds from the individually billed GTCC account. IBA cards are not for personal use; not transferable, and for use by the individual issued the card.

(U) A CBA is a GTCC account issued to a DoD organization. CBAs are issued to make travel arrangements and must be used for payment purposes.

⁴ (U) Independent Agencies is the term used at the hierarchy level 2 for the GTCC program and includes other organizations, such as the Defense Logistics Agency and the Defense Finance and Accounting Service.

(U) Figure 1. Distribution of Open DoD GTCC Accounts by Military Service or Agency



(U) Source: The DoD OIG.

(U) Government Travel Charge Card Program Roles and Responsibilities

(U) General Services Administration

(U) The GSA issues government wide GTCC policies and procedures, and it awards and administers a master contract for the U.S. Government charge card programs, the “GSA SmartPay® Program.” Through the GSA contract, Federal agencies can

(U) obtain several types of charge card products and services to support their mission needs. The DoD awarded a task order to Citibank, N.A. (Citi), which further outlines DoD requirements for the DoD GTCC program.

(U) Defense Human Resources Activity, Defense Support Services Center

(U) The Defense Human Resources Activity, Defense Support Services Center (DSSC), provides support services to the DoD's military and civilian personnel. The DSSC oversees the Defense Travel Management Office (DTMO).

(U) Defense Travel Management Office

(U) The DTMO is responsible for the DoD GTCC program and according to DoD policy its roles and responsibilities include:⁵

- (U) managing, overseeing, and supporting the DoD's GTCC program;
- (U) developing and maintaining functional requirements for the DoD's GTCC program through issuing and updating the "Department of Defense Government Travel Charge Card Regulations," May 2022 (GTCC Regulations);
- (U) reviewing performance metrics to identify any systemic deficiencies that require corrective actions; and
- (U) developing and implementing a data mining capability (with the associated rules) that will enable Military Services and Independent Agencies to identify and investigate, as necessary, high-risk GTCC transactions.

(U) Component Program Managers

(U) Component Program Managers (CPMs) are DoD personnel (military or civilian) designated in writing by the Component Head, Agency Director, or designee responsible for establishing and managing, in accordance with the GTCC Regulations, the DoD GTCC program for their component.

(U) The CPMs are also responsible to ensure that:

- (U) the Component's organizational structure (hierarchy) is reviewed, updated, and includes appropriate points of contact;⁶
- (U) IBAs and CBAs are properly approved;
- (U) reasonable credit limits are established and maintained; and
- (U) periodic reviews are performed to monitor credit limits and card use.

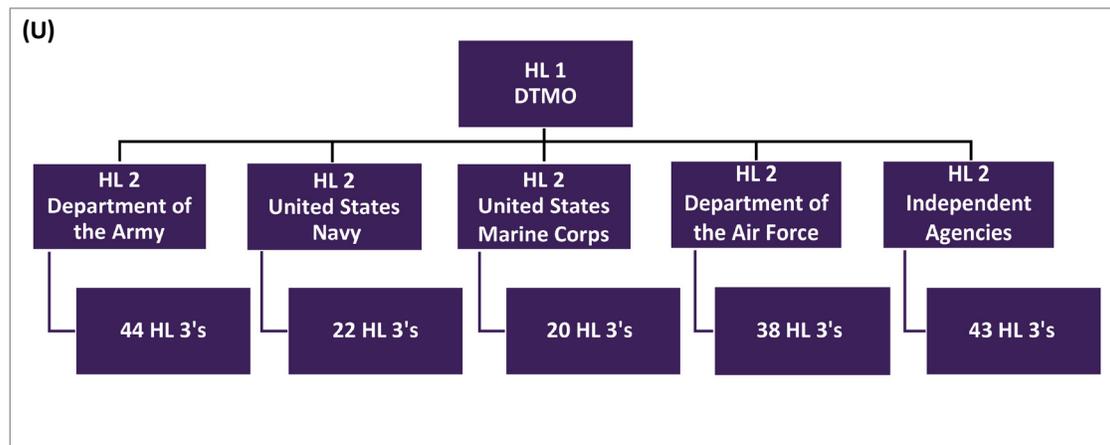
⁵ (U) DoD Instruction 5154.31, Volume 4 "Commercial Travel Management: DoD Government Travel Charge Card (GTCC) Program," October 16, 2015.

⁶ (U) The GTCC Regulations defines hierarchy as the link that identifies cardholder accounts to the correct organizations within a Component.

(U) Agency Program Coordinators

(U) Agency Program Coordinators (APCs) are DoD personnel (military or civilian) designated in writing by a commander or director responsible for the management of a segment of a Military Service or Independent Agencies as assigned by their commander or supervisor. APCs are responsible to their respective commander or director for execution and management of the daily operations of the DoD GTCC program. See Figure 2 for the DoD GTCC program IBA hierarchy level (HL) structure for the mandatory users of the VICM system.

(U) Figure 2. Structure of the DoD GTCC Program IBA Hierarchy Levels



(U) LEGEND

(U) **DTMO** Defense Travel Management Office

(U) **HL** Hierarchy Level

(U) Source: The DoD OIG.

(U) Terms That Describe Improper Use of the GTCC

(U) The “Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs,” December 8, 2023, defines the following terms related to improper use of GTCCs.

- **(U) Misuse** – Unintentional use of a government-issued charge card in violation of applicable regulations. These actions are the result of ignorance, carelessness, or both while lacking intent.
- **(U) Abuse** – Intentional use of the government-issued charge card in violation of applicable regulations.
- **(U) Internal Fraud** – Any felonious (criminal) act of corruption or attempt to cheat the Government or corrupt the Government’s agents by cardholders or charge card program officials. Internal fraud is the use of the charge card to transact business that is not sanctioned, not authorized, not in one’s official Government capacity, not for the purpose for which the card was issued, or not as part of official Government business.

- **(U) External Fraud** - Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by someone other than the cardholder or charge card program officials.

(U) Visa IntelliLink Compliance Management System

(U) The GSA SmartPay® 3 Master contract and the DoD task order with Citi requires the bank to provide program analytics and monitoring capabilities. The contract requires at least one data mining tool that has capabilities to assist with identifying unusual spending patterns and monitoring transactions to identify potential misuse, abuse, and fraud. To meet this contractual requirement, Citi subcontracted with Visa for the data mining tool, the VICM system.

{CUI//PROPIN} The VICM system is a web-based data mining tool that provides the DoD with an automated compliance analysis of all GTCC transactions to identify potential misuse and policy violations. [REDACTED]

{CUI//PROPIN} The VICM system consists of multiple modules to help identify potential misuse, abuse, and fraud within the DoD GTCC program. [REDACTED]

[REDACTED] VICM provides a structure for performing the research and verification for a transaction audit to ensure that CPMs and APCs effectively carry out the risk management policies and practices established in the program's policy or management plan.

(U) VICM users can:

- (U) search GTCC transactions, identify transactions for future review, and create compliance cases;⁷
- (U) review and update case workflow process that is set up at implementation; and
- (U) monitor policy compliance by reviewing transactions based on the DoD's policies.

(U) The GTCC Regulations requires the CPMs and APCs in hierarchy levels two and three, and highly encourages APCs at hierarchy levels four and below, to use the VICM system to identify and disposition misuse. The GTCC Regulations also requires that CPMs and APCs use the VICM system, at least monthly, to identify and disposition potential misuse or other policy violations.

⁷ {CUI//PROPIN} [REDACTED]

(U) The DoD has established five custom disposition categories in the VICM system:

- (U) Valid – the transaction reviewer determined that there were not any noncompliance issues with the transaction;
- (U) Valid with Administrative Discrepancy – the transaction reviewer determined that the transaction had at least one discrepancy, but it was not significant enough for the transaction to be considered misuse, abuse, or potential fraud;
- (U) Misuse – the transaction reviewer determined that there was unintentional use of a government-issued charge card in violation of applicable regulations;
- (U) Abuse – the transaction reviewer determined that there was intentional use of the government-issued charge card in violation of applicable regulations; and
- (U) Potential Fraud – the transaction reviewer determined that the transaction may have been used for business that is not sanctioned, not authorized, not in one’s official Government capacity, not for the purpose for which the card was issued, or not as part of official Government business or used by someone other than the cardholder or charge card program officials.

(U) See Table 1 for a summary of the 22,518 IBA compliance cases that CPMs and APCs initiated in the VICM system during FY 2023 by the transaction’s case disposition determination.

(U) Table 1. IBA Compliance Cases Initiated in the VICM System During FY 2023

(U) Case Disposition Determination	Number of Cases	Percent of Cases	Total Transaction Amount	Transaction Amount (Percent)
Valid	18,061	80%	\$1,323,672.75	69%
Valid with administrative discrepancy	220	1	68,200.45	4
Abuse	342	2	32,818.40	2
Misuse	2,823	13	233,167.87	12
Potential Fraud	86	0	8,275.24	0
Cases Not Completed as of January 1, 2024	986	4	256,897.29	13
Total	22,518	100%	\$1,923,032.00	100% (U)

(U) Source: The DoD OIG.

(U) Finding

(U) DoD GTCC Program Officials Did Not Effectively Use Policies, Procedures, or the VICM System to Identify GTCC Misuse, Abuse, or Potential Fraud

(U) DoD GTCC program officials did not effectively use policies, procedures, or the VICM system to identify DoD GTCC misuse, abuse, or potential fraud. Specifically:

- (U) DTMO's implementation and management of the VICM system limited the effectiveness of the system to identify and assist reviewers in investigating high-risk GTCC transactions. This occurred because DTMO officials did not analyze the results of dispositioned VICM compliance cases, revise overlapping rules, update existing rules, or identify federal holidays or other days susceptible to elevated risk.
- (U) CPMs and APCs did not always have active VICM system user accounts or initiate and complete VICM compliance cases when they had active accounts. This occurred because DTMO officials did not oversee and enforce the use of the VICM system for CPMs and APCs and DTMO officials did not review the status of VICM compliance case completion to ensure that CPMs and APCs were completing VICM compliance cases in a timely manner.

(U) As a result, the DoD did not achieve the full benefits of the VICM system. Specifically, the DoD did not effectively use the VICM system to identify high-risk transactions where misuse, abuse, and fraud was more likely.⁸ For example, we identified the following transactions that were not reviewed in the VICM system:

- (U) 7,805 transactions, totaling \$387,642.66, at known high-risk merchants, including casino ATMs and a mobile application store;
- (U) 3,246 transactions, totaling \$112,484.69, at merchant category code 5813 "Bar, Lounge, Disco, Nightclub, Tavern-Alcoholic Drinks" on holidays and some major sporting events; and
- (U) 3.9 million transactions, totaling \$1.2 billion, due to HL3 APCs not having active VICM user accounts.

(U) DoD GTCC program officials will continue to miss opportunities to identify and address misuse, abuse, and potential fraud until DTMO improves the GTCC program controls.

⁸ (U) The DTMO is able to designate which merchants they consider to be high-risk in the VICM system.

(U) The DTMO's Implementation and Management of the VICM System Limited the Effectiveness of the System to Identify and Assist Reviewers in Investigating High-Risk GTCC Transactions

(U) The DTMO's implementation and management of the VICM system limited the effectiveness of the system to identify and assist reviewers in investigating high-risk GTCC transactions. Specifically, the DTMO did not:

- (U) analyze dispositioned or completed compliance cases to identify high-risk merchants, or
- (U) review or update the VICM rules and settings.

(U) The DTMO Did Not Analyze Dispositioned or Completed Compliance Cases to Identify High-Risk Merchants

(U) The DTMO did not analyze dispositioned or completed compliance cases to identify high-risk merchants. Completed and dispositioned compliance cases provide a history of identified misuse, abuse, or potential fraud. The DTMO did not use the historical information to implement controls that would more effectively monitor cardholder compliance with the GTCC Regulations by identifying transactions made at known high-risk merchants.

(U) On August 27, 2019, the Office of Management and Budget (OMB) issued guidance to maximize the charge card program's benefits to the Federal Government, "while continuing to evolve the application of reasonable internal controls to ensure the program is operating as intended."⁹ The benefits include "leveraging government charge card data and analytics to monitor policy compliance and inform management decision-making to drive a more cost effective card program in accordance with agency policies" and "ensuring effective controls are in place to mitigate the risk of internal fraud, misuse, and delinquency."

(U) We reviewed the VICM system historical compliance cases that CPMs and APCs categorized as misuse, abuse, or potential fraud. We identified over 12,000 compliance cases, from January 2020 through April 2024, that CPMs and APCs determined were not valid uses of the DoD GTCC.

(U) Of those compliance cases, the highest compliance case count that did not have a travel related purpose was for transactions from Google. GTCC cardholders used Google Play, a mobile applications store, to purchase goods or services and

⁹ (U) OMB Circular No. A-123, Appendix B, "A Risk Management Framework for Government Charge Card Programs," August 27, 2019.

(U) make purchases inside mobile applications. In total, CPMs and APCs completed 149 compliance cases, totaling \$3,031.66, that dispositioned Google purchases as misuse, abuse, or potential fraud.

(U) After identifying that cardholders made transactions that did not have a travel related purpose from Google, we obtained transaction history for all Google transactions from January 2020 through April 2024. When sorted by merchant, the top vendors included purchases from Google Play for personal subscriptions to television, music streaming, cellular phone plans, and cloud storage; various games; and mature-rated live video apps. See Table 2 for the top 10 charges of the 883 total merchant names made through Google, and whether an APC created and dispositioned a compliance case.

(U) Table 2. Top 10 DoD GTCC Transactions at Google from January 2020 through April 2024

(U) Merchant Name	Number of Transactions	Total Transaction Amount	Dispositioned Compliance Cases (Transactions)	Identified (Percent)
Google Play	353	\$10,217.00	1	0.28%
Google Storage	217	1,014.98	5	2.30
Google Com2us Corp	216	10,826.16	0	0.00
Google Tigo	174	2,676.19	0	0.00
Google Roblox	170	1,295.36	4	2.35
Google Niantic Inc	115	1,444.86	3	2.61
Google Storm8 Studios	105	451.95	0	0.00
Google Playrix Games	102	1,057.62	19	18.63
Google YouTube Premium	99	1,294.01	0	0.00
Google MeetMe	97	3,292.06	0	0.00

(U)

(U) Source: The DoD OIG.

(U) This misuse, abuse, or potential fraud was not identified because the DTMO did not analyze the results of dispositioned VICM compliance cases to identify high-risk merchants despite findings that all Google transactions were inappropriate. As a result, the DTMO did not identify 6,139 Google transactions, totaling \$149,692.22, made from January 2020 through April 2024.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to develop and implement a policy to review completed VICM system compliance cases on a quarterly basis to identify merchants associated with misuse, abuse, or potential fraud and update or add those merchants to a VICM rule.

(U) In addition, we recommend that the Director, DSSC, require the DTMO to create compliance cases in the VICM system for each transaction from Google, on a monthly basis, and conduct a review, on a quarterly basis, to ensure that CPMs and APCs took appropriate action for those compliance cases.

(U) The DTMO could not identify specific high-risk merchants that CPMs or APCs discovered or were aware of. Specifically, when a CPM or APC identified a high-risk merchant like Google, they could not use the VICM system to report the merchant to the DTMO to determine whether it should be added to the VICM rules.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to establish a process in the VICM system to allow CPMs and APCs to identify whether they believe DTMO should consider the merchant as high-risk.

(U) After we briefed these audit results, the DTMO took corrective action to allow CPMs and APCs to report high-risk merchants to the DTMO for awareness and consideration. The DTMO corrected this issue by adding “Does the CPM or APC consider this merchant to be a ‘High Risk Merchant’?” to the VICM system compliance case disposition questionnaire to identify high-risk merchants. This action will help provide the DTMO the ability to identify high-risk merchants and allow for the creation of rules for those high-risk merchants identified by CPMs and APCs. Therefore, the recommendation has been resolved and will be closed upon report issuance.

~~(CUI//PROPIN)~~ The DTMO Did Not Review or Update the VICM Rules and Settings

~~(CUI//PROPIN)~~ The DTMO did not review or update the VICM rules and settings. Specifically, the DTMO:

- ~~(CUI//PROPIN)~~ implemented multiple overlapping rules that resulted in unnecessarily high scores for ATM transactions;
- (U) implemented VICM rules that did not produce the intended results; and
- (U) did not optimize the settings in the VICM system to identify potential misuse, abuse, and fraud.

(CUI//PROPIN) fraud. [REDACTED]
[REDACTED]
[REDACTED].¹⁰

(CUI//PROPIN) These [REDACTED] occurred because the DTMO did not review or update the multiple overlapping rules that resulted in unnecessarily high [REDACTED] scores and exhausted limited resources. Specifically, due to overlapping rules, over 215,000 ATM transactions during FY 2023 had [REDACTED] scores inflated to the highest score, causing CPMs and APCs to unnecessarily review ATM transactions that should not have had their scores inflated. As a result, CPMs and APCs had reduced ability to review transactions that are truly high-risk in the VICM system.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to develop and implement a process to review and update, on a quarterly basis, each of the VICM rules to correct duplicate or overlapping rules.

(U) After we briefed these audit results, the DTMO took action to update ATM rules. Specifically, the DTMO added a \$300 dollar threshold within the criteria of the ATM rules. This action will potentially reduce the number of ATM transactions identified as high-risk. However, DTMO officials did not take corrective action on the remaining duplicate or overlapping rules, so the recommendation remains open.

(CUI//PROPIN) The DTMO Implemented VICM Rules That Did Not Produce the Intended Results

(CUI//PROPIN) The DTMO implemented VICM rules that did not produce the intended results. Specifically, some of the rules that the VICM system uses to evaluate DoD GTCC transactions were out of date and ineffective. [REDACTED]
[REDACTED]

- | [REDACTED]
- | [REDACTED]
- | [REDACTED]

(U) The VICM rules established by the DoD did not produce the intended results because the DTMO did not review or update ineffective VICM rules.

¹⁰ (CUI//PROPIN) [REDACTED]
[REDACTED]

(U) The DoD OIG performed an audit in 2015 and found that some DoD cardholders improperly used their DoD GTCC for personal use at casinos and adult entertainment establishments.¹¹ The report included 4,437 transactions, totaling \$952,258, where cardholders likely used their DoD GTCCs at casinos for personal use and 900 transactions totaling \$96,576 at adult entertainment establishments from July 1, 2013, through June 30, 2014.

(U) At the conclusion of the audit, the DoD OIG provided the list of casino and adult entertainment establishment merchant names to the DTMO for inclusion into the VICM system. DoD VICM system users added six rules to look for the DoD OIG-identified adult entertainment and casino merchant names. However, other than this update, the DTMO did not update the casino and adult entertainment establishment rules with any newly identified casinos or adult entertainment establishments since they initially implemented related rules in 2014 for adult entertainment establishments and in 2018 for casinos.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to review, on a semiannual basis, each of the VICM rules to ensure that the rules are producing the intended results, document the results of the review, identify any actions taken to update the VICM system, and report the changes to the CPMs.

(U) During that prior audit, more than 30 percent of the casino ATMs identified were from a single merchant, Global Cash Access, which specialized in ATMs for the gaming industry. However, Global Cash Access has changed its name to Everi, and because of the lack of DTMO updates to the VICM rules, the casino rules were no longer identifying these casino ATM transactions as high-risk transactions. In addition, more states and localities have legalized gaming since our prior audits identified the merchants. As a result, there are more gaming locations that create more opportunities for GTCC misuse or abuse that the DTMO did not systemically identify.

(U) This lack of identification of GTCC misuse at casinos occurred because the DTMO did not regularly review and update the VICM rules. As a result, from October 1, 2022, through December 31, 2023, there were 1,666 transactions, totaling \$237,950.44, that were not automatically identified as a high-risk merchant that provided ATMs for casinos. Furthermore, at the start of the audit, January 2, 2024, the DTMO, CPMs and APCs had only dispositioned ten compliance cases for the merchant Everi, which operates ATMs at gambling establishments.

¹¹ (U) Report No. DODIG-2015-125, "DoD Cardholders Used Their Government Travel Cards for Personal Use at Casinos and Adult Entertainment Establishments," May 19, 2015.

(U) During our site visits with the DTMO and Military Service CPMs, we informed them of the Everi operated ATMs at gambling establishments to allow management to take corrective action and improve the DoD GTCC program.

(U) For example, during a January 2024 site visit, we informed the Air Force CPM of Everi and asked that they checked for any instances of Air Force IBA cardholders with any Everi transactions. We and the Air Force CPM identified an Air Force cardholder with 21 Everi transactions. After further review of the cardholder's transactions, we determined the cardholder had made 23 transactions, totaling \$10,633.27, at two Maryland casinos between April 2023 and August 2023. The cardholder also attempted an additional 9 transactions, totaling \$3,567.41, but Citi declined those transactions because they exceeded the cardholder's credit limit. See Appendix B for additional details on the cardholder's gambling establishment transactions.

(U) The cardholder's commander and APCs were unaware of the cardholder's ATM withdrawal transactions at the casinos before being informed by the Air Force CPM. The commander met with the cardholder in April 2024, and the cardholder admitted to the casino transactions. As a result, the commander issued non-judicial punishment pursuant to Article 15 of the Uniform Code of Military Justice, 10 U.S.C. § 815, to the cardholder.¹²

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to add the merchant Everi to a VICM rule.

(U) After we briefed initial audit results, the DTMO took partial corrective action to review and update the VICM rules to identify casino transactions. Specifically, the DTMO added Everi to a casino rule in the VICM system and informed the CPMs that they updated the casino rule. This action will help provide the DTMO, CPMs, and APCs the ability to identify casino ATM transactions. Therefore, the recommendation has been resolved and will be closed upon report issuance.

(U) However, the DTMO did not take any actions to require CPMs and APCs to review all transactions from casino merchant Everi.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to create a compliance case in the VICM system for each transaction from Everi, on a monthly basis, and conduct a review, on a quarterly basis, to ensure that CPMs and APCs took appropriate action for those compliance cases.

¹² (U) Article 15 of the Uniform Code of Military Justice, 10 U.S.C. § 815, "Commanding officer may, in addition to or in lieu of admonition or reprimand, impose one or more disciplinary punishments for minor offenses without the intervention of a court-martial."

(U) The DTMO Did Not Optimize the Settings in the VICM System to Identify Potential Misuse, Abuse, and Fraud

(U) The DTMO did not optimize the settings in the VICM system to identify potential misuse, abuse, and fraud. Specifically, the settings did not identify holidays or other days that may have elevated risk of misuse.

~~(CUI//PROPIN)~~ The weekend and holiday feature in the VICM system contributes to rules and factors into the [REDACTED] score for transactions. Although the DoD operates every day and travel can occur on or during Federal holidays, it is less likely. The DTMO should identify those holidays as an elevated risk factor. Specifically, the GSA Center for Charge Card Management identified holiday purchases as part of the initial set of government-wide high-risk transactions. However, the DTMO's implementation of the VICM system excluded 9 of the 11 Federal holidays.¹³

(U) In addition, for many holidays there is an increased risk before the holiday itself, including Thanksgiving Eve, Christmas Eve, and New Year's Eve. DTMO program officials should also consider other large events such as major sporting events and unofficial holidays.

(U) For example, we identified increased purchases from merchant category code 5813 "Bars, Cocktail Lounges, Discotheques, Nightclubs, and Taverns-Drinking Places (Alcoholic Beverages)" on some Federal holidays, unofficial holidays, and major sporting events.¹⁴ In total 2,826, cardholders made 3,246 purchases, totaling \$112,484.69, at Bars, Lounges, Discos, Nightclubs, and Taverns-Alcoholic Drinks merchants during holidays or major sporting events. See Table 4 for details on the events and the transactions identified.

¹³ (U) The weekend and holiday settings only included Christmas and New Year's Day.

¹⁴ (U) Merchant Category Codes identify a merchant's type of business.

(U) Table 4. Bar, Lounge, Disco, Nightclub, or Tavern with Alcoholic Drinks Transactions on Select Holidays or Sporting Events

(U) Event	Number of Transactions	Total Transaction Amount
11 Federal Holidays	1,845	\$65,381.55
Thanksgiving Eve 2023 November 22, 2023	83	2,489.90
Christmas Eve 2023 December 24, 2023	70	1,877.30
New Year’s Eve 2023 December 31, 2023	62	1,796.67
Super Bowl 2024 February 11, 2024	308	10,190.79
St. Patrick’s Day 2024 March 17, 2024	292	10,583.54
UFC 300 April 13, 2024	307	9,922.41
Cinco De Mayo 2024 May 5, 2024	279	10,242.53
Total	3,246	\$112,484.69 (U)

(U) Source: The DoD OIG.

(U) These high-risk transactions were not reviewed because the DTMO did not identify time periods that may be susceptible to higher levels of misuse, abuse, or potential fraud and update the VICM system settings to assist CPMs and APCs in investigating high-risk GTCC transactions. As a result, CPMs and APCs did not identify higher risk transaction on holidays or other major events at bars.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to update, on an annual basis, the VICM weekend and holiday feature to include days where there is an increased risk of misuse, abuse, or potential fraud.

(U) CPMs and APCs Did Not Always Have Active VICM System User Accounts or Initiate and Complete VICM Compliance Cases when They had Active Accounts

(U) CPMs and APCs did not always have active VICM system user accounts or initiate and complete VICM compliance cases when they had active accounts.

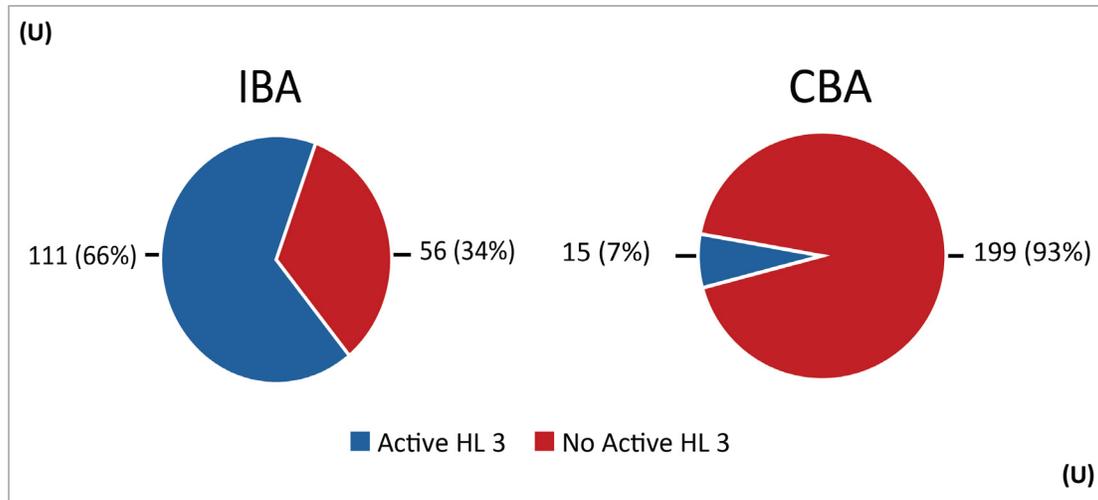
(U) The CPMs and APCs Did Not Always Have Active VICM System User Accounts

(U) The CPMs and APCs did not always have active VICM system user accounts. The GTCC Regulations require use of the VICM system for all Hierarchy Levels (HLs) 2 and 3 on no less than a monthly basis and use is also “highly encouraged” at HL 4 and below.

(U) As of March 14, 2024, there were 167 HL 3s in the DoD IBA GTCC program. Of those HL 3s, 56 (34 percent) did not have an active user account between October 1, 2022, and December 31, 2023. As a result, those HL 3 CPMs and APCs did not review 2.3 million transactions, totaling \$558.9 million, in the VICM system as required to identify misuse, abuse, and potential fraud.

(U) In addition, as of March 14, 2024, there were 214 HL 3s in the DoD CBA GTCC program. Of those HL 3s, 199 (93 percent) did not have an active user account between October 1, 2022, and December 31, 2023. As a result, those HL 3 CPMs and APCs did not review 1.6 million transactions, totaling \$602.6 million, in the VICM system as required to identify misuse, abuse, and potential fraud. Figure 3 shows the number of DoD GTCC HL 3s without an active CPM or APC anytime from October 1, 2022, through December 31, 2023, in the VICM system.

(U) Figure 3. Hierarchy Level 3s Without an Active CPM or APC Anytime from October 1, 2022, through December 31, 2023, in the VICM System



(U) Source: The DoD OIG.

(U) This problem occurred because the DTMO did not oversee or enforce the use of the VICM system for CPMs and APCs, even though the DTMO reported the number of active VICM accounts for required users during the CPM quarterly briefings, and therefore was aware that not all HLs had personnel assigned in the VICM system since July 2018.

(U) As discussed in “The DTMO Did Not Review and Update Rules That Did Not Produce the Intended Results” section above, an Air Force cardholder misused their card at two gambling establishments, totaling \$10,633.27. This misuse was not detected because the Air Force CPM did not ensure that the current or prior HL 3 APC had access and used the VICM system to identify misuse. Specifically, the HL 3 APC stated that they became the APC in January 2024 and were unaware of, and did not use, the VICM system as part of their APC duties. The HL3 APC was responsible for the oversight of 386,559 IBA cardholder’s GTCC usage. Following our meeting, the Air Force CPM created a VICM system account for the HL 3 APC.

(U) Until DoD CPMs and APCs have the required VICM user accounts, the DoD will not be able to achieve the benefits of the VICM system to identify and mitigate misuse, abuse, and potential fraud. As a result, there were 3.9 million transactions, totaling \$1.2 billion from October 1, 2022, to September 30, 2023, that were not reviewed in the VICM system as required by the GTCC Regulations because 255 HL3 APCs did not have active accounts for those organizations.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to revise the GTCC Regulations to require all CPMs and APCs to obtain access to and use the VICM system on no less than a monthly basis to review transactions, create VICM system compliance cases, and disposition those cases to identify misuse, abuse, or potential fraud within their GTCC program.

(U) In addition, we recommend that the Director, DSSC, require the DTMO to develop and implement procedures to ensure that each hierarchy has a CPM or APC with access to the VICM system and uses the VICM system in accordance with policy to review transactions, create VICM system compliance cases, and disposition those cases.

(U) Furthermore, we recommend that the Director, DSSC, require the DTMO to report on a quarterly basis, any instance of a CPM or an APC without access to the VICM system or not using the VICM system, as required by the GTCC Regulations, to the official responsible for appointing the CPM or APC.

(U) The CPMs and APCs that had Active Accounts Did Not Always Initiate and Complete VICM Compliance Cases

(U) The CPMs and APCs that had active accounts did not always initiate and complete VICM compliance cases. Specifically, the CPMs and APCs:

- (U) did not review VICM compliance cases in a timely manner, and
- (U) did not have effective oversight of incomplete VICM compliance cases.

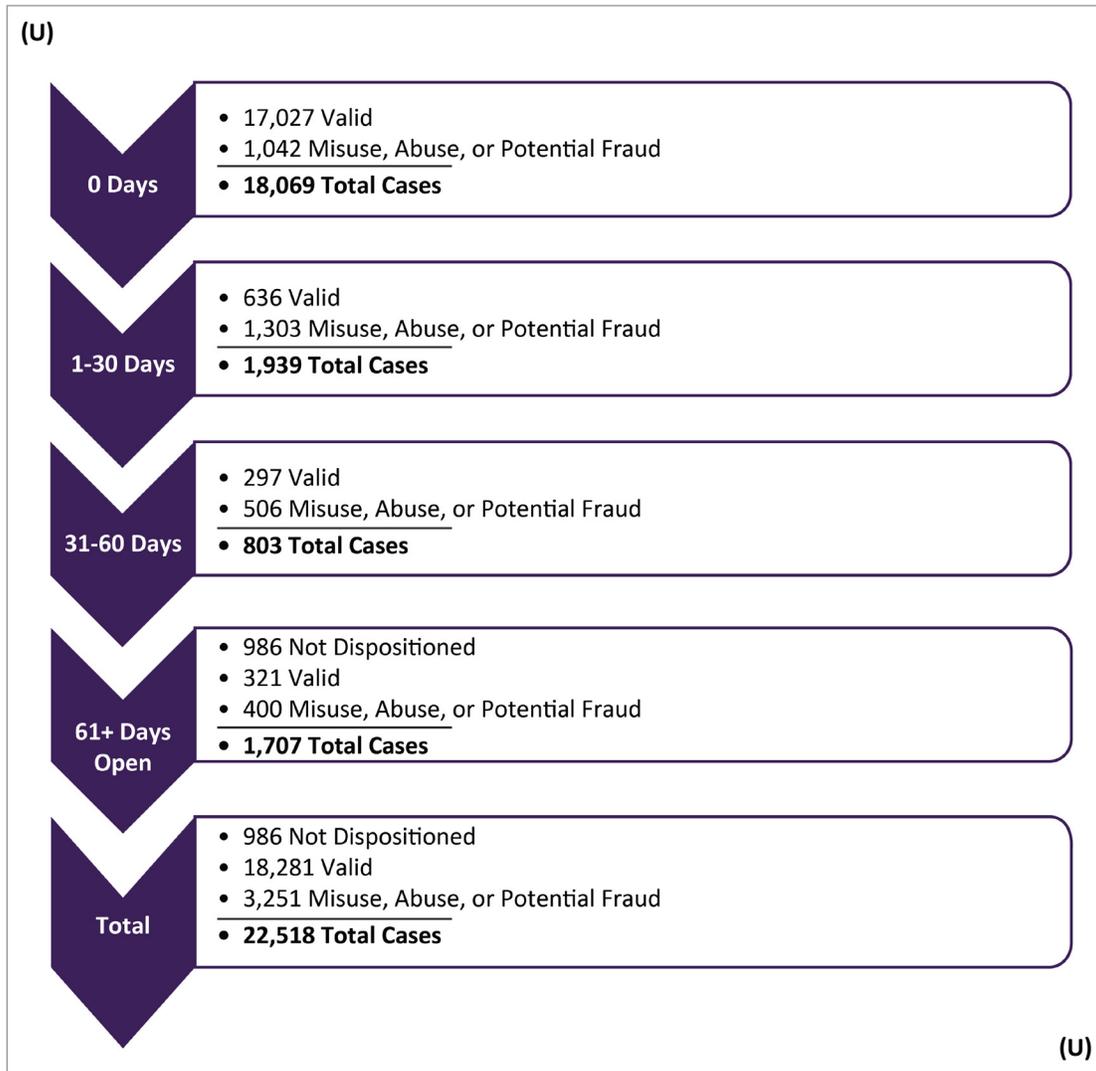
(U) The CPMs and APCs Did Not Review VICM Compliance Cases in a Timely Manner

(U) The CPMs and APCs did not review compliance cases in a timely manner. During FY 2023, the CPMs and APCs created 22,518 IBA compliance cases in the VICM system, many that the APCs did not review in a timely manner. The GTCC Regulations requires that “on no less than a monthly basis” the VICM system users:

- (U) flag (identify) questionable transactions and create compliance cases for instances of potential misuse,
- (U) follow up on and close any pending actions on flagged transactions and open compliance cases from the previous month, and
- (U) enter compliance case notes and disposition decisions on misuse and potential misuse transaction activity into the VICM system that lower levels reported or that was discovered outside of the VICM system.

(U) During the DTMO’s GTCC briefing to the CPMs in October 2018, the DTMO stated that all VICM compliance cases are to be completed within a month. However, we identified that DoD personnel did not always review or complete VICM compliance cases in a timely manner. Using data in the VICM system, we determined the number days from IBA VICM compliance case creation to IBA VICM compliance case disposition completion. See Figure 4 for information on the 22,518 IBA VICM compliance cases created during FY 2023.

(U) Figure 4. Review Timelines for IBA VICM Compliance Cases Created During FY 2023



(U) Source: The DoD OIG.

(U) These cases were not dispositioned on a timely basis because the CPMs did not review each of their hierarchies to ensure that APCs were creating and completing VICM compliance cases within a month. As a result, the CPMs and APCs did not complete 2,510 VICM compliance cases that were opened the previous month, as required by the GTCC Regulations, of which 986 cases were still open as of January 1, 2024.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to revise the GTCC Regulations to require that CPMs conduct reviews, on a monthly basis, of each of their hierarchies to ensure that APCs are creating and completing the VICM system compliance cases as required by the GTCC Regulations, and report monthly the results to the DTMO.

(U) In addition, we recommend that the Director, DSSC, require the DTMO to revise the GTCC Regulations to require the DTMO to review, on a quarterly basis, the results of the CPMs monthly compliance case creation and completion report, to identify APCs that are not completing VICM compliance cases as required by the GTCC Regulations and notify the official responsible for appointing the APC.

(U) Furthermore, we recommend that the Director, DSSC, require the DTMO to report, on a quarterly basis, any instance of an APC that is not completing VICM system compliance cases, as required by the GTCC Regulations, to the official responsible for appointing the APC.

(U) The CPMs and APCs Did Not Have Effective Oversight of Incomplete VICM Compliance Cases

(U) The CPMs and APCs did not have effective oversight of incomplete VICM compliance cases. Specifically, as of January 1, 2024, the CPMs and APCs had not dispositioned or completed 986 IBA compliance cases, which were created during FY 2023. The IBA compliance cases, on average, had been open for 154 days. The GTCC Regulations require the CPMs and APCs to follow up on and close any open compliance cases from the previous month. See Table 5 for details on the open FY 2023 IBA compliance cases, as of January 1, 2024.

(U) Table 5. Open FY 2023 IBA Compliance Cases, as of January 1, 2024

(U) DoD Component	Number of Open IBA Compliance Cases	Average Days Open of Open IBA Compliance Cases	Total Transaction Amount
Department of the Army	603	122	\$199,660.16
United States Navy	271	211	39,519.11
United States Marine Corps	84	188	14,785.21
Department of the Air Force	2	272	203.03
Independent Agencies	26	199	2,729.78
Total	986	154	\$256,897.29 (U)

(U) Source: The DoD OIG.

(U) These cases were not dispositioned on a timely basis because the DTMO set the escalation timeframe for cases to 365 days. DTMO officials set the compliance case escalation to 365 days to reduce the number of compliance cases that were escalated to the DTMO. This resulted in the DTMO, CPMs, and higher-level APCs lacking visibility of the compliance cases that were not completed in timely manner. As a result, CPMs and APCs potentially failed to detect misuse, abuse, and potential fraud and take appropriate actions.

(U) Therefore, we recommend that the Director, DSSC, require the DTMO to revise the case escalation period in the VICM system to ensure that higher level program officials have visibility of incomplete cases that are outside of the timely review requirements in the GTCC Regulations.

(~~CUI//PROPIN~~) After we briefed these audit results, the DTMO took corrective action to update the VICM compliance case escalation period. [REDACTED]

[REDACTED] This action should improve the visibility by higher level reviewing officials of cases not being dispositioned in accordance with GTCC Regulations. Therefore, the recommendation has been resolved and will be closed upon report issuance.

(U) Conclusion

(U) DoD GTCC program officials did not effectively use the VICM system to identify DoD GTCC misuse, abuse, or potential fraud. This occurred because the DTMO did not effectively monitor the program for compliance with existing regulations. This lack of oversight led to significant deficiencies in internal controls and a GTCC program that was not in compliance with guidance and regulations. Specifically, at least 11,051 likely misuse, abuse, or potential fraud transactions, totaling approximately \$500,127.35, were not identified, and 3.9 million transactions, totaling \$1.2 billion, were not reviewed, as required, in the VICM system for misuse, abuse, or potential fraud. DoD GTCC program officials will continue to miss opportunities to identify and address misuse, abuse, and potential fraud until the GTCC program controls are improved.

(U) Recommendations, Management Comments, and Our Response

(U) Recommendation 1

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to develop and implement a policy to review completed Visa IntelliLink Compliance Management system compliance cases on a quarterly basis to identify merchants associated with misuse, abuse, or potential fraud and update or add those merchants to a Visa IntelliLink Compliance Management rule.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, agreed with our recommendation. The Director stated that the DSSC/DTMO will update the Government Travel Charge Card Regulations to require the DSSC/DTMO IntelliLink manager to review completed Visa IntelliLink Compliance Management system compliance cases on a quarterly basis to identify

(U) merchants associated with misuse, abuse, or potential fraud and update or add those merchants to a Visa IntelliLink Compliance Management rule. The estimated completion date for these actions is December 31, 2024.

(U) The Director also stated that the DSSC/DTMO will continue to meet and communicate with the CPMs during the monthly meetings regarding high-risk merchants and add them to a Visa IntelliLink Compliance Management rule as appropriate.

(U) Our Response

(U) Comments from the Director addressed the specifics of the recommendation to develop and implement policy; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the DTMO:

- (U) updated the GTCC Regulations to require the DTMO IntelliLink manager to review completed Visa IntelliLink Compliance Management system compliance cases on a quarterly basis to identify merchants associated with misuse, abuse, or potential fraud and update or add those merchants to a Visa IntelliLink Compliance Management rule; and
- (U) IntelliLink manager reviewed the completed compliance cases for two quarters and updated or added merchants associated with misuse, abuse, or potential fraud to a VICM rule.

(U) Recommendation 2

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to create a compliance case in the Visa IntelliLink Compliance Management system for each transaction from Google, on a monthly basis, and conduct a review, on a quarterly basis, to ensure that Component Program Managers and Agency Program Coordinators took appropriate action for those compliance cases.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, partially agreed with our recommendation. The Director stated that the DSSC/DTMO will update the Government Travel Charge Card Regulations to require the CPMs or designated representative to create a compliance case in the Visa IntelliLink Compliance Management system for Google transactions monthly, as they are directly responsible for the day-to-day management of their respective travel card program. The estimated completion date for this action is April 1, 2025.

(U) The Director also stated that the DSSC/DTMO has blocked a Merchant Code Category, which will block a significant number of the Google transactions and will conduct further research to determine what additional Merchant Category Codes

(U) can be blocked. In addition, the Director stated that the DSSC/DTMO will relay any Google transactions identified outside of the blocked Merchant Category Codes for appropriate action to the CPMs or designated representative via email and during DSSC/DTMO's monthly IntelliLink meetings. Finally, the Director stated that on a quarterly basis, the DSSC/DTMO will provide oversight by meeting with the CPMs and review Google transactions for disposition determination.

(U) Our Response

(U) Although the Director partially agreed with the recommendation, their comments addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that CPMs created a compliance case in VICM for each transaction from Google and that the DTMO conducted two quarterly reviews to ensure that CPMs and APCs took appropriate action for those compliance cases.

(U) Recommendation 3

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to establish a process in the Visa IntelliLink Compliance Management system to allow Component Program Managers and Agency Program Coordinators to identify whether they believe Defense Travel Management Office should consider the merchant as high-risk.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, stated that the DSSC/DTMO took the corrective action during the audit.

(U) Our Response

(U) We agree with the Director, and as discussed in the body the report, that the DTMO took the corrective action during the audit; therefore, we will close the recommendation upon report issuance.

(U) Recommendation 4

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to develop and implement a process to review and update, on a quarterly basis, each of the Visa IntelliLink Compliance Management rules to correct duplicate or overlapping rules.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, agreed with our recommendation. The Director stated that the DSSC/DTMO Visa IntelliLink Compliance Management manager started conducting quarterly reviews of the Visa IntelliLink Compliance Management rules

(U) to correct duplicate or overlapping rules as appropriate in July 2024. The Director stated that this procedure will be added the Government Travel Charge Card Regulations. The estimated completion date for these actions is December 31, 2024.

(U) Our Response

(U) Comments from the Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the DTMO updated the GTCC Regulations to include a process to review and update, on a quarterly basis, each of the VICM rules to correct duplicate or overlapping rules; and that the DTMO IntelliLink manager completed two quarterly reviews to identify and correct duplicate or overlapping rules.

(U) Recommendation 5

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to review, on a semiannual basis, each of the Visa IntelliLink Compliance Management rules to ensure that the rules are producing the intended results, document the results of the review, identify any actions taken to update the Visa IntelliLink Compliance Management system, and report the changes to the Component Program Managers.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA agreed with our recommendation. The Director stated that starting January 2025, the DSSC/DTMO will, on a semiannual basis, analyze and update each Visa IntelliLink Compliance Management rule to ensure they are functioning as intended. The Director also stated that any rule not returning the expected results will be corrected, and Visa IntelliLink Compliance Management rule changes will be relayed to the CPM community via email notifications, during monthly Visa IntelliLink Compliance Management meetings, or both.

(U) Our Response

(U) Comments from the Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the DTMO conducted two semiannual reviews of rules to ensure they are functioning as intended, took any necessary corrective actions, and reported the changes to the CPMs.

(U) Recommendation 6

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to add the merchant Everi to a Visa IntelliLink Compliance Management rule.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA stated that the DSSC/DTMO took the corrective action during the audit.

(U) Our Response

(U) We agree with the Director, and as discussed in the body of the report, that the DTMO took the corrective action during the audit; therefore, we will close the recommendation upon report issuance.

(U) Recommendation 7

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to create a compliance case in the Visa IntelliLink Compliance Management system for each transaction from Everi, on a monthly basis, and conduct a review, on a quarterly basis, to ensure that the Component Program Managers and Agency Program Coordinators took appropriate action for those compliance cases.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA partially agreed with our recommendation. The Director stated that the DSSC/DTMO will update the Government Travel Charge Card Regulations to require the CPMs or designated representative to create a compliance case in the Visa IntelliLink Compliance Management system for Everi transactions monthly. The DSSC/DTMO believes the components should continue to create compliance cases in Visa IntelliLink Compliance Management, as they are directly responsible for the day-to-day management of their respective travel card program. The estimated completion date is April 1, 2025.

(U) In addition, the Director also stated that Everi has been added to the 'Casino Rule' and that those transactions will be identified when that rule is run by the DSSC/DTMO or Visa IntelliLink Compliance Management users. All questionable transactions will be sent to the appropriate CPMs for further action. Finally, the Director stated that on a quarterly basis, the DSSC/DTMO will provide oversight by meeting with the CPMs and review Everi transactions for disposition determination.

(U) Our Response

(U) Although the Director partially agreed with the recommendation, their comments addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the CPMs have created a compliance case in the VICM system for each transaction from Everi and that the DTMO has conducted two quarterly reviews to ensure that CPMs and APCs took appropriate action for those compliance cases.

(U) Recommendation 8

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to update, on an annual basis, the Visa IntelliLink Compliance Management weekend and holiday feature to include days where there is an increased risk of misuse, abuse, or potential fraud.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, agreed with our recommendation. The Director stated that the DSSC/DTMO added all federal holidays and Cyber Monday and Black Friday for calendar years 2024 and 2025. The Director also stated that the weekend and holiday settings will continue to be updated on an annual basis in October to include any days that the DSSC/DTMO determines have an elevated risk of misuse and abuse.

(U) Our Response

(U) Comments from the Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We agree that the DSSC/DTMO populated the holidays and other days where there is an increased risk for the individually billed accounts; however, they did not populate these days with increased risk for the centrally billed accounts. We will close this recommendation once we verify that the DTMO populated the VICM system for centrally billed accounts with days where there is an increased risk of misuse, abuse, or potential fraud.

(U) Recommendation 9

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to revise the Government Travel Charge Card Regulations to require all Component Program Managers and Agency Program Coordinators to obtain access to and use the Visa IntelliLink Compliance Management system on no less than a monthly basis to review transactions, create Visa IntelliLink Compliance Management system compliance cases, and disposition those cases to identify misuse, abuse, or potential fraud within their Government Travel Charge Card program.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, partially agreed with our recommendation. The Director stated that the DSSC/DTMO will revise the Government Travel Charge Card Regulations to require CPMs, or their designated representative, and APCs through Hierarchy Level 4, to obtain access and use the Visa IntelliLink Compliance Management system on no less than a monthly basis to provide oversight of case completion and log in compliance. The estimated completion date for this action is April 1, 2025.

(U) The Director also stated that the DSSC/DTMO will coordinate with the CPMs to implement a phased-in approach for rollout to the Hierarchy Level 4, to be completed within 6 months after the regulation effective date.

(U) Finally, the Director stated that the DSSC/DTMO along with Service and Independent Agency CPMs, strongly believe requiring all APCs to obtain access and use Visa IntelliLink Compliance Management on no less than a monthly basis, will create an unsustainable workload across the Enterprise and slow down the Visa IntelliLink Compliance Management system. However, 1 year after implementation, the DSSC/DTMO, CPMs, and APCs will evaluate the effectiveness of expanding to Hierarchy Level 4 to help determine the feasibility of adding additional hierarchy levels.

(U) Our Response

(U) Although the Director partially agreed with the recommendation, their comments addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the DTMO:

- (U) updated the GTCC Regulations to require CPMs, or their designated representative, and APCs through Hierarchy Level 4, to obtain access and use the Visa IntelliLink Compliance Management system on no less than a monthly basis to provide oversight of case completion and log in compliance;
- (U) completed the additions of all HL 4 APCs into the Visa IntelliLink Compliance Management system;
- (U) ensured that the HL4 APCs are using the VICM system on no less than a monthly basis;
- (U) provided its analysis as to why adding APCs below HL4 will create an unsustainable workload and slow down the VICM system; and
- (U) completed the feasibility assessment of adding additional hierarchy levels below HL 4 APCs.

(U) Recommendation 10

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to develop and implement procedures to ensure that each hierarchy has a Component Program Manager or Agency Program Coordinator with access to the Visa IntelliLink Compliance Management system and uses the Visa IntelliLink Compliance Management system in accordance with policy to review transactions, create Visa IntelliLink Compliance Management system compliance cases, and disposition those cases.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, partially agreed with our recommendation. The Director stated that the DSSC/DTMO will develop and implement procedures to ensure that each CPM or APC through Hierarchy Level 4 has access to the Visa IntelliLink Compliance Management system and uses the Visa IntelliLink Compliance Management system in accordance with policy to review transactions, create Visa IntelliLink Compliance Management system compliance cases, and disposition those cases. The estimated completion date for these actions is April 1, 2025.

(U) The Director also stated that 1 year after implementation, the DSSC/DTMO, CPMs, and APCs will evaluate the effectiveness of expanding to Hierarchy Level 4 to help determine the feasibility of adding additional hierarchy levels.

(U) Our Response

(U) Although the Director partially agreed with the recommendation, their comments addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the DTMO has:

- (U) ensured that each hierarchy level has an active CPM or APC in the VICM system and uses the system in accordance with GTCC Regulations; and
- (U) completed the feasibility assessment of adding addition hierarchy levels below HL 4 APCs.

(U) Recommendation 11

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to report, on a quarterly basis, any instances of a Component Program Manager or an Agency Program Coordinator without access to the Visa IntelliLink Compliance Management system or not using the Visa IntelliLink Compliance Management system, as

(U) required by the Government Travel Charge Card Regulations, to the official responsible for appointing the Component Program Manager or Agency Program Coordinator.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, partially agreed with our recommendation. The Director stated that the DSSC/DTMO will report on a quarterly basis, any instances of a CPM or designated representative without access to the Visa IntelliLink Compliance Management system or not using the system, as required by the Government Travel Charge Card Regulations to the CPM's leadership.

(U) The Director also stated that the DSSC/DTMO will require the CPMs to report the APCs and designated Visa IntelliLink Compliance Management system users who are not using the system appropriately to the APC's chain of command. The estimated completion date for these actions is April 1, 2025.

(U) Our Response

(U) Although the Director partially agreed with the recommendation, their comments addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the DTMO has:

- (U) completed the reviews of CPM and APC access to and use of the VICM system and reported the results;
- (U) coordinated with the CPM's appropriate leadership concerning CPMs that did not use the VICM system;
- (U) provided evidence that the DTMO has coordinated with the CPM's appropriate leadership when the CPM did not use the VICM system as required; and
- (U) provided evidence that CPMs have coordinated with the APC's chain of command when an APC did not use the VICM system as required.

(U) Recommendation 12

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to revise the Government Travel Charge Card Regulations to require that Component Program Managers conduct reviews, on a monthly basis, of each of their hierarchies to ensure that Agency Program Coordinators are creating and completing the Visa IntelliLink Compliance Management system compliance cases, as required by the Government Travel Charge Card Regulations, and report monthly the results to the Defense Travel Management Office.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, partially agreed with our recommendation. The Director stated that the DSSC/DTMO will revise the Government Travel Charge Card Regulations to require that CPMs conduct monthly reviews of each of their hierarchies to ensure that APCs are creating and completing the Visa IntelliLink Compliance Management cases, as required by the Government Travel Charge Card Regulations. The Director also stated that the regulations will be revised to require the DSSC/DTMO to monitor the data and address compliance issues with the components monthly. The estimated completion date for these actions is April 1, 2025.

(U) Our Response

(U) Although the Director only partially agreed with the recommendation, their comments addressed the specifics of this recommendation; therefore, the recommendation is resolved but remains open. We will close this recommendation once we verify that the DTMO has:

- (U) revised the GTCC Regulations to require CPMs to conduct reviews, on a monthly basis, of each of their hierarchies to ensure that APCs are creating and completing the VICM system compliance cases;
- (U) revised the GTCC Regulations to require the DTMO to monitor the data and address compliance issues with the components monthly; and
- (U) received monthly reports from the CPMs and provided evidence that the DTMO has monitored and addressed any noncompliance with the monthly requirement.

(U) Recommendation 13

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to revise the Government Travel Charge Card Regulations to require the Defense Travel Management Office to review, on a quarterly basis, the results of the Component Program Manager monthly compliance case creation and completion report, to identify Agency Program Coordinators that are not completing Visa IntelliLink Compliance Management compliance cases as required by the Government Travel Charge Card Regulations and notify the official responsible for appointing the Agency Program Coordinator.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, partially agreed with our recommendation. The Director stated that the DSSC/DTMO will revise the Government Travel Charge Card Regulations to require the CPMs to review, on a monthly basis, the compliance

(U) case creation and completion report, to identify APCs that are not completing Visa IntelliLink Compliance Management cases. The estimated completion date for these actions is April 1, 2025.

(U) In addition, the Director stated that instead of notifying the official responsible for appointing the APC, the DSSC/DTMO will require the CPMs to report the APC users who are not using the system appropriately to their respective chain of command. The Director stated that the oversight of the APC belongs to the Services/Agencies; therefore, the appropriate chain of command guidelines should be followed to address compliance enforcement.

(U) Finally, the Director stated that the DSSC/DTMO will inform the CPM leadership when case completion is not accomplished in accordance with the regulation.

(U) Our Response

(U) Although the Director partially agreed with the recommendation, their comments addressed the specifics of this recommendation; therefore, the recommendation is resolved but remains open. We will close this recommendation once we verify that the DTMO has:

- (U) revised the GTCC Regulations to require the CPMs to review, on a monthly basis, the compliance case creation and completion report;
- (U) provided evidence that the CPMs reviewed, on a monthly basis, the compliance case creation and completion report, to identify any APC that is not completing VICM compliance cases;
- (U) provided evidence that the CPMs reported any APC, who is not creating and completing compliance cases in the VICM system, to the APC's chain of command; and
- (U) informed the CPMs leadership when case completion is not accomplished in accordance with the regulation.

(U) Recommendation 14

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to report, on a quarterly basis, any instance of an Agency Program Coordinator that is not completing Visa IntelliLink Compliance Management system compliance cases, as required by the Government Travel Charge Card Regulations, to the official responsible for appointing the Agency Program Coordinator.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, partially agreed with our recommendation. The Director stated that the DSSC/DTMO concurs with reporting on a quarterly basis, any instance of an APC that is not completing Visa IntelliLink Compliance Management system compliance cases. Additionally, the Director stated that instead of notifying the official responsible for appointing the APC, the DSSC/DTMO will require the CPMs to report the APC users who are not using the system appropriately to their respective chain of command. Further, the Director stated that the oversight of the APC belongs to the services/agencies; therefore, the appropriate chain of command guidelines should be followed to address compliance enforcement.

(U) In addition, the Director also stated that the DSSC/DTMO will inform the CPM leadership when case completion is not accomplished in accordance with the regulation.

(U) Finally, the Director stated that the Government Travel Charge Card Regulations will be updated to reflect these changes. The estimated completion date for this action is April 1, 2025.

(U) Our Response

(U) Although the Director partially agreed with the recommendation, their comments addressed the specifics of this recommendation; therefore, the recommendation is resolved but remains open. We will close this recommendation once we verify that the DTMO has:

- (U) revised the GTCC Regulations to require the CPMs to report the APC users who are not using the system appropriately to their respective chain of command;
- (U) provided evidence that the CPMs reported any APC, who is not creating and completing compliance cases in the VICM system, to the APC's chain of command; and
- (U) informed the CPMs leadership when case completion was not accomplished in accordance with the regulation.

(U) Recommendation 15

(U) We recommend that the Director, Defense Support Services Center, require the Defense Travel Management Office to revise the case escalation period in the Visa IntelliLink Compliance Management system to ensure that higher level program officials have visibility of incomplete cases that are outside of the timely review requirements in the Government Travel Charge Card Regulations.

(U) Director, Defense Human Resources Activity Comments

(U) The Director, DHRA, stated that the DSSC/DTMO took the corrective action during the audit.

(U) Our Response

(U) We agree with the Director, and as discussed in the body of the report, the DTMO took the corrective action during the audit; therefore, we will close the recommendation upon report issuance.

(U) Appendix A

(U) Scope and Methodology

(U) We conducted this performance audit from January 2024 through October 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(U) We reviewed the DoD's implementation of the VICM system to determine whether the system was operating as intended and whether the GTCC CPMs and APCs were appropriately using the VICM system to oversee their programs. We reviewed the VICM system user accounts, rules, and other settings.

(U) We met or coordinated with the following personnel.

- (U) DTMO program officials to obtain access to the VICM system, GTCC guidance, understand the program and controls, and to request data.
- (U) Military Service and Independent Agency CPMs and APCs to understand the program and request information.
- (U) Military Service Commanders, Supervisors, security personnel to determine what actions were taken when GTCC cardholder misuse was identified.
- (U) Visa and Citibank representatives to understand the system design, internal controls, and capabilities.

(U) In addition, we reviewed the following guidance that govern the use and management of the DoD GTCC program.

- (U) Section 5701, title 5, United States Code
- (U) OMB Circular No. A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," July 15, 2016
- (U) OMB Circular No. A-123, Appendix B, "A Risk Management Framework for Government Charge Card Programs," August 27, 2019
- (U) DoD Instruction 5154.31, Volume 4 "Commercial Travel Management: DoD Government Travel Charge Card (GTCC) Program," October 16, 2015
- (U) "Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, And Fuel Card Programs," December 8, 2023
- (U) Defense Travel Management Office, "Department of Defense Government Travel Charge Card Regulations," May 2022

(U) Internal Control Assessment and Compliance

(U) We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the internal control components and underlying principles related to control environment, control activities, and monitoring. The assessment included the bank's transaction management system for processing GTCC transactions, as well as DoD guidance and supporting documentation. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

(U) Use of Computer-Processed Data

(U) We used computer-processed data from the Visa IntelliLink Compliance Management system and Citi Electronic Access Systems. The data we obtained were sufficiently reliable for the purposes of our audit, and we established data reliability based on the following information. We compared limited information from the VICM transactions data to Citi transactional data. We did not identify differences between the two data sets when compared.

(U) We used Visa's IntelliLink Compliance Management system to access Visa transactional data. Visa has security standards that require merchants and issuers (banks) to comply with an industry standard known as the Payment Card Industry Data Security Standard. According to Visa, all entities that store, process, or transmit Visa cardholder data—including financial institutions, merchants, and service providers—must comply with PCI DSS. The PCI Security Standards Council oversees the security standards that include a compliance program for:

- (U) assessing controls;
- (U) reporting or validating controls, or both, are in place; and
- (U) monitoring, alerting, or both, of existing controls.

(U) Prior Coverage

(U) During the last 5 years, the Defense Intelligence Agency issued a report discussing its GTCC program.

(U) Defense Intelligence Agency

(U) Project No. 2021-1007, "Evaluation of DIA's Government Travel Charge," February 14, 2022.

(U) The objective of the audit was to evaluate the appropriateness of the Defense Intelligence Agency's GTCC reimbursements.

(U) Appendix B

(U) Air Force Cardholder Successful (or Attempted) ATM Withdraws at Gambling Establishments

(U)	Transaction Date	Transaction Amount	Establishment	Location
	Saturday April 22, 2023	\$207.49	MGM National Harbor	Oxon Hill, Maryland
	Saturday April 22, 2023	207.49	MGM National Harbor	Oxon Hill, Maryland
	Wednesday April 26, 2023 (Declined)	307.49	MGM National Harbor	Oxon Hill, Maryland
	Wednesday April 26, 2023 (Declined)	207.49	MGM National Harbor	Oxon Hill, Maryland
	Saturday April 29, 2023	407.49	MGM National Harbor	Oxon Hill, Maryland
	Friday May 5, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Friday May 5, 2023 (Declined)	507.49	MGM National Harbor	Oxon Hill, Maryland
	Monday May 8, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Tuesday May 9, 2023 (Declined)	307.49	MGM National Harbor	Oxon Hill, Maryland
	Friday May 12, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Friday May 19, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Friday May 19, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Sunday May 21, 2023	507.99	Live! Casino & Hotel	Hanover, Maryland
	Friday May 26, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Sunday June 4, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Thursday June 8, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Monday June 19, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Tuesday June 27, 2023 (Declined)	507.49	MGM National Harbor	Oxon Hill, Maryland
	Tuesday June 27, 2023	267.49	MGM National Harbor	Oxon Hill, Maryland
	Friday June 30, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Saturday July 1, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Sunday July 2, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Thursday July 6, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
	Friday July 7, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland

(U)

(U) Air Force Cardholder Successful (or Attempted) ATM Withdraws at Gambling Establishments (cont'd)

(U) Transaction Date	Transaction Amount	Establishment	Location
Tuesday July 11, 2023 <i>(Declined)</i>	507.49	MGM National Harbor	Oxon Hill, Maryland
Tuesday July 11, 2023 <i>(Declined)</i>	407.49	MGM National Harbor	Oxon Hill, Maryland
Tuesday July 11, 2023 <i>(Declined)</i>	307.49	MGM National Harbor	Oxon Hill, Maryland
Friday July 21, 2023 <i>(Declined)</i>	507.49	MGM National Harbor	Oxon Hill, Maryland
Sunday August 6, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
Monday August 7, 2023	507.49	MGM National Harbor	Oxon Hill, Maryland
Tuesday August 15, 2023	507.99	Live! Casino & Hotel	Hanover, Maryland
Sunday August 20, 2023	407.49	MGM National Harbor	Oxon Hill, Maryland (U)

(U) Source: The DoD OIG.

(U) Management Comments

(U) Defense Human Resources Activity



CUI

DEFENSE HUMAN RESOURCES ACTIVITY
4800 MARK CENTER DRIVE, SUITE 06J25-01
ALEXANDRIA, VA 22350-4000

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: (U) Response to Draft Report DoD Office of the Inspector General Project No. D2024-D000AX-0064.000, "Audit of the DoD Government Travel Charge Card Program"

(U) In response to the Draft Report DoD Office of the Inspector General Project No. D2024-D000AX-0064.000, "Audit of the DoD Government Travel Charge Card Program – Visa IntelliLink Compliance Management System," my office provides the following:

- (U) Of the attached 15 recommendations, DHRA agrees with four, partially agrees with eight, and took corrective action on three.

(U) My point of contact is [REDACTED] Director, Defense Support Services Center, who can be reached at [REDACTED].

REGISTER.JEF [REDACTED]
FREY.RAYMON [REDACTED]
D [REDACTED]
Jeffrey R. Register
Director

Attachments:
As stated

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(U) Defense Human Resources Activity (cont'd)

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OIG Visa IntelliLink Compliance Management Audit Recommendations/Response:

1. We recommend that the Director, Defense Support Services Center (DSSC), require the Defense Travel Management Office (DTMO) to develop and implement a policy to review completed Visa IntelliLink Compliance Management system compliance cases on a quarterly basis to identify merchants associated with misuse, abuse, or potential fraud and update or add those merchants to a Visa IntelliLink Compliance Management rule.

Response: Agree. DSSC/DTMO will update the Government Travel Charge Card Regulations to require the DSSC/DTMO IntelliLink manager to review completed Visa IntelliLink Compliance Management system compliance cases on a quarterly basis to identify merchants associated with misuse, abuse, or potential fraud and update or add those merchants to a Visa IntelliLink Compliance Management rule. The estimated completion date is no later than December 31, 2024.

DSSC/DTMO will continue to meet and communicate with the Component Program Managers during the monthly meetings regarding high-risk merchants and add them to a Visa IntelliLink Compliance Management rule as appropriate.

2. We recommend that the Director, DSSC, require the DTMO to create a compliance case in the Visa IntelliLink Compliance Management system for each transaction from Google, on a monthly basis, and conduct a review, on a quarterly basis, to ensure that Component Program Managers and Agency Program Coordinators took appropriate action for those compliance cases.

Response: Partially Agree. DSSC/DTMO will update the Government Travel Charge Card Regulations to require the Component Program Managers or designated representative to create a compliance case in the Visa IntelliLink Compliance Management system for Google transactions monthly, as they are directly responsible for the day-to-day management of their respective travel card program. The estimated completion date is April 1, 2025.

DSSC/DTMO has blocked a Merchant Code Category, which will block a significant number of the Google transactions and will conduct further research to determine what additional Merchant Category Codes can be blocked. DSSC/DTMO will relay any Google transactions identified outside of the blocked Merchant Category Codes for appropriate action to the Component Program Managers or designated representative via email and also during DSSC/DTMO's monthly IntelliLink meetings.

On a quarterly basis, the DSSC/DTMO will provide oversight by meeting with the Component Program Managers and review Google transactions for disposition determination.

3. We recommend that the Director, DSSC, require the DTMO to establish a process in the Visa IntelliLink Compliance Management system to allow Component Program Managers and Agency Program Coordinators to identify whether they believe DSSC/DTMO should consider the merchant as high-risk.

Response: DSSC/DTMO took the corrective action during the audit; therefore, the recommendation has been resolved and will be closed upon report issuance.

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(U) Defense Human Resources Activity (cont'd)

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4. We recommend that the Director, DSSC, require the DTMO to develop and implement a process to review and update, on a quarterly basis, each of the Visa IntelliLink Compliance Management rules to correct duplicate or overlapping rules.

Response: Agree. As of July 2024, the DSSC/DTMO Visa IntelliLink Compliance Management manager started conducting quarterly reviews of the Visa IntelliLink Compliance Management rules to correct duplicate or overlapping rules as appropriate. This procedure will be added the Government Travel Charge Card Regulations. The estimated completion date is December 31, 2024.

5. We recommend that the Director, DSSC, require the DTMO to review, on a semiannual basis, each of the Visa IntelliLink Compliance Management rules to ensure that the rules are producing the intended results, document the results of the review, identify any actions taken to update the Visa IntelliLink Compliance Management system, and report the changes to the Component Program Managers.

Response: Agree. Starting January 2025, DSSC/DTMO will, on a semiannual basis, analyze and update each Visa IntelliLink Compliance Management rule to ensure they are functioning as intended. Any rule not returning the expected results will be corrected, and Visa IntelliLink Compliance Management rule changes will be relayed to the Component Program Manager community via email notification and/or and during monthly Visa IntelliLink Compliance Management meetings.

6. We recommend that the Director, DSSC, require the DTMO to add the merchant Everi to a Visa IntelliLink Compliance Management rule.

Response: DSSC/DTMO took the corrective action during the audit; therefore, the recommendation has been resolved and will be closed upon report issuance.

7. We recommend that the Director, DSSC, require the DTMO to create a compliance case in the Visa IntelliLink Compliance Management system for each transaction from Everi, on a monthly basis, and conduct a review, on a quarterly basis, to ensure that the Component Program Managers and Agency Program Coordinators took appropriate action for those compliance cases.

Response: Partially Agree. DSSC/DTMO will update the Government Travel Charge Card Regulations to require the Component Program Managers or designated representative to create a compliance case in the Visa IntelliLink Compliance Management system for Everi transactions monthly.

DSSC/DTMO believes the components should continue to create compliance cases in Visa IntelliLink Compliance Management, as they are directly responsible for the day-to-day management of their respective travel card program. The estimated completion date is April 1, 2025.

Everi has been added to the 'Casino Rule;' those transactions will be identified when that rule is run by DSSC/DTMO or Visa IntelliLink Compliance Management users. All questionable transactions will be sent to the appropriate Component Program Managers for further action.

On a quarterly basis, DSSC/DTMO will provide oversight by meeting with the Component Program Managers and review Everi transactions for disposition determination.

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(U) Defense Human Resources Activity (cont'd)

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8. We recommend that the Director, DSSC, require the DTMO to update, on an annual basis, the Visa IntelliLink Compliance Management weekend and holiday feature to include days where there is an increased risk of misuse, abuse, or potential fraud.

Response: Agree. DSSC/DTMO added all federal holidays and Cyber-Monday and Black Friday for calendar years 2024 and 2025. This rule will continue to be updated on an annual basis in October to include any days that the DSSC/DTMO determines have an elevated risk of misuse and abuse.

9. We recommend that the Director, DSSC, require the DTMO to revise the Government Travel Charge Card Regulations to require all Component Program Managers and Agency Program Coordinators to obtain access to and use the Visa IntelliLink Compliance Management system on no less than a monthly basis to review transactions, create Visa IntelliLink Compliance Management system compliance cases, and disposition those cases to identify misuse, abuse, or potential fraud within their Government Travel Charge Card program.

Response: Partially Agree. By April 1, 2025, DSSC/DTMO will revise the Government Travel Charge Card Regulations to require Component Program Managers, or their designated representative, and Agency Program Coordinators through Hierarchy Level 4, to obtain access and use the Visa IntelliLink Compliance Management on no less than a monthly basis to provide oversight of case completion and log in compliance.

DSSC/DTMO will coordinate with the Component Program Managers to implement a phased-in approach for rollout to the Hierarchy Level 4, to be completed within six months after the regulation effective date.

DSSC/DTMO along with Service and Independent Agency Component Program Managers, strongly believe requiring all Agency Program Coordinators to obtain access and use Visa IntelliLink Compliance Management on no less than a monthly basis, will create an unsustainable workload across the Enterprise and slow down the Visa IntelliLink Compliance Management system. However, one year after implementation, DSSC/DTMO, Component Program Managers, and Agency Program Coordinators will evaluate the effectiveness of expanding to Hierarchy Level 4 to help determine the feasibility of adding additional hierarchy levels.

10. We recommend that the Director, DSSC, require the DTMO to develop and implement procedures to ensure that each hierarchy has a Component Program Manager or Agency Program Coordinator with access to the Visa IntelliLink Compliance Management system and uses the Visa IntelliLink Compliance Management system in accordance with policy to review transactions, create Visa IntelliLink Compliance Management system compliance cases, and disposition those cases

Response: Partially Agree. DSSC/DTMO will develop and implement procedures to ensure that each Component Program Manager or Agency Program Coordinator through Hierarchy Level 4 has access to the Visa IntelliLink Compliance Management system and uses the Visa IntelliLink Compliance Management system in accordance with policy to review transactions, create Visa IntelliLink Compliance Management system compliance cases, and disposition those cases. The estimated completion date is April 1, 2025.

One year after implementation, DSSC/DTMO, Component Program Managers, and Agency Program Coordinators will evaluate the effectiveness of expanding to Hierarchy Level 4 to help determine the feasibility of adding additional hierarchy levels.

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(U) Defense Human Resources Activity (cont'd)

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11. We recommend that the Director, DSSC, require the DTMO to report, on a quarterly basis, any instances of a Component Program Manager or an Agency Program Coordinator without access to the Visa IntelliLink Compliance Management system or not using the Visa IntelliLink Compliance Management system, as required by the Government Travel Charge Card Regulations, to the official responsible for appointing the Component Program Manager or Agency Program Coordinator.

Response: Partially Agree. DSSC/DTMO will report, on a quarterly basis, any instances of a Component Program Manager or designated representative without access to Visa IntelliLink Compliance Management or not using the system, as required by the Government Travel Charge Card Regulations to their appropriate leadership.

DSSC/DTMO will require the Component Program Managers to report the Agency Program Coordinators and designated Visa IntelliLink Compliance Management users who are not using the system appropriately to their respective chain of command. This process will be implemented by April 1, 2025.

12. We recommend that the Director, DSSC, require the DTMO to revise the Government Travel Charge Card Regulations to require that Component Program Managers conduct reviews, on a monthly basis, of each of their hierarchies to ensure that Agency Program Coordinators are creating and completing the Visa IntelliLink Compliance Management system compliance cases, as required by the Government Travel Charge Card Regulations, and report monthly the results to the DSSC/DTMO.

Response: Partially Agree. DSSC/DTMO will revise the Government Travel Charge Card Regulations to require that Component Program Managers conduct monthly reviews of each of their hierarchies to ensure that Agency Program Coordinators are creating and completing the Visa IntelliLink Compliance Management cases, as required by the Government Travel Charge Card Regulations. Further, the regulations will be revised to require DSSC/DTMO to monitor the data and address compliance issues with the components monthly. The estimated completion date is April 1, 2025.

13. We recommend that the Director, DSSC, require the DTMO to revise the Government Travel Charge Card Regulations to require the DSSC/DTMO to review, on a quarterly basis, the results of the Component Program Manager monthly compliance case creation and completion report, to identify Agency Program Coordinators that are not completing Visa IntelliLink Compliance Management compliance cases as required by the Government Travel Charge Card Regulations and notify the official responsible for appointing the Agency Program Coordinator.

Response: Partially Agree. DSSC/DTMO will revise the Government Travel Charge Card Regulations to require the Component Program Managers to review, on a monthly basis, the compliance case creation and completion report, to identify Agency Program Coordinators that are not completing Visa IntelliLink Compliance Management cases. The estimated completion date is April 1, 2025.

Instead of notifying the official responsible for appointing the Agency Program Coordinator, DSSC/DTMO will require the Component Program Managers to report the Agency Program Coordinator users who are not using the system appropriately to their respective chain of command. The oversight of the Agency Program Coordinator belongs to the Services/Agencies therefore, the appropriate chain of command guidelines should be followed to address compliance enforcement.

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(U) Defense Human Resources Activity (cont'd)

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DSSC/DTMO will inform the Component Program Manager leadership when case completion is not accomplished in accordance with the regulation.

14. We recommend that the Director, DSSC, require the DTMO to report, on a quarterly basis, any instance of an Agency Program Coordinator that is not completing Visa IntelliLink Compliance Management system compliance cases, as required by the Government Travel Charge Card Regulations, to the official responsible for appointing the Agency Program Coordinator.

Response: Partially Agree. DSSC/DTMO concurs with reporting on a quarterly basis, any instance of an Agency Program Coordinator that is not completing Visa IntelliLink Compliance Management system compliance cases. Instead of notifying the official responsible for appointing the Agency Program Coordinator, DSSC/DTMO will require the Component Program Managers to report the Agency Program Coordinator users who are not using the system appropriately to their respective chain of command. The oversight of the Agency Program Coordinator belongs to the services/agencies therefore the appropriate chain of command guidelines should be followed to address compliance enforcement.

DSSC/DTMO will inform the Component Program Manager leadership when case completion is not accomplished in accordance with the regulation.

The Government Travel Charge Card Regulations will be updated to reflect this by April 1, 2025.

15. We recommend that the Director, DSSC, require the DTMO to revise the case escalation period in the Visa IntelliLink Compliance Management system to ensure that higher level program officials have visibility of incomplete cases that are outside of the timely review requirements in the Government Travel Charge Card Regulations.

Response: DSSC/DTMO took the corrective action during the audit; therefore, the recommendation has been resolved and will be closed upon report issuance.

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(U) Acronyms and Abbreviations

- (U) **APC** Agency Program Coordinator
- (U) **CBA** Centrally Billed Account
- (U) **CPM** Component Program Manager
- (U) **CUI** Controlled Unclassified Information
- (U) **DTMO** Defense Travel Management Office
- (U) **EAS** Electronic Access System
- (U) **GSA** General Services Administration
- (U) **GTCC** Government Travel Charge Card
- (U) **HL** Hierarchy Level
- (U) **IBA** Individually Billed Account
- (U) **PROPIN** General Proprietary Business Information
- (U) **VICM** Visa IntelliLink Compliance Management

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