



OFFICE OF
INSPECTOR GENERAL

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 13, 2015

Shaun Donovan
Director
Office of Management and Budget
c/o Mike Wetklow and Dan Keenaghan
725 17th Street, NW
Washington, D.C. 20503

Dear Mr. Donovan:

This letter is being sent in accordance with the Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194), which requires that Inspectors General report to the Director of the Office of Management and Budget (OMB) on the implementation of recommendations made to the head of the executive agency to address findings of any analysis or audit of purchase card and convenience check transactions or programs. Furthermore, OMB Memorandum M-13-21, "Implementation of the Government Charge Card Abuse Prevention Act of 2012," states that Inspectors General shall report to the Director of OMB 120 days after the end of each fiscal year on agency progress in implementing such audit recommendations, beginning with the fiscal year 2013 submission due by January 31, 2014.

During fiscal year 2014 the U.S. Securities and Exchange Commission's (SEC's) Office of Inspector General issued a report, "Controls Over the SEC's Government Purchase Card Program," Report No. 517, dated March 28, 2014, which contained 11 recommendations, all of which were closed before the end of fiscal year. We found that the SEC's Office of Acquisitions, which is responsible for the management of the SEC's purchase card program, has established internal controls that reduce the risk of fraud, waste, and abuse in the use of purchase cards and convenience checks. Moreover, we did not find instances of illegal or erroneous use of purchase cards or convenience checks, although we did determine that certain areas of the program needed strengthening.

Specifically, the SEC Office of Acquisitions addressed our recommendations regarding the SEC's purchase card program by:

- initiating purchase card reviews for fiscal year 2014;
- awarding an agency-wide contract for a commonly-purchased service;

- reviewing cardholder spending levels and adjusting as needed; and
- issuing guidance on reconciliation requirements.

In addition, we are in the process of performing an annual risk assessment of the SEC's purchase card program, also required by the Government Charge Card Abuse Prevention Act of 2012.

If you have questions or require additional information, please contact Rebecca Sharek, Deputy Inspector General for Audits, Evaluations, and Special Projects at sharekr@sec.gov or (202) 551-6061.

Sincerely,



Carl W. Hoecker
Inspector General
Office of Inspector General
U.S. Securities and Exchange Commission

cc: Mary Jo White, Chair
Erica Y. Williams, Deputy Chief of Staff, Office of the Chair
Luis A. Aguilar, Commissioner
Paul Gumagay, Counsel, Office of Commissioner Aguilar
Daniel M. Gallagher, Commissioner
Benjamin Brown, Counsel, Office of Commissioner Gallagher
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