US DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Fiscal Year 2026 Risk Assessment of VA's Charge Card Programs

Review	**25-03760-282**	**September 29, 2026**

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DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20420

September 29, 2026

MEMORANDUM

TO: The Honorable Cheryl Mason, Inspector General,
VA Office of Inspector General (50)

FROM: Larry Reinkemeyer, Assistant Inspector General,
Office of Audits and Evaluations, VA Office of Inspector General (52)

SUBJECT: Fiscal Year 2026 Risk Assessment of VA's Charge Card Programs

The VA Office of Inspector General (OIG) conducted a risk assessment of VA's government purchase card programs to identify significant governance risks of illegal, improper, or erroneous purchases and other conditions that could affect program integrity. The assessment is mandated by the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act).[1] That law and the Office of Management and Budget (OMB) require inspectors general to periodically assess the risk of illegal, improper, or erroneous purchases in their agencies' charge card programs and use the results to determine the scope and frequency of audits.[2] Efforts to assess program risks in accordance with VA financial policy, with realignment of VA financial and budgetary structures, and with implementation of executive orders are critical internal controls that aim to mitigate fraud, waste, and abuse and promote efficient use of VA program resources.[3]

The fiscal year (FY) 2026 risk assessment focused on purchase card activity from April 1, 2025, through March 31, 2026, totaling almost $6.5 billion among VA's three charge card programs. These programs cover purchase cards used to obtain medical supplies and services; travel cards for official travel expenses; and fleet cards for the purchase of fuel, maintenance, or repair costs for government-owned and -operated fleet vehicles. To determine a risk rating, the OIG team reviewed policies and procedures and considered results from interviews, questionnaires, oversight reviews, and prior VA OIG reports and recommendations. The team also compared summarized transactional data findings from the preceding 12 months (April 2024–March 2025) to the most recently reported 12-month period (April 2025–March 2026).

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[1] Pub. L. No. 112-194, 126 Stat. 1445 (2012).

[2] OMB Circular No. A-123, *Management's Responsibility for Internal Control*, revised March 2026, https://www.whitehouse.gov/wp-content/uploads/2026/03/OMB-Circular-No.-A-123-2026.pdf; OMB, "A Risk Management Framework for Government Charge Card Programs," app. B in OMB Circular A-123, August 27, 2019.

[3] VA Financial Policy, "Government Purchase Card for Micro-Purchases," in vol. 16*, Charge Card Programs* (July 2026), chap. 2, VA chief of staff, "Realignment of Finance and Budget Functions to the Office of Management," memorandum to under secretaries, assistant secretaries, and other key officials, October 14, 2025.

Based on this analysis, the OIG team concluded that the Purchase Card Program and the Travel Card Program are at medium risk for illegal or improper purchases and the Fleet Card Program is at low risk, as shown in table 1. Compared with the OIG's FY 2023 assessment, the risk ratings for the Purchase Card Program and the Fleet Card Program both remained unchanged, while the Travel Card Program changed from low risk to medium risk. However, because the assessments used different periods, data, and analytical criteria, the year-to-year ratings provide only a general comparison of assessed risk and should not be interpreted as a direct measurement of changes in program performance.

Table 1. VA Charge Cards' Total Amounts and FY 2026 Assessed Risk Rating (as of March 31, 2026)

Card type	April 2024–March 2025	April 2025–March 2026	Assessed risk rating
Purchase	$6,172,406,100	$6,451,869,257	Medium
Travel	$44,731,129	$22,376,458	Medium
Fleet	$17,848,089	$17,413,387	Low
Total	**$6,234,985,318**	**$6,491,659,102**	**—**

Source: VA OIG analysis of US Bank data.

The team discussed the purpose of the risk assessment and the most recent risk ratings with VA senior leaders as recently as August 2026. VA acknowledged the results and offered clarifying information for underlying factors that may have affected the purchase card programs during the assessment period.

Background

VA relies extensively on purchase, travel, and fleet charge cards to efficiently support routine mission operations across the Veterans Health Administration (VHA), Veterans Benefits Administration, and National Cemetery Administration. Charge cards generally allow authorized staff to make these transactions without soliciting competitive quotes if the purchaser determines the price to be reasonable and within authorized cardholder purchasing limits. During the assessment period (April 2025 through March 2026), the micropurchase threshold increased from $10,000 to $15,000, effective October 1, 2025.[4] Recent federal initiatives, such as executive orders and the use of artificial intelligence, have also affected VA's purchase card

[4] "Inflation Adjustment of Acquisition-Related Thresholds," Federal Acquisition Regulation, accessed June 22, 2026, https://www.federalregister.gov/d/2025-16412.

programs and underscore the need to strengthen accountability; reduce the risk of fraud, waste, and abuse; and leverage resources for effective oversight and enterprise-wide monitoring.[5]

Oversight of the Charge Card Programs

Purchase card responsibilities are distributed across numerous cardholders, approving officials, coordinators, and management officials nationwide and require effective internal controls and oversight processes. VA already has several oversight controls in place, including transaction monitoring by the Financial Services Center, quarterly financial quality assurance reviews conducted by station-level financial management staff, and established disciplinary actions that approving officials, supervisors, and agency or organization program coordinators can use to address noncompliance.

Acquisition officials are responsible for interpreting and applying Federal Acquisition Regulation requirements, and the Office of Business Oversight, within VA’s Office of Management, evaluates the effectiveness of VA’s processes to identify areas of increased risk.

Consistent with related OMB guidance, VA develops and maintains a Charge Card Management Plan that outlines the critical policies and procedures of the charge card program to mitigate potential fraud, misuse, and delinquency.[6] During an interview with the OIG team, however, a Financial Services Center official said that while the Charge Card Management Plan consolidates charge card policy requirements, responsibilities, procedures, and control activities, this plan is used primarily as a program reference rather than as a means to track compliance.

Scope and Methodology

The OIG team conducted this risk assessment from January through August 2026. To further understand the various risk categories among VA’s purchase card programs, the team reviewed applicable laws, regulations, VA policies, and prior OIG work and report recommendations, as well as known charge card risk indicators. The team then analyzed summary transactional data for the number and value of transactions in each risk category. Due to the nature of risk assessments, the team did not review individual transactions but instead developed the criteria listed in table 2 to assign a risk rating representing the collective prevalence of risk in each program.

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[5] Exec. Order No. 14222, 90 Fed. Reg. 11095 (March 3, 2025); Exec. Order No. 14249, 90 Fed. Reg. 14011 (March 28, 2025); Exec. Order No. 14395, 91 Fed. Reg. 13485 (March 19, 2026); Exec. Order No. 14409, 91 Fed. Reg. 34565 (June 5, 2026).

[6] OMB Circular A-123, app. B.

Table 2. Criteria for Assessing Charge Card Program Risk

Risk rating	Percentage of charge card transactions and value of purchases determined to be potentially illegal, improper, or erroneous
Low	Fewer than 5%
Medium	5% through 20%
High	More than 20%

Source: Criteria established by the VA OIG.

The team reviewed the two most recent VA OIG *Semiannual Reports to Congress*.[7] These reports include descriptions of charge card violations involving misuse of a purchase card, adverse personnel actions, or other actions taken for violations and the status of violations: pending investigation, hearing, final agency action, or appeal decision. The team also reviewed VA's Office of Business Oversight's FY 2025 purchase card testing results, which assessed transaction validity from October and November 2024 and January 2025, as well as transactions from November 2024 through February 2025. The Office of Business Oversight reported four exceptions in the transactions sampled—one instance of a delayed credit card statement reconciliation and three instances where incorrect budget object codes were used.

The results of the risk assessment for each of VA's three programs are presented below.

Assessment 1: VA's Purchase Card Program Is at Medium Risk for Illegal, Improper, or Erroneous Purchases

The Purchase Card Program is the largest VA charge card program, both in number of transactions and amount of spending. From April 2025 through March 2026, VA cardholders made almost 6.2 million transactions totaling roughly $6.5 billion. This substantial volume of activity increases the program's inherent risk and requires strong internal controls to deter fraud, safeguard government resources, and ensure compliance with applicable policies and procedures.

VA financial policy establishes internal controls for each type of purchase card for transaction monitoring, approval, timely reconciliation, documentation, training, and corrective actions.[8] However, VA lacked an agencywide monitoring control to consolidate and analyze the results of these activities, identify recurring issues across oversight organizations and operating components, and track corrective actions through verified completion. Without this control, VA was at an increased risk to determine whether recurring issues were isolated or widespread and whether corrective actions were effective across the Purchase Card Program.

[7] "Semiannual Reports to Congress" (web page), VA OIG, accessed September 10, 2026, https://www.vaoig.gov/semiannual-reports-to-congress.

[8] VA Financial Policy, vol. 16, *Charge Card Programs*, chaps. 1, 2, 4, 5, 6, and 7.

The OIG determined VA's Purchase Card Program is at medium risk of illegal, improper, or erroneous purchases. This is a repeat finding from the FY 2023 charge card risk assessment.[9]

Purchase Card Risk Categories

The team analyzed purchase card data from April 2024 through March 2026 to identify transactions or patterns of activity that suggest potential illegal, improper, or erroneous purchases in the following risk categories:

- Split purchase indicators
- Potential use of unauthorized transactions using third-party payment processors
- Late approvals and reconciliations and documentation deficiencies
- Excessive number of purchase card accounts per
    - approving official assigned more than 25 purchase card accounts, or
    - prosthetics approving official assigned more than 40 purchase card accounts

Table 3 shows the total number of purchase cardholders and transactions throughout VA, along with the value of purchase card charges during the scope of the assessment. The team also compared these results with data from the prior 12 months.

Table 3. Data for the Purchase Card Risk Assessment

Measure	April 2024–March 2025	April 2025–March 2026
Approving officials for standard purchase cards	2,989	3,083
Approving officials for prosthetic purchase cards	745	788
Cardholders	10,513	9,058
Purchase cards	18,013	13,332
Transactions	6,454,702	6,169,078
Charges	$6,172,406,100	$6,451,869,257

Source: VA OIG analysis of US Bank data.

Between those prior 12 months and the assessment period, the number of purchase cardholders declined by about 14 percent and the number of purchase cards decreased by about 26 percent. Although transactions decreased by about 4 percent, total charges increased by about 5 percent. As a result, a smaller number of cardholders and accounts processed a similar volume of

[9] VA OIG, *Fiscal Year 2023 Risk Assessment of VA's Charge Card Program*, Report No. 23-02910-197, September 10, 2024.

transactions and a greater dollar value of purchases. This concentration does not demonstrate improper activity, but it may increase oversight risk. As approving officials become responsible for more transactions by fewer cardholders, the program is at increased risk of mistakes and ineffective reviews.

The decreasing trend in active cards was consistent with a February 26, 2025, executive order that emphasized reducing unnecessary or underused government charge cards for all government agencies.[10] The executive order did not establish that total program spending should be limited proportionately and was found to have the most impact on VA's smaller administrations (the National Cemetery Administration and Veterans Benefits Administration), due to their already limited number of purchase cards and subsequent purchases.

Table 4 shows the percentage of transactions and dollars that fall into each risk category, which indicates how often an issue occurs and how much spending it affects, along with the corresponding risk ratings from April 2025 through March 2026.

Table 4. Percentage of Transactions and Dollars by Risk Category for the Purchase Card Risk Assessment

Risk category	Risk rating	Transaction percentage	Dollar percentage
Split purchase indicators	Low	1%	3%
Use of third-party payers	Low	1%	0%
Untimely approvals and reconciliations and documentation deficiencies	Medium	14%	
Excessive number of purchase card accounts per			
Approving official assigned more than 25 purchase card accounts	Medium	13%	10%
Prosthetics approving official assigned more than 40 purchase card accounts	Medium	15%	13%

Source: VA OIG analysis of US Bank data from April 2025 through March 2026.

Note: Percentages are rounded.

Split Purchase Indicators

A split purchase occurs when a cardholder intentionally divides a single purchase into two or more purchases or payments to bypass the micropurchase threshold.[11] During the assessment period, the micropurchase threshold was $10,000 before October 1, 2025, and was increased to

[10] Exec. Order No. 14222.

[11] VA Financial Policy, "Government Purchase Card for Micro-Purchases."

$15,000 effective October 1, 2025.[12] The Federal Acquisition Regulation prohibits purchases from being split to qualify for simplified acquisition procedures or to avoid requirements that apply to purchases above the micropurchase threshold.[13] To assess the risk that split purchases might pose to the VA Purchase Card Program, the team identified potential split purchases during the assessment period. This pool of potential split purchases included transactions with a combination of the same purchase date, cardholder, credit card number, and total spending greater than the micropurchase threshold, as applicable during that period.

The team identified 43,931 potential split purchase transactions totaling almost $210 million, representing about 1 percent of total transactions and just over 3 percent of total dollars. These transactions were identified using data analytics designed to flag patterns that may be consistent with split purchasing but do not confirm that split purchases occurred. Based on the criteria shown in table 2 and the team's analysis, the risk level for potential split purchases is low.

Transactions Using Third-Party Payers

VA policy and OMB guidance identify transactions processed through third-party payment platforms as a higher-risk category because transaction-level information available to the government contractor bank may be limited, which obscures the transparency needed for oversight and dispute resolution.[14] Consistent with this guidance, the OIG team analyzed purchase card transactions processed through third-party payment platforms.

The team identified about 42,000 third-party payer transactions totaling about $11.5 million. These transactions represented 0.7 percent of purchase card transactions and 0.2 percent of purchase card spending during the assessment period. Based on the criteria shown in table 2, the team determined this risk category to be low. The team did not review individual transactions to determine whether they were unauthorized.

Late Approvals and Reconciliations and Documentation Deficiencies

The OIG team analyzed VHA financial quality assurance reviews in the first quarter of FYs 2025 and 2026, corresponding with the OIG's assessment period, and identified several purchase card compliance issues. The team chose to analyze VHA's data because it accounts for the higher volume and dollar amount of purchase card transactions within VA, as compared to VA's other two administrations. VHA's first-quarter financial quality assurance reviews identified higher percentages of several reported noncompliance issues in FY 2026 than in FY 2025. Late cardholder approvals increased from 2 percent to 3 percent, late authorizations from approving

[12] Federal Acquisition Regulation: Inflation Adjustment of Acquisition-Related Thresholds, 90 Fed. Reg. 41872, (August 27, 2025).

[13] FAR 13.003 (2026).

[14] VA Financial Policy, "Government Purchase Card for Micro-Purchases"; OMB Circular A-123, app. B.

officials increased from 3 percent to 4 percent, and missing or incomplete supporting documentation increased from 5 percent to 7 percent. Because a transaction could have more than one issue, these percentages should not be added to determine an overall transaction-level noncompliance rate.

VA policy requires supporting documentation for purchase card transactions, and that purchases must be approved and reconciled by the 15th calendar day of the month, after the closing of the previous month's billing cycle.[15] Such delays in approvals and reconciliations, along with missing or incomplete supporting documentation, does not necessarily indicate misuse. However, recurring documentation deficiencies reduce transparency and increase the difficulty of validating purchase card activity.

Furthermore, delayed reconciliations may hinder managers' ability to promptly identify and correct unsupported or improper transactions before potential errors weaken the reliability of oversight processes. At the organizational level, repeated delays also reduce the timeliness of information available for monitoring program compliance and emerging risks. Table 5 summarizes VHA's quality assurance review results from the first quarter of FYs 2025 and 2026.

Table 5. Financial Quality Assurance Review Results for Purchase Card Transactions

Noncompliance issue	Quarter 1, FY 2025 number and percentage of findings	Quarter 1, FY 2026 number and percentage of findings
Late transaction approval by cardholder*	50 (2%)	120 (3%)
Late transaction authorization by approving official*	90 (3%)	130 (4%)
Missing or incomplete supporting documentation	170 (5%)	220 (7%)

Source: VA OIG analysis of data from VHA financial quality assurance reviews.

Note: Numbers and percentages are rounded.

**Cardholder or approving official did not approve the transaction in the US Bank system by the 15th calendar day of the month after the closing of the previous month's billing cycle.*

In a separate analysis, the team reviewed a statistical sample of nationwide transactions from November 2025 and observed similar violations to those identified in prior OIG inspections and the VA FY 2025 and 2026 financial quality assurance reviews. Based on the criteria shown in table 2 and the team's analysis, the risk level for this risk category is medium.

[15] VA Financial Policy, "Government Purchase Card for Micro-Purchases."

Excessive Number of Purchase Card Accounts per Approving Official

The approving official is responsible for authorizing cardholder purchases, ensuring payment charges are reconciled to monthly billing statements, and helping to make sure purchase cards are used properly. According to General Services Administration guidance on purchase card use, approving officials should be assigned a reasonable number of account holders and volume of transactions so that the official can review purchases in a timely manner.[16] Completing these reviews on time is important to promptly detect possible card misuse and fraud. VA financial policy on government purchase cards echoes this guidance but limits the number of accounts—not account holders—assigned to an approving official. According to VA policy, most approving officials are responsible for no more than 25 purchase card accounts. However, approving officials for prosthetic accounts may oversee as many as 40 purchase card accounts.[17] Exceeding these limits increases the risk for illegal, improper, or erroneous purchases.

The team determined that 115 approving officials were assigned more than 25 purchase card accounts, with oversight responsibility for about 772,000 transactions (13 percent of all transactions) and about $660.9 million (10 percent of spending). The team also found that 19 approving officials were assigned more than the limit of 40 prosthetics accounts. These approving officials were assigned oversight responsibility for about 923,000 transactions (15 percent of all purchase card transactions) and about $864 million (13 percent of all spending). Based on the criteria shown in table 2, the team assigned VA a medium-risk rating for this factor.

Governance and Oversight Risk Factors

In assessing Purchase Card Program risk, the team considered prior OIG reports, VA's semiannual reports on purchase card violations, the VA Office of Business Oversight's review of the program, VA policies and oversight documents, and information obtained from program officials.

The OIG team found that responsibility for monitoring purchase card activity and addressing identified control deficiencies was distributed among several organizational levels. The Financial Services Center conducted national transaction monitoring and identified potential violations, while officials at the regional and facility levels were responsible for implementing corrective actions and disciplinary measures. In addition, Office of Business Oversight reviews were not consistently shared or integrated across oversight entities.

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[16] General Services Administration, "The Review Process," chap. 7 in *The GSA SmartPay Purchase Program*, fall 2019, https://smartpay.gsa.gov/files/managing-gsa-smartpay-purchase.pdf.

[17] VA Financial Policy, "Administrative Actions for Government Purchase Cards," in vol. 16, *Charge Card Programs* (June 2026), chap 1.

Recurring deficiencies were identified through separate oversight activities, such as transaction reviews, quality assurance reviews, inspections, and monitoring. For example, VHA's quality assurance reviews identified recurring late approvals and missing or incomplete supporting documentation, and prior OIG work identified similar deficiencies across multiple facilities and organizations. However, VA lacked an agencywide monitoring process to consolidate and analyze the results of these activities, identify recurring issues across organizational components, and track corrective actions through completion. Consequently, VA leaders had limited ability to determine whether recurring deficiencies were isolated or widespread and whether corrective actions had reduced those risks across the Purchase Card Program.

Results of OIG Investigations

The OIG's Office of Investigations continues to identify patterns of purchase card misuse and fraud. To better understand the risk of fraud resulting from purchase card misuse and control breakdowns, the review team analyzed related investigations. Prior OIG investigations have identified fraud schemes involving purchase cards—such as fictitious vendors, fraudulent invoices, kickbacks, and repeated split purchases—designed to bypass spending thresholds. The following examples were selected from completed Justice Department prosecutions that have been adjudicated or that resulted in sentencing.

At the Philadelphia VA Medical Center in Pennsylvania, a supervisory engineer created a shell company and submitted fabricated invoices for heating and air conditioning work that was never performed. The scheme resulted in 22 wire-fraud transactions, totaling more than $565,000 in fraudulent payments, before it was detected. The case illustrates the risk created when officials do not adequately verify vendors, confirm that services were received, or retain sufficient documentation to support payments. The defendant was sentenced to 64 months in prison with three years of supervised release, and was ordered to pay over $565,000 in restitution.[18]

At the Cleveland VA Medical Center in Ohio, a logistics employee in the Blind Rehabilitation Unit used a government-issued purchase card to acquire over $198,000 in iPads, iPhones, and other electronics; the employee kept some items and resold others online. According to the investigating agent, the misconduct continued because purchases were repeatedly kept under the micropurchase threshold, and officials did not adequately review the necessity of purchases or maintain effective separation between purchasing and receiving responsibilities. The case illustrates how inadequate review, weak receiving controls, and insufficient separation of duties

[18]"Longtime VA Contracting Officer Sentenced to Over Five Years in Prison for Defrauding the Agency of More Than $500,000" (web page), Department of Justice, accessed May 13, 2026, https://www.justice.gov/usao-edpa/pr/longtime-va-contracting-officer-sentenced-over-five-years-prison-defrauding-agency.

can allow purchase card misuse to continue. The employee and an accomplice were each sentenced to 12 months and one day in prison and were ordered to pay restitution.[19]

Strengthening control weaknesses in the Purchase Card Program could help prevent such instances of fraud, waste, and abuse.

Assessment 1 Conclusion

The OIG determined VA's Purchase Card Program is at medium risk of illegal, improper, or erroneous purchases, which is a repeat finding from the FY 2023 charge card risk assessment.[20] The OIG assigned the risk rating based on the assessment of the categories in table 4, consideration of other risk assessment factors such as prior OIG reports and investigations, and the potential of these factors to affect a program with spending of over $6.5 billion from April 2025 through March 2026.

The medium-risk rating does not indicate that widespread systemic fraud or abuse existed in the Purchase Card Program during the assessment period. Rather, it reflects the organizational risk associated with managing a large, decentralized purchasing environment where recurring deficiencies and fragmented oversight increase the possibility that improper activity is not identified or addressed consistently.

Assessment 2: VA's Travel Card Program Is at Medium Risk for Illegal, Improper, or Erroneous Purchases

Congress has mandated that federal employees use government travel charge cards for expenses related to official government travel.[21] The government reimburses employees for authorized travel expenses, including meals and incidental expenses, and the employee is responsible for making payments to US Bank—the government's contractor bank.

During the scope of this risk assessment (April 2025–March 2026), just over 11,000 VA travel cardholders initiated about 120,000 transactions, totaling about $22.4 million. Between the preceding 12 months and the assessment period, the number of travel cardholders declined by about 52 percent and the number of travel cards decreased by about 53 percent. Transactions declined by just under 60 percent, and total charges also decreased by about 50 percent.

[19] "Former VA Employee Sentenced to Prison for Stealing Almost $200K in Unauthorized Purchases on Work-issued Credit Card" (web page), Department of Justice, accessed May 13, 2026, https://www.justice.gov/usao-ndoh/pr/former-va-employee-sentenced-prison-stealing-almost-200k-unauthorized-purchases-work.

[20] VA OIG, Fiscal Year 2023 Risk Assessment of VA's Charge Card Program.

[21] Travel and Transportation Reform Act of 1998, Pub. L. No. 105-264, 112 Stat. 2350.

This downward trend in active travel cards was consistent with a February 26, 2025, executive order that emphasized reducing and consolidating travel cards to the minimal level necessary to function, for a period of 30 days.[22]

The OIG team determined VA's Travel Card Program is at medium risk of illegal, improper, or erroneous purchases. This represents an increased risk level from the finding reported in the FY 2023 charge card risk assessment.[23]

Travel Card Risk Categories

The team reviewed travel card data during the assessment period to identify transactions or patterns of activity that indicate potential improper travel card purchases in the following three risk categories:

- Cardholders with single purchases greater than $1,500
- Airline purchases over $40 (including baggage fees and costs for upgraded seating)
- Individual hotel transactions over $2,000 without other purchases five days before or after the hotel stay

Table 6 shows travel cardholders, transactions, and the spending associated with VA travel cards during the assessment, with a comparison to the data from the previous 12 months.

Table 6. Data for the Travel Card Risk Assessment

Measure	April 2024–March 2025	April 2025–March 2026
Cardholders	23,301	11,072
Transactions	265,305	117,088
Charges	$44,731,129	$22,376,458

Source: VA OIG analysis of US Bank data.

Note : The amounts shown for charges are rounded.

Table 7 on the next page shows the percentage of transactions and dollars associated with the risk categories and the assessed risk rating during the assessment period.

[22] Exec. Order No. 14222.

[23] VA OIG, *Fiscal Year 2023 Risk Assessment of VA's Charge Card Program*.

Table 7. Percentage of Transactions and Dollars by Risk Category for the Travel Card Risk Assessment

Risk category	Risk rating	Transaction percentage	Dollar percentage
Cardholders with single purchases over $1,500	Medium	2%	28%
Airline purchases over $40	Low	2%	1%
Individual hotel transactions over $2,000 without other purchases five days before or after the hotel stay	High	26%	61%

Source: VA OIG analysis of US Bank data from April 2025 through March 2026.

Note: Percentages are rounded.

Cardholders with Single Purchases over $1,500

VA financial policy for the Travel Charge Card Program outlines the following requirements:

- Any employee who has a travel card must use it to pay for all authorized official travel expenses not paid using the centrally billed account (in other words, those other than air, rail, or bus service)
- The travel card may be used only for official government travel expenses and cannot be used for unofficial personal travel expenses such as family meals, lodging, rent, or utilities.[24]

The team set the threshold at $1,500 for this risk category because a single purchase greater than that amount for a week of official government travel is not typical. The purchases in this risk category also include common carrier charges such as airfare. These expenses, while normal during travel, are required to be paid by the centrally billed account. Therefore, an airline charge on an individual travel card may indicate noncompliance with these requirements.

The team found just over 2,500 transactions that were over $1,500 (about 2 percent of all transactions) during the assessment period, totaling about $6.2 million (28 percent). The risk rating for transactions is low (2 percent), but the risk rating for spending is high (28 percent). Therefore, the team assigned a medium-risk rating for single travel card purchases over $1,500. The team did not review individual transactions.

Airline Purchases over $40

The team set the threshold for analyzing data in this risk category at $40 to exclude typical costs such as baggage expenses and fees for upgraded seating that are part of reasonable

[24] VA Financial Policy, vol. 16, chap. 4, *Government Travel Card Individually Billed Accounts* (June 2026).

accommodation for travelers with specific needs; these costs are generally less than $40.[25] Purchases above this threshold may indicate personal use of the travel card for unauthorized charges.

For this risk category, just over 2,500 airline transactions completed during the assessment period were over $40 (about 2 percent of this type of transaction), totaling about $303,000 (about 1 percent of airline spending). The team assessed VA's risk as low for airline purchases over $40 based on the thresholds. The team did not review individual transactions.

Hotel Purchases over $2,000

The team set the threshold for analyzing data in this risk category at $2,000, without other purchases five days before or after a hotel stay, to isolate charges that would be outside the normal hotel costs for a week of temporary duty. Travel card purchases from hotels above this threshold may indicate personal use of the travel card, such as charges that extend beyond authorized travel dates or for purchases that are not authorized through this purchasing process, such as conference room use fees.

For this risk category, just under 30,200 hotel transactions completed during the assessment period were over $2,000 (about 30 percent of hotel transactions), totaling about $13.7 million (60 percent of hotel spending). The team assessed VA's risk as high for hotel purchases over $2,000. The team did not review individual transactions.

Assessment 2 Conclusion

VA's Travel Card Program is at medium risk of illegal, improper, or erroneous purchases. The OIG assigned a medium-risk rating based on the results of the data analysis and the lack of other factors, such as reports, recommendations, or investigations specific to travel card misuse, that would increase the risk rating.

Assessment 3: VA's Fleet Card Program Is at Low Risk of Illegal, Improper, or Erroneous Purchases and Payments

VA issues fleet cards for all VA-owned and commercially leased vehicles, as well as for small-engine vehicles and equipment, such as golf carts, snowmobiles, leaf blowers, chainsaws, and other ground equipment without license plates that are owned or leased by VA. Individual cardholders are not identified in the Fleet Card Program; instead, fleet cards are issued under the vehicle license plate number or are identified by the equipment that a card will service. Multiple vehicle or equipment operators, including non-VA employee volunteers, may use the same card

[25] VA Financial Policy, "Miscellaneous Travel Expenses," in vol. 14, *Travel* (June 2026), chap. 4; VA Financial Policy, "Transportation Expenses," in vol. 14, *Travel* (June 2026), chap. 3.

to pay for vehicles' fuel, maintenance, and repair.[26] During the assessment period, VA fleet cards were used for over 167,000 transactions, totaling over $17.4 million.

The OIG determined VA's Fleet Card Program is at low risk of illegal, improper, or erroneous purchases. This is a repeat finding from the FY 2023 charge card risk assessment.[27]

Fleet Card Risk Categories

The OIG team analyzed data for VA's fleet card transactions during the assessment period to identify patterns of activity that suggest potential illegal, improper, or erroneous purchases in the following risk categories:

- Potential split purchases
- Use of third-party payment processors
- More than five transactions on a single fleet card in one day

Table 8 shows total fleet card accounts, transactions, and the associated spending during the assessment period, with a comparison to data from the previous 12 months.

Table 8. Data for the Fleet Card Risk Assessment

Measure	April 2024–March 2025	April 2025–March 2026
Card Accounts	4,257	4,199
Transactions	168,820	167,650
Charges	$17,848,089	$17,413,387

Source: VA OIG analysis of US Bank data.

Table 9 on the next page shows the percentage of transactions and dollars associated with the risk elements and the assessed risk rating during the assessment period.

[26] VA Financial Policy, "Fleet Charge Card," in vol. 16, *Charge Card Programs* (December 2024), chap. 7.

[27] VA OIG, *Fiscal Year 2023 Risk Assessment of VA's Charge Card Program*.

Table 9. Percentage of Transactions and Dollars by Risk Category for the Fleet Card Risk Assessment

Risk category	Risk rating	Transaction percentage	Dollar percentage
Potential split purchases	Low	0%	0%
Use of third-party payers	Low	0%	0%
More than five transactions per day	Low	0%	0%

Source: VA OIG analysis of US Bank data from April 2025 through March 2026.

Note: Percentages are rounded.

Potential Split Purchases

To assess the risk that split purchases could pose to the Fleet Card Program, the OIG team identified potential split purchases from April 2025 through March 2026. This group included transactions with total spending greater than the applicable micropurchase threshold and the same purchase date, merchant name, and credit card number.

The team identified one transaction grouping totaling just under $11,400 in potential split purchases. Based on the criteria shown in table 9, the team assessed the risk as low for this category because this transaction represented about 0 percent of total transactions and total spending. The team requested an explanation for these transactions and determined that they were not a split purchase but rather charges for repairs made to separate electric carts paid for with a fleet pool credit card.

Transactions Using Third-Party Payers

Rather than setting up and processing transactions through a traditional merchant charge card, some merchants pay third-party payment companies a transaction fee for services. VA policy and OMB guidance say using third-party payment platforms places agencies at high risk for improper card use because transaction data may not be completely available to the government's contractor bank, and transaction dispute terms may vary from those offered on a traditional charge card transaction. Because of these limitations, VA policy and OMB guidance recommend that agencies use alternative methods of payment or a different vendor that does not process transactions through a third-party payer.[28] According to VA financial policy on government purchase cards, cardholders must not use third-party payers unless there are no other available vendors.[29] In that situation, the cardholder must justify in writing the use of a third-party payer and keep documentation that identifies the actual vendor providing the item purchased.

[28] VA Financial Policy, "Government Purchase Card for Micro-Purchases"; OMB Circular A-123, app. B.

[29] VA Financial Policy, "Government Purchase Card for Micro-Purchases."

The team identified 15 transactions in the VA fleet card data that used third-party payments, totaling about $8,100. Based on the criteria in table 2, the team assigned a low risk level for this category because these transactions represented about 0 percent, when rounded, of all fleet card transactions and spending. The team did not review individual transactions to determine whether they were unauthorized.

More than Five Transactions per Fleet Card on the Same Day

As noted, fleet cards are not issued to individuals but are associated with licensed vehicles or specific pieces of equipment. Thus, a card that is used more than five times a day could indicate a potential risk of misuse.

Upon reviewing VA fleet card data, the team identified 12 individual cards being used more than five times in one day during the assessment period, totaling about $13,100. Based on the criteria, the team assessed the risk level as low for this category because these instances represented about 0 percent of fleet card transactions and spending. The team did review one grouping of transactions and determined that the fleet cards were used appropriately as a pool card for toll payments.

Assessment 3 Conclusion

VA's Fleet Card Program is at low risk of illegal, improper, or erroneous purchases, which is a repeat finding from the 2023 risk assessment. The OIG team did not identify any other factors, such as OIG reports, recommendations, or investigations, that would increase the risk rating.

Overall Assessment

VA's Purchase and Travel Card Programs are at medium risk of illegal, improper, or erroneous purchases. Data analysis of transactions completed during the assessment period, the volume and value of spending, and OIG investigations and reviews identified patterns of card transactions that deviate from the Federal Acquisition Regulation and VA policies and procedures. In contrast, the Fleet Card Program has a low risk of illegal, improper, or erroneous purchases based on the OIG team's data analysis and lack of other risk factors. The assessment also identified governance and control weaknesses in each of the programs that may warrant future OIG oversight.

The purpose of the risk assessment and the most recent risk ratings were discussed with VA senior leaders as recently as August 2026. VA acknowledged the results and offered clarifying information for underlying factors that may have affected the purchase card programs during the assessment period.

The Office of Audits and Evaluations and the Office of Investigations will consider these risk ratings, underlying factors, and continue collaboration among VA senior leaders when planning future work aimed at evaluating whether recurring charge card deficiencies are being addressed to ensure prompt oversight, detection, and prevention of improper purchases and fraud.

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