

SUMMARY

The Office of the Auditor General has conducted a special investigation of Purchasing card (P-card) purchases made by former staff members of the Navajo Occupational Safety and Health Administration (NOSHA). This special investigation was requested by the Division of Human Resources Executive Director after notification by the Navajo Nation P-card Section within the Office of the Controller of possible P-card abuse by the NOSHA staff. The purpose of this special investigation was to determine the propriety of the P-card charges.

FINDING I: \$97,093 in Operating Expenses Incurred with P-card is Questionable

In reviewing the P-card activities of the former NOSHA Office Specialist, we found blatant disregard for Navajo Nation policies and procedures which resulted in abuse of the P-card. Our review found \$97,093 (or 60%) of the operating expenses incurred with the P-card assigned to the Office Specialist was questionable. The Office Specialist used the P-card to purchase a variety of items that were unrelated to the program's purpose including personal items such as children's apparel, appliances, electronics, jewelry, and gift cards. Many of the electronics and furniture purchased with the P-card also could not be accounted for at the NOSHA office. Overall, the Office Specialist clearly violated the terms of the cardholder agreement she signed when the P-card was issued to her and as such, misappropriated Navajo Nation funds.

FINDING II: Approximately \$5,200 of Travel Expenses Charged to P-cards are Also Questionable

In addition to the NOSHA Office Specialist, the remaining three NOSHA staff members also were assigned P-cards for travel purposes only. A review of the travel expenses incurred with these P-cards also revealed questionable expenses totaling approximately \$5,200 for the 22-month review period. Most of the travel expenses could not be justified because travel documents were lacking. Based on the travel records that were available, we noted questionable travel expenses due to NOSHA travel practices that were contrary to Navajo Nation travel policies and procedures.

FINDING III: NOSHA Staff Circumvented P-card Operating Procedures

Abuse of the P-cards assigned to the NOSHA staff occurred because the staff circumvented compliance with established Navajo Nation policies and procedures including the P-card operating procedures. The NOSHA staff also disregarded compliance with the terms of their cardholder agreements. Consequently, P-card charges by NOSHA staff totaling approximately \$102,300 was deemed questionable and considered misappropriated Navajo Nation funds.

In addition to the findings summarized above, the audit report contains recommendations for improving controls over P-card usage.