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# Bryan Vetoes Bill Seeking to Quell Gov't Credit Card Abuse, Saying Measure Was Not Well Thought Out

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## Governor Albert Bryan

Governor Albert Bryan has vetoed a bill that sought to quell the abuse of government-issued credit cards, stating in a transmittal letter to Senate President Novelle Francis that the measure wasn't properly crafted, with one of Mr. Bryan's major contentions being the placement of regulatory responsibility on the Dept. of Finance. The governor also said his administration was in the process of implementing similar policies.

But policy is not law and can change with leadership, or if the policies of an administration changes.

A portion of the bill reads, "Any department, agency, office, bureau of the Government of the Virgin Islands that wishes to issue credit cards to its officers or employee for government purchases shall seek approval from the Department of Finance."

The measure goes on to say, "The purchases must be for goods and services authorized pursuant to title 31 Virgin Islands Code, sections 236 and 239 and may not exceed small or micro purchases.

"A record of all purchases must be kept by the department, agency, bureau or instrumentality of the Government as well as the limit authorized, which may not be increased without the prior authorization of the head of the agency and the Department of Finance. The Department of Finance shall ensure that payments are made promptly, and statements are reviewed for accuracy and errors."

The bill calls on the Department of Finance to promulgate regulations for the use of government-issued credit cards, which must include:

- Designation of officers and employees authorized to be issued credit cards;
- A requirement that, before being issued a government credit card,
- Authorized users shall sign an agreement that the user will use the card only in accordance with the policies of the issuing governmental entity
- Transaction limits for the use of such cards

In his transmittal letter to the Senate president, Mr. Bryan said, "This Administration has already begun to implement similar policies to achieve this process and supports the codification of these requirements," the Governor wrote in the transmittal letter. "Unfortunately, the Legislature used language which also places the responsibility for the management of credit cards of Independent Instrumentalities on the Department of Finance, which has no authority over such agencies."

The governor's veto is likely to be overridden by lawmakers, as an overwhelming majority are sponsors and co-sponsors of the bill, seen [here](#).

Back in October, an audit made public by the Office of the Inspector General unearthed what many Virgin Islanders had long suspected but never had proof to backup the claims: that fraud, waste and abuse were rampant in the executive branch of the government of the Virgin Islands, with government officials grossly overstepping their authority when spending taxpayer dollars.

Though the scope of the audit was fiscal years 2013 through 2016, the O.I.G. retrieved records dating back to 2002.

In the audit's executive summary, the O.I.G. found that:

- There were no uniform regulations governing the use of credit cards and lines of credit.
- There were no internal controls to govern the use and accountability of credit transactions.
- As much as \$1.1 million in credit transactions were not protected from fraud, waste and abuse.
- Credit purchases were made without first obtaining approved purchases orders.
- Travel expenses were incurred without authorization.
- At least \$199,199 in purchases was made that did not conform to procurement regulations.
- At least \$17,295 in travel expenses did not conform to travel regulation.

- Three agencies used credit card accounts for purchases inconsistent with applicable laws, policies and procedures, and best practices.
- Of \$396,556 in charges reviewed, \$31,867 was questioned.
- Credit cards charges without supporting documentation totaled \$17,428.
- Personal charges totaled \$10,642.
- Travel charges that were claimed more than once totaled \$3,797.
- Credit card payments were not processed timely, resulting in finance charges and late fees.
- \$881,167 in credit card charges were paid late, resulting in \$23,288 in finance charges and late fees.

“We found that the Executive Branch did not have uniform regulations to procure and govern the use of credit cards and lines of credit. Specifically, there were no regulations to govern, at a minimum: (i) how agencies entered into credit agreements/ lines of credit, (ii) the number of credit cards; (iii) the credit limits; and (iv) the approval process of employees/officials authorized to use credit cards and/or have access to the agencies’ line of credit,” reads the audit. “In addition, some Executive Branch agencies that entered into credit agreements did not establish internal controls to ensure, at a minimum, that the expenditures were authorized, valid, and business related, or that corrective action was taken when officials misused the credit card accounts.”

The O.I.G. attributed these conditions to the lack of established regulations in the Dept. of Finance and Property and Procurement on how executive branch agencies obtained and controlled credit cards and lines of credit. D.O.F. and P&P officials also failed to create internal controls to govern the use and accountability for credit accounts, according to the O.I.G.