



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 2, 2009

S. 942 **Government Charge Card Abuse Prevention Act of 2009**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on May 20, 2009*

S. 942 would require each executive branch agency to establish controls on the use of government credit cards. The bill would require each agency's inspector general (IG) to assess the risk of illegal or improper credit card use and to conduct periodic audits to identify potentially fraudulent activities. The bill also would allow agencies to dismiss employees who are found guilty of misusing government credit cards.

CBO estimates that implementing S. 942 would cost less than \$500,000 a year, subject to the availability of appropriated funds. The bill also could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration. CBO estimates, however, that any increase in spending by those agencies would not be significant.

Under current law, agencies must take certain actions to manage the use of government credit cards including establishing policies and procedures, conducting oversight, and penalizing unauthorized use of government cards. Most of the provisions of S. 942 would codify those practices. Based on information from the Office of Management and Budget (which sets procurement policy), the General Services Administration (the contract administrator for federal credit cards), and several agency IGs, CBO estimates that implementing the bill would not significantly increase the costs to oversee the use of government charge cards.

S. 942 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.