DEPUTY SECRETARY OF DEFENSE

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JUN 21 2002

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
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GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense (DoD) Charge Card Programs

The use of government charge cards has allowed the Department to reengineer its business processes and significantly reduce costs, thereby making funds available for other critical requirements. While I know that the vast majority of our military and civilian personnel use government charge cards appropriately, recent audit reports indicate that there has been some fraud and misuse. I am directing management at all levels to ensure the necessary oversight of government charge cards and education to eliminate fraud, misuse, and abuse of these charge cards. We are the stewards of public funds and must not tolerate any use of charge cards that violates the public's trust. Therefore, we must take immediate action to ensure that: (1) further misuse of government charge cards does not occur and (2) appropriate remedies are taken with respect to those who engage in or tolerate such misuse. The key factor to success of these valuable programs is the direct involvement of senior military leaders and civilian managers for the Department of Defense.

By July 15, 2002, Component Heads are directed to provide to the Under Secretary of Defense (Comptroller) a report on actions taken to resolve current cases of charge card misuse, abuse, and delinquencies and to preclude future such instances. In addition, I am requesting the Inspector General of the Department of Defense to coordinate audits and investigations of charge card programs to ensure fraudulent and inappropriate activities are addressed.

Paul Wolfowitz

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