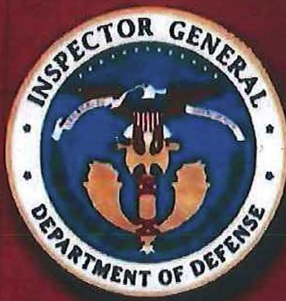


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No. 08-INTEL-13
September 8, 2008

Inspector General

United States
Department of Defense



DEPUTY INSPECTOR GENERAL FOR INTELLIGENCE

**REPORT ON A GOVERNMENT
PURCHASE CARD
PROGRAM**

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

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Acronyms

- (U) APC Agency Program Coordinator
- (U) DOC Directorate of Contracting
- (U) GAO Government Accountability Office
- (U) GPC Government Purchase Card
- (U) MOA Memorandum of Agreement
- (U) SOP Standard Operating Procedures
- (U) USASOC United States Army Special Operations Command
- (U) USSOCOM United States Special Operations Command

USSOCOM (b) (1), EO 13526, sec. 1.7(e)

USSOCOM (b) (1), EO 13526, sec. 1.4(a)

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INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

September 9, 2008

MEMORANDUM FOR SECRETARY OF THE ARMY
COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND

USSOCOM (b) (1), EO 13526, sec. 1.7(e)

DIRECTOR, UNITED STATES ARMY TECHNOLOGY
MANAGEMENT OFFICE

SUBJECT: Report on Audit of a Government Purchase Card Program
(Report No. 08-INTEL-13)

We are providing this report for information and use. We considered management comments on a draft of this report in preparing the final report.

Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

(U) We appreciate the courtesies extended to the staff. Questions should be directed to [redacted] at (703) 604-[redacted] (DSN [redacted]) or [redacted] at (703) 604-[redacted] (DSN [redacted]). See Appendix C for the report distribution. The team members are listed inside the back cover.

Patricia A. Brannin
Deputy Inspector General
for Intelligence

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Department of Defense Office of Inspector General

Report No. 08-INTEL-13
(Project No. D2007-DINT01-0212.000)

September 9, 2008

Audit of a Government Purchase Card Program (U)

Executive Summary (U)

(U) Who Should Read This Report and Why? Purchase card program managers, billing officials, alternate billing officials, and cardholders responsible for implementing and overseeing purchase card processes at the Directorate of Contracting, United States Army Special Operations Command should read this report because it identifies problems with internal controls.

(U) Background. We conducted this audit in response to a request from the Government Accountability Office. Based on questionable purchase card transactions, the Government Accountability Office requested we perform a review of the purchase card program transactions. The Government Accountability Office's main concern was purchases being made at high end retailers, also known as "gold plating." We expanded the scope to assess whether the government purchase card program at the classified organization complied with applicable laws and regulations. Appendix B discusses our review of the Government Accountability Office identified purchase card transactions.

(U) From October 1, 2005, through August 31, 2007, the Directorate of Contracting, USSOCOM (b) (1), EO 13526, sec. 1.7(e) cardholders made 7,249 transactions, valued at \$6.66 million. We reviewed 251 transactions, valued at \$1.43 million.

(U) Results. Controls over the purchase card program at the Directorate of Contracting were inadequate and documentation of the program oversight was weak. We identified material internal control weaknesses in the administration of the purchase card program. Specifically, 37 of 118 cardholder accounts reviewed did not complete or were late renewing their on-line Defense Acquisition University purchase card training class and 22 of 118 did not attend or were late in attending the annual refresher provided by the Agency Program Coordinator. There was no documentation of the annual reviews performed by the Agency Program Coordinator of the billing officials.

(U) Purchase card program management officials did not have adequate policies and procedures in place for obtaining and retaining cardholder documentation. Regarding documentation for the 251 transactions:

- 48 of 251 had no documentation,
- 48 of 251 did not have the appropriate request and approval,
- 15 of 251 had a request but did not have the appropriate approval,
- 26 of 251 did not have a receipt.

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

(U) Regarding monthly bank statements for the 251 transactions:

- 77 of 251 transactions did not have the appropriate review and signature by the cardholder and billing official prior to payment authorization.

~~(S)~~ USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(e), 1.7(e)

(U) Purchase card program policies and procedures need to be effectively implemented, program management must emphasize program oversight responsibility, and controls need to be enforced. A Memorandum of Agreement defining who has responsibility for the administrative oversight of the Government Purchase Program within the

_____ would ensure the purchase card program is reviewed on a regular basis. Unless purchase card program management officials strengthen internal controls and program oversight, the Army cannot ensure the continuous program improvement and risk mitigation necessary to prevent fraud, waste, or mismanagement. Therefore, managers at all levels must emphasize proper management of the program.

(U) The recommendations contained in this report, if fully implemented, will strengthen purchase card program controls.

~~(S/NF)~~ **Management Comments.** The Chief of Staff, U.S. Special Operations Command and Director, U.S. Army Technology Management Office concurred with the recommendations; therefore, no additional comments are required. See the finding section of the report for a discussion of management comments and the Management Comments section of the report for the complete text of the comments.

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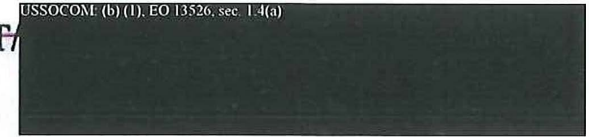
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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

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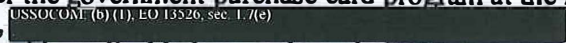
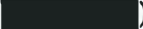
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Background (U)

(U) We conducted this audit in response to a request from the Government Accountability Office (GAO). GAO requested we perform a review of specific questionable purchase card transactions. GAO's main concern was purchases being made at high end retailers, also known as "gold plating." We expanded the scope to assess whether the government purchase card program at the Directorate of Contracting (DOC), ^{USSOCOM (b) (1), EO 13526, sec. 1.7(e)}  ) complied with applicable laws and regulations.

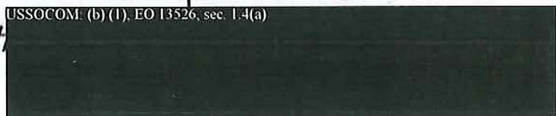
(U) **Government Purchase Card Program.** The purchase card is a Government wide commercial credit card used to purchase goods and services. Government purchase cards (GPC) were established to streamline acquisition by providing a low-cost, efficient alternative for obtaining goods and services directly from merchants. The first Government wide purchase card contract was awarded by the General Service Administration in 1989. DoD entered the program at that time. On October 13, 1994, the President issued Executive Order 12931 mandating increased use of purchase cards for micro-purchases (purchases then under \$2,500). The purchase card can be used to pay for goods and services up to a predetermined limit and for payments against contracts.

(U) DoD organizations are responsible for distributing cards, training employees, and day-to-day management of the purchase card program. Each participating organization designates an office to manage the program, ensure training is provided, to maintain a current list of cardholders and approving officials, and to ensure annual oversight is performed. DoD appointed agency program coordinators (APC) with the responsibility for program management at the installation, major command, and component levels. APCs issue purchase cards, establish limits on spending, and monitor use of a purchase card account. Also, DoD employees are assigned as billing officials to authorize and approve purchases for payment. Once a cardholder makes an authorized purchase, the cardholder and the billing official reconcile the purchased goods and services with the bank statement prior to the billing official requesting payment by the Defense Finance and Accounting Service.

(S) USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)



(S) USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)



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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

~~(S)~~ USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)

Objectives (U)

(U) Our overall audit objective was to evaluate whether the use of government purchase cards at [REDACTED] complied with applicable laws and regulations. Although we did not review the [REDACTED] management control program, we identified material internal control weaknesses within the GPC program. See Appendix A for a discussion of the scope and methodology and prior audit coverage. See Appendix B for a discussion on the GAO concerns and the results of our review.

USSOCOM: (b) (1), EO 13526, sec. 1.7(e)

Review of Internal Controls (U)

(U) Using guidance defined by DoD Instruction 5010.40, "Managements' Internal Control (MIC) Program Procedures," January 4, 2006, we identified material internal control weaknesses for DOC. DOC did not have adequate internal controls to ensure all purchase card policies and procedures were being implemented within the GPC program. Implementing the recommendation will improve DOC internal controls over the GPC program. We will provide a copy of the report to the senior [REDACTED] official responsible for management controls.

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

Purchase Card Program Controls (U)

(U) The DOC controls over the purchase card program were inadequate and documentation of the program oversight was weak. We identified material internal control weaknesses in the administration of the purchase card program. Specifically, 37 of 118 cardholder accounts reviewed did not complete or were late renewing their on-line purchase card training class and 22 of 118 did not attend or were late in attending the annual refresher provided by the APC. There was no documentation of the annual reviews performed by the APC of the billing officials.

(U) Purchase card program management officials did not have adequate policies and procedures in place for obtaining and retaining cardholder documentation. Regarding documentation for the 251 transactions:

- 48 of 251 had no documentation,
- 48 of 251 did not have the appropriate request and approval,
- 15 of 251 had a request but did not have the appropriate approval,
- 26 of 251 did not have a receipt.

(U) Regarding monthly bank statements for the 251 transactions:

- 77 of 251 transactions did not have the appropriate review and signature by the cardholder and billing official prior to payment authorization.

(U) These control weaknesses occurred because purchase card managers did not effectively implement existing policies and procedures and did not adequately enforce existing controls throughout the purchase card program. The lack of an Memorandum of Agreement between the Army and USSOCOM defining who has responsibility for oversight of the GPC program contributed to the internal control weaknesses. Unless purchase card program management officials strengthen internal controls and program oversight, the unit cannot ensure the continuous program improvement and risk mitigation to prevent fraud, waste, or abuse.

Government Purchase Card Guidance (U)

(U) **Army Regulation AR-715-XX, "Policies and Procedures for Government Purchase Card Program," revised April 21, 2006.** This regulation establishes policies and procedures required to implement, maintain, and operate a GPC program within the Department of the Army. The Army Regulation designates the APC to manage the day-to-day operation of the GPC program. These responsibilities include developing and implementing local procedures, providing initial and annual training to all cardholders and billing officials with proper maintenance of training records, conducting annual reviews of all billing official accounts and issuing a formal report, and maintaining an appropriate span of control.

~~(S/NF)~~ **HQ, United States Special Operations Command, "USSOCOM Procedures for the Government Purchase Card," revised May 2000.** This procedural guide prescribes the policies, procedures, and responsibilities for the USSOCOM GPC program. This guide presents the duties and responsibilities of the APC, billing officials and cardholders. The APC sets up new accounts, maintains records of each new account setup, audits program compliance and receipt retention, and provides training to billing officials and cardholders. The billing officials review and certify reconciled cardholder statements to ensure receipts and documentation are in order and maintain original cardholder statements and receipts/sales drafts. The cardholders obtain receipts and keep a monthly transaction log, and reconcile receipts and monthly transaction log to the monthly cardholder statement.

(U) **The DOC, "GPC Credit Card Program Standard Operating Procedures (SOP)," August 1, 2007.** The SOP requires the APC to conduct initial and refresher training for the cardholders and billing officials, and maintain training records. The APC shall conduct an annual review of each assigned billing official and monthly reviews of the cardholders statements and receipts. The billing officials are responsible for reviewing assigned cardholders statements and retaining a copy of the billing statement. The cardholder is required to obtain all required pre-purchase approvals and maintain receipt and other supporting documentation.

Purchase Card Program Procedures (U)

(U) Controls over the purchase card program at the DOC are inadequate and documentation of the program oversight is weak. Specifically, the completion of and documentation of training is inconsistent and there is a lack of formal documentation of required annual reviews of billing officials. The DOC has a good span of control within the purchase card program.

(U) **Span of Control.** The DOC met the span of control requirement. The Army regulation establishes a standard span of control per APC of 300 purchase card

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accounts, including cardholders and billing officials. The APC span of control at the DOC was within acceptable limits. The APC had control over 91 cardholders and 27 billing officials, two with purchase cards, for a total of 118 accounts. In addition, the Army SOP establishes a standard span of control of not more than seven cardholders per billing official. The span of control at the DOC was within acceptable limits. Each billing official's span of control was at seven cardholders or less.

~~(S/NF)~~ **Cardholder and Billing Official Training.** The DOC completion of and documentation of training was inconsistent. The Army, SOCOM, and DOC SOP all require the cardholders and billing officials to complete an on-line training course prior to receiving a purchase card. The Defense Acquisition University (DAU) provides the required on-line training course. This training is to be taken initially and annually for as long as you have a card. In addition, the APC is to provide an initial purchase card briefing before providing the cardholder or billing official with their card. The APC is responsible for providing refresher training to all cardholders and billing officials throughout the year.

(U) The APC is responsible for keeping track of all cardholder and billing official DAU training. Many incomplete files were discovered during our review of the APC tracking mechanism for training. Specifically, 52 of 118 cardholder/billing officials did not complete the DAU class or were over due for the annual refresher. The APC took corrective actions for 15 of the accounts and suspended or terminated their accounts until the training was in order. As a result, 37 of 118 accounts had incomplete or late DAU training.

(U) The APC is responsible for keeping track of the APC provided training to cardholders and billing officials. The APC recorded the initial briefing and refresher training on an excel spreadsheet. All 118 accounts received their initial briefing prior to accepting a purchase card. However, 32 of 118 were either late or not recorded as having completed the refresher training. The APC took corrective actions for 10 of the accounts and suspended or terminated their accounts until the training was completed. As a result, 22 of 118 accounts had incomplete refresher training. This mechanism for recording training does not provide an outside viewer the historical overview of cardholder/billing official annual training. The APC requires his cardholder/billing official to sign in to the refresher training but he does not keep the sign-in sheets on file.

(S) USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(e)

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(e)

Retention of Cardholder & Billing Official Documentation (U)

(U) Purchase card program management officials did not have adequate policies and procedures in place for obtaining and retaining cardholder documentation.

USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)

(U) Lack of Request and Approval for Purchases. The DOC did not obtain required purchase approvals. The DOC SOP states that the cardholder shall have pre-approval from their billing officials prior to making purchases. We conducted multiple interviews with cardholders and billing officials and they confirmed the same process for making a purchase with the purchase card. The cardholder has a requirement, sends a request via email, through the billing official to the logistics officer and sometimes ending with the Commander's approval. They all stated that this email chain would be attached to the receipt and in their monthly statement packages. Our review of the 251 transactions did not consistently identify email chains of request and approval. Specifically, 140 of the 251 transactions had appropriate request and approval, 48 did not have appropriate request and approval, 15 had a request but did not have the appropriate approval, and 48 had no documentation at all. The majority of the transactions that did have approvals were for training and the DD Form 1556 was properly filled out which satisfied both the request and approval for the transaction.

(U) Missing Receipts. The purchase cardholders did not provide required receipts. The DOC SOP requires at the end of each billing cycle, the cardholder reconcile the information on the bank statement by ensuring that all purchases are correct and matched against his/her receipts. A complete packet consists of the UF 47, the original bank statement, the original receipts, all pre-approvals, hand receipts, and any other pertinent paperwork (e.g. DD Form 1556 for training). The review of the documentation provided for the requested 251 transactions

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resulted in the following statistics: 177 had a receipt, 26 had no receipt and 48 had no documentation. If a receipt is missing, there should at least be a Memorandum for the Record stating that the receipt was lost. The billing official should not have signed off on that monthly packet without a Memorandum for the Record or a receipt in the packet.

(U) Missing Cardholder and Billing Official Signatures on Monthly Statements. The DOC did not ensure required signatures were obtained. The DOC SOP requires the cardholder to sign the original bank statement and submit the packet to the billing official within five days of receipt of the statement. The billing official is then required to review, sign and forward the original and one copy of the packet provided by the cardholder to the Contracting Office no later than the fifteenth of each month. The results of our random sample of 251 transactions revealed that 126 had all appropriate signatures, 77 did not have appropriate signatures, and 48 had no documentation at all. Of the 77 incomplete statements: 38 did not have a billing official signature, 19 were signed and dated more than a month after the date of the statement, 11 did not have a cardholder or billing official signature, and 9 had no date.

Purchase Card Program Oversight (U)

(U) There was a lack of oversight over the GPC program as a whole not just over the internal control policies and procedures. The lack of a MOA defining who has oversight responsibility contributed to the internal control weaknesses.

USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

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USSOCOM: (b) (1), EO 13526, sec. 1.4(a)

USSOCOM: (b) (1), EO 13526, secs. 1.4(a), 1.4(e)

Conclusion (U)

(U) Purchase card managers did not effectively implement the DOC purchase card SOP and did not adequately enforce existing controls throughout the program. As a result, cardholder training was not up to date and required annual inspections were not completed. In addition, supporting documentation was not obtained and retained, monthly statements were not reviewed and signed, and cardholders did not request and receive appropriate approvals before making purchases. There was a lack of oversight of the GPC program from an external agency.

(U) Purchase card program policies and procedures need to be effectively implemented, program management must emphasize program oversight responsibility, and controls need to be enforced. Unless purchase card program management officials strengthen internal controls and program oversight, the Army cannot ensure the continuous program improvement and risk mitigation necessary to prevent fraud, waste, or mismanagement. Therefore, managers at all levels must emphasize proper management of the program. The recommendations contained in this report, if fully implemented, will strengthen purchase card program controls.

Recommendations, Management Comments, and Audit Response (U)

~~(S)~~ USSOCOM: (b) (1), EO 13526, secs. 1.4(a), 1.4(e)

USSOCOM: (b) (1), EO 13526, secs. 1.4(a), 1.4(e), 1.7(e)

(U) Management Comments. The Chief of Staff, U.S. Special Operations Command concurred, stating that all cards are deactivated during fiscal year end of operations and the DOC will not activate billing official or cardholder accounts until the individuals receive and properly document the annual training requirements associated with the GPC Program. Estimated completion 1 Oct 08. The Director, U.S. Army Technology Management Office concurs with this response.

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USSOCOM: (b) (1), EO 13526, sec. 1.4(a)

b. (U) Ensure the agency/organization program coordinator inspects all purchase card billing official accounts for proper signature and documentation and prepare an annual formal report.

(U) Management Comments. The Chief of Staff, U.S. Special Operations Command concurred, stating beginning in July 2008; the Program Coordinator will properly document the inspection results in memorandum format not later the 10th of each month for the previous months inspected. No later than 15 Oct 08, the Program Coordinator will complete an annual report for the fiscal year and will thereafter prepare annual reports each October. The Director, U.S. Army Technology Management Office concurs with this response.

c. (U) Ensure all cardholders and billing officials retain the required supporting documentation for their purchases.

(U) Management Comments. The Chief of Staff, U.S. Special Operations Command concurred, stating no later than the 4th Quarter FY 08, the Program Coordinator will ensure all cardholders and billing officials retain the required supporting documentation for their purchases. To accomplish this, the Program Coordinator will implement and document quarterly inspections of billing and cardholder files. The sum of these quarterly reviews equates 100% review of all files on an annual basis to ensure the presence of all required supporting documentation. The Director, U.S. Army Technology Management Office concurs with this response.

~~SECRET~~ USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)

~~SECRET~~ USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)

USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c), 1.7(e)

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Appendix A. Scope and Methodology (U)

(U) We conducted this financial audit from July 2007 through April 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(U) We reviewed purchase card program controls at the DOC. In addition we analyzed data provided by the DoD Inspector General Data Mining Division to select transactions for review from purchases made from October 1, 2005, through August 31, 2007. The DoD Inspector General Quantitative Methods Division generated a random sample of 251 transactions, valued at \$1.43 million, to review for adequate cardholder documentation based on analysis of:

- (U) Monthly purchase card statements
- (U) Receipts
- (U) Requests and Approvals.

~~(S//NF)~~ We reviewed training documentation for all of the ^{USSOCOM (b) (1)} cardholders and billing officials, APC annual inspections of billing officials, and the span of control of the billing officials over the cardholders. We conducted interviews with the DOC, APC, cardholders, billing officials and logistic officers. We reviewed applicable criteria including the Army, SOCOM and the DOC SOP for purchase cards.

(U) Use of Computer-Processed Data. To achieve the audit objectives, we relied on computer-processed data from the DoD Inspector General Data Mining Directorate. We did not perform a formal reliability assessment of the computer-processed data. However, we were able to establish data reliability for the information by comparing purchase card transaction data with source documentation. We did not find material errors that would preclude the use of computer-processed data to meet the audit objective or that would change the conclusion in this report.

(U) Use of Technical Assistance. The audit team received technical assistance during the audit from the DoD Inspector General Quantitative Methods Directorate. The Directorate generated a random sample of 251 transactions deducted from a population of 7,247 transactions.

(U) Government Accountability Office High-Risk Area. The Government Accountability Office has identified several high-risk areas in DoD. This report provides coverage of the Financial Management high-risk area.

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USSOCOM: (b) (1), EO 13526, sec 1.4(a)

Prior Coverage (U)

(U) During the last 5 years, the Government Accountability Office (GAO) and the Department of Defense Inspector General (DoD IG) have issued numerous reports discussing DoD Government Purchase Card Programs. Unrestricted GAO reports can be accessed over the Internet at <http://www.gao.gov>. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/audit/reports>.

GAO (U)

(U) GAO Report No. GAO-08-333, "Governmentwide Purchase Cards: Actions Needed to Strengthen Internal Controls to Reduce Fraudulent, Improper, and Abusive Purchases," March 2008

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USSOCOM: (b) (1), EO 13526, sec 1.4(a)

Appendix B. Government Accountability Office Concerns (U)

(U) Background. GAO performed a forensic audit, GAO-08-333 - "Governmentwide Purchase Cards: Actions Needed to Strengthen Internal Controls to Reduce Fraudulent, Improper, and Abusive Purchases," March 2008, of executive agencies' purchase card activity for the 15 months ending September 30, 2006. Specifically, they determined the effectiveness of internal controls intended to minimize fraudulent, improper, and abusive transactions by testing two internal control attributes related to transactions taken from two samples and identified specific examples of potentially fraudulent, improper, and abusive transactions through data mining and investigations.

(U) Results. During the audit, GAO identified six questionable transactions within the DOC GPC program. The six transactions totaled \$13,000. None of the transactions were over the then purchase threshold of \$2,500, but five of the six were within \$200 of \$2,500. Five of the purchases were made at a "high end" retailer, Brooks Brothers. GAO took issue with the purchases for two reasons: potential split purchases and "gold plating." Split purchasing is making multiple purchases at the same retailer for just under the \$2,500 threshold. "Gold plating" is purchasing items at a "high end" retailer that could have been purchased at a different retailer for a lower price.

(U) The purchases in question were for business suits purchased for members of [REDACTED] **We reviewed the internal policies and procedures for the purchasing of Special Operational Clothing. The policy allows for the purchase of the following at the following maximum prices: a business suit for \$440, dress shoes for \$165, a dress shirt for \$85, a dress belt for \$55, and a tie for \$44. The list includes casual clothing but dress clothes were the point of discussion for these six transactions. The number of each item you could buy would be determined by your mission. After reviewing the receipts each item purchased was under the limit set in Special Operational Clothing policy. Regardless of the store the suits and other dress apparel were bought, the cardholders did not exceed the limit. In reference to the split purchasing, due to the nature of the organization not every unit member has a purchase card. Consecutive transactions were made at the same store with the same card for different individuals. Therefore this would not be a case of split purchasing.**

(U) Conclusion. After reviewing the DOC GPC program and specifically looking at the six transactions we do not agree with GAO that there is a practice of "gold plating" purchasing and split purchasing occurring within the office. We reiterate our stance that because of the uniqueness of the mission and the amount of money spent through the purchase card program; there needs to be consistent oversight over the unit by an external agency.

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

Appendix C. Report Distribution (U)

Department of the Army

Secretary of the Army

USSOCOM (b) (1), EO 13526, sec. 1.7(e)

Commander, U.S. Army Special Operation Command
Director, U.S. Army Technology Management Office

Combatant Command

Commander, U.S. Special Operations Command

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Appropriate committees will be notified the report has been issued.

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

U.S. Special Operations Command Comments (U)



~~SECRET~~ USSOCOM (b) (1), EO 13526, sec. 1.4(a)
UNITED STATES SPECIAL OPERATIONS COMMAND
OFFICE OF THE CHIEF OF STAFF
300 ARMY NAVY DRIVE, CRYSTAL CITY, VA 22202-4704
ATTN: ASSISTANT CHIEF OF STAFF (OPERATIONS)

JUL 19 2008

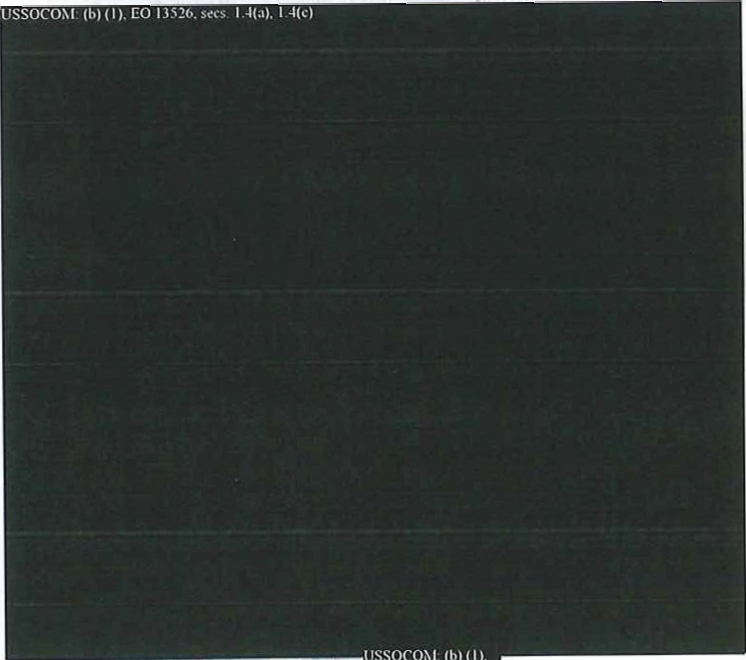
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MEMORANDUM FOR THE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE, 400 ARMY NAVY DRIVE, CRYSTAL CITY, VA 22202-4704

SUBJECT: Draft Department of Defense Inspector General Report Regarding Government Purchase Card Program, dated 30 May 2008 (Project D2007-DIN101-0212.000) (S-NF) USSOCOM (b) (1), EO 13526, sec. 1.4(a)

1. (U) Findings: Except as stated in paragraph 1b below, USSOCOM generally concurs with the findings and recommendations outlined in the subject report.

USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)



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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

USSOCOM (b) (1), EO 13526, sec 1.4(a)

USSOCOM (b) (1), EO 13526, sec 1.4(a)

the individuals receive and properly document the annual training requirements associated with the GPC Program. Estimated completion 1 Oct 08

b. (1) Recommendation 2. Ensure the agency/organization program coordinator inspects all purchase card billing official accounts for proper signature and documentation and prepares an annual formal report.

USSOCOM (b) (1), EO 13526, sec. 1.7(e)

(1) Concern: The [redacted] DGC GPC Program Coordinator was inspecting all purchase card billing official accounts for proper signature and documentation but was not adequately documenting these monthly inspections or consolidating them into an annual report. Beginning in Jul 08, the Program Coordinator will properly document the inspection results in memorandum format not later than the 10th of each month for the previous month inspected. No later than 15 Oct 08, the Program Coordinator will complete an annual report for the fiscal year and will thereafter prepare annual reports each October.

(1) No later than the 4th Quarter FY 08, the Program Coordinator will ensure all cardholders and billing officials retain the required supporting documentation for their purchases. To accomplish this, the Program Coordinator will implement and document quarterly inspections of billing and cardholder files. The sum of these quarterly reviews equate to a 100% review of all files on an annual basis to ensure the presence of all required supporting documentation.

USSOCOM (b) (1), EO 13526, secs. 1.4(a), 1.4(c)

3. (1) Please direct questions to DoD OIG (b) (6) of the USSOCOM Inspector General's Office at DoD OIG (b) (6)

S. V. Trimmer
S. V. TRIMMER
Brigadier General, US Marine Corps
Chief of Staff

USSOCOM (b) (1), EO 13526, sec. 1.4(a)

USSOCOM (b) (1), EO 13526, sec. 1.4(a)

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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

Technology Management Office Comments (U)

Final Report Reference



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USSOCOM (b) (1), EO 13526, sec. 1.4(a)

DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
200 ARMY PENTAGON
WASHINGTON DC 20310-0200

DACS-ZDV-TMO

18 August 08

MEMORANDUM FOR THE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE,
400 ARMY NAVY DRIVE, CRYSTAL CITY, VA 22202-4704

SUBJECT: (U) ~~(S)~~ Draft Department of Defense Inspector General Report Regarding
Government Purchase Card Program.

1. (U) References.

USSOCOM (b) (1), EO 13526, sec. 1.4(a)

(U) a. ~~(S)~~ Draft Department of Defense Inspector General Report Regarding
Government Purchase Card Program, Project No. D2007-DINT01-0212.000,
dated 30 May 2008.

b. ~~(S)~~ U.S. Special Operations Command Memorandum, subject: Draft
Department of Defense Inspector General Report Regarding Government
Purchase Card Program, dated 30 May 2008 (Project No. D2007-DINT01-0212.000),
dated 19 Jul 2008.

2. (U) The U.S. Army Technology Management Office has reviewed reference a. and
concur with the USSOCOM comments provided in reference b.

3. (U) Point of contact is DoD OIG (b) (6)

DoD OIG (b) (6)

DoD OIG (b) (6), Technology Management Office

USSOCOM (b) (1), EO 13526, sec. 1.4(a)

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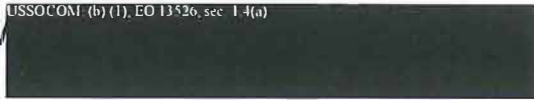
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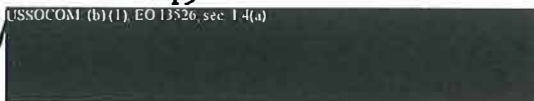
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USSOCOM (b) (1), EO 13526, sec 1.4(a)



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USSOCOM: (b) (1), EO 13526, sec. 1.4(a)

Team Members (U)

(U) The Department of Defense Office of the Deputy Inspector General for Intelligence prepared this report. Personnel of the Department of Defense Office of Inspector General who contributed to the report are listed below.

DoD OIG: (b) (6)

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USSOCOM: (b) (1), EO 13526, sec. 1.4(a)

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Inspector General Department of Defense

USSOCOM: (b) (1), EO 13526, sec. 1.4(a)

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