

### Army Credit Cards Used in Strip Clubs

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WASHINGTON (AP) - Some 200 Army personnel used government charge cards to get \$38,000 in cash that they spent on "lap dancing and other forms of entertainment" at strip clubs near military bases, Sen. Charles Grassley said Wednesday, citing findings of a congressional investigation.

Grassley, R-Iowa, said the soldiers used their military identification and government travel card to obtain cash from adult entertainment bars and then spent the money there.

The General Accounting Office, which conducted the investigation, said the clubs charged a 10 percent fee to supply the soldiers with cash, billing their travel cards for the full amount as a restaurant charge.

An Army spokesman said he did not know what, if any, disciplinary action had been taken against the 200 individuals.

But the GAO said it found "little evidence of documented disciplinary action against Army personnel who misused the card, or that Army travel program managers or supervisors were even aware that Army personnel were using their travel cards for personal use."

The GAO report is the latest volley in a two-year congressional probe of the Pentagon's credit card program. The program is huge. Last year, the 1.4 million defense employees used government travel cards for \$2.1 billion in travel purchases; another 230,000 Defense Department workers used purchase cards for \$6.1 billion in goods and services.

Defense Secretary Donald H. Rumsfeld created a special task force earlier this year to look into credit card abuses, and it made 25 recommendations last month to tighten controls over cards and to increase prosecutions of those who abuse or misuse them.

In its Army investigation, the GAO also found that government cards had been used for personal purchases of more than \$100,000 for computers and other electronic equipment, \$45,000 for cruises, and \$7,373 for closing costs on a home.

Investigators also questioned purchases on government cards of fine china, cigars, wine, a trip to Las Vegas, Internet and casino gambling, and two pictures of Elvis Presley purchased at his Graceland mansion in Memphis.

Rep. Jan Schakowsky, D-Ill., one of the House government reform leaders who requested the GAO investigation, said the findings point to an overall management failure at the Pentagon.

"Financial management at the Department of Defense is as bad or worse as at Enron, WorldCom or any other corporation that has misled the public," she said.

James T. Inman, the Army's acting deputy assistant secretary, said the service is "aggressively correcting" the problems uncovered by the GAO investigation.

In one instance, the GAO found government charge cards were used for a \$30,000 purchase of 80 Palm Pilots at the Pentagon's top procurement office. An Internal e-mail said there was a need "to get enough goodies for everyone."

Grassley said the e-mail sends a message that "we can splurge at the taxpayers' expense and not worry about it. It's unfortunate that such an attitude is being nurtured in the purchase card 'czar's' front office. It sends the wrong message to the troops in the field."

The new GAO report is the first to focus on the Army, which has more than 430,000 travel cardholders and more than 100,000 purchase cards in use. The Army's charge bill last year totaled more than \$3 billion.

Investigators audited purchase card transactions in five major Army commands, including detailed work at one base in each command. They also visited four Army bases to investigate the travel card program.

The GAO said the Army has worked to maximize the use of purchase cards to save money by reducing procurement costs, but "has not focused equal attention on internal control."

Auditors said they found that 40 percent to 86 percent of the monthly purchase charge bills at the five bases had not been reviewed by managers to ensure charges were properly documented.

The GAO also found 1,200 Defense Department personnel had written bad checks to pay their government travel card bills. In examining the worst 105 cases, the GAO found 40 of those cardholders hold secret, top secret or higher security classifications. Bank of America, which runs the Army charge card program, had to write off nearly \$150,000 in bad debts on those 40 accounts.