

## Navy Personnel Misuse Phones, GAO Says

By LARRY MARGASAK - AP Online

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WASHINGTON (AP) - First there were misused Pentagon credit cards. Now come misused phones. Investigators say the Navy routinely paid exorbitant telephone bills, wasted calling plan minutes and couldn't identify who made credit card calls that in some cases lasted for days.

The Navy's management of phone cards and long-distance plans "creates a fertile environment for fraud, waste and abuse," the General Accounting Office said in an investigative report obtained by The Associated Press,

The phone problems are the latest revelations to concern members of Congress, who already have heard horror stories about Pentagon employees using government credit cards to make personal purchases at hardware, electronic and lingerie stores, even strip clubs.

The Navy is wasting valuable telephone money while "families are forced to send their sons and daughters deployed around the world calling cards to phone home," said **Rep. Jan Schakowsky**, D-Ill., who requested the investigation of Navy phone expenses.

That investigation painted a portrait of shoddy management in which Navy superiors didn't even know they were paying for telephone calling cards, and employees on expensive cell phone calling plans weren't using 98 percent of their allowable minutes.

Congressional investigators could not determine whether calling cards were used for personal long-distance conversations, because Navy officials who approved the charges often were unable to identify the callers.

A Navy spokeswoman, Lt. Amy Gilliland, said only, "The Navy will review the final report once it is officially released."

The investigation was limited to a half-dozen facilities, but the GAO said that was enough to determine the Navy wasn't watching its telephone spending with a critical eye. For instance:

- One location paid \$36,000 over three years for long distance services that were no longer needed.
- In addition to wasting unused minutes, other cellular users cost the Navy \$34,000 by exceeding their allotted monthly minutes.
- Units paid \$25,700 for late fees and other erroneous charges.

The bill with calls exceeding 24 hours was found at a computer and telecommunications facility in Norfolk, Va.

"These calls included 4-day, 10-day and 12-day phone calls, which all originated from different phone numbers at different times," the report said. "The length of these calls alone should have prompted further investigation but, because the invoice was never properly reviewed, the billing errors went unnoticed" until found by investigators.

Looking closely at 10 of the calls, inspectors found, "In 7 of the 10 cases ... officials who approved the invoices could neither provide us with an explanation for the length of the calls nor could they provide us with valid points of contact for the activities responsible for the calls."

Investigators learned two calls apparently resulted from circuit malfunctions and the Navy has sought refunds from the vendor, the report found.

Shared calling cards were especially vulnerable to potential fraud, the report said. An official on the destroyer USS Mitscher said he gave the same card and personal identification numbers to several officers as needed, but lost track of how many had the information.

"For this one card alone, between April and June of 2003, the Navy paid over \$17,000 in long-distance charges," the report said. On July 6, 2003, users of the card made 189 calls that originated from 12 cities in five states and Canada. The calls went to 12 countries, totaled 55 hours and cost more than \$5,000.

"Some of the Navy sites we audited were unaware they owned calling cards," the investigators reported.

Navy units also paid the full retail rates for cell phones, ignoring a 12 percent discount for government users negotiated by the federal General Services Administration.

Some cellular users were paying \$95 per month for service plans but using less than an average of 2 percent of their allotted minutes. In one unit, excess usage charges ranged from 20 to 35 cents per minute, investigators