UNDER SECRETARY OF DEFENSE
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COMPTROLLER

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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DIRECTORS OF THE DOD FIELD ACTIVITIES
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SUBJECT: Charge Card Task Force Recommendation - Cancellation of Travel Charge Card Accounts

The Charge Card Task Force established last March investigated the Department's charge card programs and recommended ways to strengthen the procedures and internal controls. One of the Task Force's recommendations is to reduce the number of outstanding travel charge cards. Travel charge cards in the hands of individuals without legitimate need are an unnecessary administrative burden and could lead to potential abuse and misuse. As of the end of April 2002, approximately 100,000 DoD travel charge card accounts associated with expired cards remain open. Another 300,000 active accounts have not been used during the previous 12 monthly billing cycles. This equates to about one-fourth of the DoD individual travel card portfolio.

Effective immediately, I direct the cancellation of these approximately 400,000 inactive travel charge card accounts. Furthermore, I direct that, in the future, travel charge card accounts be cancelled as the associated cards reach expiration date if not used in the previous 12 months. The contracting officer for the travel charge card contract will prepare written notice to the card-issuing bank directing these actions.

Additionally, I direct the DoD travel charge card Program Manager to obtain from the card-issuing bank, on a semi-annual basis, listings of accounts associated with active travel charge cards that have not been used in the previous 12 months. The listings will be distributed to the Component Program Managers for review within their respective Component. The Component Program Managers will direct the card-issuing bank to cancel these accounts within 60 days of the June and December billing cycle dates except when a supervisor submits acceptable justification to keep an account in an active status. Such justification is to be provided through the organization's Agency Program Coordinator to the Component Program Manager.

Accounts for which the bank cannot identify the cardholders' organization (otherwise known as "orphan accounts") are to be included in the listings identified in the previous paragraph. These accounts will be cancelled unless the correct organizational hierarchy is provided to the card-issuing bank by the respective Component Program Manager within 60 days of the June and December billing cycle dates.

The DoD Component Program Managers will track the number of accounts cancelled as a result of the above actions and report the number to the DoD travel charge card program manager on a quarterly basis.

Infrequent travelers (as defined in Volume 9, Chapter 3 of the "DoD Financial Management Regulation") are exempt from the requirement to use the travel charge card for official travel. In lieu of the travel charge card, such individuals are authorized to use personal funds (including cash or a personal charge card), travel advances (disbursed by electronic funds transfer), Government Travel Requests, or any combination of these methods.

The support of the Components in developing this recommendation -- and others that will improve the travel charge card program within the Department -- is greatly appreciated. Should you have any questions concerning this matter please contact Mr. Ron Massengill. He may be reached by email: massengr@osd.pentagon.mil or by telephone at (703) 697-1101, extension 102.

Dov S. Zakheim