



THE ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20380-1000

AUG 7 2003

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND
RESERVE AFFAIRS)

Subj: TRAVEL CARD TRANSACTION CLASSIFICATIONS FOR GOVERNMENT
BILLETING OFFICES

Over the past two years, there has been much scrutiny over the Department of the Navy's government travel card program. One of the major criticisms by the Congress and external audit agencies is a lack of aggressiveness in identifying potential travel card abuse. To address this, I directed that travel card program managers review a series of reports provided by the card contractor.

One of these reports identifies charges for food, gasoline, or cash withdrawals that do not have lodging charges closely proximate to the date of these other charges, as this may be an indicator of travel card abuse. After reviewing these reports for several months, it has been determined that many of the DON's billeting facilities that accept charge cards are not registered as lodging establishments, but as "Government Services Not Elsewhere Classified." This erroneous classification creates false positives in travel card abuse reporting and also distorts how travel dollars are actually spent.

To correct this situation, I am requesting your assistance in having the billeting community work with banks that process charge card transactions to reclassify their charge card sales from Merchant Category Code (MCC) 9399 "Government Services Not Elsewhere Classified" to MCC 7011 "Lodging, Motels and Resorts." This change will allow the DON to more readily identify charge card abuse by increasing the utility of the reports provided by the travel card contractor, and it will also allow a more accurate picture of how the Department of the Navy's travel funds are being spent.

Subj: TRAVEL CARD TRANSACTION CLASSIFICATIONS FOR GOVERNMENT
BILLETING OFFICES

My point of contact is Mr. David McDermott, who can be
reached at (202) 685-6719 or by e-mail at
mcdermott.david@fmo.navy.mil.



DIONEL M. AVILES

Copy to:
COMNAVFACENGCOM
COMNEXCOM
CHNAVPERS (PERS 65)
MCCS