DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, DC 20350-2000

IN REPLY REFER TO

5520
Ser 09N2/3U531950

MAR 27 2003

From: Chief of Naval Operations

Subj: MISUSE OF GOVERNMENT CREDIT CARDS

Ref: (a) ASD (C3I) memo of 4 Nov 2002 (NOTAL)
(b) DoD IG memo of 25 Sept 2002 (NOTAL)
(c) DoD Financial Management Regulation of 30 Sep 2000
(d) SECNAVINST 5510.30A

1. The misuse of government travel and/or purchase cards by Department of Defense (DoD) employees is a problem that has received national level attention. To address this concern, references (a) and (b) direct that commands implement strengthened internal procedures to detect fraud and abuse of government credit cards, emphasize personal accountability, and provide consistent enforcement. Command security management will play a pivotal role in these controls in all situations in which the employee requires security clearance eligibility or occupies a sensitive position.

2. Reference (c) identifies the need for command financial managers or credit card managers to provide monthly reports, identifying accounts that are delinquent. All delinquencies exceeding 90 days will be reported to the command security manager and any instances of suspected fraud will be reported to the local Naval Criminal Investigative Service (NCIS) office.

3. NCIS will advise the cardholder's commander (or second line supervisor, as appropriate) and the command security manager upon initiation of any investigation involving possible misconduct for government travel or purchase card fraud, or misuse or abuse of government credit or purchase card authority. The commanding officer or activity head will take immediate action to suspend access to classified information in any situation that raises doubt whether it is clearly consistent with the interest of national security to continue the employee's access to classified information or eligibility to occupy a sensitive position. Reference (d) provides personnel security standards, adjudication guidelines and procedures for suspending access to classified information and reporting issue information to the Department of the Navy Central Adjudication Facility (DON CAF).

4. NCIS will report all instances of government travel or purchase card fraud substantiated by investigation to the DON CAF.

5. In cases not referred to NCIS because fraud is not suspected, command security managers will formally advise or counsel employees on the consequences of government travel card debt delinquency, and will advise the employee to provide evidence of debt resolution.

6. Security managers will report all travel card delinquencies that remain unresolved in excess of 120 days to DON CAF and will make a determination regarding suspension of access to classified information per reference (d).

7. During annual refresher training, command security managers will remind employees of the security clearance implications of financial irresponsibility, including misuse of government travel and purchase cards and delinquent travel card debt.

8. The CNO (N09N2) point of contact for this matter is Ms. Francine Stephens, who can be reached at (202) 433-8858 or DSN: 288-8858, or email at fstephen@ncis.navy.mil.

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