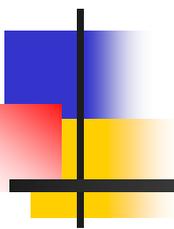


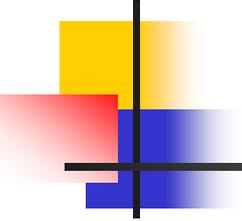
DOD PURCHASE CARD PROGRAM MANAGEMENT OFFICE



Measures to Minimize Inappropriate Use of the Card

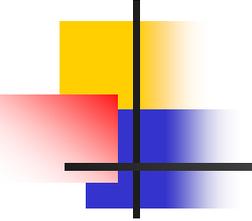
2004 Procurement Conference

May 27, 2004



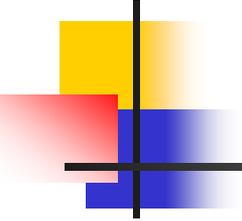
Outline of Presentation

- DoD Task Force
- MID 904
- Charge Card IPT
- Planned Actions



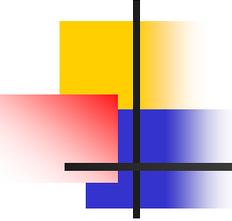
DoD Task Force

- As a result of Numerous GAO/IG Audits, at the SecDef's Direction, the Comptroller established a "Government Charge Card Task Force" to:
 - Investigate DoD's Charge Card Programs
 - Propose Recommended Ways to Strengthen the Management of the Programs, and
 - Reduce the Incidence of Inappropriate Use
 - Resulted in 25 Recommendations



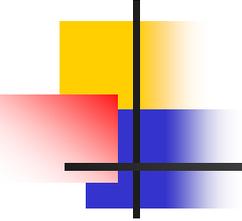
MID 904

- Issued to:
 - Document Responsibility for Implementation and Program Management of Follow-On Recommendations to the Task Force and GAO Reports
 - Transfer Responsibility from Comptroller to the Appropriate Organizations



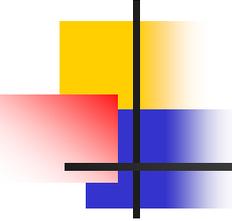
Actions Taken to Improve Internal Controls

- Appropriate Grade and Skills of APC
- Appropriate Resources for APC (1/300)
- Reasonable Span of Control for AOs (7/1)
- Reasonable Spend Limits on Cards (Historical)
- Cancellation of Inactive Cards
- Training for Program Officials
- Hold People Accountable-Disciplinary, Administrative, and/or Criminal Actions Must be Taken When Appropriate



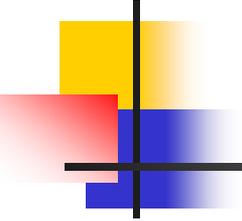
Charge Card IPT

- Charge Card Senior Focus Group and Working Group (IPT) Established to Accomplish MID 904 and Other Objectives
- IPT Members:
 - Director, DoD PC-PMO, DFAS Co-Chairs
 - Services – Level 2 for the Program, PMO and FM Reps
 - DoD Comptroller's Office
 - GSA
 - Various DFAS Reps – e.g., Internal Review
 - GAO and DoDIG (Advisors Only)
 - Meets Quarterly
- Actions – 43 Total, 31 Complete



Planned Actions

- Card Limits – Policy requires adjustment of credit limits to historical spending patterns.
 - Navy initiative resulted in a 70% reduction in credit limits
 - PC-PMO is working with US Bank to take a similar action with the other Services and Defense agencies.
- Span of Control – Review validity of current policy in context of transaction volume and complexity.
- Develop a Risk-Based Self-Assessment Tool
 - Cross-Service Ad Hoc Met in March
 - Ad Hoc Agreed to Develop a Tool Similar to Navy-developed MART Tool



Planned Actions (continued)

- Examining Commercial Data Mining Products that Screen for Misuse for Potential Prototype Pilot
 - RFI Issued in February 2004/Oral Presentations in March 2004
 - Currently Gathering Additional Information and Developing the Draft RFP for a Risk-Based Model that:
 - Flags the Most Questionable Transactions for Follow-up
 - Provides an Acceptable Detection Rate