



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

DPAP

JAN 28 2004

Mr. Gregory D. Kutz
Director
Financial Management and Assurance
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Kutz:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) final report, GAO-04-156, "PURCHASE CARDS: Steps Taken to Improve DoD Program Management, but Actions Needed to Address Misuse," dated December 2, 2003 (GAO Code 192090). I received the final report and appreciate the inclusion of our comments.

I am providing additional comments concerning the "Recommendations for Executive Action," which recommend "the Secretary of Defense direct the service secretaries and the heads of DoD agencies to establish procedures to:

- monitor the results of purchase card reviews conducted by the military services and the DoD agencies,
- track whether the major commands and units are consistently applying DoD's disciplinary guidelines to those who made and/or authorized improper or abusive acquisitions, and
- notify the appropriate officials at the major commands or units if DoD's disciplinary guidelines are not being consistently applied."

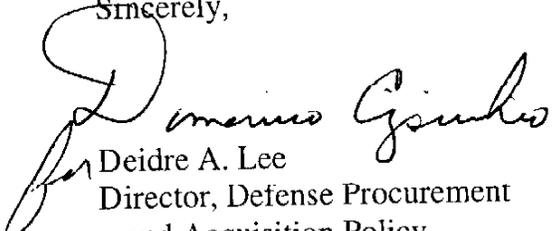
Monitoring the results of purchase card reviews is already established policy through the roles and missions of service audit agencies. This monitoring includes assessing whether major commands or units are consistently considering DoD's disciplinary guidelines when making a penalty determination. Due to the different circumstances involved in each situation, however, similar cases of misconduct do not necessarily equate to identical disciplinary actions.



Finally, we do not agree with the tracking of all instances of noncompliance. This would be extremely burdensome. We believe adequate monitoring of the purchase card program would achieve similar results.

My staff point of contact on this matter is Ms. Susan Quinlan. She may be reached at (703) 681-3410 or susan.quinlan@saalt.army.mil. As requested a similar letter has been sent to Mr. Robert Cramer, Managing Director for the Office of Special Investigations.

Sincerely,


for Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy



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Mr. Robert J. Cramer
Managing Director
Office of Special Investigations
United States General Accounting Office
Washington, D.C. 20518

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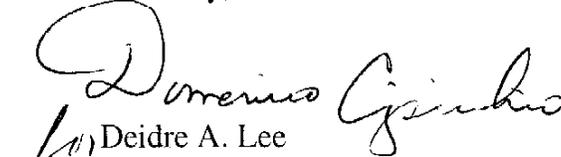
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Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy