

Congress of the United States

Washington, DC 20510

May 16, 2025

The Honorable Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street NW
Washington, D.C. 20548

Dear Comptroller General Dodaro,

For decades, the Government Accountability Office (GAO) has uncovered persistent waste, fraud, and abuse in federal charge card programs.¹ Despite repeated warnings, recent reports suggest many of these problems persist.

A recent audit by the U.S. Department of Government Efficiency (DOGE) revealed the federal government maintains approximately 4.6 million active charge cards and accounts, with spending totaling \$40 billion in the last fiscal year alone.² Recent GAO reports have found that agencies consistently fail to use modern tools to analyze purchase card data to prevent waste and fraud, as recommended by the Office of Management and Budget (OMB).³ In a recent review, the GAO found that none of the Department of Defense (DoD) purchase card program officials interviewed could provide examples of analyzing purchase card spending patterns to identify cost-saving opportunities.⁴

This lack of oversight is further underscored by a recent DoD Office of Inspector General (DoD OIG) report, which found 7,805 transactions at “known high-risk merchants,” including casino ATMs and mobile application stores. The report also found 3,246 purchases made at “Bars Lounges, Discos, Nightclubs, and Taverns-Alcoholic Drinks merchants” during holidays or major sporting events.⁵ We are skeptical these charges were for legitimate purposes or in service of the DoD’s mission for which the cards were issued.

This is not the first report DoD OIG has conducted in recent years, and the problem has not improved. This is because, as the DoD OIG has found, DoD officials have not effectively used policies, procedures, or anti-fraud

¹ U.S. Government Accountability Office, “Governmentwide Purchase Cards: Actions Needed to Strengthen Internal Controls to Reduce Fraudulent, Improper, and Abusive Purchases,” April 9, 2008; <https://www.gao.gov/products/gao-08-333>; U.S. Government Accountability Office, “Government Purchase Cards: Little Evidence of Potential Fraud Found in Small Purchases, but Documentation Issues Exist,” February 14, 2017; <https://www.gao.gov/products/gao-17-276>; U.S. Government Accountability Office, “Purchase Cards: Increased Management Oversight and Control Could Save Hundreds of Millions of Dollars,” April 28, 2004; <https://www.gao.gov/products/gao-04-717t>; U.S. Government Accountability Office, “FAA Purchase Cards: Weak Controls Resulted in Instances of Improper and Wasteful Purchases and Missing Assets,” March 27, 2003; <https://www.gao.gov/assets/a237616.html>.

² Department of Government Efficiency, April 15, 2025; <https://x.com/DOGE/status/1912353729904513242>.

³ U.S. Government Accountability Office, “Government Purchase Cards: Little Evidence of Potential Fraud Found in Small Purchases, but Documentation Issues Exist,” February 14, 2017; <https://www.gao.gov/products/gao-17-276>.

⁴ U.S. Government Accountability Office, “Government Purchase Cards: Opportunities Exist to Leverage Buying Power,” May 2016; <https://www.gao.gov/assets/gao-16-526.pdf>.

⁵ Department of Defense Office of Inspector General, “Audit of the DoD Government Travel Charge Card Program: The Visa IntelliLink Compliance Management System,” January 21, 2025; https://media.defense.gov/2025/Mar/10/2003663430/-1/-1/1/DODIG-2025-060_SECURE.PDF.

systems such as the Visa IntelliLink Compliance Management system, to effectively identify DoD Government Travel Charge Card abuse and fraud.⁶

With tens of billions in taxpayer funds at stake each year, a comprehensive assessment is urgently needed to identify systemic risks, eliminate inefficiencies, and restore accountability to federal charge card programs.

To better understand the scope of this issue and to inform potential reforms, we request the GAO conduct a comprehensive review of the issuance and management of government purchase, travel, fleet, and integrated charge cards and accounts across federal agencies subject to the Chief Financial Officers (CFO) Act of 1990.

Specifically, we request that GAO examine the following:

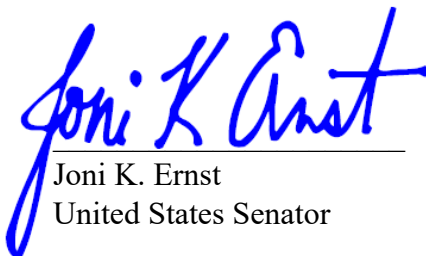
1. What criteria agencies use to determine which employees are issued charge cards.
2. The extent to which agencies have controls in place to monitor the use of all charge cards and subsequently address any misuse, fraud, and redundant card issuance.
3. Agency compliance, training, and utilization of the General Services Administration SmartPay3.
4. Agencies' implementation of OMB's Memorandum M-13-21 and subsequent revisions.
5. The frequency of agencies' high-risk merchant category code (MCC) transactions., including:
 - MCC 7273: Dating and Matchmaking Services
 - MCC 7277: Online Dating and Social Networking Services
 - MCC 7841: Adult Entertainment
 - MCC 9223: Bail and Bond Payments
 - MCC 7392: Bail Bonds and Legal Services
 - MCC 7995: Gambling
 - MCC 9399: State Lottery
 - MCC 6012: Payday Loans and Cryptocurrency
 - MCC 6051: Payday Loans and Cryptocurrency
 - MCC 8398: Cannabis and Marijuana Products
 - MCC 5993: E-cigarettes and Vaping Products
 - MCC 7295: Babysitting
 - MCC 8351 Child Care Services
 - MCC 5094: Jewelry and Luxury Goods
 - MCC 7999: Horoscopes and Fortune Telling
 - MCC 7399: Multilevel Marketing and Pyramid Schemes
 - MCC 5499: Weight Loss and Diet Products
 - MCC 7297: Massage
 - MCC 4411: Cruise Lines
 - MCC 4761: Telemarketing of Travel Related Services and Vitamins
 - MCC 4821: Telegraph Services
 - MCC 5551: Boat Dealers
 - MCC 5561: Camper Dealers, Recreational and Utility Trailers
 - MCC 5681: Furriers and Fur Shops
 - MCC 5698: Wig and Toupee Shops
 - MCC 5735: Record Shops

⁶ Department of Defense Office of Inspector General, "Audit of the DoD Government Travel Charge Card Program: The Visa IntelliLink Compliance Management System," January 21, 2025; https://media.defense.gov/2025/Mar/10/2003663430/-1/-1/1/DODIG-2025-060_SECURE.PDF.


- MCC 7012: Timeshares
 - MCC 7297: Massage Parlors
 - MCC 7298: Health and Beauty Spas
 - MCC 7801: Government-Licensed Casinos (Online or Internet Gambling)
 - MCC 7802: Government-Licensed Horse/Dog Racing
 - MCC 7992: Golf Courses, Public
 - MCC 7995: Gambling Transactions Betting (Sportsbook, fantasy, social gaming; when regulated and not covered by other MCCs) (D)
 - MCC 7996: Amusement Parks, Carnivals, Circuses, Carnivals, Fortune Tellers
 - MCC 7997: Clubs—Country Clubs, Membership (Athletic, Recreation, Sports), Private Golf Courses
 - MCC 9754: Gambling-Horse, Dog Racing, State Lottery
6. The extent to which agencies are limiting the types of businesses where charge card/account holders are permitted to make purchases by limiting the MCCs available to card/account holders.
 7. How much agencies spend on charge card late fees annually, over the past five fiscal years.
 8. Guidance or policies related to cardholder separation and the timing of charge card account closure relative to the date of a cardholder's separation.
 9. Guidance or policies regarding inactive cards and the number of cards that have remained inactive for over 12 months, as of January 20, 2025, and the policies in place for deactivating or reclaiming such cards.
 10. Identification of agencies with effective or efficient card management programs that could serve as models for broader government-wide improvement.
 11. The extent to which agencies' have guidance defining what qualifies as a "split purchase" and potential improvements.
 12. The extent to which agencies' submit online management reports via their contractor bank's Electronic Access System (EAS) and summary of selected agencies' report information (to include account activity, dispute, and unusual spending activity).

If you have any questions about this request, please do not hesitate to contact our offices. Thank you for your attention to this matter.

Sincerely,



Joni K. Ernst
United States Senator



James Comer
Chairman
House Committee on Oversight and
Government Reform