



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

OCT 05 2001



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MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING
SERVICE
DIRECTOR, DEFENSE MANPOWER DATA CENTER

SUBJECT: Operation Mongoose Fraud Detection Program

The Under Secretary of Defense (Comptroller) established a joint fraud detection and prevention program more commonly known as "Operation Mongoose" in June 1994. The purpose of this program was two-fold: (1) to establish an active fraud detection operation and (2) to operate a fraud prevention unit which would strengthen existing internal controls in the Department's financial management processes. The Defense Finance and Accounting Service led the effort with the assistance of a focus group comprised of representatives from the DOD audit and criminal investigative communities and the DMDC.

In 1997, the Deputy Secretary of Defense requested the Under Secretary of Defense (Comptroller), as an extension of the Operation Mongoose initiative, to develop a "proactive and effective tool to assure that apparent incidents or emerging patterns of card misuse or fraud are detected..." When Mongoose included the purchase card program in its detection activities during fiscal year 1999, no systemic problems were identified and subsequent work was curtailed.

I believe it is time to re-evaluate the current efforts and focus of Operation Mongoose. I would like to see an expansion of the Mongoose program to formally include purchase card transactions and associated dollars. Specifically, the recent data mining or data query efforts by the Air Force Audit Agency and the DoDIG should be considered for program inclusion. Unquestionably, with over a quarter of a million cardholders and billing officials, and sales exceeding \$6 billion, the purchase card program has become a prominent acquisition tool within the Department. Recent Congressional and public interest, as well as recent audits conducted in the program, only serve to underscore the need for Mongoose assistance. I am convinced that the Mongoose program will be an effective fraud deterrent tool and will enable



the Department to continually assess the adequacy and effectiveness the system of internal controls that underpins the financial integrity of this program.

Please contact me at (703) 681-7564 or my deputy, Dennis Hudner, at (703) 681-3315, if you have any questions.

A handwritten signature in black ink that reads "Bruce E. Sullivan". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Bruce E. Sullivan
Director, Purchase Card Joint
Program Management Office

CF:
USD(ALT)
USD(C)