



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: \_\_\_ Reporters and Editors  
Re: Housing and Urban Development credit card problems  
Da: Thursday, April 17, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, has worked to expose government credit card abuse and mismanagement, particularly in the military, where the volume of credit cards has presented significant management problems. Today, Grassley made the following comment on a new report from the General Accounting Office showing \$2.3 million of improper, potentially improper, and questionable credit card purchases at the Department of Housing and Urban Development. The report is "HUD Purchase Cards: Poor Internal Controls Resulted in Improper and Questionable Purchases," GAO-03-489, April 11, available at [www.gao.gov](http://www.gao.gov).

"It's amazing that of the \$1.8 million purchase card transactions GAO reviewed, \$1.4 million of them lacked the proper documentation, but managers approved them anyway. Some of these transactions were obviously abusive. I don't see how spending money at Macy's or Guitar Source could increase affordable housing. Any tax dollar that goes to abuse is a dollar stripped from an affordable housing or home ownership program. Clearly the department has to get tough on credit card abuse. I don't want to see a duplication of the Defense Department formula. That's few controls, extensive abuse and little accountability."