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CORRUPTION CHRONICLES®

DOD Charges Millions at Casinos, Strip Clubs on Govt. Credit Cards

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In the latest of many flagrant examples of how tax dollars are wasted, government-issued credit cards were used by Department of Defense (DOD) employees to make more than \$4 million in personal charges, including at casinos and strip clubs.

During a one-year period the agency charged 20 million transactions for \$3.4 billion on government credit cards, according to a DOD Inspector General [report](#) issued this month. About \$3.2 million of it was spent at casinos and nearly \$1 million on personal expenses, including about \$100,000 at strip clubs by 646 card holders. The casino charges were made through 4,437 transactions by 2,636 charge card holders, according to the report which breaks down expenditures by military branch.

The U.S. Air Force is by far the biggest offender, outspending other branches and civilian DOD employees with government-issued credit cards. In the year analyzed by investigators, the Air Force charged more than \$400,000 in personal expenses at casinos and nearly \$40,000 at strip clubs. The Army came in second by spending almost \$350,000 at casinos during the same period and nearly \$35,000 at “adult entertainment establishments.”

As an example the report lists a member of the Naval Special Welfare Group who made a dozen transactions on a government credit card for a total of \$1,116 at adult entertainment venues during a business trip to El Paso, Texas. The same sailor also charged \$648 in food, drinks and bank withdrawals at other establishments during the El Paso trip, according to the inspector general report. “While in El Paso, the cardholder spent more than six times his total [allotted money for expenses], which included Dreams Cabaret, Jaguars Gold Club, Tequila Sunrise, and Red Parrot Gentlemen’s Club,” the report states.

Another example features a senior airman at a North Carolina Air Force base who traveled to Las Vegas, Nevada on Uncle Sam’s dime. He made three charges totaling \$4,686 with his government credit card at the Sapphire Gentlemen’s Club. The same airman tried to charge an additional \$920, but the inspector general discloses that the bank declined it because it would have exceeded the spending limit on the card. “The cardholder later admitted that he used his [government card] at the Sapphire Gentlemen’s Club VIP room for himself and several friends,” the report states.

One effective way to prevent this sort of outrageous waste from occurring in the future is to forbid using government travel cards at casinos and strip clubs, the DOD watchdog points out. Profound as this may seem, the DOD has no such rule in place. In fact, the Pentagon’s Defense Travel Management Office responded to the inspector general’s probe by patting itself on the back for a system that evidently screens for problems. It’s so effective, the DOD travel office asserts, that improper spending is a tiny percentage of the total credit card spending.

This is nothing new for the Pentagon. In fact, it has a long history of wasting money egregiously and Judicial Watch has reported it for years. Last summer JW wrote about a DOD Inspector General report documenting how the agency overpaid around **\$9 million** for spare parts for a helicopter. A year earlier the Pentagon lost at least **\$1.1 billion** to waste and fraud, according to a federal audit conducted by the investigative arm of Congress. In 2012 the agency blew **\$2.7 million** on faulty software that was supposed to help cut costs by updating antiquated financial ledgers that create serious management weaknesses.

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