



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
2 NAVY ANNEX
WASHINGTON, DC 20380-1775

IN REPLY REFER TO
CMC-R
11 Jul 96

WHITE LETTER NO. 02-96

From: Commandant of the Marine Corps
To: All General Officers
All Commanding Officers
All Officers in Charge

Subj: INVALID UNLIQUIDATED OBLIGATIONS

1. As discussed in a previous White Letter, a 1994 Naval Audit Service report identified a systemic problem involving invalid unliquidated obligations of Marine Corps Funds. Fiscal responsibility and the accountability for correcting this problem falls on us, the commanders. Most invalid unliquidated obligations represent funds set aside (obligated) to purchase materials or services, but for a variety of reasons the obligations are no longer valid. This is a real concern because if these erroneous entries are not corrected before the funds expire, we lose money that could have been used to purchase other needed goods and services.

2. We have made considerable progress in reducing the invalid obligations identified during the past year, meeting our goal of a fifty percent reduction. Now we need to continue on and ensure that the problem is curbed; our personnel are properly trained to monitor the problem; and appropriate internal controls are in place to protect our resources. I need your personal involvement to make this happen.

3. Let me reiterate, there is still a significant volume of invalid unliquidated obligations outstanding. In this time of severe fiscal constraints it is imperative that invalid unliquidated obligations be corrected. This problem ties up funds that could be better spent in other areas to ensure maximum readiness. I strongly urge you to take an active role in guarding against inefficient use of our scarce resources. We must insure that every dollar is used and accounted for properly.

C. C. K. [unclear]