

(2) Prohibitions against MWR funds being used for such purposes are contained in (B) and (C) above, as well as in the USS MARS INST. governing such fund. The impropriety of the acquisition was pointed out to the Executive Officer at the time of the purchase and afterward by the ASO (Evidence: , named instructions) b6/b7c

(3) All purchases were authorized the Commanding Officer by a general statement that he wanted to upgrade the gear onboard. The equipment was picked out and purchased by the Executive Officer with MWR Funds. It is the contention of the XO that these funds were properly spent due to his belief that they were part of the crew also. (Evidence: LCdr Fitzpatrick,) b6/b7c

(4) The instructions clearly prohibit the expenditures of funds if the benefit will only be for a few, in this case one. (Evidence: NAVMILPERSCOMINST 1710.11, USS MARS INST 1710.11)

(5) The issue of where the equipment was located came up at a later MWR committee meeting, and the statement was made that it would be taken up at a later meeting. The statement was also made by the XO that all placement issues had been decided prior to the purchase. One member that was notified of the purchase says it was presented in the manner that everyone on the ship was going to get a TV. (Evidence: MWR Minutes,) b6/b7c

(6) The electronics bill from this mass purchase amounted to approximately \$6500.00. (Evidence: Cancelled checks, Custody Cards, , Investigating Officers Visual Inspection) b6/b7c

(7) BENEFIT FOR ENLISTED. The purchased items included six 19" color T.V.s for the mess decks at an approximate cost of \$350.00 each. (Evidence: Custody cards and Investigating Officer's Visual Inspection)

(8) BENEFIT FOR KHAKI. Two stereo sets for the wardroom and CPO's were purchased at a cost of \$750.00 each. (Evidence: Custody Cards, Visual Inspection of the Investigating Officer)

(9) BENEFIT FOR THE CO AND THE Executive Officer. Two sets of T.V./Kenwood stereo/video recorders at a cost of approximately \$1350.00 per set, were purchased for the personal use of the Commanding Officer and the Executive Officer. (Evidence: Custody Cards, Visual inspection by the Investigating Officer)

(10) BENEFIT FOR THE COMMAND MASTER CHIEF. A television was purchased for the CMC at a cost of \$350.00. The CMC already had 2 VCR's in his stateroom which belonged to MWR. (Evidence: Custody Cards,) b6/b7c

(11) RATIO OF BENEFIT BETWEEN ENLISTED VS KHAKI. 3 people received the benefit of \$2050, the CPO mess a benefit of \$750.00, the Wardroom a benefit of \$750.00 and the crew in general a benefit of \$2100.00. The approximately 350 crew members that are E-6 and below received a benefit of less than one third of the expenditure. (Evidence: Cancelled Checks, Custody cards)

(12) Approximately \$900.00 of this total expenditure still cannot be accounted for. (Evidence: Determination of the Investigating Officer)

5. Hail and Farewell.

Accountable Parties:

Commanding Officer:

Executive Officer: LCdr Walt Fitzpatrick

MWR Fund Custodian:

MWR Director:

Time Period: Jul/Aug 89

(1) Although the majority of the problems addressed occurred in 1988, the problem continues. A recent Hail and Farewell for the departing and oncoming Commanding Officers was paid for to a large extent out of MWR funds. (MWR minutes, FY89 proposed report)

(2) The matter was brought up before the committee, which agreed to fund the outing up to \$2,000.00, provided the entire crew was invited... The fact of the situation was simply that the additional cost of the outing (\$60.00 per person) was such that few enlisted personnel could have afforded it. It was also apparent that even though the sign up list was readily available to the officers and chiefs, the same was not true for the enlisted. (Evidence: LCdr Fitzpatrick, MWR minutes)

(3) The Hail and Farewell and the funding for same was accomplished by the efforts of the XO without the knowledge of the departing or oncoming Commanding Officer. (Evidence: LCDR Fitzpatrick,

(4) There is evidence that the XO asked to determine if any enlisted personnel were interested in attending. A positive answer was received from two personnel who later declined. (LCdr Fitzpatrick,

(5) While the Investigating Officer was on board, Capt was asked to sign an additional check on this matter to cover the overtime put in by the Bus drivers. Upon his

discovery that MWR had paid for the outing, he ordered that the participating personnel would be billed for the MWR funds expended over a period of months. with the monies going to MWR.
(Evidence:) bb/TC

6. Promotional Items.

Accountable Parties:

Commanding Officer:
Executive Officer: LCdr Walt Fitzpatrick
MWR Fund Custodian:
MWR Director:
Time Period: FY 88 & 89

(1) The MWR funds are spent to fund minor items of promotion for the ship as well. USS MARS is in the habit of distributing Mars candy bars to VIPs, visiting CO's and others, nicely packaged on a miniature pallet. These items are paid for out of MWR.
(Evidence: Proposed FY89 report)

(2) There is some indication that this cost is being reimbursed. (Evidence:) bb/TC

OVERSIGHT PROBLEMS

1. No Direct Access of the Fund Custodian to the Commanding Officer

Accountable Parties:

Commanding Officer:
Executive Officer: LCdr Walt Fitzpatrick
MWR Fund Custodian:
MWR Director:
Time Period: The entire tenure of LCdr Fitzpatrick.

(1) Current regulations dictate the MWR Fund Custodian will have direct access to the Commanding Officer. (Evidence: NAVMILPERSCOMINST 1710.3A)

(2) has been required to go through the Supply Officer and the Executive Officer to obtain direction. No personal access was provided to the Commanding Officer.
(Evidence:)

2. Failure to control preprinted MWR Checks.

Accountable Parties:

Commanding Officer:
Executive Officer: LCdr Fitzpatrick
MWR Fund Custodian:
Time Period: Jul 88 - Dec 88.

b6/7c

(1) Current Regulations dictate that a tight control be kept on all preprinted checks and a strict accounting be maintained. (Evidence: NAVMILPERSCOMINST 1710.3A)

(2) The Executive Officer was in the habit of taking several checks at a time to use for various items without explanation or receipts. (Evidence: Cancelled Checks, check stubs,) b6/7c

(3) Several checks which were taken have shown up on the bank statements were never actually returned to the custodian. (Evidence: Bank Statement and records of cancelled checks)

(4) All bank statements go through the ships office prior to being sent to the supply department for the fund custodian. It has been known that sometimes the statements have been open prior to being received by the fund custodian. (Evidence:) b6/7c

(5) The XO states that he never saw the Bank Statements. (Evidence: LCdr Fitzpatrick)

3. Failure to maintain Records and submit reports.

Accountable Parties:

Commanding Officer:
Executive Officer: LCdr Walt Fitzpatrick
MWR Fund Custodian:
MWR Director:
Time Period: FY 88

b6/7c

(1) All records and receipts for FY 88 and prior are missing with the exception of some cancelled checks and a rough copy of the FY88 report. The later was recovered from the XO during the time on board. It had never been forwarded to CNSP or NMPC-65. (Evidence: Investigating Officer, Lcdr Fitzpatrick,) b6/7c

(2) The missing records were discovered upon the departure of . (Evidence: LCdr Fitzpatrick,) b6/7c

(3) During the interview with the executive officer, LCdr Fitzpatrick claimed that he was unaware of the requirement to send the reports to NMPC and CNSP. However, when the

investigating officer obtained a copy of the FY 88 report from the XO, attached to the report were two messages from CNSP, both of which outlined the proper procedures and addressees for the report. The messages had a date time group of 16 and 20 Sep 88, respectively. (Evidence: Determination by the investigating officer.)

4. Reporting Irregularities.

Accountable Parties:

Commanding Officer:

Executive Officer: LCDr Fitzpatrick

MWR Fund Custodian:

MWR Director:

Auditor:

Time Period: Preparation periods for the FY 88 & 89 reports

(1) During the review of the FY year reports, two labelling problems were discovered which tended to cover up questionable expenses. First, the Stereo gear was not labeled as such (there is a separate category for electronic equipment), but rather grouped together with other non-expendable property. Second, the Hail and farewell expense, listed under the miscellaneous expenses, was listed as an outing for the ship, when in fact the minutes labelled it as a Hail and Farewell. (Evidence: Fiscal Year 88 & 89 reports)

(2) The miscellaneous expenses of the FY 88 report were revised to show the funeral party as one lump sum expense of \$10,400 vice the original listing submitted which showed the payment to each member of the funeral party. (Evidence: FY 88 rough draft)

(3) The party responsible for revising the miscellaneous expense report on the FY 88 report was (Evidence:)

6. Observations and Conclusions:

During the interview with LCDR Fitzpartick, as well as during a follow-up conversation at his request, he was quick to point out the quality of the personnel he was provided with, the non-support of CLG-1 and the awesome amount of duties he had. The failure to follow instructions was blamed on his not being aware of the MARS INST. for MWR and his conviction that his junior officers misinformed him of the proper procedures. It was obvious from conversation that the Executive Officer does not comprehend the policy of accountability. There was not a single instance where he admitted that he may have been in the wrong. In fact, he often blamed the naval service for not having procedures to handle every possible problem.