



DEPARTMENT OF THE ARMY
ARMY CONTRACTING AGENCY, SOUTHERN REGION
FORT BENNING DIRECTORATE OF CONTRACTING
6600 MELOY DRIVE, SUITE 250
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SFCA-SR-BE

2 November 2004

MEMORANDUM FOR All Commanders and Activity Directors

SUBJECT: Disciplinary Action for Government Purchase Card (GPC) Abuse/Violations

1. References:

- a. Memorandum, Secretary of the Army, 28 Jan 03, subject: Army Charge Card Program Policy (Encl 1); Army Purchase Card Program Corrective Action (Encl 2); Unauthorized Purchases or Misuse of the Government Purchase Card Administrative Actions (Encl 3).
- b. Memorandum, Assistant Secretary of Defense, 4 Nov 02, subject: Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards (Encl 4); Sample Schedule of Potential Charge Card Offenses and Remedies (Encl 5).
- c. Memorandum, Office of the Secretary of Defense, 29 Dec 02, subject: Government Charge Card Disciplinary Guide for Civilian Employees (Encl 6); Department of Defense Government Purchase and Travel Charge Card Disciplinary Guide for Civilian Employees (Encl 7).
- d. Memorandum, Inspector General, Department of Defense, 25 Sep 02, subject: Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards (Encl 8).

2. The references listed above are forwarded to provide guidance on recommended disciplinary actions for employee misuse of the Government Purchase Card. Recent audits of GPC accounts have highlighted a number of systemic weaknesses in the purchase procedures of Fort Benning Billing Officials and Cardholders. It is the responsibility of Commanders and Directors to establish internal GPC guidelines to help ensure compliance with the GPC program.

3. **Effective immediately**, the Directorate of Contracting will expand its audit criteria to include the following areas: proper documentation of all purchases, Billing Official approval; property accountability; and unauthorized purchases. Additional guidance is provided below.

- a. Non-documentation of purchases: Cardholders are required to document every purchase. A Request For Purchase Memo and a receipt are the minimum documentation requirements for every completed purchase. The GPC Purchase Request Memo (Encl 9) is required to document Cardholders purchases. Cardholders will obtain signatures from the individuals requesting and receiving the items purchased. The Billing Official must approve all purchases prior to the

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SUBJECT: Disciplinary Action for GPC Abuse/Violations

purchasing Cardholder making the purchase by signing the form in the space provided.
Cardholders cannot sign this form.

b. Billing Official Approval: Cardholders must also obtain written approval from their Billing Official for every purchase. The Billing Official should sign the form in the space provided on the Purchase Request Form, prior to the purchase being made.

c. Property Accountability: Cardholders and Billing Officials are jointly responsible for ensuring non-expendable property purchased with the GPC is entered on the property book or hand receipt. Purchases of accountable property should be coordinated with the Installation or Unit Property Book Officer. Documentation must be maintained in the GPC purchase files.

d. Pre-approvals: Cardholders are reminded to obtain the necessary written pre-approvals before purchase. This documentation must also be maintained in the purchase files. Common areas of concern are listed below. This list is not exhaustive.

- (1) Construction services which must be approved by DPW.
- (2) Automation equipment and software must be approved by DOIM.
- (3) Hazardous materials approved by DPW Environmental Division.

e. Unauthorized Purchases: Cardholders and Billing Officials must ensure they are not purchasing unauthorized items. Frequently these problems arise because units spend money outside their mission. Units must spend appropriated funds for the purpose they were given. Common infractions in this category are food, drinking water, clothing, personal items, or morale/welfare purchases.

4. Request widest dissemination of this information to your GPC Billing Officials and Cardholders.

5. If you or your GPC personnel have any further questions, please contact Ms. Candace Johnson, Agency/Organization Program Coordinator (A/OPC), Fort Benning DOC, 545-5243. Thank you for your support in this effort.

9 Encls
as



KAREN A. BRINCKMANN
Director of Contracting



SECRETARY OF THE ARMY
WASHINGTON

JAN 28 2003



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Charge Card Programs

Recent congressional hearings and audits identified abuse of Army charge cards, to include: numerous cases of card misuse and potentially fraudulent activity; travel card delinquency; the failure of commanders and supervisors to take disciplinary action; and inadequate command emphasis and oversight.

The travel and purchase card programs provide substantial savings and internal efficiencies to the Army and are crucial to our mission. However, card misuse and delinquency tarnish our reputation as public stewards and leaders; hinder our efforts to obtain congressional funding; and place these two programs in jeopardy. Failure of leadership to take action is unacceptable.

I am directing a series of corrective actions on the travel and purchase card programs (Enclosures 1 and 2, respectively). The Assistant Secretaries for Financial Management and Comptroller and Acquisition, Logistics and Technology will provide detailed guidance.

I hold you accountable for immediate results.

Thomas E. White

Enclosures

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SUBJECT: Army Charge Card Programs

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SUPERINTENDENT,

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PRINCIPAL OFFICIALS OF HEADQUARTERS, DEPARTMENT OF THE ARMY

ARMY PURCHASE CARD PROGRAM CORRECTIVE ACTIONS

The following actions will be taken to resolve card misuse and delinquency:

Army Policy Actions: The following Army policies are effective February 1, 2003, and will be used in conjunction with Army Standing Operating Procedures and DOD FMR, VOL 10 (Contract Payment Policy and Procedures), Chapter 10, (Credit Cards).

- Commanders/supervisors will ensure the unit Agency Program Coordinator (APC) function is adequately staffed to meet purchase card program requirements and realign/cancel accounts where Billing Officials are responsible for oversight of no more than seven (7) cardholders.
- Ensure the Billing Official reconciles and certifies card accounts in order to make timely payments.
- Establish Card Controls:
 - Cancel inactive or suspended card accounts no longer needed.
 - Establish spending limits that reflect actual need and available funding.
 - Tailor card accounts to preclude their use at merchants that are inappropriate for the cardholder.
- Support audit and investigative communities engaged in the DOD centralized data mining effort.

Army Performance Metrics and Goals:

- Effective with the January 2003 purchase card cycle, the Army's primary delinquency measure will be percent of dollars delinquent.
- Army performance metrics and goals will include:
 - Percent of dollars delinquent (Goal: All bills will be paid within 30 days of receipt of invoice).
 - Number of cardholders assigned to a Billing Official.
 - Number and dollar amount of transactions.
 - The average file turn time (the number of days from the date of purchase to payment posting at the Bank) for Billing Officials.
 - Percentage of billings official accounts that are Electronic Data Interchange enabled. (Goal: 100% of non-exempt accounts).
 - Percentage of billing official accounts that have been reviewed within the previous six months. (Goal: 100% of billing reviewed annually is the Army requirement).

Army Senior Leadership Review: Army senior leaders will review monthly performance data on purchase card delinquency. Commands/activities that fail to make substantial progress will be asked to report to the Assistant Secretary of the Army (Acquisitions, Logistics, and Technology) on the corrective actions they will take.

UNAUTHORIZED PURCHASES OR MISUSE OF THE GOVERNMENT PURCHASE CARD ADMINISTRATIVE ACTIONS

1. TRADOC Acquisition Bulletin (TAB) 02-001, effective 8 Jan 02, grants authority to Directors of Contracting and provides information governing unauthorized purchases or misuse of the Government purchase card to include specific penalties for violations of purchase card policy/procedures.
2. Any cardholder who makes an unauthorized purchase or misuses the Government purchase card may be personally liable for the total dollar amount of the unauthorized purchase(s) made in connection with misuse or negligence. Cardholders may also be subject to administrative and/or disciplinary action for unauthorized use of the card. Cardholder's approving/certifying official will notify the appointing official upon determining that cardholder has misused the purchase card. Unauthorized use of the card and/or intentional violations of purchase card policy/procedures may result in the following administrative actions:
 - a. FIRST OFFENSE:
 - Cardholder refresher training
 - Individual training/counseling
 - Warning letter from appointing official
 - b. SECOND OFFENSE:
 - Card suspension for at least 30 days
 - Cardholder refresher training
 - Individual training/counseling
 - Formal letter of suspension of card privileges
 - c. THIRD OFFENSE:
 - Cardholder relinquishes card to Agency/Organization Program Coordinator (A/OPC) for cancellation
 - Formal letter of suspension/cancellation of card privileges
 - Cardholder may no longer be a cardholder with the TRADOC Purchase Card Program
3. FRAUD/CRIMINAL VIOLATIONS: Cardholders suspected of any criminal or fraudulent use of the purchase card may be subject to investigation by the appropriate criminal investigative agency. If appropriate, cardholders determined to have committed a criminal or fraudulent act, may receive administrative, disciplinary, and/or criminal sanctions.
4. APPOINTING OFFICIAL AUTHORITY (DIRECTORS OF CONTRACTING): The appointing official for the purchase card program has the authority to suspend/cancel cardholder privileges in accordance with the above guidelines as deemed appropriate. The cardholder's supervisory chain of command has the authority and responsibility for taking additional

administrative or disciplinary actions against the cardholder. The appointing official also has the authority to take other actions that may be appropriate under the specific circumstances, such as requiring advance approval of cardholder purchases by the approving/certifying official.

5. This TAB will remain in effect until rescinded.

6. The HQ TRADOC POC for this action is Elaine Pearson, DSN 680-2988, CML 757-788-2988, or e-mail "pearsona@monroe.army.mil".



ASSISTANT SECRETARY OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, DC 20301-6000

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COMMAND, CONTROL,
COMMUNICATIONS, AND
INTELLIGENCE

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF
DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Suspension of Access to Classified Information Due to Abuse or Misuse of
Government Charge Cards

The Charge Card Task Force established last March by the Under Secretary of Defense (Comptroller) investigated the Department's charge card programs and recommended ways to strengthen the procedures and internal controls. One of the Task Force's recommendations is that investigative agencies must ensure that security managers and supervisors are appropriately notified when a government purchase or travel charge cardholder comes under investigation for charge card misuse or abuse.

Prompt action is required in response to allegations of charge card misuse or abuse by Department of Defense (DoD) military or civilian personnel. The commander or head of the organization has the authority (per subparagraph C8.1.3. of DoD 5200.2-R) to suspend the individual's classified access. Therefore, DoD Component security officials shall immediately report such allegations to the appropriate commander or head of a DoD organization. The commander or head of the organization shall take immediate action upon receipt of information that raises serious questions as to the individual's ability or intent to protect classified information or execute sensitive duties. The commander or head of the organization shall make an immediate determination to either to continue the individual's security status unchanged or to suspend an individual's access to classified information or assignment to sensitive duties until the appropriate authority designated in Appendix 5 of DoD 5200-2-R makes a final determination regarding the individual's eligibility to retain a security clearance.

Financial responsibility and trustworthiness are key components for determining whether a military member or civilian employee is eligible for the issuance of, or continuation of, a security clearance. These same factors should be carefully considered should instances of abuse or misuse of a government purchase or travel card be alleged. Supervisors and security managers must consider whether suspension of the individual's access to classified information is appropriate based on the applicable security standards and the specific conduct of the individual.


John P. Stenbit

SAMPLE SCHEDULE OF POTENTIAL CHARGE CARD OFFENSES AND REMEDIES

The chart below is one example of potential charge card offenses and remedies or penalties for such offenses. Components must otherwise comply with all applicable law and regulatory guidance in determining whether to impose disciplinary or adverse action in any specific case.

OFFENSES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Misuse of Government Travel Charge Card (e.g. use for unauthorized personal expenses, failure to pay charge card bill or pay such bill in a timely manner)	Letter of Counseling to removal	5-day suspension to removal	10-day suspension to removal
Unauthorized use of or failure to appropriately control use of Government Purchase Charge Card as a cardholder, approving official responsible for use or oversight of the Card.	Letter of Counseling to removal	14-day suspension to removal	30-day suspension to removal



OFFICE OF THE UNDER SECRETARY OF
DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000
29DEC2003



PERSONNEL AND
READINESS

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Government Charge Card Disciplinary Guide for Civilian Employees

This memorandum implements 10 U.S.C. § 2784a, as amended by section 1009 of the National Defense Authorization Act (NDAA) for Fiscal Year 2004, Public Law 108-136. Additionally, it is a follow-up to my memorandum dated April 21, 2003, implementing the "Government Charge Card Disciplinary Guide for Civilian Employees."

Section 2784a, as amended, now requires that the Department of Defense (DoD) issue regulations providing for appropriate corrective actions, including removal in appropriate cases, for employees who violate the regulations or are negligent or engage in misuse, abuse or fraud with respect to a Defense travel card. This act also requires an assessment of penalties. The Bob Stump National Defense Authorization Act for Fiscal Year 2003, Public Law 107-314, previously required that DoD issue regulations providing for appropriate corrective actions for employee government charge card violations. Existing Component disciplinary policies satisfy these requirements; however, the sample range of suggested penalties in the attached updated guidance ensures policies reflect consistent application.

Enhancements were made to the Defense Civilian Personnel Data System (DCPDS) to document formal disciplinary and/or adverse actions taken for misconduct related to government charge cards. You were advised of these enhancements by my memorandum dated July 18, 2003. Please ensure continued use of these codes so we can support Office of Management and Budget requirements to provide quarterly updates on disciplinary and adverse actions related to government charge cards.

DoD Components must take action to implement the attached charge card disciplinary guide for civilian employees as necessary and advise my office of your actions. In addition, please advise my office of any additional administrative action, or any recommended legislation your Component considers necessary to effectively take disciplinary action against DoD civilian employees for improper, fraudulent, or abusive use of DoD travel cards. We anticipate that this information will be combined with similar information regarding military personnel and used to satisfy congressional

reporting requirements as outlined in subsection 1009(e) of Public Law 108-136. Please furnish this office by January 9, 2004, the information as described above.

My point of contact on this matter is Ms. Debra Buford at (703) 696-1263.

A handwritten signature in black ink, appearing to read "Ginger Groeber". The signature is fluid and cursive, with a large initial "G" and "G" for "Groeber".

Ginger Groeber
Deputy Under Secretary
Civilian Personnel Policy

Attachment:
As stated

DISTRIBUTION: ASSISTANT G-1 FOR CIVILIAN PERSONNEL POLICY,
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EXCHANGE SERVICE

**DEPARTMENT OF DEFENSE
GOVERNMENT PURCHASE AND TRAVEL CHARGE CARD DISCIPLINARY
GUIDE FOR CIVILIAN EMPLOYEES**

References

- A. 10 U.S.C. § 2784a, as enacted by section 1008 of Pub. L. 107-314, and amended by section 1009 of Pub.L. 108-136
- B. 10 U.S.C. § 2784, as amended by section 1007 of Pub. L. 107-314
- C. Inspector General Memorandum dated September 25, 2002, "Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards" (Appendix 1)
- D. Assistant Secretary of Defense (Command, Control, Communications and Intelligence) Memorandum dated November 4, 2002, "Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards" (Appendix 2)
- E. Sample of a Proposed Table of Potential Charge Card Offenses and Remedies (Appendix 3)

A. Purpose

This guide further implements references A and B for DoD civilian employees.

B. Scope

This guide applies to civilian employees, including those paid from non-appropriated funds, employed in the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the "DoD Components").

C. Policy

It is DoD policy that improper, fraudulent, abusive, or negligent use of a government purchase or travel charge card is prohibited. This includes any use of government charge cards at establishments or for purposes that are inconsistent with the official business of DoD or with applicable regulations. DoD policy continues to require supervisors, who receive information indicating that a civilian employee has engaged in any misuse of a government charge card, take appropriate action, including an investigation if indicated. The supervisor of the responsible individual(s) will be informed in a timely manner so that appropriate corrective or disciplinary/adverse action may be taken. In addition, civilian personnel who fail to satisfy an indebtedness arising from the use of a

**DEPARTMENT OF DEFENSE
GOVERNMENT PURCHASE AND TRAVEL CHARGE CARD DISCIPLINARY
GUIDE FOR CIVILIAN EMPLOYEES**

government travel charge card or those who fail to do so in a timely manner may be subject to corrective or disciplinary/adverse action.

The intent of this guide is to ensure that management emphasis is given to personal accountability for government charge card misuse. There is no intent to deprive managers and supervisors of their discretion in handling government charge card misuse in a manner appropriate to each individual case. Likewise, there is no intent to revise Component disciplinary policy. The circumstances of each individual case will determine the appropriate type of corrective or disciplinary/adverse action, if any, which may be imposed. Generally, a progression of increasingly severe penalties is appropriate from minor instances of misuse to more serious cases. In some instances, the infraction may warrant the most severe penalty for first offenses. Clearly, there is no single response appropriate for all cases. While the merits of each case may be different, timeliness, proportionality, and the exercise of good judgment and common sense are always important. Where applicable, full consideration must be given to the relevant "Douglas Factors" as provided in Douglas v. Veteran's Administration, 5 MSPB 313 (1981).

Each DoD Component must now submit documentation to the Deputy Under Secretary of Defense (Civilian Personnel Policy) (DUSD(CPP)) outlining its policy/regulation and how the policy/regulation meets the statutory requirements in section 1009 of the National Defense Authorization Act for Fiscal Year 2004, with respect to its civilian employees. Likewise, this information should include additional administrative action, or recommended legislation the Component considers necessary to effectively take disciplinary action against DoD civilian employees for improper, fraudulent, or abusive use of DoD travel cards. This information will be consolidated with comparable information regarding military personnel and will be used to comply with the comprehensive reporting requirement in section 1009. A sample table of potential charge card offenses and remedies has been included with this guide at reference E.

Government charge card offense(s) should be framed in a manner that appropriately describes the actions that constitutes the misconduct. The supporting Human Resources Office should assist the appropriate supervisor who is considering corrective or disciplinary/adverse action on the selection of the charge and appropriate penalty based on Component past practice, regulatory guidance, applicable case law and good judgment. Coordination with the appropriate legal office should occur early in the process, as required by Component policy.

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GOVERNMENT PURCHASE AND TRAVEL CHARGE CARD DISCIPLINARY
GUIDE FOR CIVILIAN EMPLOYEES**

D. Relationship to Security Clearances

The review of the security clearance (or the modification or revocation of such security clearances in light of this review) of the individual involved in credit card misuse or abuse cases is not a disciplinary action and should not be treated as such. However, this does not preclude a separate and independent review of such misuse or abuse by the appropriate security managers in accordance with references C and D. Modification or revocation of a security clearance will result in appropriate action, which could include reassignment or removal for failure to meet or maintain a condition of employment.

E. Responsibilities

The Heads of the DoD Components shall:

- 1) Provide documentation responding to the provisions of this guide to the DUSD(CPP) not later than January 9, 2004;
- 2) Ensure that commanders and supervisors are informed on the potential misuses and abuses of government charge cards and their responsibilities to have suspected misuses and abuses appropriately investigated; and
- 3) Ensure that commanders and supervisors are trained to take appropriate corrective or disciplinary/adverse action with respect to offenses involving government charge cards.



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400 ARMY NAVY DRIVE
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SEP 25 2002

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
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ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
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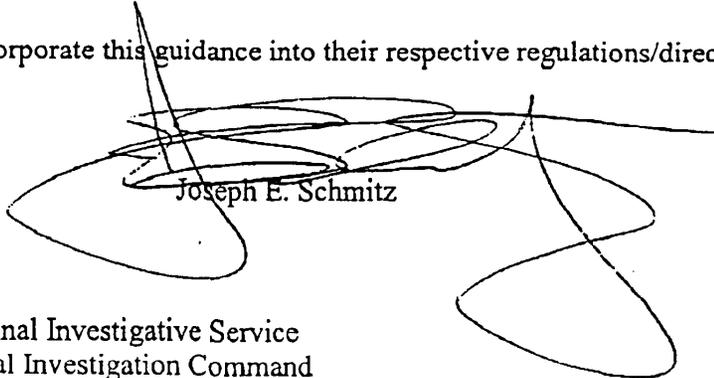
SUBJECT: Guidance for the Investigation of Fraud, Waste, and Abuse Involving the
Use of Purchase Cards and Travel Cards

In accordance with recommendations of the Department of Defense Charge Card Task Force final report issued June 27, 2002, the following guidance is effective immediately and will remain in effect until included in a DoD issuance.

In its final report, the Task Force recommended that the Inspector General of the Department of Defense issue guidance regarding the notification of supervisors and security managers when a purchase card or travel card holder comes under investigation for misconduct associated with the use of charge cards.

When a Defense Criminal Investigative Organization or Department of Defense organizational element responsible for investigating potential misconduct involving the travel or purchase card initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding a purchase card or a travel card, the cardholder's commander or second-line supervisor, as appropriate, and security manager shall be notified. Wherever possible, this notification shall take place within 72 hours of the initiation. The term "commander" means a commissioned or warrant officer who, by virtue of rank and assignment, exercises primary command authority over a military organization or prescribed territorial area that under pertinent official directives is recognized as a "command."

Components should incorporate this guidance into their respective regulations/directives.


Joseph E. Schmitz

cc:

Acting Director, Defense Criminal Investigative Service
Commander, US Army Criminal Investigation Command
Director, Naval Criminal Investigative Service
Commander, Air Force Office of Special Investigations

