



DIRECTOR
DEFENSE REFORM

OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

MAR 31 2003

DPAP/SA

MEMORANDUM FOR DIRECTOR, PROCUREMENT AND CONTRACTS, NIMA

SUBJECT: Acquisition of Gift Certificates through Use of the DoD Purchase Card

This is in response to your memorandum of March 4, 2003, requesting waiver authority to purchase gift certificates with the DoD Purchase Card. There are many programs that allow awards for outstanding individuals, including one that provides for on-the-spot cash awards. Your request provided no explanation of why these programs are inadequate and must be supplemented by the use of gift certificates. In your memorandum you cite a Comptroller General decision which you have interpreted as allowing use of the Purchase Card for purchase of gift certificates; however, the argument is not persuasive. Regardless of the legal issue, the more important one is the appearance such use will present.

As a matter of policy, gift certificates to be given to federal employees should not be obtained through the use of appropriated funds by any means, to include the purchase card. The question of fiscal and acquisition legality is secondary to the ethical appearance that is presented to the public by such actions.

Your request for a waiver to the DoD Government Purchase Card (GPC) Concept of Operations (CONOPs) is **denied**. If you have any questions, please contact the DoD Joint Purchased Card Program Manager: Ms. LeAntha Sumpter by phone at 703-681-7564 or by e-mail at leantha.sumpter.osd.mil.

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy

