



REPLY TO
ATTENTION OF

SAAL-PI

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

OCT 05 2001



MEMORANDUM FOR DOD PURCHASE CARD HOLDERS AND BILLING OFFICIALS

SUBJECT: Blocking of Merchant Category Codes

The purpose of this memorandum is to remind you of the DOD policy of restricting purchases of items/services from merchants coded in certain categories. This policy does not restrict "what" is purchased, but rather restricts purchases from merchants who have identified themselves within the below listed merchant category codes:

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| 4829--Wire Transfer-Money Orders | 6211--Security Brokers/Dealers |
| 5932--Antique Shops | 6760--Savings Bonds |
| 5933--Pawn Shops | 7012--Timeshares |
| 5937--Antique Reproductions | 7273--Dating & Escort Services |
| 5944--Jewelry Stores | 7995--Betting, Casino Gaming Chips, Off-Track Betting |
| 5960--Direct Marketing Insurance | 8651--Political Organizations |
| 6010--Financial Institutions Manual Cash Advance | 9211--Court Costs, Alimony, Child Support |
| 6011--Financial Institutions Automatic Cash Advance | 9222--Fines |
| 6051--Non-Financial Institutions-Foreign Currency, Money Orders, Travelers Checks | 9223--Bail and Bond Payments |
| | 9311--Tax Payments |
| | 9700--Automated Referral Service |

In addition to the above listed codes, your local agency program coordinator (APC) can and should tailor your authority by adding additional merchant codes to this listing.

When your card is "swiped" by the merchant, the merchant is actually requesting our card-issuing bank to authorize the purchase. This process ensures that dollar limits are not exceeded and purchases are made only from authorized types of merchants. Without authorization, the merchant assumes all liability for the transaction (government is not liable). Declined transactions have occurred for merchants who do not appear to fit into the above blocked categories. This may be caused by the merchant registering their business in the wrong category or by transposing the numbers during registration (7372, computer and data process, written as 7273, dating services). When this occurs, you can assist the merchant by advising him to contact their "acquiring" bank – the bank the merchant does business with – and correct the coding error in their card merchant application. If it is a locally blocked code, your APC can call our card-issuing bank to request a one-time override or revise the controls to allow purchases from this category. If it is one of the above listed codes, only your level two program coordinator can approve the purchase.

Finally, I have asked the Operation Mongoose Program to be expanded by conducting more frequent audits on DOD transactions. This would include reviewing transactions (authorized and declined) within certain merchant category codes and at certain times of the day or year. I know the majority of you are properly using your card and doing an outstanding job. I applaud you and your efforts to accomplish your mission faster, cheaper and smarter. Questions related to authorization controls should be directed to your local APC. Remember to visit our website at <http://purchasecard.saalt.army.mil>.

Bruce E. Sullivan
Director, Purchase Card Joint Program
Management Office