



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3000

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MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Interim Guidance on Government Purchase Card Disciplinary Category
Definitions used in Office of Management and Budget Violations Reporting

Existing guidance on Government Purchase Card (GPC) disciplinary category definitions is not consistent across the Department of Defense (DoD). Until further notice, the attached disciplinary categories shall be used to ensure accurate and complete GPC Office of Management and Budget (OMB) violations reporting across DoD components. This guidance provides interim definitions, examples and intentionality for each category, and indicates which are reportable as violations to OMB (abuse, internal fraud, misuse, and delinquency) and which are not reportable (administrative discrepancy and external fraud).

This guidance shall be used for DoD OMB Quarterly Statistical Reporting beginning the first quarter of FY 2018, and shall be used for DoD OMB Semi-Annual Violations Reporting beginning with the 1 Oct 2017 – 30 Mar 2018 reporting period.

Questions should be directed to Ms. Sheila McGlynn at (703) 697-4402,
sheila.a.mcglynn.civ@mail.mil.

Claire M. Grady
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

INTERIM DISCIPLINARY CATEGORY DEFINITIONS GUIDANCE

Category	Abuse	Internal Fraud	Misuse	Delinquency	Administrative Discrepancy	External Fraud
Reportable to OMB?	Yes	Yes	Yes	Yes	No	No
Classification	Intentional	Malicious Intent	Unintentional	N/A	Unintentional	Malicious Intent
Definition	Intentional use of the GPC in violation of the FAR, DFARS, Agency Supplements, or activity Government Purchase Card (GPC) policies/procedures. Evidence of intentionality shall be inferred from repeat offenses of the same violation, following administrative and/or disciplinary action taken for this violation.	Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by Government Purchase Card Program officials. Use of GPC to transact business that is not sanctioned, not authorized, not in one's official government capacity, not for the purpose for which the card was issued, not as part of official government business.	Unintentional use of the GPC in violation of the FAR, DFARS, Agency Supplements, or activity GPC policies/procedures. These actions are the result of ignorance and/or carelessness, lacking intent.	An undisputed charge card account balance that is unpaid for more than 61 days past the statement date.	Actions that violate operational policies/procedures but do not violate federal law or regulation. Specifically: GPC supplies/services acquired fulfill a valid government need at a fair and reasonable price at no additional cost to the Government, but required policy/procedures were not followed.	Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by someone other than Government Purchase Card Program officials.
Examples	Examples include, but are not limited to, intentionally: failing to purchase from mandatory sources, exceeding the applicable micro purchase threshold, purchasing items such as a day planner costing \$300 rather than one costing \$45; or splitting requirements to avoid card thresholds.	Examples include, but are not limited to a CH intentionally: purchasing power tools for personal use; paying for repairs of privately owned equipment; purchasing items or extra quantity of items for resale or to give away to relatives.	Examples include but are not limited to, unintentionally: purchasing excessive quantities of an item with limited shelf life; violating a specific-use policy such as an agency that requires headquarters to buy all furniture; failing to certify "Purchase Card Certification Statements" on time, costing the Government maximum rebates and incurrence of prompt payment interest.	N/A	Examples include but are not limited to: incomplete forms and documentation; failure to maintain required documents for the required time period. Administrative discrepancies require agency/internal corrective action, and are not reportable to OMB unless they are persistent, pervasive or willful in nature, in which case they are reportable as abuse, fraud or misuse.	Examples include but are not limited to: a merchant's intentional charges for services not provided; the unauthorized use by a third party of a CH's compromised or stolen account.