



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

JAN 27 2020

MEMORANDUM FOR COMMANDER, UNITED STATES CYBER  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
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  
(PROCUREMENT)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING)  
DIRECTORS, DEFENSE AGENCIES  
DIRECTORS, DEFENSE FIELD ACTIVITIES

SUBJECT: Final Governmentwide Commercial Purchase Card Disciplinary Category  
Definitions Guidance

- References:
- (1) Office of Management (OMB) and Budget Circular A-123, Appendix B, *A Risk Management Framework for Government Charge Card Programs*, Revised August 27, 2019 <https://www.whitehouse.gov/wp-content/uploads/2019/08/Issuance-of-Revised-Appendix-B-to-OMB-Circular-A-123.pdf>
  - (2) GSA SmartPay® Smart Bulletin, U.S. General Services Administration Federal Acquisition Service Smart Bulletin No. 031, dated December 19, 2019 <https://smartpay.gsa.gov/content/smart-bulletins-news-events>
  - (3) *Department of Defense Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs*, release dated November 14, 2018, incorporated into the Defense Federal Acquisition Regulation Supplement (DFARS) at Part 213.301 [https://www.acq.osd.mil/dpap/pdi/pc/policy\\_documents.html](https://www.acq.osd.mil/dpap/pdi/pc/policy_documents.html)
  - (4) OUSD(A&S)/DPC Memorandum, “Department of Defense SmartPay® 3 Government-wide Commercial Purchase Card Policies, Procedures and Tools – SP3 Transition Memorandum #6,” April 18, 2019 [https://www.acq.osd.mil/dpap/pdi/pc/SmartPay3\\_TI\\_and\\_PCET.html](https://www.acq.osd.mil/dpap/pdi/pc/SmartPay3_TI_and_PCET.html)

In order to unify disciplinary category terms and associated definitions across the Federal Government’s charge card programs and to ensure continued accurate and complete Governmentwide Commercial Purchase Card (GPC) reporting across the Department of Defense (DoD) Components, the Attachment 1 definitions guidance as set forth in the August 27, 2019 revisions to the Office of Management and Budget (OMB) Circular A-123, Appendix B

(Reference 1), and as updated in General Services Administration SmartPay® Smart Bulletin No. 031 (Reference 2) is hereby adopted for use across all DoD GPC SmartPay 3 (SP3) programs. As these OMB Circular A-123, Appendix B, definitions are almost exclusively based on the disciplinary category terms and definitions established in Appendix L of Reference 3, adoption by DoD GPC SP3 programs should require minimal effort. Examples associated with each disciplinary category in Appendix L of Reference 3 shall remain in effect for DoD GPC SP3 programs.

As required in References 3 and 4, this guidance shall be used in completing DoD GPC reporting requirements, in conducting Annual Managing Account Reviews (until phased out), and in conducting the integrated three-pronged, system-enabled oversight review cycle upon adoption. This guidance will be added to the next update of the *Department of Defense Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs*.

Questions should be directed to Ms. Sheila McGlynn at 703-697-4402 or [sheila.a.mcglynn.civ@mail.mil](mailto:sheila.a.mcglynn.civ@mail.mil).

  
LeAntha Sumpter  
Director, Contracting eBusiness

Attachment:  
As stated

# ATTACHMENT 1 – FINAL DISCIPLINARY CATEGORY DEFINITIONS GUIDANCE

January 27, 2020

Category	Abuse	Internal Fraud	Misuse	Delinquency	Administrative Discrepancy	External Fraud
Classification	Intentional	Malicious Intent	Unintentional	N/A	Unintentional	Malicious Intent
<b>Definition</b>	Intentional use of the purchase, travel, fleet and/or integrated charge card in violation of the FAR, DFARS, Agency Supplements, or activity Government Charge Card Program 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 Charge Card officials. Use of the Government purchase, travel, fleet and/or integrated charge card(s) 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 purchase, travel, fleet, and/or integrated charge card in violation of the FAR, DFARS, FTR, Agency Supplements, or Agency Policies/Procedures. These actions are the result of ignorance and/or carelessness, lacking intent, to include honest mistakes.	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.	Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by someone other than Government Charge Card Program officials. Otherwise known as third party fraud.
<b>Examples</b>	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, and 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, and 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, and 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, and 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, and unauthorized use by a third party of a CH's compromised or stolen account.