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

PERSONNEL AND
READINESS

21 APR 2003

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Government Charge Card Disciplinary Guide for Civilian Employees

This memorandum implements Subsections 8149(c) and (d), Department of Defense Appropriations Act for Fiscal Year 2003 (Public Law 107-248) and Subsection 1007(c)(1), Bob Stump National Defense Authorization Act (NDAA) for Fiscal Year 2003 (Public Law 107-314).

The FY03 Appropriations Act requires that procedures be established for dealing with improper, fraudulent or abusive use of government purchase cards and government travel charge cards by DoD civilian employees. The FY03 NDAA requires that DoD issue regulations providing for appropriate corrective actions for employees who are negligent or who engage in misuse, abuse, or fraud with respect to a purchase card. Existing Component disciplinary policies satisfy these new requirements; however, we developed a sample range of suggested penalties included in the report guidance attached, so that use of these policies reflect consistent application.

DoD Components must take appropriate action to implement this guidance as necessary, and furnish this office a report by May 15, summarizing how Component policy meets statutory requirements. This data will be used to satisfy congressional reporting requirements as outlined in Subsection 8149(d) of the FY03 Appropriations Act. Enhancements to the Defense Civilian Personnel Data System (DCPDS) are being made to enable tracking of formal disciplinary and/or adverse actions taken for misconduct related to government charge cards. Appropriate guidance will be issued when these DCPDS changes are completed.

My point of contact on this matter is Mr. Timothy Curry at (703) 696-1450.

Ginger Groeber
Deputy Under Secretary
Civilian Personnel Policy

Attachment:
As stated

DISTRIBUTION: ASSISTANT G-1 FOR CIVILIAN PERSONNEL POLICY, DEPARTMENT OF THE ARMY
DIRECTOR, PLANS, PROGRAMS, AND DIVERSITY, DEPARTMENT OF THE NAVY
DEPUTY DIRECTOR, PERSONNEL FORCE MANAGEMENT, DEPARTMENT OF THE AIR FORCE
DIRECTOR FOR MANPOWER AND PERSONNEL (J-1), JOINT CHIEFS OF STAFF
DIRECTOR, PERSONNEL AND SECURITY, DEPARTMENT OF DEFENSE INSPECTOR GENERAL
DIRECTOR, HUMAN RESOURCES MANAGEMENT, DEFENSE COMMISSARY AGENCY
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DIRECTOR FOR CORPORATE RESOURCES, DEFENSE FINANCE AND ACCOUNTING SERVICE
CHIEF, CIVILIAN PERSONNEL DIVISION, DEFENSE INFORMATION SYSTEMS AGENCY
CHIEF, OFFICE OF HUMAN RESOURCES, DEFENSE INTELLIGENCE AGENCY
DIRECTOR, HUMAN RESOURCES, DEFENSE LOGISTICS AGENCY
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DIRECTOR FOR PERSONNEL AND SECURITY, WASHINGTON HEADQUARTERS SERVICES
DIRECTOR, CIVILIAN HUMAN RESOURCES MANAGEMENT, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES
DIRECTOR FOR HUMAN RESOURCES, NATIONAL GUARD BUREAU
COMMANDER, HEADQUARTERS, ARMY AND AIR FORCE EXCHANGE SERVICE

DEPARTMENT OF DEFENSE
GOVERNMENT CHARGE CARD DISCIPLINARY GUIDE FOR CIVILIAN EMPLOYEES

References

A. Subsections 8149(c) and (d) of Public Law 107-248
B. Subsection 1007(c) of Public Law 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 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 continues to be DoD policy that improper, fraudulent, abusive, or negligent use of a government 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, to 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

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 the important issue of 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, that may be imposed. A progression of increasingly severe penalties is often appropriate in the case of minor instances of misuse, but more serious cases may warrant the most severe penalty for the first offense. 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 submit a report to the Deputy Under Secretary of Defense (Civilian Personnel Policy) (DUSD(CPP)) outlining how its civilian personnel penalty policy addresses offenses with respect to government charge cards and whether the penalty of removal is an available maximum option for a first offense in appropriate cases, as determined by the deciding official. A sample table of potential charge card offenses and remedies has been included with this guide at reference E.

Government charge card offense(s) may be framed in any lawful manner. 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.

D. Relationship to Security Clearances

The review of the security clearance of the individual involved (or the modification or revocation of such security clearances in light of this review) 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.

E. Responsibilities

The Heads of the DoD Components shall:

1) Provide a report detailing their compliance with references A and B and the provisions of this guide to the DUSD(CPP) not later than May 15, 2003;
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.

APPENDIX 1

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

SEP 25 2002

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

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

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

APPENDIX 2

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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

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