DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

Office Of The Assistant Secretary

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Contracting Policy Memo 02-C-03
(in error, previously numbered Contracting Policy Memo 02-C-02)

MEMORANDUM FOR ALMAJCOM-FOA-DRU (CONTRACTING)

FROM: SAF/AQC
1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: Interim Guidance Concerning AFI 64-117

This memorandum provides revised policy on the Government Purchase Card Program and requires immediate implementation.

This past August the Air Force Audit Agency looked at over 21,000 purchase card transactions at 46 different locations. While the audit did not identify any fraud, it did find that $25 million of the $150 million purchases audited used inappropriate acquisition methods. Eighty-four percent of that $25 million fell in two areas, splitting requirements and failing to properly attain pre-approval of computer-related purchases.

You are well aware of the cost efficiencies we forfeit when cardholders incrementally purchase goods and services by splitting requirements. Each time they do so they are literally taking unnecessary dollars out of their wing commander's budgets. Each time they purchase computer equipment without proper prior approvals, they are setting their wing commander up for configuration control problems, which could directly affect mission readiness.

I am convinced if we afford wing commanders better visibility of these and other types of purchase card abuses, they will not tolerate them and will ensure their squadron commanders take appropriate disciplinary action.

We plan to revise AFI 64-117. When published it will include the following guidance:

> "The contracting squadron commander/chief of the contracting office shall brief the installation commander on the GPC program at least quarterly, to include a summary of each case of purchase card fraud and each instance of repeated (more than once) misuse of a purchase card. For each, the briefing will also inform the installation commander of any disciplinary action taken or provide an explanation of why none was considered necessary. It will also provide a description of action taken to prevent recurrence of the violation.

When the fraud or repeated misuse is committed by individuals not under the jurisdiction of the installation commander (as when tenant organizations are involved), the contracting squadron commander/chief of the contracting office shall provide the above briefing, either in person or telephonically, to the commander having jurisdiction over the individual who violated the purchase card instruction.

If any fraudulent case, or potentially fraudulent case, is to be discussed, the contracting squadron commander/chief of the contracting office must, with the local AFOSI, jointly brief the installation commander or the commander having jurisdiction over tenant organization personnel."

I need your immediate and vigorous implementation of this guidance. In doing so, ensure your squadron commanders brief not only their wing commander but also their fellow squadron and group commanders, billing officials, and cardholders on both this guidance and the very real monetary and mission readiness impacts that can flow from "well-intentioned" and seemingly "harmless" violations of the purchase card instruction. This letter will remain in effect until incorporated into AFI 64-117.

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