

## Panel Discussions During 2004 APC Conference (Purchase Card)

Panel Participants:    CAPT Joseph Murphy (eBOO)  
                              Dave McDermott (FMO)  
                              CAPT Cindy Varner (DASN ACQ)  
                              Betty Wucher (DOD PCPMO)  
                              Fernando Ruiz (Citibank)  
                              Katherine Buchan (Citibank)  
                              Paul Petras (DFAS)

- Q.    Until MART is in place, during semi-annual and monthly reviews should we be doing a statistical sampling as well?
- A.    Monthly requirement is 100% transaction review. Pull out the questionable or suspicious transactions and compile data on a monthly basis. This will make it easier when semi-annual review comes around. Refer to FY04-24 for specifics.
- Q.    Is there a timeframe on policy guidance regarding credit checks on cardholders?
- A.    DOD PMO has been working on a solution. Self-certification, although not optimal, may be the best they can do right now, particularly with Purchase Card because SSNs would be required to do a full credit check. New legislation is Government-wide. GSA is taking the lead. OMB has a self-certification form. It will be a long time before civilians will see something. It could take at least 2 years (after it gets started). Bargaining will be required.
- Q.    Information regarding potential problem, addressed to APCs – New dispute process (short paying invoices). When a CH selects the feature to electronically file a dispute, the status changes to re-set (the system automatically generates a DEOP and the amount is reduced in CitiDirect. Citibank still shows full payment due! CH must now dispute by paper. When the charge-back takes place an SDN is assigned. A debit is done to clear, but it only appears on the CitiDirect statement, not Citibank. Now the vendor comes through with the credit, and you end up with 2 credits. Now you must call the bank to get the extra credit wiped out
- A.    If you get 2 credits on a dispute, call the bank immediately and they will reverse one of the credits
- Q.    If the CH, AO, and APC all do 100% review, is that sufficient, or do we still need the RO requirement?
- A.    That does not meet the requirement. The regulation deems an APC as an Accountable Official. They have as much opportunity for collusion as the CH and AO. Per FMO, the activity still needs an RO appointed who is not a CH, APC, or AO (not an accountable official). A meeting is planned to discuss the FMR next week per DOD PCPMO that will look at PPMAP reviews or when MART comes on-line to see whether the RO position can be eliminated.

- Q. Will there be anything to mandate disciplinary actions?  
A. Per DASN (ACQ), an audit was just completed. The audit looked for disciplinary actions. DASN (ACQ) is making sure that even Sr. Uniformed Personnel issues are addressed. Disciplinary guidance is in the DON EBUSOPSOFFINST 4200.1A. If you see lack of abuse from senior officials going on, bring it to the DoN eBusiness office and we will discuss with the XO/CO. We want to be part of the solution. Remember that Misuse/Abuse of PC can be disciplined just as any other offense. Disciplinary actions are not only on CHs, but also anyone who directs the inappropriate purchase. Highlights of Audit can be found on our website under Purchase Card under the Audits tab, titled Purchase Card program at Selected Activities dated 26 February 2004.
- Q. Citibank, could you please address the issue of default LOAs?  
A. If the CHs do not have an LOA assigned, it will have to be reallocated with the correct LOA before completed by DFAS.
- Q. Will DFAS re-visit the problem where DFAS technician can go in and re-adjust the line?  
A. The technician can only fix it if it matches what is in Citibank. If DFAS alters, they take the role of Certifying Officials, and they do not have that authority.
- Q. Is it possible to change the run tapes to see the next day?  
A. STARS does not process on Saturday's and Sunday's except at end of year. DoN eBusiness Operations Office would have to request that change with NAVSISA. DoN eBusiness will review request. FMO reminded that changes cost money.
- Q. How does an RO help prevent collusion?  
A. Having an RO adds someone outside the chain. Can it prevent collusion? No, but now you'd have 4 people looking at it.
- Q. We have never had a successful LOA roll-over at the beginning of the fiscal year. Who can help?  
A. DoN eBusiness Office sends the requirements to the bank during August/September timeframe. If you have not seen the request from your level 3 APC, you need to contact them directly.
- Q. Is there any hope of having a NAVSUP PC Discussion group again?  
A. Because NAVSUP no longer owns policy, the NAVSUP discussion group was dissolved. DoN eBusiness Office will research this request. Please note your comments on the survey.

- Q. Operation Enduring Freedom. We need PC limits extended, reinstated.
- A. This has been done in the last week or so. Refer to PCPN FY04-26.
- Q. Referring to the audit mentioned above, please note that this audit was done on records from over 2 years ago. Many corrective actions have already been implemented.
- A. DASN (ACQ) agreed. There is an Audit Guide on the GAO website that gives ideas of what will be looked at during a review. PPMAP teams look at requirements; they are not auditors. There are redundancies in the audits/reviews. However, direction to GAO comes from Congress. DOD IG is listening. In the last 6 months there have been 7 joint audit meetings.
- Q. Regarding Citibank's software for fraud indicators, when things are found in your (Citibank's) database, how is it reported and to whom?
- A. When fraud is detected (Navy fraud is very low), the CH is contacted directly, not through the DoN eBusiness office. If asked for, statistics are provided to DoN eBusiness. The fraud being picked up is external.
- Q. PayPal?
- A. PayPal is a 3<sup>rd</sup> party pay system. Navy Audit looks very hard at third party pay systems. You will see guidance coming out very soon. Using a third party vendor is prohibited.
- Q. Is there any way to get vendors to detail what was purchased, rather than state "general merchandise"?
- A. The bank can't demand it. It is up to the merchant to pass level 3 data. It's very difficult for small merchants to pass that data (very costly); however larger vendors, such as Home Depot or Staples, can and do provide level 3 data (transactional detail). The MasterCard website has a list of merchants who pass level 3 data. The website is [www.mastercard.com](http://www.mastercard.com).