

## 5-5. Liability of Cardholders and Billing Officials

a. **Liability.** Billing officials are personally and pecuniarily liable for the full amount of any improper payments resulting from misuse, abuse, or unauthorized purchases of the GPC, in accordance with 31 USC 3528. Strict pecuniary liability applies when there is an erroneous (illegal, improper, or incorrect) payment. GPC CHs are pecuniarily liable for erroneous payments that result from the negligent performance of duties, up to one month's pay. All accountable officials are required to comply with DoD regulations, policies, and procedures, including standard operating procedures. Failure to act in accordance with such regulations, policies, and procedures is generally considered evidence of negligence. Following orders from superiors that are contrary to regulations, policies, and procedures, is no defense to negligence or bad faith. A heavy workload or a lack of experience, supervision, or training, is not a factor in determining relief from liability.

b. Use of the GPC by a CH to make an unauthorized purchase is the liability of the Government. However, the installation/organization is responsible for taking appropriate action against the CH including efforts to recover the funds.

c. The intentional use of the GPC for other than official Government business may be considered an attempt to commit fraud against the U.S. Government. Misuse may result in immediate cancellation of an individual's card, financial liability, and negative administrative and/or disciplinary action against the CH and, if warranted, against the BO. Any misuse of the GPC is subject to criminal, civil, Uniform Code of Military Justice, administrative, and disciplinary actions as appropriate.

d. **Cardholders.** DoD FMR Volume 5, Chapter 5, paragraph 1.1.2 defines a CH as a Departmental Accountable Official (DAO). DAOs are accountable officials that provide information, data, or services that certifying officers rely on to certify vouchers. DoD Directive 7000.14-R imposes financial liability for negligent performance of the CH's duties. DAOs will be personally and pecuniarily liable for erroneous payments that result from the negligent performance of duties.

e. **Billing Officials.** 31 USC 3528 provides for personal and pecuniary liability for improper payments resulting from misuse/abuse of the purchase card for Certifying Officials. The BO meets the definition for Certifying Officer in the DoD FMR; as such, the BO is financially liable for improper payments resulting from misuse or abuse. The act of certifying a billing statement for payment makes the BO financially responsible for illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, a BO who knowingly makes a false certification may be asked to repay the Government for the items or service purchased. If unsure about certification, BOs should contact the supporting Level 4 A/OPC for guidance.

f. **SCO Oversight.** The SCO and/or CCO have responsibility for the operation of the GPC program for their activity. The SCO is responsible for establishing effective internal controls that will ensure the appropriate management, operation, and oversight of the local GPC program. The SCO must establish and maintain a command climate to prevent the requiring activity from exercising undue influence over the actions of a cardholder. The SCO will establish local policies and procedures identifying informal and formal disciplinary actions to be taken in the event of noncompliance, fraud, misuse, and abuse. Disciplinary actions should be based on the severity and frequency of the infraction and can range from informal actions (such as written or verbal counseling) to demotion, removal, or potential criminal prosecution.

**g. Investigation Required.** Commands must be notified when evidence of fraud or other criminal activity is identified. Evidence of deliberate abuse will be referred to the CH's and/or BO's command for appropriate action. The investigation must provide the Army employee or military member with an opportunity to rebut the presumed liability.

**Parent topic:** [Chapter 5 - Establishing and Maintaining a GPC Account](#)