



# HOUSE COMMITTEE ON **VETERANS' AFFAIRS**

*Chairman Phil Roe, M.D.*

## **The Veterans Affairs Purchase Card Misuse Mitigation Act**

### **Background:**

The Department of Veterans Affairs (VA), like many federal agencies, issues its employees credit cards called government purchase cards to buy routine, inexpensive supplies. Purchase cards are generally an efficient payment mechanism, but with such a large volume of spending, the potential for misuse is always a concern. VA's purchase card spending is roughly \$4 billion annually and will likely increase as the individual transaction limit rises from \$3,500 to \$10,000 later this year, as a result of the 2018 National Defense Authorization Act. While this will give VA and other agencies tremendous new flexibility in using purchase cards, it will also pose greater risk for misuse.

At a 2015 [committee hearing](#), a VA whistleblower revealed that tens of millions of dollars in purchase card commitments had been unauthorized. While the vast majority of this money appeared to have been spent on necessary medical supplies, the prices paid often appeared excessive. The whistleblower's report also revealed that far too many VA employees held purchase cards and that supervision over the cards was lax. The [Inspector General recently found](#) the unauthorized commitments to be even larger than alleged. In response, VA leadership tightened the purchase card policies. Since then, there still have been periodic reports of purchase card misuse throughout VA.

The Veterans Affairs Purchase Card Misuse Mitigation Act would mitigate the potential for misuse of purchase card spending by requiring the VA Secretary to revoke the purchase card from any employee who is found to have knowingly misused their card or approval authority. This safeguard would prevent further misuse of government funds while existing penalties, ranging from suspension to demotion to removal, are considered for the wrongdoer.

### **The Message:**

- The increase in the purchase card transaction limit gives VA new flexibility but also creates heightened risk that purchase cards may be misused.
- This legislation would ensure that purchase cards are revoked from any VA employees who knowingly misuse them.
- This is a precautionary measure to stop additional purchase card misuse while VA applies existing penalties to offending employees.