

ASSISTANCE TO CONTRACTING OFFICERS

Suspected Fraud and Criminal Conduct

I. PURPOSE AND SCOPE. This Subsection provides procedures for reporting suspected fraud and criminal conduct and is applicable to all Government Quality Assurance Representatives (QARs) assigned to DLA Troop Support contracts.

II. RESPONSIBILITIES. QARs shall be alert to all conduct which may be considered Criminal or fraudulent, or which reflects upon the honesty or integrity of contractors or Government personnel in their relationship with contractors, or which could be detrimental to the Government's interests in acquisition activities. QARs shall report **promptly** all information concerning such conduct, whether in connection with public contracts or not. Personnel shall utilize good judgment in these matters.

III. PROCEDURES.

A. QARs shall report all activities which **reasonably** warrant the suspicion of fraud or Criminal conduct. The fact that evidence at the time of this activity is not conclusive, or that certain facts are not known, is no basis for failure to report. The purpose in reporting is to ensure the earliest possible referral to the proper investigative agency who shall obtain and preserve such evidence as may exist. In general, suspicion or all intentional conduct criminal in nature, or conduct which offends ethical business standards or Government employee's Code of ethics, shall be reported. Such conduct would include, but not necessarily be limited to, the following:

1. Any conduct intended to influence, intimidate, coerce, or otherwise interfere with QARs. Such conduct may include verbal threats, implied or actual, or bodily harm or harassment.
2. Any suspected intentional substitution of supplies after the lot (s) has/have been offered to the Government.
3. Any suspected intentional falsification, concealment, cover-up by trick or scheme of a material fact, or any suspected intentionally false, fictitious or fraudulent statement or representation.
4. Any unlawful taking, abuse, or misuse of Government property.

This Subsection supersedes Subsection 212.5, JUNE 2010

* Denotes Changes

5. Any other conduct of serious or compelling nature affecting the interests of the Government in acquisition matters.

6. Unauthorized possession or use of Government inspection stamps.

7. Commission of embezzlement, theft, forgery, bribery, falsification, destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty, which seriously and directly affects the question of responsibility as a Government contractor.

B. Suspected violation of standards of conduct by DoD personnel shall be handled in accordance with the applicable service regulations.

C. When a condition outlined in paragraph III.A. exists, the QAR shall immediately telephone his/her inspection office supervisor (**do NOT use the contractor's telephone**) for evaluation of the information. If it is decided by the QAR's supervisor that the suspicion of fraud or criminal conduct warrants reporting, the QAR shall immediately telephone the applicable Contract Quality Assurance Element (CQAE) which originated the contract so that the Contracting Officer, the Chief of the Contract Quality Assurance Element, and their legal advisors shall obtain all the necessary information from the QAR on a first-hand basis. Prompt action is necessary to preclude any delays. The telephone report shall be confirmed immediately in writing by the QAR completing MEDCOM Form 817 (Quality Assurance Representative's Correspondence).

*

1. Written confirming reports shall be in narrative form. They shall not be discussed with the contractor, their representatives, or Government personnel who may be involved, nor shall copies be furnished to them. The report shall include the following information:

a. Name and address of person preparing the report. Military personnel shall include grade or rank, social security number and duty station.

b. Date, time, place, and a detailed description of the suspected offense.

c. All numbers assigned to the contract (contract number, purchase order number, lot number, etc.) under which the alleged offense was committed.

d. Complete nomenclature of the commodity.

e. Names and positions of persons, if known, who were present at the time of the suspected offense.

f. Names and positions of persons, if known, participating in the suspected offense and the manner of their participation.

DLA TROOP SUPPORT 4155.6
SUBSECTION 212.5

g. What action, if any, was taken by inspection (or other) personnel assigned to the contract.

h. A brief description of any similar offense which occurred in the past (or any circumstances which might indicate a previous similar occurrence of an offense), documents supporting such previous occurrences, and a statement explaining why such previous occurrences were not reported if applicable.

i. Statements from Military or Government personnel having a personal knowledge of the suspected offense.

j. Nonconformance with contract requirements which is the result of or incidental to the alleged or suspected fraud or misconduct.

k. Any other appropriate comments of significance.

2. The written report shall be submitted in triplicate through the applicable CQAE to the Contracting Officer, and, as applicable, an information copy shall be furnished to the Administrative Contracting Officer (ACO). Simultaneously, a copy of the report shall be submitted to **DLA TROOP SUPPORT, ATTN: DLA TROOP SUPPORT-FT** and to **DLA TROOP SUPPORT-G, Office of Counsel, ATTN: Senior Counsel, Business Integrity**. Any contract nonconformance which has resulted from, or is incidental to, the alleged or suspected fraud or misconduct, shall be reported in accordance with Subsection 209.1, Nonconformances – Reporting. The CQAE, when forwarding the written report of alleged or suspected fraud or misconduct to the Contracting Officer, shall attach the required number of copies of DSCP Form 2662, Report of Nonconforming Supplies or DSCP Form 1932, Report of Nonconforming Shell Eggs and Contracting Officers Actions, as applicable.

D. After the report has been submitted, inspection personnel shall continue with inspection of the supplies; unless otherwise directed by their supervisor or the CQAE.

E. Inspection personnel shall not discuss the alleged offense with anyone other than individuals authorized to further investigate the allegations.

F. Copies of all reports and communications concerning suspected fraud or criminal conduct shall be conspicuously stamped or marked in red “For Official Use Only” at the bottom of each page.