

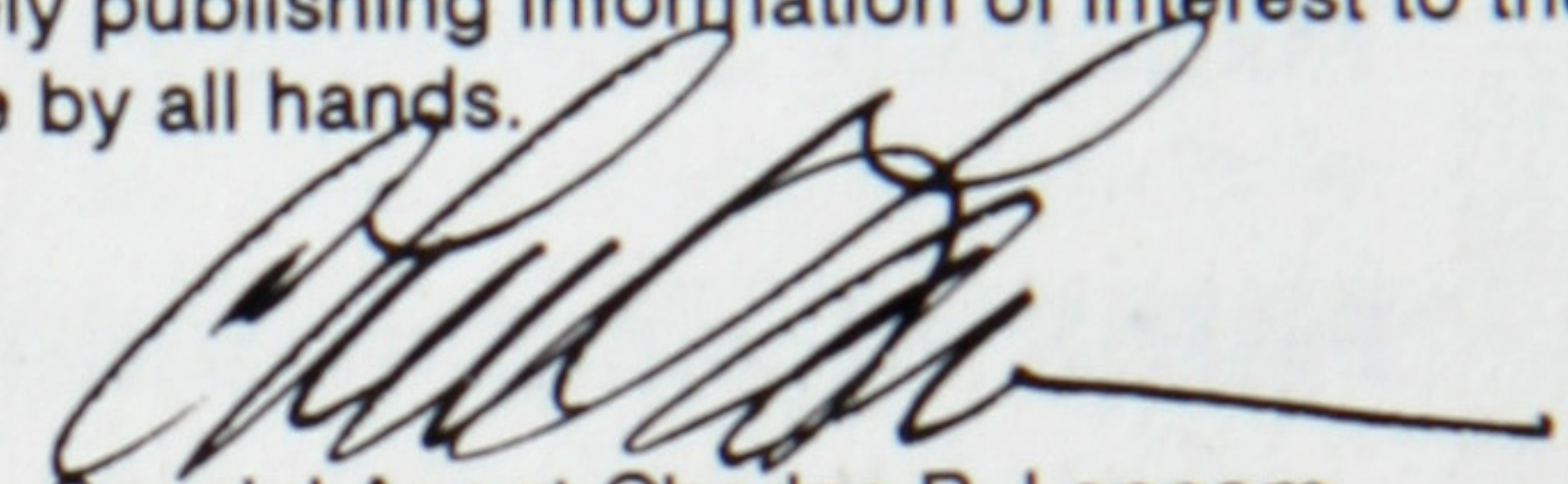


Bulletin



From: Commander (Acting), Naval Investigative Service Command
Subj: Bulletin

There is a need for enhancing communication between headquarters and the field offices of this command. We can satisfy this need and increase our effectiveness in serving the Department of the Navy by selectively publishing information of interest to the members of the Naval Investigative Service Command. This Bulletin is intended for use by all hands.



Special Agent Charles R. Lannom

In Memoriam



... WITH SA PAUL SPARKS



... WITH CIA DIRECTOR ROBERT GATES



... WITH SA LANNY McCULLAH



... WITH SA TED CAUBLE IN VIETNAM

SPECIAL AGENT WILLIAM A. WOROCHOCK

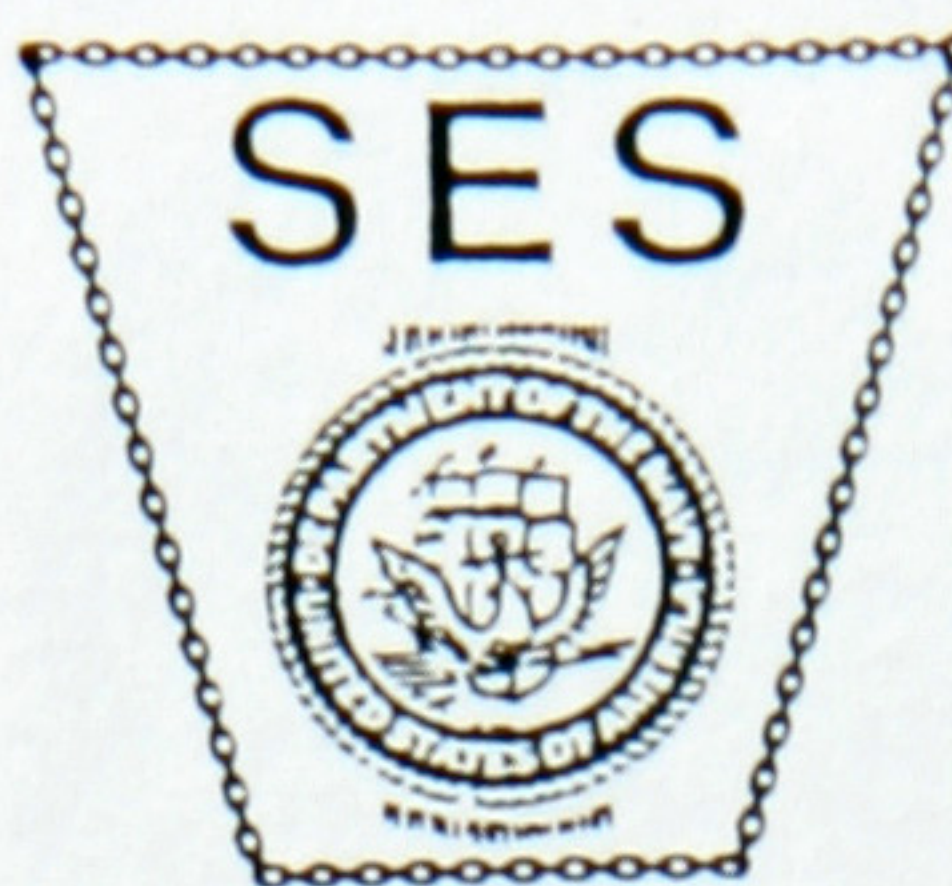
Summer-Fall 1992

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This Bulletin was written and edited by Gary M. Comerford. Opinions expressed are not necessarily those of the Government of the United States, Department of Defense, or Department of the Navy. Any comments or suggestions should be forwarded to:

Naval Investigative Service Command
Public Affairs Office
Building 111, Washington Navy Yard
Washington, D.C. 20388-5000



Naval Investigative Service
Command
Washington, D.C. 20388-5000

16 October 1992

Bill Worochock was a close, personal friend of mine, and like many who knew him, I respected and admired him. At the time of his sudden, tragic death, Bill was with friends at a farewell gathering for his wife, Joyce. She was preparing to come back to Virginia to oversee the construction of their new home on Smith Mountain near Roanoke, where they had planned to live following Bill's retirement in the Spring.

It was easy to understand why so many people liked Bill. He had a warm, friendly demeanor, always seemed to be smiling, and had a genuine, personal interest in the people who worked for him. To Bill, they weren't just employees, they were friends. If there was an after hours gathering, you'd usually see Bill there, frequently wearing his San Francisco Forty Niners' ball cap, covered with a variety of pins and badges.

At the same time, he was a true professional, who was held in high regard by the U.S. intelligence community. Less than a year ago, Bill was in Washington to attend a ceremony at the Central Intelligence Agency, where he was presented with the National Intelligence Distinguished Service Medal.

One of the keys to Bill's success was something he learned while serving as a Special Agent in Vietnam. "I think the most important thing to come out of Vietnam was reliance on each other," Bill once said. "I think we all brought something different to the job based on background and expertise. But invariably, you found out that you had a shortcoming somewhere. The reliance factor came from saying 'What can I do best and what can you do best, and can we make up for the shortfalls in each of us so we put together a pretty good team.' It carried forward, I think, throughout the majority of my career, especially when I was working up through the street. You can do so much better together."

Bill's loss has made what is already a tough time for NIS even tougher; but we can learn from his example. Now more than ever, we need to rely upon each other and continue to work together. This has been the key to our success in the past, and it will continue to be the key to our success in the future.

One of our biggest successes has been the Procurement Fraud Program and several months ago a decision was made to highlight it in the Bulletin. Just before the Bulletin was sent to press, however, Acting Secretary of the Navy Sean O'Keefe announced a number of actions, including plans to delete procurement fraud investigations from NISCOM's mission.

Regardless of what happens in the future, the past performance of NISCOM's Procurement Fraud Program has been nothing short of amazing and it should not be forgotten. For that reason, we have decided to retain the feature article on the Procurement Fraud Program.

Warmest regards,

Charles R. Lannom
Special Agent
Commander (Acting)

HISTORY

NISCOM'S FRAUD PROGRAM EXCEEDS EXPECTATIONS

By Gary M. Comerford
NISCOM Public Affairs Officer

No one can give an exact date for the beginning of the Naval Investigative Service Command's highly successful procurement fraud investigations program, but most generally agree that it began about a decade ago.

"It started in the early 1980s, sometime around 1982," said Special Agent Cliff Simmen, who has been with the program since its inception and has been the Assistant Director for Fraud Investigations since November 1989.

"Prior to that time, it was a hit-and-miss type of operation," Simmen continued. "We had agents who worked fraud cases, but they had limited train-

ing. Most of their expertise came from prior experience they had when they were supply officers or something of that nature."

What is not in doubt, however, is who got the program going. Just about everyone agrees it was Special Agent Byron Taylor, who is now the Regional Director of the NIS Northwest Region.

The only one who seems to point the finger elsewhere is Taylor, himself.

"Bob Orme saw the potential," Taylor said, referring to the former Director of Criminal Investigations for NIS. "Through his efforts and support, I was able to convince Vic Palmucci (former Deputy Director of NIS) to allow fraud agents to work just procurement fraud matters.

"Then it was Brian McKee, who recognized the importance of establishing the fraud program as it is today," Taylor said, referring to the former Director of NIS. "He and Admiral Flynn (Rear Admiral C.L. "Irish" Flynn, former Commander of NISCOM) made it happen.

"And of course a lot of credit has to go to Bob Powers (Director of Investigations and Counterintelligence) and Cliff Simmen," Taylor said, concluding a "Who's Who" of NIS.

Sharing the credit and a willingness to work closely with other agencies are Taylor's trademarks. Another, which he had to rely on heavily is tenacity.

Those who supported the program faced two major challenges during its early years. The first was getting

NISCOM RECOVERIES

<u>Year</u>	<u>Total Recoveries</u>	<u>Fraud Recoveries</u>	<u>Percent</u>
FY-88	\$92.2 Million	\$60.1 Million	65.2%
FY-89	\$78.9 Million	\$49.5 Million	62.7%
FY-90	\$213.1 Million	\$172.5 Million	80.9%
FY-91	\$291.1 Million	\$255.3 Million (*)	87.7%

(*) An unprecedented recovery for any given year by NISCOM.



SUPPORTED FRAUD PROGRAM

Shown above, from left to right, are: Rear Adm. Cathal L. "Irish" Flynn, USN (Ret'd), the first flag officer to command NISCOM; retired Special Agent J. Brian McKee, former Director of NIS; and Special Agent Robert J. Powers, Director of Criminal Investigations and Counterintelligence. The three supported Special Agent Byron Taylor's efforts to establish a fraud-dedicated program.

people to realize the potential for procurement fraud.

"Basically, there were some strong indications that there was criminal activity occurring," Taylor said. "At the same time, we were no different than any other investigative agency, either in or out of the Department of Defense, including the FBI. We did not have well-trained agents who understood procurement fraud and knew what to look for.

"Then there was a change in attitude with the general public. After all, these were taxpayers' dollars. And once we started looking into it, we realized there were a lot of areas (in government procurement) that could be exploited."

The second challenge, and by far the tougher of the two, was getting the assets dedicated to fraud investigations.

"When you investigate payoffs, diversions of money, and major schemes, it takes a lot of time. There is usually no smoking gun," Taylor said. "A fraud investigation can be a very lengthy process. If you are going to penetrate a sophisticated scheme, it takes patience, and knowledge of the procurement cycle. It is a lot of hard work and

you have to understand contracts."

What Taylor and other fraud supervisors envisioned was a program in which highly skilled, well-trained special agents dedicated to fraud investigations exclusively and would be supervised by knowledgeable, fraud-dedicated managers.

It was a logical solution, but far from popular, according to Special Agent Ernie Simon, Deputy Assistant Director for Fraud investigations, who has also been in the program since it began.

"Philosophically, from an NIS standpoint at that time, the important thing was how many cases you had, how fast you could close them and turn them over, and how many convictions you had," Simon said. "It was difficult to change the mindset to 'I might have this case for two years, but we might get \$10 million in recoveries and suspensions and debarments.'"

"Meanwhile, you had supervisors who were saying 'Wait a minute. I've got these drug cases, assaults, etc. Why is that fraud case taking so long?'"

"Since that time, I think we've successfully changed that mindset," Simon concluded. "I think it was just a case of 'show me.'"

And show them, they have.

The wisdom of quality versus quantity has been repeatedly borne out in NISCOM's statistics. Although fraud investigations accounted for less than five percent of the total NISCOM investigations during the past two fiscal years, they accounted for 81 percent (\$172.5 million) of NISCOM's recoveries in FY-90 and 88 percent (\$255.3 million) in FY-91.

To put it another way, NISCOM's approximately 170 fraud-dedicated special agents have averaged over \$1 million each in recoveries during the past two fiscal years.

LAYING THE GROUNDWORK

The evolution from a loose-knit, locally run effort to a major, centrally directed program did not take place overnight. It involved a series of crucial decisions and important events.

One of the most crucial took place shortly after Powers took over as Director of Criminal Investigations in mid-1986, when he appointed Taylor to head the fraud program. Prior to taking over the program, Taylor had served as Assistant Special Agent-in-Charge (ASAC) for Fraud in San Diego, Norfolk and Washington, D.C.

Powers' support was a major factor in the development of the program, which he continues to oversee today as Director of Investigations and Counterintelligence. However, he left little doubt as to who was responsible for making NISCOM's fraud program into what it is today.

"When I came in, the program didn't seem to have much direction, so I put Byron in charge of it," said Powers, who gave Taylor free reign in charting the program's course.

At the time Taylor took control, the program was only a few years old and run from the local level. Fraud agents were assigned to NIS Resident Agencies (NISRAs), where they were required to work other cases and frequently reported to supervisors with little or no experience in procurement fraud investigations.

Despite those limitations, supervisors with fraud experience, including Taylor, Simmen (who served as ASAC for Fraud in San Francisco) and Simon (who served as ASAC for Fraud in New York), had already done a good job of laying the groundwork for the program by recruiting some of the organization's best and brightest.

One who fell into this category was Ralph Blincoe, who is now the ASAC for Fraud at NISRA Jacksonville, Florida.

Blincoe joined NIS in 1981, right after graduating with an Administration of Justice degree from Guilford College, in Greensboro, North Carolina.

"I initially came in with the idea that I would go into the FCI (foreign counterintelligence) program," said Blincoe, whose first badge and set of credentials still bore the inscription "Naval Intelligence."

"There was a mystique about it," Blincoe said. "I was an avid reader of spy novels and I was intrigued by the perceived glamor that went along with FCI. I've since learned that it (FCI) is just a lot of long hours and hard work, like everything else."

Blincoe had been with NIS about a year-and-a-half and was assigned to the narcotics squad covering the NIS



A WINNING TEAM

Special Agent Byron Taylor and Mr. Paul Beach, Deputy General Counsel of the Department of Defense (DoD) worked closely on what would become the biggest DoD procurement fraud investigation in history. (Photo by Gary M. Comerford)

Southwest Region, when he was first approached by Taylor.

"I was over at the office one day and he literally recruited me into the program," Blincoe said, who admitted he initially had reservations. "When I first heard the word 'fraud,' I thought like everyone else that it was a lot of document and paper cases, with very little excitement involved. But after talking to Byron, it became very clear to me that my initial impression of fraud was wrong."

"After he talked to me about working with the U.S. Attorney, the high dollar value involved and the travel, I got interested and he went back to my SAC and lobbied to get me into the program," he continued. "As far as I am concerned, Byron Taylor is the father of the NIS fraud program as it exists today. He molded the program. He had a vision of how he wanted the fraud program to be and the type of personnel he wanted, and went to extraordinary lengths to get it."

FRAUD TRAINING

The next step was training, and in early 1984, NIS held its first Basic

Procurement Fraud Investigations Class. Thirty special agents attended the four-week course, which was held at the Navy Supply School in Athens, Georgia.

"The approach was not on how to investigate fraud cases, because we already had good investigators," said Simon, who was a member of the first fraud class. "They decided the best way to approach it was to teach the agents how the Navy buys everything from pens to F/A-18s."

"If you understand the system, you will be able to understand what people are doing when they try to beat it. For example, in procurement they use a lot of buzz words and it's difficult if you don't know the language."

Four classes averaging 25 special agents each were run through the Basic Procurement Fraud Investigations Class that year. Since that time, the procurement fraud training program has developed into one of the most extensive in NISCOM. No less than 10 different specialized courses are now offered to fraud-dedicated special agents by the NISCOM Training Department, in addition to in-service training.

"Where they are and what type of work they are doing will determine what type of training they will receive," said Simmen. "If they are in San Diego and are involved with master ship repair contracts, we will send them to schools specializing in that area. If they are investigating environmental crimes, we'll send them to NIS-sponsored schools and outside training in that area. If they are involved in service contracts, we have another course for that, which we hold in different parts of the United States."

OPERATION "SANDFISH"

In an age accustomed to instant gratification, it was obvious to everyone involved with the NISCOM Procurement Fraud Program that it would have to show the organization some return on its investment -- and the sooner, the better.

It came in 1985, with the culmination of a two-year joint undercover fraud investigation named "Sandfish."

"That was one of the first large undercover fraud operations we got into," said Blincoe, who was involved in the case. "It started in San Francisco, when a businessman walked into the NISRA and said he was tired of being shaken down for bribes. He said he wasn't paying them and that he was being run out of business because the Navy procurement clerks were blackballing his company."

Since the allegation involved civilian personnel, the Federal Bureau of Investigation (FBI) was notified and a joint "Group One" (full undercover) operation was initiated, utilizing a sham business.

"Undercover agents were paying Navy clerks kickbacks in return for directing contracts to the business," Blincoe said. "It (the investigation) grew quite large and extended to San Diego. That's where Mark Vallerga (now the ASAC for Fraud at NISRA Seattle) and I came into play."

"We established three undercover businesses in the San Diego area and did the same thing they did in San Francisco," he continued. "There were 28 subjects all together, who accepted bribes and kickbacks in just the San

NISCOM FRAUD COURSES

BASIC PROCUREMENT FRAUD INVESTIGATIONS COURSE (3 weeks, Norfolk, VA) This course is designed for the special agent newly assigned to fraud-related investigations. The course provides instruction on how the government procures goods and services, the Federal Acquisition Regulations and statutes relating to all types of fraud against the Government.

FRAUD MANAGERS CONFERENCE (1 week, NISCOM Headquarters, Washington, DC) This conference provides insight into the proper management of cases, effective supervision and utilization of field assets. Finding workable solutions to various challenges in the field is heavily emphasized.

ENVIRONMENTAL CRIMES/HEALTH AND SAFETY COURSE (2 weeks, San Diego, CA) This course is divided into two one-week sessions. The first session is the Health and Safety Course, which meets requirements set forth in Title 29 Code of Federal Regulations 1919.120 which mandates 40 hours of health and safety training be provided to individuals working at hazardous work sites. The second session is the Basic Environmental Crimes Investigations Course, which provides an overview of the major criminal provisions found in the Federal environmental statutes, and specialized investigative techniques.

ADVANCED FINANCIAL FRAUD TRAINING PROGRAM (2 weeks, FLETC, Glynco, GA) This course emphasizes new investigative techniques relating to complex financial fraud cases. Course topics include money laundering, asset forfeiture statutes for non-drug related fraud cases, international investigations, and current prosecutive strategies.

CRIMINAL INVESTIGATIONS IN AN AUTOMATED ENVIRONMENT (2 weeks, FLETC, Glynco, GA) This course is designed to teach skills need to conduct a successful computer-related investigation. Practical exercises are emphasized and include preparing affidavits for search warrants and executing search warrants in a computer environment.

CONSTRUCTION CONTRACT MODIFICATIONS COURSE (1 week, various U.S. Navy commands in CONUS) This course is designed for construction contract managers to recognize and quantify contract modifications. Emphasis in this course is placed on the impact of change to construction, procurement regulations, contract clauses and claim avoidance.

ARCHITECT-ENGINEER CONTRACT MANAGEMENT COURSE (1 week, various U.S. Navy commands in CONUS) This course provides an overview of contracting for technical services Brooks Act Procedures. Topics include A&E slating, selection, estimating, fee negotiation, contract clauses and contract administration.

FACILITIES SUPPORT CONTRACTING I COURSE (1 week, various U.S. Navy commands in CONUS) This course provides a general overview of procurement and instruction on NAVFACENGCOM contracting for base operations, maintenance and support.

SHIP ACQUISITION CONTRACT ADMINISTRATION MANUAL COURSE (1 week, various U.S. Navy commands in CONUS) This course provides SUPSHIP personnel with formal classroom training in the fundamental administration of shipbuilding contracts. The focus of the course is the Ship Acquisition Contracting Manual which outlines policy and procedures in shipbuilding.

SHIP REPAIR CONTRACTING MANUAL COURSE (1 week, various U.S. Navy commands in CONUS) This course provides personnel with formal classroom training in the fundamental administration of ship repair contracts. The Ship Repair Contracting Manual, which outlines policy and procedures in ship repair, is the focus of this course.

TRAINING

ENVIRONMENTAL CRIMES CLASS IS HELD

**By Special Agent Marguerite M. Sweeney
NISCOM Training Department**

Thirty people attended the Naval Investigative Service Command's first Environmental Crimes Investigations Training Course held at the Naval Amphibious Base in Coronado, California, from July 27 through August 7.

All but two of the students were NIS special agents, most of whom were fraud dedicated. The other students included a Federal Bureau of Investigation (FBI) special agent, and an investigator for the San Diego County District Attorney's Office.

The first portion of the intensive two-week course dealt with health and safety issues. It was funded by the Naval Facilities Engineering Command (NAVFAC), which hired civilian contractors to teach the course.

During this phase of the training, students were familiarized with various hazardous substances, which they might encounter during the course of an environmental crimes investigation.

Two of the five days were spent working with protective clothing and breathing devices. The training provided participants with a better understanding of the difficulties faced by those who don the equipment.

To demonstrate the effects heat exhaustion and other forms of stress can have on an individual utilizing protective gear, instructors had students don the

gear and participate in frisbee and volleyball games. Within minutes, the participants were feeling the effects, including heat stress and claustrophobia.

Although the exercise was not pleasant, it provided the students with a much better appreciation for installation restoration workers, who must evaluate and clean up contaminated sites, as well as those experts tasked to collect evidence for a major NIS case.

The second week featured federal, state and local instructors, including Assistant U.S. Attorney Melanie K. Pierson,

who lectured on major environmental statutes and investigative procedures unique to environmental crimes investigations.



SPECIAL AGENT SWEENEY

Diego area. Eight were indicted and convicted in federal court. The other 20 were convicted in the military court system."

In addition to being one of the program's first major successes, "Sandfish" reinforced Taylor's philosophy of joint agency cooperation and his emphasis on good liaison. It would continue to pay dividends in the future.

The Assistant U.S. Attorney assigned to "Sandfish" was Mr. Bill Braniff, who would eventually become the U.S.

Attorney for the Southern District of California.

The undercover FBI special agent, who worked with Blincoe on "Sandfish," ended up working with him again. Later, both were assigned to Hawaii, where they initiated another highly successful joint undercover fraud operation. This one targeted an auto parts contractor, who was eventually convicted in federal court of bribery and violations of the Racketeer Influenced and Corrupt Organization

(RICO) statutes. That joint NIS-FBI undercover fraud investigation netted the U.S. Government recoveries totalling \$1.8 million.

REGIONAL FRAUD UNITS

Despite some early successes, fraud-dedicated special agents were still hampered by the fact that they were not entirely independent from other criminal investigative duties. It soon became obvious that the program would need more control over its own agents



DONNING THE GEAR

Students wearing protective suits and self-contained breathing apparatuses play volleyball in the picture at left above. In the photo above, someone helps Special Agent Gabrielle K. Carruth (RFU San Diego) adjust her gear. At left, Special Agent Ronald C. Janson (NISRA Port Hueneme) tries on an air mask. Standing next to him is Special Agent Mark A. Robinson (RFU Upland). In the photo at left below, Special Agent Regina McIntyre dons an air mask to the amusement of Special Agent Joan D. Taylor (RFU Norfolk). Below, students put on protective suits.

(Photos by Special Agent Marguerite M. Sweeney)



and the type of cases it was going to pursue.

In 1986, shortly after McKee became the Director of NIS (a title since changed to Deputy Commander NISCOM), a decision was made to resolve that problem.

"It was about that time that we had a meeting of our 'kitchen cabinet,'" McKee said, referring to a select group of NISCOM's senior leadership, whom he relied upon for advice. "It was then that we said, 'Hey. We've got to get

out of the tool box mode.' So a decision was made to go after organized major procurement fraud. To do that, we had to free up people. We did it at the expense of investigating lesser crimes."

The decision was not made without some trepidation, McKee admitted. After all, NISCOM was a "service organization" upon which commanding officers relied for a variety of services, including the investigation of missing

tool boxes and travel claim fraud. But in order to concentrate on major fraud, these types of investigations would have to be discontinued.

Once the decision had been made, the next question was how to put it into effect. Many supervisors in the field had little experience in procurement fraud investigations and there was still opposition on the NISRA level to dedicating agents exclusively to fraud.

Taylor, who by then was running

the fraud program from NISCOM Headquarters and a member of McKee's "kitchen cabinet," proposed establishing regional fraud units. In the fall of 1987, five were established in San Diego, San Francisco, New York, Washington, D.C., and Norfolk. About a year later, a sixth was established in Los Angeles, giving NISCOM three fraud offices on each coast.

"Byron Taylor pushed for the regional fraud offices," Simon said. "I'm convinced that if it wasn't for him pushing that concept while he was back here at Headquarters, it never would have happened.

"From a fraud manager's standpoint, it was the best thing that happened to the program," Simon continued. "I was in San Diego at the time and I had 15 people to work procurement fraud. Before this, we had to help out on bigger cases involving other crimes. But after 1987, we could concentrate on investigating fraud. The difference was that we had people who did just fraud investigations and knowledgeable managers, who knew what the agents were supposed to be doing."

From McKee's standpoint as head of the special agent corps, it was a turning point in the program.

"What it did was give the guys in the field incentive," McKee said. "There was no more pressure for numbers. We switched our attitude from putting one agent on five cases to five agents on one case. We let them specialize.

"It cost us about \$15 million a year to run a dedicated fraud program. That's everything from salaries to cars and offices. But no one can argue with the payback. It led to some very significant cases and the recovery of hundreds of millions of dollars."

Despite the success of the program, the cost of running it hasn't increased very much.

"It doesn't cost us substantially more than that now," said Powers, whose duties as Director of Investigations and Counterintelligence include justifying budget expenditures in those areas. "It's under \$20 million and it's been very cost effective."

"IRON EAGLE"

Ironically, one of the program's first major cases to attract national media attention did not involve what by later standards would be considered a large sum of money.

The total recovery value from the investigation was \$104,458, something which would be considered meager when compared to later multi-million dollar settlements.

What attracted so much attention were the subjects of the investigation, who had been members of the super-secret SEAL Team Six. Because of the sensitive mission of the unit, por-

"Byron Taylor pushed for the regional fraud offices. I'm convinced that if it wasn't for him pushing that concept while he was back here at Headquarters, it never would have happened. From a fraud manager's standpoint, it was the best thing that happened to the program"

**- Special Agent Ernie Simon
Deputy Assistant Director
for Fraud Investigations**

tions of the investigation still remain classified.

The investigation began in June 1986, when NIS received information that some members of SEAL Team Six, including one of its commanding officers, had engaged in travel claim fraud and contract fraud.

"This was the first case in which we brought in a lot of outside assets for help," said Simmen, who was one of the principle architects of the investigation. "It was the first task force investigation that we controlled."

After months of intensive investigation, to include the review of truck-

loads of documents, the NIS task force was able to develop indicators of possible procurement fraud in three separate contracts let by or for Seal Team Six.

As a result of the task force's investigation, four persons, including the former commanding officer of the unit, were convicted in federal court on fraud-related charges, and two were convicted at general courts-martial. A total of 138 months confinement, 117 months in suspended sentences, and 120 months of probation were awarded; seven companies were debarred; \$14,580 in fines were levied; and \$89,778 in restitution was made.

BIG MONEY

In the January 15, 1990 edition of Time magazine, in the upper left corner of page 48, an article appeared entitled: "Penetrating the World of Dango; How Navy agents cracked a Japanese bid-rigging scheme."

It began as follows: "In Japan's \$500 billion construction industry, bid-rigging is an established and rarely punished process that goes by the name of dango. For the Pentagon, dango is an odious practice that inflates expenses by tens of millions of dollars a year on military projects in Japan. In an unprecedented case, the Justice Department announced last month that 100 Japanese firms had agreed to repay \$33 million of excess profits on Navy construction projects. Reason: the companies were caught in the act.

"The breakthrough was accomplished by skilled undercover work, Government officials told Time. In the past, investigators had been unable to penetrate the closely knit fraternities formed by Japanese businesses. But in June 1986, the Naval Investigative Service adopted a new tactic when it began probing the Star Friendship Association, a consortium of 160 Japanese construction firms. . . ."

For Special Agents Scott Jacobs, Larry Swink and John Oglesby, and a Japanese national employed by NIS as an investigator named Masuo Uchida, it was the culmination of an investigation code-named "Mt.



DOD IG AWARDS FOR "IRON EAGLE"

Special Agent Clifford Simmen is congratulated by then-Department of Defense Inspector General (DoD IG) Susan Crawford during a 1991 ceremony in which he was presented with a certificate of commendation for his role in the "Iron Eagle" investigation. Others receiving certificates during the ceremony were Special Agent Ralph Blincoe, far left, and Lt. Cmdr. Don Weber, JAGC, USN, who is standing next to Ms. Crawford.

(Photo by Gary M. Comerford)

Niitaka."

Jacobs, who is now the Special Agent-in-Charge of the Fraud NISRA in New York, was assigned to NISRA Yokosuka from 1985 through 1988.

"I worked with a very capable investigator, Masuo Uchida," said Jacobs. "He and I worked the case from the beginning. Without him, the case never would have gotten off the ground. Because he was Japanese and because he was such an excellent investigator, he was able to get the necessary information we needed to open the case."

It was Uchida who came up with the code name for the case.

"He told me that hundreds of years ago there was a battle at Mt. Niitaka, which went on for some time before the Japanese Samurai prevailed," Jacobs recalled. "After that, it came to represent perseverance to the Japanese Samurai.

"We had tried to penetrate collusive bid-rigging operations before and failed several times. Based on the previous failures, Uchida said, 'Let's name it Niitaka. It will give us perseverance.'"

Their perseverance eventually paid off, leading to the downfall of the

Japanese contractors' organization, which was known as "Seiyukai" (Friends of the Stars," a reference to the American flag).

Jacobs was later transferred, and was replaced by Swink, who was subsequently transferred and replaced by Oglesby. Under their direction and with the assistance of Uchida, cooper-

***"Let's call it Mt. Niitaka.
It will give us perseverance."***

**- Mr. Masuo Uchida
NIS Investigator**

ating witnesses that were already members of the association were developed and provided valuable information.

Stuart M. Gerson, Assistant Attorney General of the Civil Division of the Justice Department, handled the civil settlement, eventually resulting in the recovery of \$34 million from approximately 130 Japanese companies.

On October 13, 1991, Jacobs, Swink

and Oglesby were honored by the Federal Bar Association for their roles in "Mt. Niitaka." In addition, Jacobs received a certificate of appreciation from the Department of Defense Inspector General (DoD IG).

Although "Mt. Niitaka" was an obvious high point in Jacobs' career, he has enjoyed others since taking over the fraud office in New York.

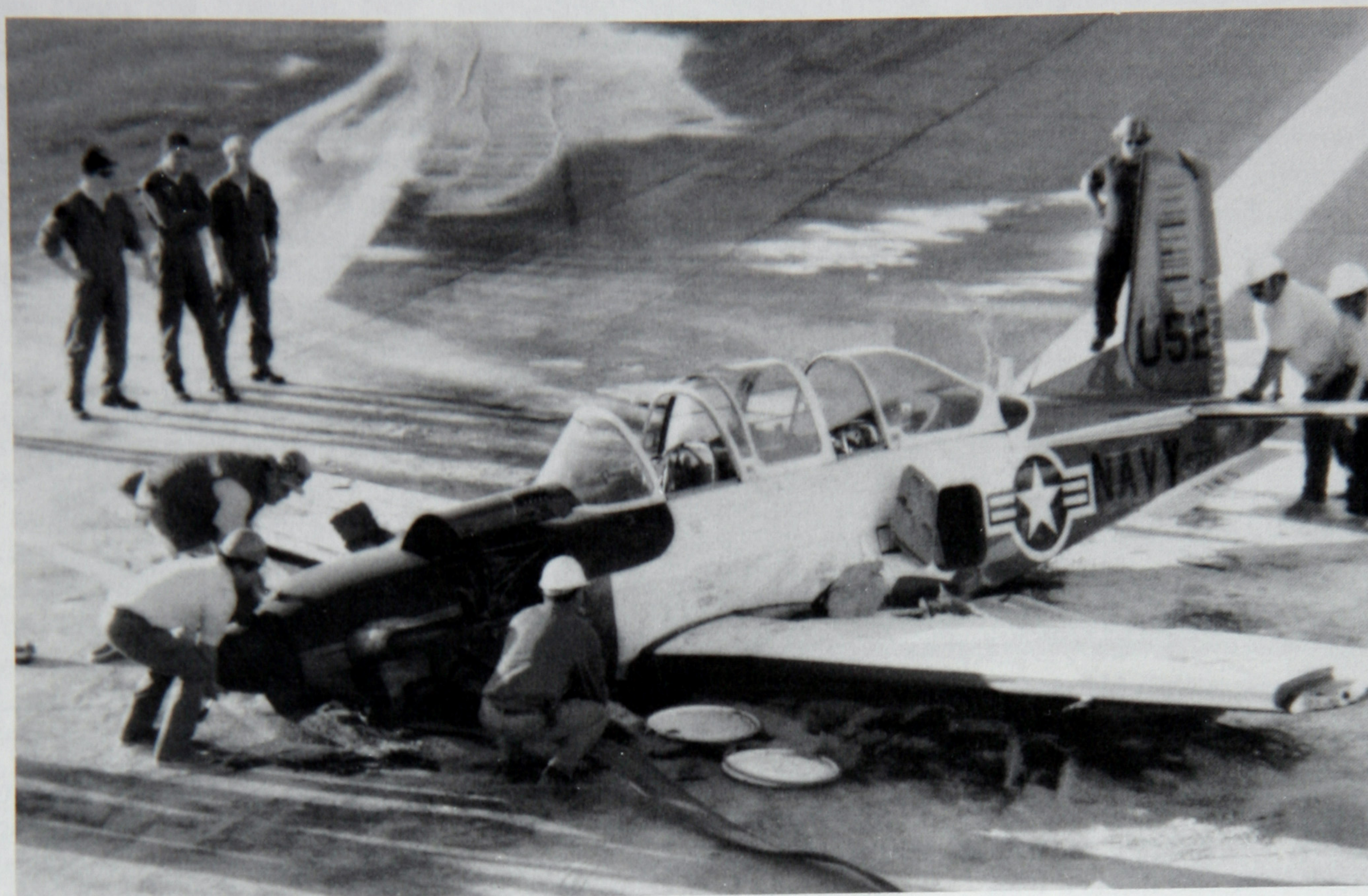
Jacobs was recently involved in a joint fraud investigation with the FBI, the DoD IG, the U.S. Army Criminal Investigations Command (CID), the U.S. Air Force Office of Special Investigations (OSI) and the Defense Contract Auditing Agency (DCAA).

In 1988, the joint task force targeted a flight simulator systems company in upstate New York.

"They (the company) would negotiate a contract with the Government," Jacobs explained. "They would have an internal estimate, then inflate it upwards to 10 to 20 percent and hide the additional sums in labor rates. They hid it and the Government paid it. The contracts involved the Army and the Air Force, but they were administered by the Navy. That's how

(See FRAUD, P. 12)

CASE STUDY



WRECKAGE OF THE T-34C ON THE RUNWAY AT MCAS EL CENTRO

FRAUD CASE RESULTS IN \$4.1 MILLION SETTLEMENT

By Special Agent Gary Marsh
NISRA Pensacola

It was late in the afternoon on January 17, 1991, when a Navy T-34C wrapped up a sortie during a training exercise at the Marine Corps Air Station at El Centro, California.

Although the T-34C is used to train pilots, this one had been given to VFA-125 stationed at Naval Air Station at Lemoore, California, to be used as a spotting aircraft for gunnery practice.

On this day, the plane carried a crew of two, the pilot and a civilian contract employee. As the pilot entered the approach area at El Centro, he requested permission to do touch-and-go landings. Once permission was granted, the aircraft went in, did its touch, and then exited climbing off the runway.

But instead of circling around to make another approach, the aircraft continued to climb until a vertical stall occurred about 200 feet above the runway.

At that point, it rolled over and began plummeting to the ground. The pilot was able to get the aircraft level, but it still crashed, skidded about 100 feet down the runway and caught fire.

The aircraft's two occupants were removed from the wreckage by a crash rescue crew and transported to a local hospital at El Centro, where the civilian was later pronounced dead.

After the pilot's condition stabilized, he was transported to the Naval Hospital at San Diego, where he was kept for several months. As a result of the injuries he received in the crash, he is permanently disabled. He is just beginning to walk again and just beginning to remember some things from the past.

Six months after the incident occurred, a source at the Naval Air Station in Pensacola, Florida, contacted the local NISRA and suggested that NIS might be interested in the JAG investigation into the cause of the crash. The source was concerned because the aircraft had been assigned to NAS Whiting Field at Pensacola, Florida. While it was there, it had undergone an Aircraft Conditional Inspection (ACI) prior to its transfer to VFA-125.

NIS obtained a copy of the JAG investigation, which found that the accident occurred because of foreign object damage. Of particular interest, was what the JAG investigation found out about the ACI, which had been conducted by a civilian contract company on the aircraft prior to its transfer to VFA-125.

During an ACI, an airplane is supposed to be completely torn down and reassembled, with all parts checked and replaced where necessary. But when workers began reassembling the ill-fated T-34C, the

No discrepancies were noted by the company when the aircraft was released to the Navy. It completed a functional flight test at NAS Whiting Field and remained there for three months until being transferred to VFA-125.

After the crash, the missing ELT was found during a search of the wreckage, wedged in the flight control system under the floorboard of the cockpit. It is believed that when the pilot pulled back on his stick to do his climb, there was enough area for the ELT to fall into the flight control area where it was found. This prevented him from having control over the aircraft.

NIS opened its own investigation after reviewing the JAG findings. Based on the NIS investigation, federal grand jury subpoenas were issued to 18 people.

The company which conducted the ACI requested that it be allowed to have the evidence tested by private consulting engineers. Their request was granted and the evidence, including the ELT, was taken out to California, where the tests were performed.

After the tests were completed, the company agreed to a civil settlement out of court and accepted 100 percent liability.

So far, the company has paid \$1.6 million to the U.S. Government and \$2.5 million to the family of the deceased civilian contractor. The company is still negotiating a settlement with the pilot and his family.

NIS opened its own investigation after reviewing the JAG findings. Based on the NIS investigation, federal grand jury subpoenas were issued to 18 people.

Emergency Locator Transmitter (ELT) was found to be missing.

The workers informed their supervisors, who told them not to worry about it, according to the JAG investigation. The supervisors then pulled an ELT off an aircraft they were cannibalizing and used it as a replacement.

Technically, such a procedure would have required a lot of paperwork to be completed indicating that a part had been lost and replaced. But none of this was done, nor was the Navy told that a part had been lost and that another part from a grounded aircraft had been used to replace it.

When the company's quality assurance inspector found out what happened, he initially refused to sign documents verifying the aircraft was ready to be released to the Navy. But after threats to his job, he eventually signed.

Editors's Note:

Special Agent Gary Marsh was responsible for directing the NIS portion of this case. He was assisted by Special Agent John Dobbs. Marsh subsequently received a certificate from the Department of Justice recognizing him for his outstanding work.

Mr. Michael P. Finney, Assistant U.S. Attorney for the Northern District of Florida, who was assigned to prosecute the case, is a commander in the Naval Reserve and is the commanding officer of an NIS reserve unit in Pensacola.

FRAUD (Continued from P. 9)

we got involved." The investigation resulted in both civil and criminal charges. Mr. Richard Poole, Counsel for the Defense Procurement Fraud Unit (DPFU) in Washington, handled the criminal portion. Mr. Gordon Jones of the Department of Justice Civil Division handled the civil litigation.

"In July five individuals, all senior level management personnel, were indicted on charges of conspiracy to commit fraud and mail fraud, and the company agreed to a settlement of \$55.5 million," Jacobs said.

"ILLWIND"

The most significant, and without a doubt the most far-reaching fraud investigation of any law enforcement agency, began on September 4, 1986, when a defense contractor, who had recently attended an NIS fraud awareness briefing, called NISRA Washington, D.C.

Steve Fulmer, then a fraud-dedicated agent assigned to the office, answered the telephone.

"It was a direct call from a former Department of the Navy member, who said he had been solicited for a bribe," Fulmer recalled. "As soon as I heard what the caller had to say, I knew it was going to be big. But I don't think anyone ever imagined it was going to be this big."

It was Fulmer who also came up with a name for the investigation.

"He was over at the Navy Museum at the Washington Navy Yard, looking through some books, and came across the definition of the word 'Illwind' as a wind that blows no good for anyone. That's how the investigation got its name," said Simmen, who was one of the key participants in the investigation.

As of August 1992, the "Illwind" investigation has resulted in 57 convictions, including some senior government and business executives; the suspension of 20 individuals and 18 corporations from doing business with DoD; the debarment of 40 individuals and 25 corporations; and the recovery of more than \$257 million in fines, re-

imbursements and forfeitures.

Fulmer, who has since left NIS for a job in his home state of South Carolina, was featured in the September 30, 1990 edition of *Parade* magazine as one of its 10 runners up for "Law Enforcement Officer of the Year." Sharing those honors with him was his FBI counterpart, Special Agent Richard B. Wade.

On May 4, 1990, Fulmer and Wade, along with NIS Special Agent Simmen and FBI Special Agent Larry R. Kuhl, received Distinguished Law Enforcement Awards from the Federal Bar Association for their work on "Illwind." In December 1990, the four were named as the 1989 Criminal Investigators of the Year by the Association of Federal Investigators.

ment of joining forces. He encouraged their headquarters level and other FBI field offices to become involved in joint FBI-NIS fraud investigations."

A year and a half before "Illwind" was initiated, Taylor and Krahling had decided to attack the problem of procurement fraud using a joint agency approach.

"Each of us had committed agents to a joint effort," Taylor said. "We had limited successes and some setbacks, but we tried to learn from every setback. So we already had a program in place when the 'Illwind' information came in. As soon as we received the information on 'Illwind,' we immediately passed it on to the Bureau."

The investigation was divided into two stages. The first was the covert

As of August 1992, the "Illwind" investigation has resulted in 57 convictions, including some senior government and business executives; the suspension of 20 individuals and 18 corporations from doing business with DoD; the debarment of 40 individuals and 25 corporations; and the recovery of more than \$257 million in fines, reimbursements and forfeitures.

Two factors measured heavily in the high degree of success of "Illwind."

One was the decision to wait and see where the investigation would lead. Rather than go for immediate results, a decision was made to devote major resources to the investigation, including the use of wiretaps.

The other was the already well-established good working relationship between Taylor and his fraud agents, and their counterparts in the FBI.

"Joe Krahling, who was the SAC of the FBI Alexandria office, was as good as they come," Taylor said, who was then the ASAC for Fraud at NISRA Washington. "Another was Bill Imfeld. At the time, he was head of government fraud at FBI Headquarters. He is now the ASAC of the FBI office in Buffalo. He was a very strong propo-

stage, which involved 37 Title III wiretaps (named for the section of the Omnibus Crime Control Act of 1968 governing their utilization) in eight states.

During the covert stage, over 76,000 telephone calls were intercepted, with pertinent information identified in over 8,000 of the them. Eventually, over 45 Navy contracts were identified as being suspect.

On June 14, 1988, the investigation shifted into its overt stage when NIS and FBI special agents conducted 49 simultaneous searches in 12 states, issuing over 2,000 grand jury subpoenas. That evening, the story was on all the major television networks. "Another major scandal may be looming in Washington. Federal investigators started serving warrants today after a massive investigation of defense fraud,"

said Peter Jennings on the ABC "World News Tonight."

Many of the news stories portrayed the searches as the culmination of the investigation; but those on the "Illwind" Task Force knew it was just the beginning.

THE OVERT STAGE

Once the investigation became public, the "Illwind" Task Force was able to call upon other professional resources to review and analyze the seized documents, some of which involved contracts with other military services.

Auditors from the Naval Audit Service along with contract lawyers and contract specialists from then-Secretary of the Navy Lawrence H. Garrett, III's office were assigned to the investigation.

"Paul Beach, who is now the Principal Deputy General Counsel of the Department of Defense, was a Special Assistant to Mr. Garrett at the time," Taylor said. "He was excellent. He recognized the importance of the investigation and got the people we needed.

"Each of the other services gave us a lawyer (the Task Force could call on), but the Navy went one step further and assigned Lt. Cmdr. Don Weber (JAGC, USN) to the Task Force. He



MR. JOSEPH ARONICA

became a Special Assistant and was a very important part of the Task Force."

Weber worked closely with Joseph Aronica, the Assistant U.S. Attorney

for the Eastern District of Virginia, who, to this day, continues to direct the investigation.

It was under Aronica's guidance that successful prosecutorial actions were taken against several Fortune 500 companies, including one which paid a record \$190 million settlement in connection with "Illwind." That settlement, which was reached in 1991, is the largest ever involving DoD procurement.

Although some of the suspects were convicted or pleaded guilty in the months following the searches, it took almost two years before some of the key figures would fall.

During that lull, it became apparent that most people still had little, if any, understanding of procurement fraud investigations or their complexity.

As if to prove the old saying that "No good deed goes unpunished," outsiders, including some members of the news media, even began to criticize the investigation, accusing it of being overblown. Others portrayed the investigation as proof that the defense procurement system had failed and

CASE STUDY

WAR FRAUD UNCOVERED

During the Persian Gulf crisis, a foreign merchant vessel was awarded a U.S. Navy contract to deliver ammunition to the Port of Damman, Saudi Arabia, in support of "Desert Storm."

The Naval Investigative Service Command (NISCOM) later received information of possible fraud after a U.S. Coast Guard inspection of the ship.

As the result of a NISCOM investigation, two federal search warrants were executed on the vessel while it was in port in Mobile, Alabama, in May 1991. Evidence was seized implicating the master and chief engineer in the fraudulent concealment of approximately 200 metric tons of fuel oil. The fraudulent concealment enabled the foreign company to which the ship belonged to obtain payment under false claims under the contract.

In August 1991, the shipping company was sen-



VIDEO SURVEILLANCE OF THE SHIP

tenced to pay a \$500,000 fine as a result of a guilty plea to making false statements. The company also forfeited \$1 million.

In April 1992, the master and chief engineer were convicted in absentia in federal court of conspiracy to defraud the U.S. Government.

was in need of major revision.

Eventually, the scores of convictions and millions of dollars in recoveries would put to rest any doubts about the success of the investigation.

As for the allegations that the defense procurement system had failed, Taylor strongly disagreed.

"I don't think it was a major system failure at all," Taylor said. "When you put it into perspective, there is a small percentage of the population and society who are going to take risks. They are going to look for ways to exploit others and get involved in wrongdoing.

"Since we draw from the general public, we in the Department of the Navy, the Department of the Air Force, and any other large group that draws from the general public, are going to get a share of that small percentage of people who are going to take risks, who are going to try to beat the system, and who are going to break the law.

"'Illwind' is an example of where the Navy did things right. We identified the problem. The Navy announced that it was not going to put up with it. I think it's important to point out that very few Navy employees were involved. The biggest offenders were

consultants.

"What we saw was brokering involving inside information about government contracts and they were making big bucks," Taylor said. "The key to it was getting a few people on the inside to get the information out. That's basically what 'Illwind' was all about."

COMMENTARY

If the Pentagon ever compiled a list of its best kept secrets, NISCOM's procurement fraud program would probably be on it.

Many people are still unaware of NISCOM's contributions in this area. Through aggressive investigation and prosecution of procurement fraud, millions of taxpayers' hard-earned dollars have been recovered, while unknown millions have been saved as a result of the deterrent effect these investigations have had on other potential violators.

Even those who are familiar with the program often don't understand it.

"In my opinion, one of the biggest problems we've had is convincing people that fraud agents are not just a bunch of men and women with green

eyeshades, who sit at a calculator looking at audits all day," said Simon, who has run into that problem more than a few times as the second in charge of the NISCOM procurement fraud program.

"By and large, our people are operational," Simon continued. "They make arrests. They serve search warrants. They testify in court. They serve subpoenas. They are using all the investigative tools any other investigator would use. And -- this is my personal opinion -- they probably know how to use the federal court system better than the average agent because they work with it more than the average agent."

While agents in other disciplines would obviously disagree, one issue is not in question -- the overwhelming success of the program. Accounting for over 60 percent of the organization's recoveries during the past few years is hard to argue with.

"I think NIS has always led DoD, and I include other government agencies, in the area of procurement fraud investigation," former NIS Director McKee said. "I think the results speak for themselves."



CINCLANTFLT AND COMCARGRUTWO VISIT NIS AREA COMMAND ATLANTIC

By Lt.j.g. Anne Soper, USNR
Administrative Officer
NIS Area Command Atlantic

During August 1992, the Atlantic Area Command was pleased to have two senior naval officers visit Naval Investigative Service (NIS) offices in the Tidewater, Virginia, area.

On August 14, Adm. Henry H. Mauz, Jr., USN, Commander-in-Chief, U.S. Atlantic Fleet (CINCLANTFLT), visited NIS Resident Agency (NISRA) Norfolk. He was given a tour of the spaces and received an overview of ongoing investigations by Special Agent-in-Charge Wayne Bailey and the Assistant Special Agents-in-Charge (ASACs).

Following the tour, Adm. Mauz addressed local NIS personnel and presented the Superior Civilian Service Award to Special Agent Bailey and Special Agent Bobby Hiott of the NIS Mid-Atlantic Region.

During his address, Adm. Mauz described NIS as a fundamental mem-



CINCLANTFLT ADDRESSES NISCOM PERSONNEL

Adm. Henry H. Mauz, Jr., USN, makes a point, while Capt. Harold E. Grant, JAGC, USN, Commanding Officer of NIS Area Command Atlantic, and Special Agent Claude B. Rollins, Regional Director of NIS Mid-Atlantic Region, listen intently.

ber of the CINCLANTFLT team and said that NIS' efforts are essential to the success of fleet operations. He also discussed his views regarding the

relationship between NIS and the CINCLANTFLT commands, and expressed his unconditional support for the NIS and his appreciation for the services he has received as CINCLANTFLT.

On August 21, NISRA Oceana was visited by Rear Adm. James A. Lair, USN, Commander, Carrier Group TWO. After a tour of the spaces and overview of the mission of the office, he discussed the value of communication between commands and NIS, and expressed his confidence in the professionalism of NIS and its personnel.

During his remarks, Rear Adm. Lair pointed out how useful he had found the NIS threat assessments and port briefs, and stressed that the professional law enforcement practices of NIS enabled the Navy to concentrate solely on its mission. He emphasized the positive effects NIS' efforts have on operational readiness.



COMCARGRU TWO AT NISRA OCEANA

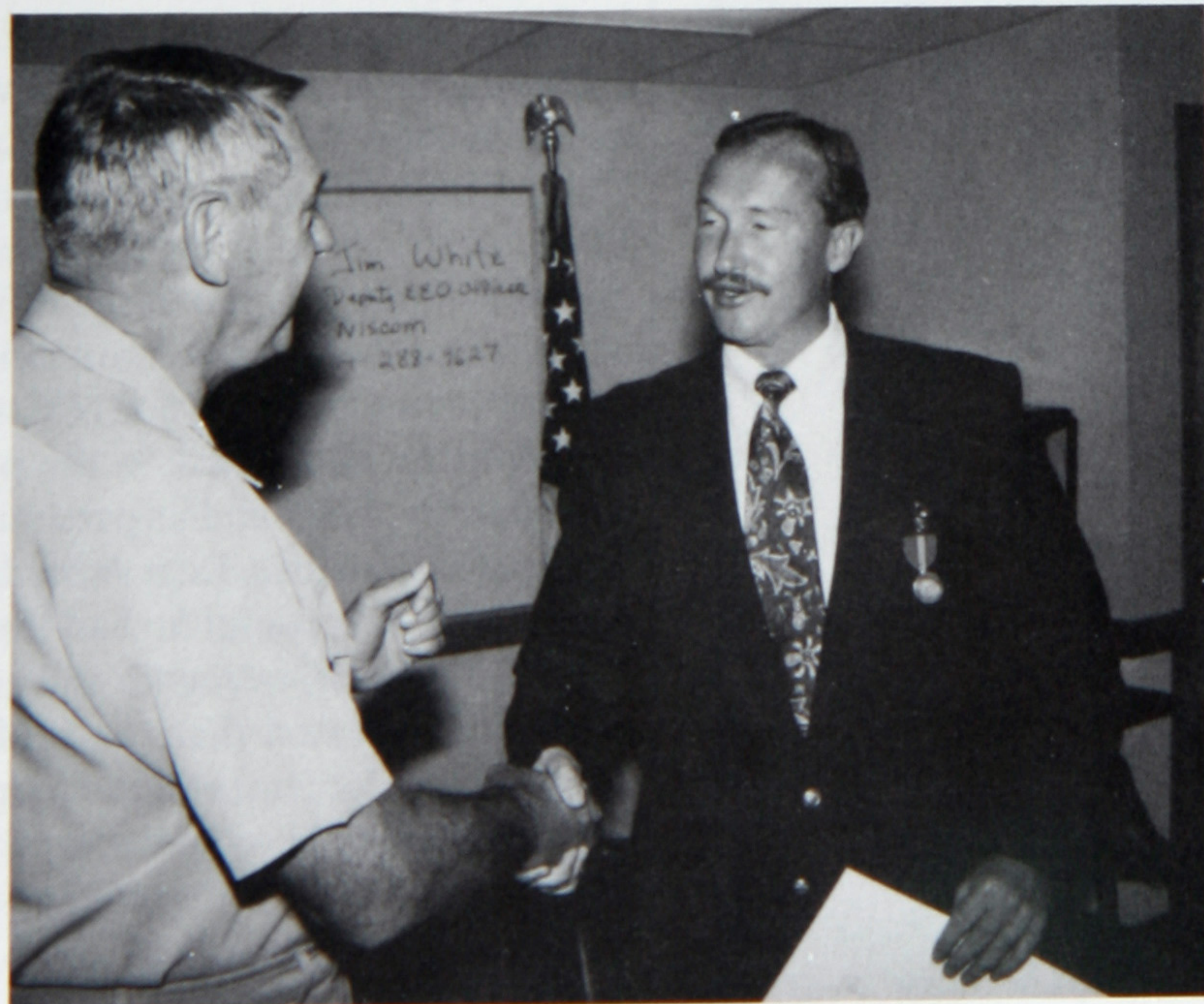
Rear Adm. James A. Lair, USN, Commander, Carrier Group Two, seated at right, meets with Capt. Harold E. Grant, JAGC, USN, Commanding Officer NIS Area Command Atlantic.

A SPECIAL OCCASION



Adm. Henry H. Mauz, Jr., USN, Commander-in-Chief of the U.S. Atlantic Fleet (CINCLANTFLT), shown above and at left, presents the Navy's Superior Civilian Service Medal to Special Agent Wayne Bailey, Special Agent-in-Charge of NISRA Norfolk.

In the photos at the top of the opposite page, Adm. Mauz presents the Superior Civilian Service Medal to Special Agent Bobby Hiott, who is assigned to NIS Mid-Atlantic Region. (Photo by PH2 Sterling Grant)





In the photo at right, Adm. Mauz departs NISRA Norfolk. Seeing him off are Special Agent Claude B. Rollins, Regional Director of NIS Mid-Atlantic Region, at far left; Capt. Harold E. Grant, JAGC, USN, Commanding Officer NIS Area Command Atlantic, second from the left; and Special Agent Wayne Bailey, Special Agent-in-Charge of NISRA Norfolk, second from right.

In the photo below, Rear Adm. James A. Lair, USN, Commander, Carrier Group Two (COMCAR-GRUTWO) addresses NISCOM personnel during a visit to NISRA Oceana. Adm. Lair praised NISCOM's professionalism and stressed the importance of the Navy's "Zero Tolerance" stance and NISCOM's Counterdrug Program.



TOTAL QUALITY LEADERSHIP

IMPLEMENTATION OF TQL, NEW STRATEGIC PLAN PREPARE NISCOM FOR THE FUTURE



NISCOM'S SENIOR LEADERSHIP WORKS ON STRATEGIC PLANNING

(Photo by Lt. Cmdr. Kevin M. Mukri, USN)

By Special Agent Richard C. Machin
Executive Assistant to Deputy COMNISCOM

During the last week of February 1992, the senior NISCOM leadership met in Norfolk for an intense three-day strategic planning session. All Headquarters Department Heads, Regional Directors, Area Commanders and other leaders (all GM-15's and O-6's and above) drafted a strategic roadmap to maximize our effectiveness as an organization in the coming years.

The strategic planning initiative was not a rehash of the efforts in 1987-88 which are often referred to as "NSIC 2001." That strategic planning evolution was begun in response to the need to assimilate into one command (the Naval Security and Investigative Command) the diverse Naval entities now known as the Information and Personnel Security Department (Code 21), the Law Enforcement Programs Department (Code 24X1), the Physical Security Programs Department (Code 24X2), the Anti-Terrorism & Security Forces Department (Code 24X3), the Department of the Navy Central Adjudication Facility (Code 29) and the traditional NIS investigative and support departments.

"NSIC 2001" had four strategic goals, 22 strategic objectives, and 132 operational objectives. The vast majority of the operational objectives were realized and the new command quickly met mission requirements.

In the four years since "NSIC 2001," times have changed: the Navy and Marine Corps are bracing for major cuts in personnel and, as a result, NISCOM's operating budget is facing significant reductions. These two facts of life make it vital that we carefully plan for the future. The implementation of TQL, along with the development of a new strategic plan, are ways to prepare for coming events, both known and unknown.

As you might imagine, the planning session in Norfolk produced some spirited discussions! These are a healthy part of TQL, and they led to a consensus regarding the command's mission (reason for existence), vision (where, as an organization, we would like to be in the future), and guiding principles (basic beliefs or commitments we must all share).

But this is just a major first step, not a resting point. Over the next few months, the same senior leaders, with considerable input from across the command's spectrum, will refine specific goals, strategies and objectives designed to keep us on course toward our vision of excellence.



MISSION

Provide worldwide criminal investigative, counterintelligence, and security support to the Department of the Navy in order to improve operational readiness and the quality of life.

VISION

NISCOM is an integral part of the Department of the Navy and is its first line of defense against crime, corruption, threat from hostile intelligence and terrorism.

NISCOM continually assesses its performance while anticipating and reacting quickly to changing Navy and Marine Corps needs.

NISCOM products are highly valued for their accuracy, objectivity, quality, timeliness and responsiveness.

NISCOM exemplifies organizational well being and constantly improves its product by empowering employees, fostering team work and maintaining open communications.

NISCOM actively seeks new challenges and strives to excel.

GUIDING PRINCIPLES

INTEGRITY & PROFESSIONALISM - We are committed to the highest standards of personal and professional integrity. We are dedicated to the pursuit of excellence in all NISCOM endeavors.

CUSTOMER FOCUS - We recognize that we exist to serve the criminal investigative, counterintelligence and security needs of our customers. Mission accomplishment will be judged by our ability to satisfy customer-defined requirements on-time, every time.

QUALITY - We will create an atmosphere of uncompromising quality and continue to improve our products through process improvement, innovation, training and customer input.

TEAMWORK - We can only accomplish our mission through teamwork. We are dedicated to caring and effective leadership that recognizes the value of each individual's contribution. We will trust in each other and share the responsibility for the quality of the service that we render.

LOYALTY - We recognize that loyalty to the Department of the Navy, NISCOM and each other is essential to the accomplishment of our mission. We must be guided by strong commitment to our people and their families.

CAREER SERVICES

ASSIGNMENTS BASED ON DATA

PARIS INFORMATION INFLUENCES CAREERS

By Ms. Elizabeth Hoag
Personnel Management Specialist

By now we have all filled in and updated PARIS forms and information. Why, we ask, does anyone need all this information on us?

The Personnel and Resource Information System (PARIS) is the comprehensive system used by the regional offices and Headquarters alike in tracking and compiling information into reports, as well as keeping data in an orderly, easy to use format.

The system contains a data file on all personnel that are or have been employed by NIS, both civilian and military.

PARIS is sponsored by the Career Services Department (Code 25) at NISCOM Headquarters, with representative departments such as Training and Security having responsibility for entering and maintaining data pertinent to their functions.

Through PARIS, equipment such as badges, credentials, pins, passports, and weapons are tracked; training courses, security levels and dates and previous duty stations are recorded; emergency notification information is kept up along with names of dependents; and, for agent personnel, assignment preferences and other special agent unique information is kept up to date.

Some of the most important information contained in the PARIS is on the current assignment and adminis-



PARIS STAFF

Ms. Joan Sherry, Ms. Joyce Perry, Ms. Miranda Wilson, and Ms. Elizabeth Hoag work with PARIS at NISCOMHQ. (Photo by Gary M. Comerford)

trative information screens. This information includes grade, pay series, premium pay rate and date, position description number, NIS date, payroll information and other related information.

The PARIS system has numerous standard reports available to the user at the touch of a key

Decisions are made with regard to reassignments, budget matters, and

the structure of NIS by using information contained in the system.

The Executive Information System (EIS) uses data from PARIS to instantly show point allowance, billet and specialty information. The EIS system is routinely used by the Deputy Commander and other managers throughout NISCOM.

NISCOM Headquarters codes have PARIS access as necessary to update and/or view information as do the NISRO's. PARIS users in the field update information on the employees assigned to their respective regions as Code 25 does for employees at NISCOM Headquarters.

As changes to an employee's administrative information are made, such

as a promotion or change in premium pay, the PARIS user updates the employee's file by using forms such as the SF-50. Changes of a personal nature such as a new address, a new family member or new emergency notification contact are not normally known to the PARIS user and therefore require the employee to advise the PARIS user of the change.

The PARIS system has numerous standard reports available to the user at the touch of a key, and new ones can be added upon request.

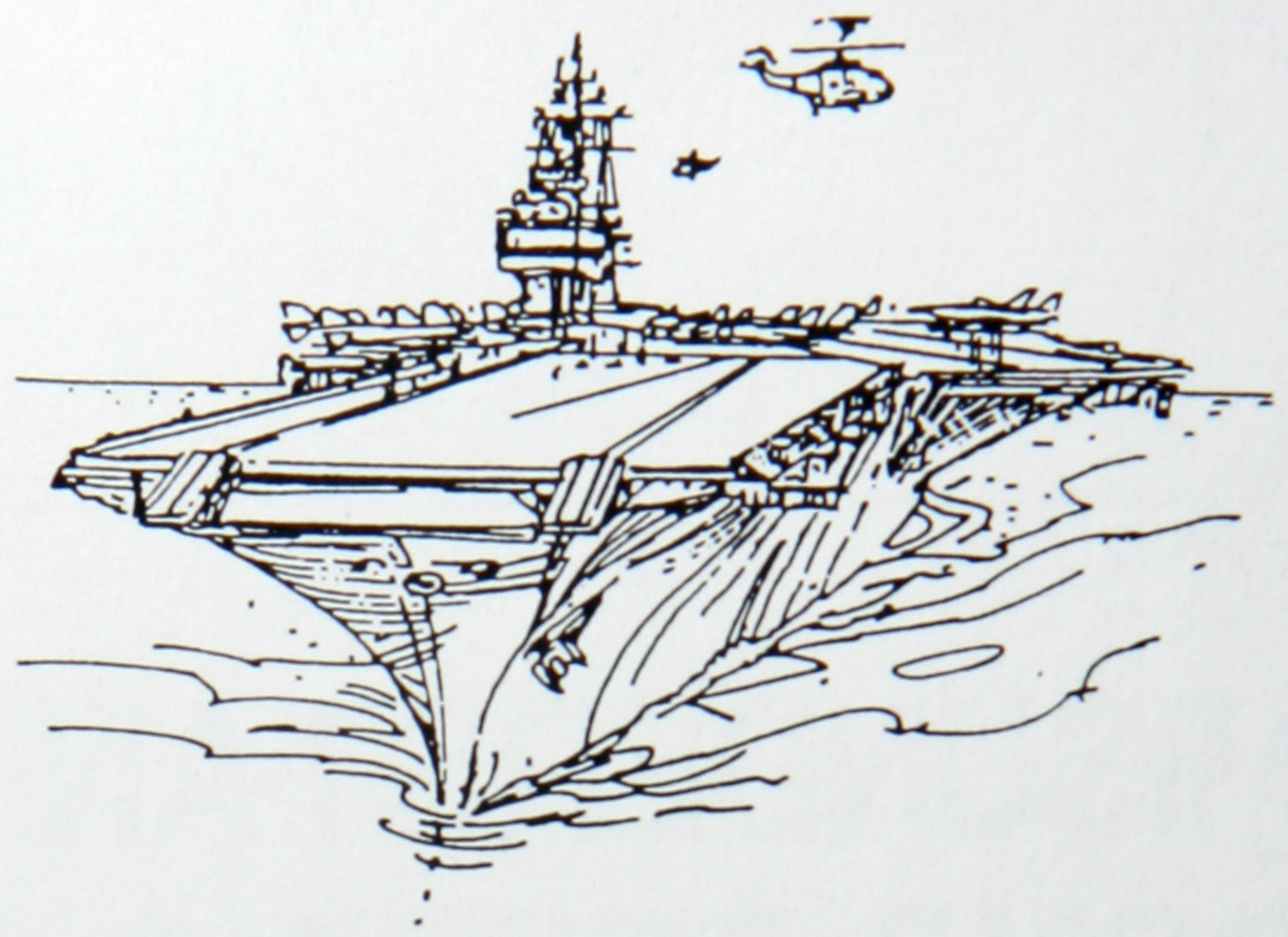
Additionally, the system can be queried for custom reports. Custom reports queried at NISCOM Headquarters can be directed to and print out at any printer hooked up to PARIS. This is especially helpful for reconciliation purposes and cuts down the faxing and mailing of PARIS information.

The regional PARIS user is responsible for keeping up-to-date PARIS information on each employee assigned. To help with this, PARIS offers a comprehensive report on each individual.

Periodically you may be requested to review the report that contains your information and submit corrections. This ensures that the information is correct and allows each employee to be involved in the quality control of the system.

The PARIS is expanding. As more and more decisions are made solely on the information it contains, fields are being added and screens rearranged so that stand alone systems become a thing of the past.

The future of PARIS is expansive, and the decisions being made based on information derived from it are important to each and every one of us.

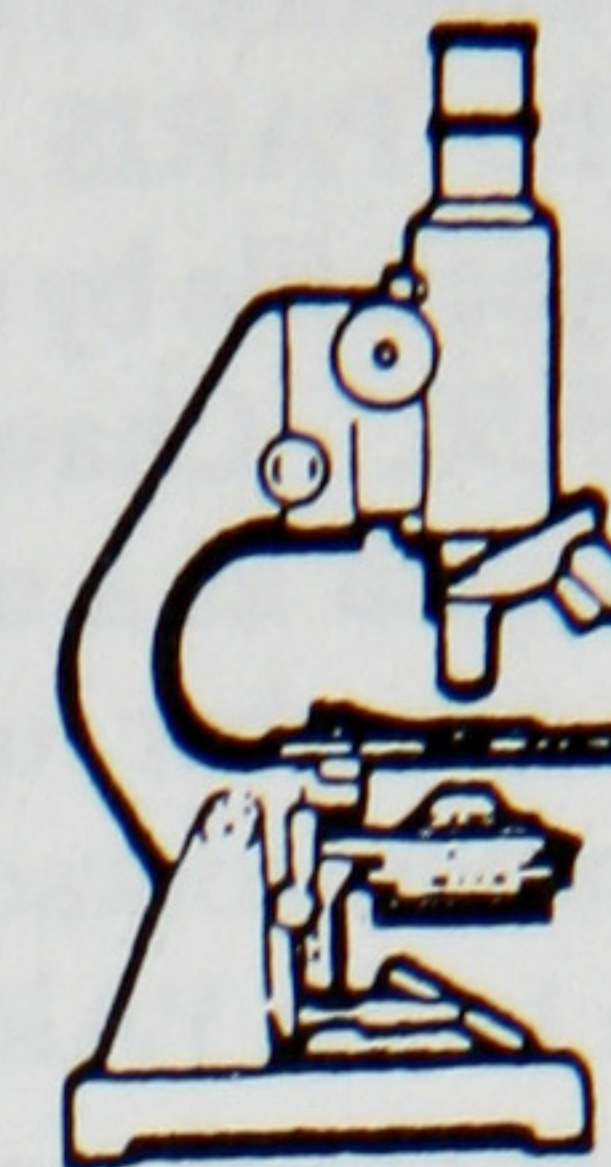


SPECIAL AGENTS AFLOAT

(As of August 1, 1992)

USS America (CV-66)	John A. Tigmo
USS Dwight D. Eisenhower (CVN-69)	Robert D. Cully
USS Theodore Roosevelt (CVN-71)	William M. Fitzgibbon
USS John F. Kennedy (CV-67)	Edward M. Coyle Gregory Hullryde
USS George Washington (CVN-73)	David P. Dickerson
USS Forrestal (CV-59)	Diane M. Nelson
USS Saratoga (CV-60)	Kevin M. Ashcroft Wesley M. Griffin
USS Ranger (CV-61)	Donald E. Parnell Kenneth L. Profit
USS Constellation (CV-64)	Richard M. Mebs
USS Kitty Hawk (CV-63)	Berry L. Clements
USS Carl Vinson (CVN-70)	Mark N. Harrison
USS Abraham Lincoln (CVN-72)	Robert W. Braatz
USS Independence (CV-62)	James A. Polk
USS Nimitz (CV-68)	Bruce E. Rogers
USS Enterprise (CVN-65)	Vacant

TECHNICAL SERVICES



MISUNDERSTANDINGS ABOUT DRUG TESTING ARE CLARIFIED

By Mr. Peter Ausili
Forensic Chemist
NIS Forensic Laboratory, Norfolk, VA

With the imminent testing of Naval Investigative Service Command (NISCOM) civilian employees, it is now time to clarify some of the misunderstandings that exist regarding urinalysis testing.

Urine testing is a common procedure used to determine recent drug exposure. The official guideline for the NIS civilian drug-free workplace program is stated in NISCOMINST 12792.2/DTD 21OCT91 and COMNISCOM letter/Ser 25/1U0853/22OCT91.

An important point to understand is that "In the event your specimen tests positive, you will be given an opportunity to submit medical documentation to a designated Medical Review Officer (MRO) to establish your legitimate use of the specific drug before any administrative action will be taken."

The first important concept to understand is the analytical process. The sample bottle is kept in an accessioning unit at all times. Small portions of each sample are provided for screening analysis.

If a sample is initially positive, another portion from the original bottle is provided by the accessioning unit and is retested by the screening method and then by a confirmatory analysis. This second testing also must be positive before the positive conclusion is reported to the MRO.

To understand the meaning of the chemical analysis results it is important to know that the ability of any procedure to detect low levels of drugs has inherent limits.

The concentration level of any drug in a urine sample below which the result is not reliable (too low to be considered significant) is the 'sensitivity limit.' This 'cut-off point' is the concentration limit that is used for analyzing the samples. This value serves as an administrative

breakpoint for determining if a urine test result is positive or negative. (See table on next page.)

The initial screening procedure is non-specific (results suggest the presence of a broad group of drugs) but the confirmation procedure is specific and utilizes greater sensitivity.

The possibility that unintentional exposure or the use of common over-the-counter substances may effect or contribute to misleading or even false positive urinalysis test results needs to be explained.

There are numerous specific drugs and unusual exposure situations that are of concern. These drugs are marihuana (THC), cocaine/crack, opiates, amphetamines, LSD and PCP. Drugs are usually prescribed and taken for medicinal reasons or can be ingested for illicit and abusive purposes. Unintentional exposure can take place from foods, passive smoke and absorption through skin.

Marihuana (THC) has historically been reported to be consumed orally in foods such as brownies, often without the awareness of the eater. This is theoretically possible and studies have shown that positive test results occurred after eating one marihuana laced brownie with the equivalent content of one cigarette. However, if this actually happened the individual should have been aware of behavioral and physiological effects so positive urine test results should be expected.

Passive inhalation can be another route of ingestion since secondary smoke also contains the psychoactive ingredient THC. Numerous factors will contribute to the degree of exposure, including: the amount of drug smoked, duration and frequency of exposure, room size, ventilating conditions and metabolism and body structure of the passive inhaler.

The next drugs of concern are the group of opiates (heroin, morphine, and codeine) that are found in poppy seeds. Many studies have been conducted with volunteers ingesting various amounts of foods that contain poppy