



NAVAL CRIMINAL INVESTIGATIVE SERVICE

The Naval Criminal Investigative Service (NCIS) is a worldwide Federal law enforcement organization staffed by civilian Special Agents dedicated to protect and serve the Navy and Marine Corps, their families, Department of the Navy (DoN) civilian employees and government assets. NCIS provides a wide variety of law enforcement, counterintelligence and security services in at least 140 locations around the world. Today's NCIS evolved from the Office of Naval Intelligence, or "ONI", which began investigating allegations of espionage and sabotage as far back as 1915. Much of the NCIS mission still encompasses counterintelligence issues; however, the NCIS jurisdiction has been expanded to include the enforcement of criminal laws such as drug trafficking, computer crime and white collar/contract fraud.

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THE COST OF FRAUD



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Fraud occurs in each stage of the government contracting process. The purpose of this brochure is to illustrate how each of us, if we remain alert, can detect fraudulent business practices no matter what our level of exposure within the government procurement system is.

The losses associated with fraud are not just measured by the price tag. How do we put a dollar value on the loss of a naval aviator and his/her aircraft, resulting from the product substitution of critical hydraulics system or in the ejection seat or the illegal and improper disposal of hazardous waste, which resulted in an explosion and the death of two technicians.

Financially motivated crimes, such as cost mischarging, bribery, and product substitution, threaten the integrity of our government's contracting system. However, sometimes we can find a little humor, such as when the contractor requested reimbursement for the purchase of an "infrared cooker for heating samples in the laboratory", which actually turned out to be a backyard patio grill.

How does the U.S. Navy protect you and your tax dollars invested in its contracts and purchases? It takes YOU, in cooperation with the Naval Criminal Investigative Service.

NCIS conducts all fraud investigations for the Department of the Navy and presents those cases directly to the Department of Justice for prosecution under Federal Law.

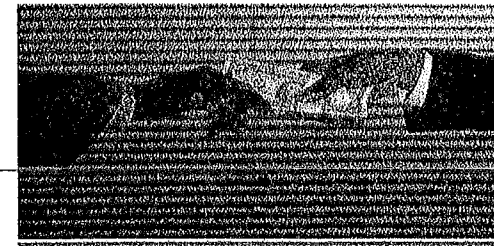


During the last five years, NCIS Special Agents have brought approximately 750 felony violations to successful prosecution and have recovered well over a billion of your tax dollars, which would have been lost to greed and corruption.

Do your part by considering the following indicators of corruption and by contacting an NCIS Special Agent, if you identify suspected illegal activity.

THE CORRUPT INSIDER

- the "BIG SPENDER" lives beyond his or her means. An official who regularly accepts gifts is often one who is susceptible to larger payments.
- the "RULE BREAKER" also approves high prices, extra payments or commissions which can be the source of the kickback. A person taking a pay-off often bends or ignores standard operating procedures and/or rules.
- the "ODD COUPLE" are corrupt payers and corrupt recipients who often appear to have friendly social relationships.
- some "BURNED OUT" employees or those employees who feel unappreciated (look for signs of physical deterioration, poor work habits, alcohol or drug abuse and financial problems) may sell out completely.
- the "WORKAHOLIC" consistently works early and leaves late and prefers to control many different areas of responsibility.



THE CORRUPT OUTSIDER

- the "GIFT BEARER" tries to ingratiate himself or herself with counterparts by routinely offering inappropriate gifts.
- the "TOO-SUCCESSFUL BIDDER" is consistently awarded work without any apparent competitive advantage.
- look for the "MIDDLE MEN" who can be independent "consultants" or "sales representatives". They are frequently a favorite means of funneling and concealing illegal payments.

DO YOU CARE ABOUT YOUR
TAX DOLLARS?

FRAUD HURTS EVERYONE

YOU CAN STOP CORRUPTION

YOU CAN STOP FRAUD AGAINST
THE GOVERNMENT

ALL CALLS WILL BE KEPT
"CONFIDENTIAL."

