

ETHICS TRAINING

SUMMER 2019

STAKEHOLDER PARTNERING FORUM

USACE GALVESTON DISTRICT

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ETHICS PROGRAM

- Training
- Financial Disclosure Reporting
- Counseling
- Enforcement



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VALUES

DOD ETHICAL VALUES

Honor
Responsible Citizenship
Pursuit of Excellence
Loyalty
Fairness

Promise Keeping
Caring
Integrity
Accountability
Respect



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PRINCIPLES

14 ETHICAL PRINCIPLES

1. Public service above private gain.
2. No conflicting financial interests.
3. No financial transactions using nonpublic information.
4. No solicitation or acceptance of gifts from prohibited sources.
5. Honest effort in performance of duty.
6. No unauthorized commitments.
7. Do not use public office for private gain.
8. No preferential treatment of private organizations or individuals.
9. Protect and conserve Federal property.
10. No conflicting outside employment or activities.
11. Disclose waste, fraud, abuse, and corruption.
12. Satisfy obligations as citizens.
13. Do not discriminate unlawfully.
14. Avoid appearances of impropriety.



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LAW

Criminal Action

- 18 U.S.C. 1001 False statements to Government Agency

Prohibits knowingly and willfully making any materially false, fictitious, or fraudulent statement or representation.



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LAW

Criminal Action

- 18 U.S.C. 287 False claims

Prohibits presenting a claim to the United States knowing such claim to be false, fictitious, or fraudulent.



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LAW

Criminal Action

- 18 U.S.C. 201 Bribery

Prohibits the giving or accepting of anything of value to or by a public official, if the thing is given "with intent to influence" an official act, or if it is received by the official "in return for being influenced."



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LAW

Criminal Action

- 18 U.S.C. 1341 and 1343 Mail and Wire Fraud

Prohibits devising a scheme to defraud another of property, when either mail or wire communications are used in furtherance of the scheme.



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ETHICAL DECISION-MAKING

DoD 5500.07-R, Chapter 12

- a. Define the problem
- b. Identify the Goals
- c. List applicable laws and regulations
- d. List the ethical values at stake
- e. Name all of the stakeholders
- f. Gather additional information
- g. State all feasible solutions
- h. Eliminate unethical options
- i. Rank remaining solutions
- j. Commit to and Implement the Best Ethical Solution



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ETHICAL DECISION-MAKING

DoD 5500.07-R, Chapter 12

Always ask yourself these questions when making a decision:

- Do the ethics rules permit me to take a proposed action/may I proceed?
- If yes, should I proceed? What are the benefits if I take the proposed action, and what are the RISKS?



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GIFTS

- As a general rule, personnel may not accept gifts given by contractors or given because of their official position.
- A gift is anything of monetary value.



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PROCUREMENT FRAUD PROGRAM

- The Army Procurement Fraud Division is the single centralized organization in the Army that monitors and coordinates criminal, civil, contractual, and administrative remedies for significant cases of fraud or corruption within the Army relating to Army procurement.
- Suspensions and Debarments are administrative measures used by Federal agencies to help ensure that the Government does business only with responsible contractors. Stated another way, the Army wants to ensure that it enters into contracts with contractors who are honest, ethical, and have the ability to successfully perform.



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FRAUD

Definition

Any intentional deception designed to deprive the United States unlawfully of something of value or to secure from the United States for an individual a benefit, privilege, allowance, or consideration to which he or she is not entitled.

Such practices include, but are not limited to:

- the offer, payment, or acceptance of bribes or gratuities
- making false statements
- submitting false claims
- falsifying records and books of accounts
- arranging for secret profits, kickbacks, or commissions
- conflicts of interest
- unauthorized disclosure of official information relating to procurement



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FRAUD

By the numbers

- FY 2015 DOJ recovered \$3.5 billion in Civil False Claims Act settlements and judgments.
- FY 2015 \$755 million in investigative recoveries for the Department of the Army.
- FY 2015 Army PFD processed 1,033 suspension, proposed debarment, and debarment actions.

PROCUREMENT FRAUD CASES

- Fraud in formation
 - Bid rigging/Collusion
 - Bribery/Conflicts of Interest
 - Kickbacks
 - Defective pricing
 - Fraudulent sole sourcing
- Fraud in performance
 - False invoices
 - Double billing
 - Inflated indirect cost rates
 - Cost mischarging
 - Claims for work not in accordance with contract requirements



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REMEDIES

- Criminal
- Civil
- Administrative
- Contractual



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REPORTING FRAUD

Contractor Mandatory Disclosure Reporting

The FAR requires contractors to disclose credible evidence of a criminal and/or civil fraud in the award, performance, or closeout of a government contract.

The FAR also provides whistleblower protections for contractor employees.



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REPORTING FRAUD

If you suspect fraud involving Army or Government procurements or involving Government personnel or contractor personnel, you should report it.

- Contracting Officer
- District Internal Review Office
- District Procurement Fraud Advisor
- Army Criminal Investigation Command via the local Army CID office or <http://www.cid.army.mil/>
- DODIG HOTLINE at (800) 424-9098 or via email to hotline@dodig.mil



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QUESTIONS?

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