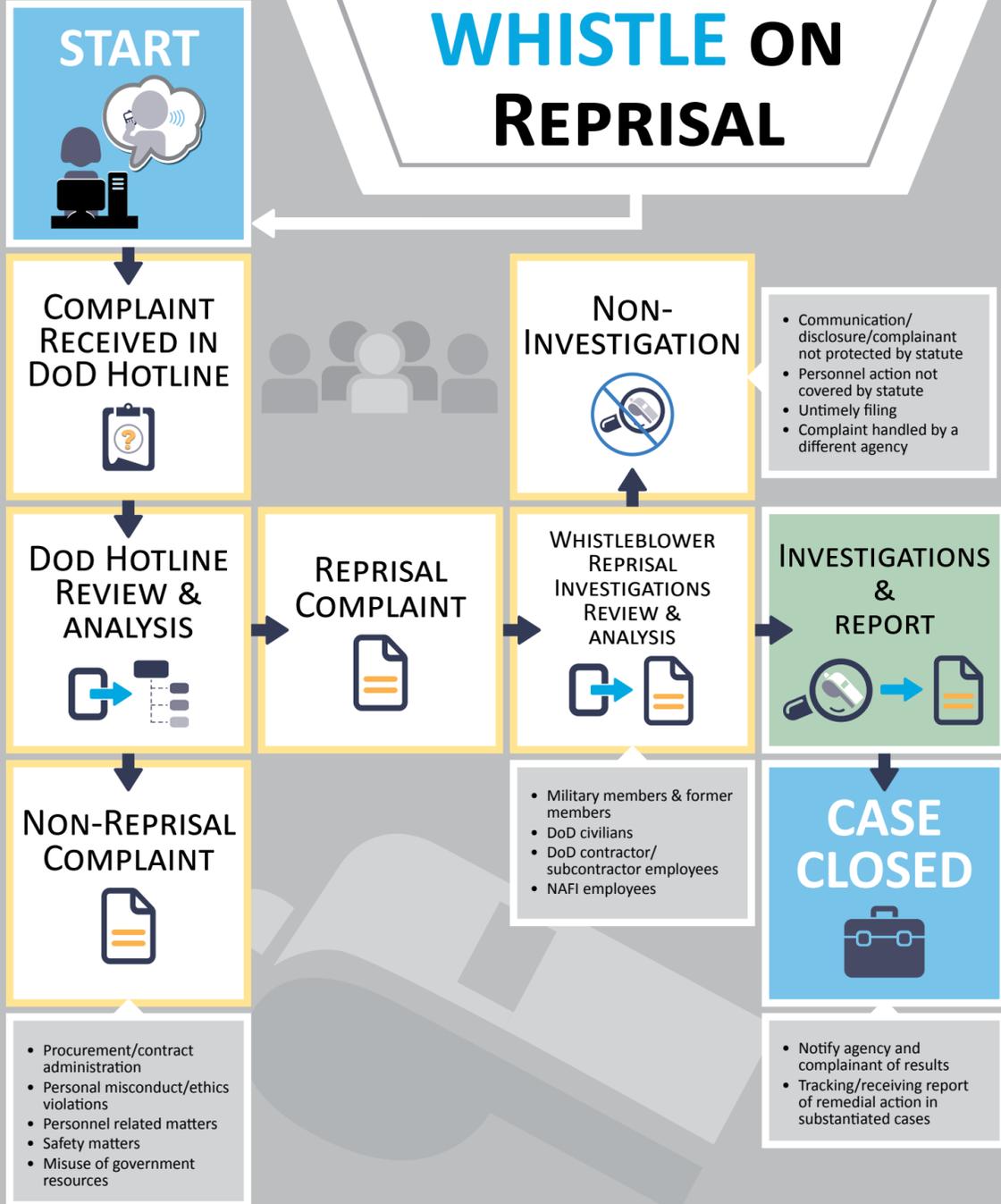


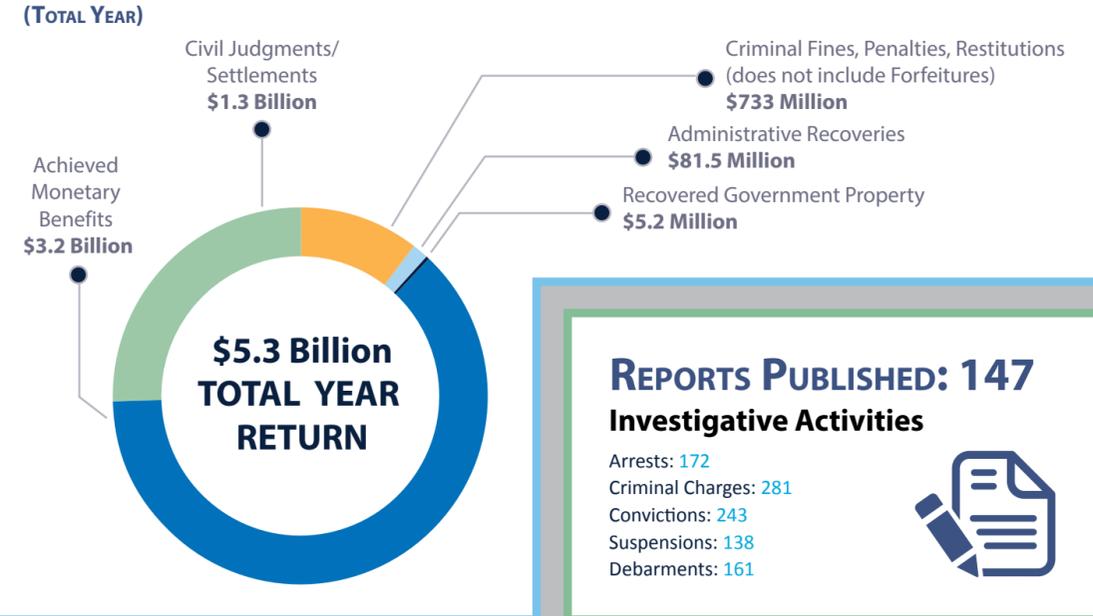
BLOWING THE WHISTLE ON REPRISAL



FY13 STATISTICS



TOTAL RETURN: \$5.3 BILLION



REPORTS PUBLISHED: 147

Investigative Activities

- Arrests: 172
- Criminal Charges: 281
- Convictions: 243
- Suspensions: 138
- Debarments: 161

DoD Hotline

The mission of the DoD Hotline is to provide a confidential, reliable means for service members, DoD civilians, contractors, and the public, to report violations of law, rule or regulation, mismanagement, gross waste of funds, abuse of authority, and classified information leaks involving the Department of Defense; as well as the detection and prevention of substantial or specific threats and danger to the public health and safety of the Department and our Nation.

Fraud, Waste and Abuse
DoD HOTLINE
 1.800.424.9098 • www.dodig.mil/hotline

For more information about DoD IG reports or activities, please contact us:

Reports Mailing List
 dodig_report-request@listserve.com

Public Affairs
 public.affairs@dodig.mil

Monthly Update
 dodigconnect-request@listserve.com

Office of Communications & Congressional Liaison
 703.604.8324

Twitter
 twitter.com/DoD_IG

www.dodig.mil

DoD IG focuses its efforts on detecting and preventing fraud, waste and abuse, while improving efficiency and effectiveness. For more information, visit us at www.dodig.mil. Below are highlights of DoD IG oversight.

SIGNIFICANT DoD IG REPORTS FROM THE PAST SIX MONTHS



Quality Assurance Assessment of the F-35 Lightning II Program

DoD IG determined that the F-35 Joint Program Office oversight of Lockheed Martin was deficient in several areas, including failing to require subcontractors to meet technical and quality requirements. DoD IG also found that Defense Contract Management Agency oversight of the contractors was ineffective, which if left uncorrected, will continue to result in nonconforming hardware, less reliable aircraft and increased cost.

Report No. DODIG-2013-128

Air Force and Army Corps of Engineers Improperly Managed the Award of Contracts for the Blue Devil Block 2 Persistent Surveillance System

Air Force efforts to rapidly develop and field a persistent surveillance capability in response to joint urgent operational needs were unsuccessful. Air Force and Army Corps of Engineers personnel improperly managed the award of contracts for Blue Devil Block 2. The warfighter did not receive an urgently needed capability and Air Force personnel wasted approximately \$149 million on a system the contractor did not complete.

Report No. DODIG-2013-128



Evaluation of the Military Criminal Investigative Organizations Sexual Assault Investigations

DoD IG determined whether the Military Criminal Investigative Organizations completed sexual assault investigations as required by DoD and found that 89 percent of the cases reviewed met investigative standards. Of the cases, 11 percent had significant deficiencies and were returned to the MCIOS for corrective action.

Report No. DODIG-2013-091

Assessment of U.S. Government and Coalition Efforts to Train, Equip, and Advise the Afghan Border Police

The mission of the Afghan Border Police encompasses paramilitary and counterinsurgency functions in the border security zone and security functions at ports of entry. The ABP are located in six zones and the capital region. The regional commands in the east, south and southwest accounted for 92 percent of all enemy-initiated attacks. Given the volatility and enemy activity in these commands, DoD IG found that ABP authorizations in equipment, weapons and personnel resources did not align with requirements. As a result, the zones were either over- or under-resourced. Over-resourced zones created the risk for waste or abuse, while under-resourced zones could not meet operational needs.

Report No. DODIG-2013-081



Increased Procurement Quantity for CH-53K Helicopter Not Justified

The Marine Corps overstated, in the DoD FY 2013 president's budget, the number of CH-53K Heavy Lift Helicopters to procure. The Marine Corps increased the CH-53K procurement quantity by 44 helicopters without adequate justification or support. As a result, the Marine Corps may spend \$22.2 billion for additional aircraft that may not be needed to support future Marine Corps requirements.

Report No. DODIG-2013-084

2013

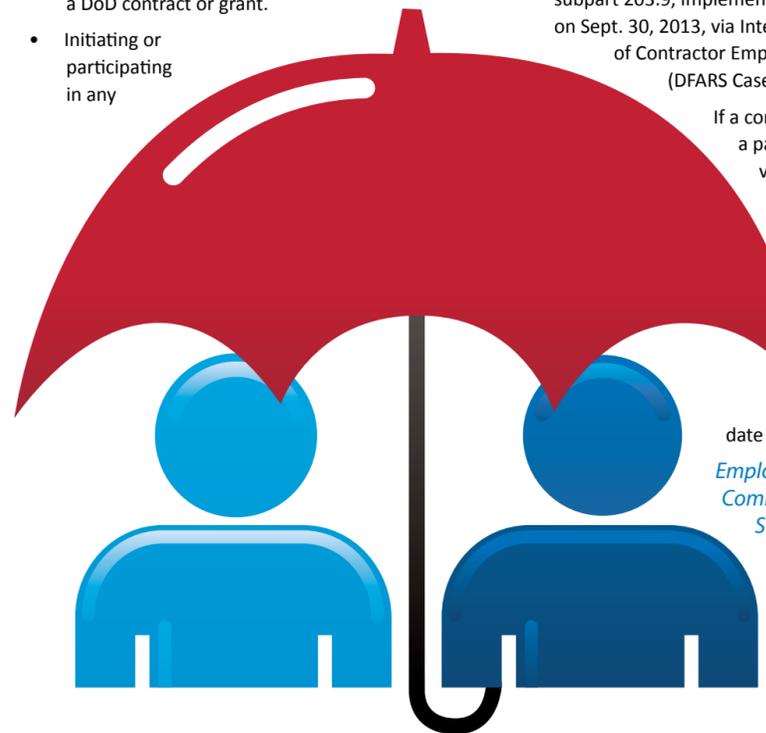
WHISTLEBLOWER PROTECTION

Defense Contractor and Subcontractor Whistleblowers

Subcontractor employees are now covered.

Protected disclosures now include:

- Reasonably believed evidence of abuse of authority or a violation of a law, rule or regulation relating to a DoD contract or grant.
- Initiating or participating in any



judicial or administrative proceeding related to fraud, waste or abuse on a DoD contract or grant.

Protected disclosures can now be made to a court or grand jury, management officials or other employees of the contractor or subcontractor with responsibility to investigate, discover or address misconduct.

Actions taken by the employer at the request of a DoD official are now prohibited (except in certain circumstances).

If evidence shows the contractor employee's protected disclosure was a contributing factor in the personnel action, then clear and convincing evidence must show that the employer would have taken the same action even without the protected disclosure.

Employees must be notified of whistleblower rights, in writing, in the predominant native language of the workforce.

Effective Dates

"As of July 1, 2013," applies to all contracts awarded on or after July 1 and all task orders entered on or after July 1.

For contracts awarded before July 1, applies only if modified to include a new contract clause.

The Defense Federal Acquisition Regulations Supplement subpart 203.9, implementing 10 U.S.C. 2409, was amended on Sept. 30, 2013, via Interim Rule, "DFARS: Enhancement of Contractor Employee Whistleblower Protections (DFARS Case 2013-D010)."

If a company is required to make a payment as a corrective action for violating 10 U.S.C. 2409, a new contract clause prohibits charging the costs to the government. (DFARS Case 2013-D022), Sept. 30, 2013.

New Filing Deadline

Complaints must be filed within three years of the date of the alleged reprisal.

Employees of Intelligence Community Contractors & Subcontractor Excluded from 10 U.S.C. 2409

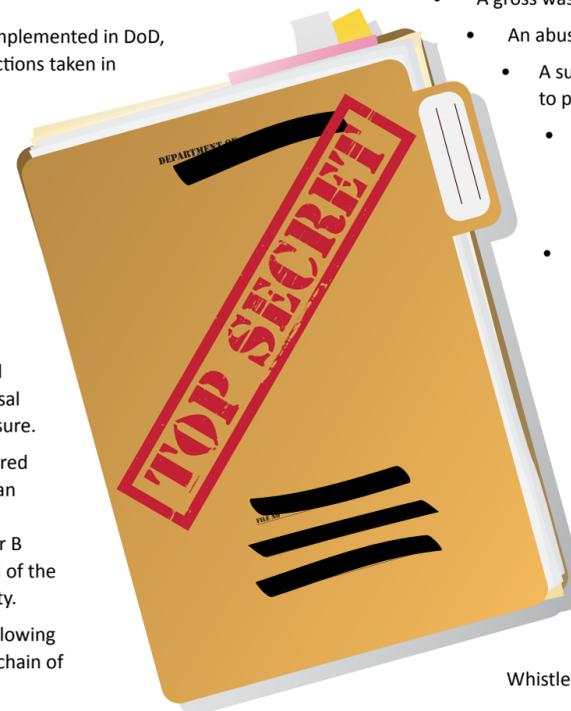
No coverage for whistleblowing on an activity of an IC element or on wrongdoing discovered during provision of service to an IC element.

Presidential Policy Directive 19: Protecting Whistleblowers with Access to Classified Information

DoD IG investigates complaints filed under Parts A and B or reviews and approves the results of investigations by specific DoD components.

- Part A of PPD-19, as implemented in DoD, prohibits personnel actions taken in reprisal against DoD employees in Defense Civilian Intelligence Personnel System positions who make protected disclosures.
- Part B prohibits action affecting any DoD employee's eligibility for access to classified information as a reprisal for a protected disclosure.
- Part C allows any covered employee to request an external review of the outcome of a Part A or B complaint from the IG of the intelligence community.

Protects disclosure of the following to a supervisor in the direct chain of



command, the Director of National Intelligence, a relevant IG or a designated employee:

- Information that the employee reasonably believes evidences a violation of any law, rule or regulation.
 - Gross mismanagement.
 - A gross waste of funds.
 - An abuse of authority.
 - A substantial and specific danger to public health or safety.
 - Exercise of any appeal, complaint or grievance with regard to the violation of Part A or B.
 - Lawful participation in an investigation or proceeding regarding a violation of Part A or B.
 - Cooperating with or disclosing information to an IG in connection with an audit, inspection or investigation conducted by the IG.
 - Disclosure of an "urgent concern" to Congress under the Intelligence Community Whistleblower Protection Act.

Whistleblower Protection Ombudsman

In accordance with the Whistleblower Protection Enhancement Act of 2012, the DoD IG Inspector General designated a Whistleblower Protection Ombudsman for the Department of Defense. On Aug. 1, 2013, the DoD Hotline director was selected to serve as DoD's Whistleblower Protection Ombudsman.

WPO provides DoD whistleblowers with information on how to contact offices or organizations that address reprisal allegations. By law, the whistleblower protection ombudsman is prohibited from acting as a complainant's legal representative, agent or advocate.

Contact the DoD Whistleblower Protection Ombudsman whistleblowerprotectionombudsman@dodig.mil



WHISTLEBLOWER TIPS LEAD TO THESE

SIGNIFICANT CASES



09-30-2011

The DoD Hotline received a confidential complaint alleging Elmendorf AFB, Alaska, was planning to use Recovery Act funds to make a wind turbine project produce usable electricity at Tin City Long Range Radar Station Airport, Nome, where it was built. This complaint was forwarded to DoD IG Audit for action. Audit determined DoD could not ensure this project was viable, that it was appropriately selected for Recovery Act funding or that Recovery Act funds were appropriately used. As a result, the Air Force de-obligated \$10.35 million, and \$11.2 million was recovered based on termination of the project.



05-3-2012

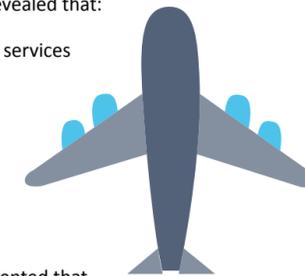
An anonymous complainant alleged that during the construction of a Fort Lee, Va., building project, Virginia Sprinkler Company employees were instructed to grind off the "Made in China" stamps on materials that were required by contract to be domestic parts. An investigation was conducted by the Army Criminal Investigation Command, which revealed that a manager of VSC directed the use of nonconforming parts in the project. The VSC manager also made efforts to thwart the investigation, impede its efforts and obstruct justice. The manager pleaded guilty to one count of Obstruction in violation of 18 U.S.C. 1519 and was sentenced to five months of incarceration, two years of supervised release, \$22,917 in restitution, a \$2,000 fine, a special assessment of \$100 and debarment from government contracting for 28 months.



02-02-2012

A confidential complaint received by the DoD Hotline alleged the Defense Logistics Agency was levying excessive surcharge fees to the Fleet Readiness Center Southwest, San Diego, Calif. This matter was referred to DoD IG Audit. Through the course of the audit, it was revealed that:

- A local support agreement was needed that clearly identified services performed and costs associated with services.
- DLA Aviation San Diego officials did not correctly assess their operating costs for services outside the scope of their supply, storage and distribution responsibilities and \$5.1 million in operating costs for services were potentially not considered supply, storage and distribution.
- Policies and procedures needed to be developed and implemented that identified, estimated and documented DLA Aviation San Diego's operating costs.



By these actions, DLA Aviation San Diego could reduce its operating costs from providing supply, storage and distribution to Fleet Readiness Center Southwest, San Diego, by approximately \$5.8 million per fiscal year.