

Cost Mischarging. A source alleged that employees of a small research and development firm were directed to charge time worked to a fixed-price, Government contract. The contractor also improperly charged excess rental space and general and administrative expenses to overhead. An investigation corroborated the initial allegation. Management pleaded guilty and was fined \$123,760. User agencies were provided copies of the criminal charges, statements of facts, and plea agreements, with regard to possible debarment of the firm.

Product Substitution. A criminal investigation by the DoD Inspector General found that a contractor had used nonconforming material in the manufacture of protective insulation for the electronic wiring harnesses of the M-1 Abrams tank. One company official pled guilty to misprision of a felony and was sentenced to three years in prison, fined \$2,500, and made restitution of \$2,000. A civil suit against a second employee resulted in the court awarding the Government \$799,292 in damages. Additionally, five company employees were barred from doing further business with the Government. Total fines, restitution, and fees awarded to the Government is \$842,227.

DEFENSE HOTLINE PROGRAM

The Defense Hotline is an important avenue for reporting fraud waste, and mismanagement. Between 1985 and 2007, DoD Hotline received more than 310,000 calls and letters. As a result, the government saved or recovered \$490 million from allegations received by the DoD Hotline. More importantly, many of the cases resulted in safer products and equipment for our military personnel.

(800) 424 9098

Abuse of authority,
Mismanagement,
Fraud, & Waste

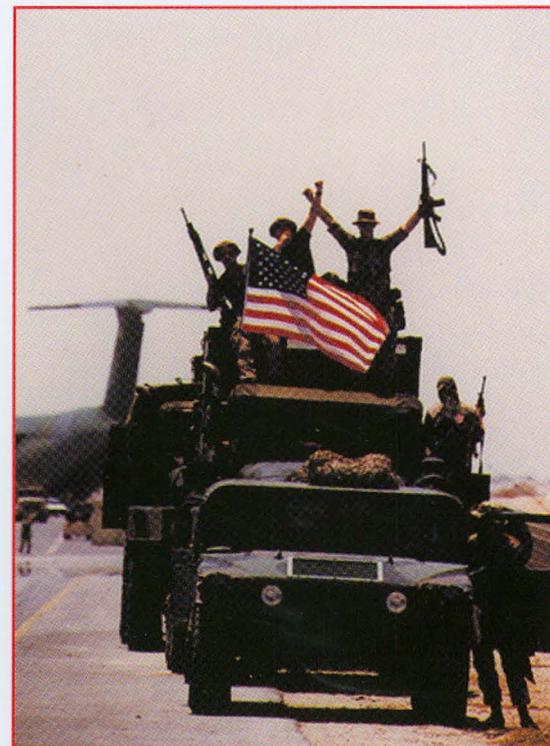
hotLINE

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DEFENSE

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Why Should You Contact The Defense Hotline?



**Because Their Lives
Could Depend on it!**

Inspector General
Department of Defense



WHAT IS THE PURPOSE OF THE DEFENSE HOTLINE?

The Hotline program provides an opportunity to report significant instances of fraud, waste, abuse of authority, and mismanagement.

WHO OPERATES THE HOTLINE?

The Office of the Inspector General, Department of Defense, Washington, DC.

Calls are taken by highly skilled and trained investigators with professional expertise in the areas of audit, contracts, security, inspections, and criminal investigations.

WHO MAY USE THE HOTLINE?

DoD civilian and military personnel, Defense contractor employees, as well as private citizens.

WHEN SHOULD YOU CALL?

Immediately! Disclosure should be made as soon as information is available.

Telephone lines are open Monday–Friday from 8:00 a.m. to 4:30 p.m. Eastern time.

WHAT SHOULD BE REPORTED?

- Contract and procurement irregularities:
- Cost/labor mischarging
 - Defective pricing
 - Defective parts
 - Bid rigging
 - Product substitution
 - Spare parts overpricing
- Bribery and acceptance of gratuities
- Significant cases of mismanagement
- Conflicts of interest
- Travel (TDY) fraud
- Abuse of authority
- Theft and abuse of Government property

Minor incidents of the offenses listed above or misuse of Government vehicles should be reported to your local Inspector General, military investigative service, or military police unit. Personnel matters involving requests for individual relief should be handled through the appropriate grievance process.

WHAT CAN YOU EXPECT WHEN YOU CALL THE HOTLINE?

A thorough interview by the Hotline investigator. You will be asked to provide information that will help the investigator piece together the facts of the situation (who, what, when, where, why) and assess the estimated dollar loss to the Government.

An evaluation of your complaint will be made to determine if an investigation is warranted or if you need to refer the matter to other authorities.

Your call will be handled with complete confidentiality and you may remain anonymous.

Anyone making a report to the Hotline will be protected from reprisal.

You may call back to the Hotline to learn how your report was handled.

RESULTS

Product Substitution. It was alleged that a company provided foreign-made material on DoD contracts with Buy-American Act provisions. The critical material was nonconforming and defective. The company and its president were debarred.
