



DEFENSE CONTRACT MANAGEMENT AGENCY

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2007-006-18

IN REPLY
REFER TO

DCMA-D

JAN 8 2008

General Services Administration,
Regulatory Secretariat (VIR)
1800 F Street, NW, Room 4035,
ATTN: Laurieann Duarte,
Washington, DC 20405

Reference: FAR Case 2007-006, Contractor Compliance Program and Integrity Reporting


Thank you for the opportunity to comment in support of FAR Case 2007-006. As Acting Director of the Defense Contract Management Command (DCMA), we are responsible for the management of 360,000 Defense contracts valued at \$900 billion. A significant portion of the contract management services we provide under Part 42 of the FAR includes activities intended to ensure the integrity of the acquisition process including a Contract Integrity Center whose primary focus is to address issues of contractor fraud. In addition the Director acts as DCMA's representative to DOJ's National Procurement Fraud Task Force and chairs the Steering Committee of the DOD Procurement Fraud Working Group.

While it is my belief that the vast majority of government contractors are honorable and comply with the law, I believe that these proposed FAR changes will further promote compliance and the public's trust in the government's increasing dependence on private contractors. Many major Defense contractors already have compliance/ethics programs, and with the increased reliance of the Government upon contractors for some very basic government type functions, I do not believe it too much to expect that all contractors with significant government contracts have such programs. These efforts can only enhance partnership efforts between the government and the private sector and ensure that tax dollars are well spent. Implementation will assist our efforts in DCMA to root out unscrupulous contractors and contractor employees who do not share this goal.

I want to particularly comment that the requirement for contractors to disclose overpayments and fraud is an important enhancement. Healthcare providers and banks have had such a requirement for many years, and I'm surprised that government contractors are not held to the same standard. With tax dollars at risk, the idea that contractors can profess to have a partnership with the government and then fail to alert us when fraud occurs or overpayments have been made makes no sense.

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We in DCMA take pride in doing our part in assuring contract integrity while providing customer-focused acquisition life-cycle and combat support to ensure readiness worldwide, 24/7. The provisions contained in this FAR case will strengthen our ability to fight fraud, waste, abuse and corruption and I strongly support their adoption.

 FOR
KEITH D. ERNST
Acting Director
Defense Contract Management Agency