



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, DC 20240

JAN 11 2008

Ms. Laurieann Duarte
General Services Administration
Regulatory Secretariat (VIR)
1800 "F" Street Northwest
Room 4035
Washington, D.C. 20405

Dear Ms. Duarte:

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

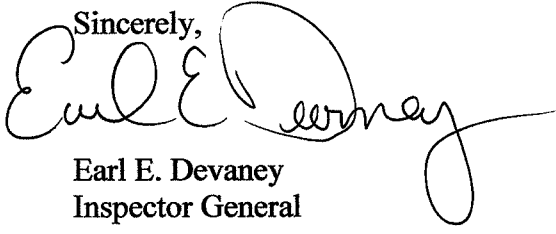
The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council recently proposed amending the Federal Acquisition Regulation (FAR). The proposed amendments include a requirement for government contractors to institute a code of ethics and business conduct, to adopt internal controls to detect and prevent improper conduct relating to their government contracts, and to notify agency Offices of Inspectors General and contracting officers whenever they become aware of violations of federal criminal law with regard to those contracts. The proposal is published at Federal Register 64019, November 14, 2007. As such, I am submitting my comments in support of those proposed FAR amendments.

In October, 2006, the Department of Justice and the federal Inspectors General instituted the National Procurement Fraud Task Force (NPFTF) to address the current and urgent problem of corruption in federal government procurement and financial assistance programs. As the Inspector General for the Department of the Interior, I directed members of my office to serve on two of the seven task force committees that were formed to identify best practices to prevent, detect, and resolve criminal activity in government contracting. Through this process, the NPFTF found effective corporate compliance programs create a strong deterrent against fraud. I have seen firsthand the damage that results from unethical conduct. Many firms might have avoided becoming the subject of a criminal investigation if they had implemented a compliance program that supported honesty and transparency at all levels in their operations.

The Guiding Principles for the Federal Acquisition System define the Federal Acquisition Team as starting with the customer and ending with the contractor of the product or service. As team members, our partners in industry must display the same commitment to honesty and integrity in the procurement process as the federal government does. If implemented, I believe these recommended FAR changes will serve all members of the team through effective deterrence,

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early detection, and efficient resolution of suspected fraud, waste or abuse in our federal procurement and assistance awards. For these reasons, I strongly support the proposed FAR amendments in their current form.

Sincerely,

Earl E. Devaney
Inspector General

cc: Steve A. Linick
U.S. Department of Justice