



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, DC 20380-0001

MCO 7510.5A
IG/FD
22 Aug 86

MARINE CORPS ORDER 7510.5A

From: Commandant of the Marine Corps
To: Distribution List

Subj: MARINE CORPS FRAUD, WASTE, AND ABUSE (FWA) OVERSIGHT,
AWARENESS, PREVENTION, AND REMEDIES

Ref: (a) SECNAVINST 5430.92A
(b) MCO 5040.6D
(c) SECNAVINST 5370.2H
(d) SECNAVINST 5430.25D (NOTAL)
(e) SECNAVINST 5430.27A (NOTAL)
(f) MCO 5200.24A
(g) MCO 7510.4B
(h) MCO 5830.2B
(i) MCO 5370.3E
(j) SECNAVINST 5214.2B (NOTAL)

Encl: (1) Definitions
(2) Remedies Plan Report Format

Report Required: Remedies Plan Report (Report Control Symbol
EXEMPT) par. 5 and encl. (2)

1. Purpose. This Order prescribes fraud, waste, and abuse program duties and responsibilities and establishes procedures for preparing and submitting fraud remedies plans.

2. Cancellation. MCO 7510.5 and HQO 7510.1.

3. Background. Fraud, waste, abuse and related improprieties, such as theft or misuse of Government resources or conflicts of interest, are serious matters which can significantly increase the cost of Government and reduce available resources needed to support Marine Corps operating forces. Throughout the U.S. Government actions are underway to counter illegal and wasteful activities. Marine Corps efforts to foster management economies and efficiencies and prevent fraud, waste, and abuse require highest command attention and individual awareness. In affirming the Marine Corps commitment to this effort and in the interests of clarity and emphasis, this Order establishes the requirements and responsibilities of this program. Significant terms are defined in enclosure (1).

4. Summary of Revision. This Order provides significant information and taskings to various agencies. It must be read in its entirety as it is a complete revision. The following are significant changes.

a. Establishes responsibilities for fraud, waste, and abuse matters.

b. Requires remedies plans be submitted when allegations of fraud are substantiated.

c. Establishes the Marine Corps Fraud Council with Deputy Naval Inspector General for Marine Corps Matters/Inspector General of the Marine Corps (DNIGMC/IGMC) as chairperson and representatives from Installations and Logistics (CMC (L)); Plans, Policies, and Operations (CMC (P)); Fiscal Division (CMC (FD)); Counsel for the Commandant (CMC (CL)); and Staff Judge Advocate to the Commandant (CMC (JA)).

5. Policy. The Marine Corps is committed to an aggressive program of oversight, awareness, prevention, and remedies of FWA. Our goal is to preclude even the slightest impression

of impropriety in the handling of our manpower, material, and money. Significant terms are defined in enclosure (1).

6. Action

a. The DNIGMC/IGMC is responsible for:

(1) Maintaining general oversight of all programs within the Marine Corps to detect, report and remedy fraud, waste, inefficiency and related improprieties. This includes, but is not limited to, bribery, graft, corruption, conflicts of interest, misuse of Government personnel and property, and other contracting and mismanagement abuses and serious internal control failures.

(2) Tasking appropriate commands or HQMC staff agencies with reporting of remedies plans to the CMC (references (a) and (b), and enclosure (2) pertain).

(3) Chairing the Marine Corps Fraud Council.

(4) Accumulating data from HQMC staff agencies and preparing the Semiannual Report of Audit, Inspection, and Investigative Activities required by the Inspector General Act of 1978 and reference (a) for submission to the Naval Inspector General (NAVINSGEN).

(5) Submitting acquisition related remedies plans to the NAVINSGEN.

b. The Fiscal Director of the Marine Corps (FDMC) is responsible for:

(1) Preparing FWA awareness publications and prevention efforts to include development and distribution of program materials such as the Fraud Indicators Handbook, Fraud Alert Memoranda and periodic audit summaries to inform Marine Corps commanders and other personnel of fraud indicators.

(2) Identifying trends and deficiencies reported in audits, inspections or investigations which have resulted in FWA cases.

(3) Coordinating all matters involving audits and audit followup for both appropriated and nonappropriated fund activities, Marine Corps Disbursing Onsite Examination Teams (MCDOSSET's), and the Management Control Programs.

(4) Reviewing and overseeing investigations and reporting of alleged 31 USC Section 1517 (administrative control of funds) violations.

(5) Coordinating FWA programs with the DoD Inspector General, the DNIGMC/IGMC, the Navy Secretariat, and the other Services, as appropriate.

(6) Providing Marine Corps representation on the DoD Integrity Panel, the DoD Audit Policy Advisory Group, the DON Review and Oversight Council, and the DON Internal Controls Coordinating Committee.

(7) Providing a representative to the Marine Corps Fraud Council.

c. The Deputy Chief of Staff for Installations and Logistics (DC/S I&L (LB)) is responsible for:

(1) Coordinating FWA matters involving Government contracts, acquisition, and procurement with the DNIGMC/IGMC and the Counsel for the Commandant.

(2) Providing a representative to the Marine Corps Fraud Council.

d. The Deputy Chief of Staff for Plans, Policies, and Operations (DC/S PP&O (POS)) is responsible for:

(1) Being the focal point for all law enforcement matters.

(2) Maintaining liaison with Federal, state and other law enforcement agencies on matters of law enforcement affecting the Marine Corps.

(3) Being the Marine Corps central point of contact in matters involving the Naval Investigative Service Command (NISCOM) and the Defense Criminal Investigative Service (DCIS).

(4) Formulating and recommending management policies for matters pertaining to physical security, law enforcement, and criminal investigations.

(5) Providing a representative on the Marine Corps Fraud Council.

e. The Counsel for the Commandant (CMC (CL)) is responsible for:

(1) Providing legal advice and counsel on the subject of fraud, waste, inefficiency, and related improprieties in areas of responsibilities delineated in references (c) and (d) including, but not limited to, acquisition, fiscal, and civilian personnel law.

(2) Advising the CMC and the DNIGMC/IGMC concerning litigation and ethics matters involving contractors and civilian personnel.

(3) Maintaining liaison with the Department of Justice and coordinating the referral of appropriate cases for claims, civil, or other legal action involving civilian employees in the areas specified in references (c) and (d).

(4) Tracking cases during investigative/prosecutorial stages and keep DNIGMC/IGMC informed.

(5) Advising responsible activities in the formulation of remedies plans.

(6) Providing a representative to the Marine Corps Fraud Council.

f. The Staff Judge Advocate to the Commandant (CMC (JA)) is responsible for:

(1) Providing legal advice and counsel to CMC officials in matters regarding fraud, waste, inefficiency, and related improprieties by Marine Corps personnel.

(2) Providing, upon request, legal advice and assistance to staff judge advocates servicing commanding generals/commanding officers of Marine Corps field commands.

(3) Coordinating matters involving fraud, waste, inefficiency, and related improprieties by Marine Corps personnel with other Federal agencies, as appropriate.

(4) Advising the DNIGMC/IGMC concerning all investigations into incidents of fraud, waste, inefficiency, or related improprieties by Marine Corps personnel.

(5) Tracking cases of Marine Corps personnel during investigative/prosecutorial stages and keep DNIGMC/IGMC informed.

(6) Providing a representative to the Marine Corps Fraud Council.

g. Commanding generals/commanding officers of Marine Corps field commands are responsible for:

(1) Requiring economy within their commands and strict compliance with regulations governing the receipt, accounting and expenditure of manpower, money and materials. (Title 10, USC 5947, Article 0702 and Article 1102, U.S. Navy Regulations pertain.)

(2) Establishing active local command programs of fraud, waste and abuse awareness, prevention, and detection.

(3) Implementing the Management Control Program, audit followup, inspection, investigation, and law enforcement requirements established by references (e), (f), (g), and (h).

(4) Designating a senior management official at each command to coordinate and oversee fraud, waste and abuse prevention, detection, and remedies.

(5) Ensuring that all incidents of a criminal nature are reported immediately to the installation provost marshal and investigated or referred to NIS, as required. All significant cases as defined in enclosure (1) will be reported to the DNIGMC/IGMC.

(6) When tasked, forwarding acquisition/procurement/contract fraud remedies plans to the DNIGMC/IGMC in the format prescribed in enclosure (2).

(7) Establishing local FWA hotline systems.

(8) Publishing FWA program results in local command newspapers.

(9) Conducting periodic fraud awareness briefings.

(10) Making wide dissemination of HQMC and DoD fraud and waste-related publications and correspondence.

(11) Take, or cause to be taken, appropriate punitive, administrative and/or other corrective actions, including administrative actions under DoD Fraud Civil Remedies Act, Public Law 99-509.

(12) Ensuring that all personnel under their authority are familiar with Articles 1139 and 1140, U.S. Navy Regulations, requiring reports of offenses committed by persons in the DON and reports of fraud, collusion, or improper conduct by such personnel or by contractors with the DON.

(13) Providing recommendations for contractor suspension and debarment actions to the Deputy Chief of Staff for Installations and Logistics (DC/S I&L (LB)) in a timely manner to enable DC/S I&L (LB) to initiate actions within 30 days of indictment or conviction of the contractor.

h. All Marine Corps military and civilian personnel will conform to the Navy and Marine Corps standards of conduct, the UCMJ, as applicable, U.S. Navy Regulations, reference (i), and the lawful directives and orders of their supervisors and will report infractions of these standards, regulations, directives, and orders to the proper authority. In this regard, "proper authority" will include:

(1) an individual's immediate superior,

(2) the commander or commanding officer,

(3) the commanding officer of the immediate superior, if either (1) or (2) above are apparently implicated,

(4) the installation provost marshal,

(5) the DNIGMC/IGMC,

(6) the DoD, Navy, or Marine Corps Hotlines, or any other portion of the DoD or Navy Inspector General's staff, and

(7) an agent of the Naval Investigative Service.

7. Administration/Reporting of Remedies Plan

a. All the information requested in enclosure (2) is required and should reach the DNIGMC/IGMC within 60 days of the request for the remedies plan.

b. Representatives of the responsible commander's legal staff, contracting office, other command staff representatives as determined by the commander, and NIS, or other appropriate criminal investigative organization, will assist in preparation of the plan and participate in its execution.

22 Aug 86

c. Remedies plans reporting requirements are established by reference (a) and are exempt from reports control by reference (j). Applicable definitions are in enclosure (1).

d. If investigations or litigations are pending, remedies plans should be coordinated in advance of implementation with appropriate investigative/prosecutive officials and the DNIGMC/IGMC.


e. Remedies plans will be reviewed by the Marine Corps Fraud Council prior to submission to higher authority.

f. Remedies plans will be updated in a timely manner as the matters covered by the plan change or remedies are completed.

8. Marine Corps Fraud Council. To assist the DNIGMC/IGMC in this oversight role, the Marine Corps Fraud Council is hereby established to effect the CMC level coordination and review of Marine Corps fraud, waste and abuse case coordination and reporting, and acquisition and contract fraud remedies efforts. The Fraud Council will consist of senior level representation from the offices of the DNIGMC/IGMC (chairman), the FDMC, the DC/S PP&O (POS), the CMC (CL), the DC/S for I&L (LB), and CMC (JA). The Council will meet quarterly or at the request of the DNIGMC/IGMC to discuss policies and procedures for the effective handling and oversight of FWA matters and to review remedies plans for contract/procurement-related fraud cases.

9. Records Disposition. Retain record copies of the following: Remedies Plan Reports; Semiannual Reports of Audit, Inspection and Investigation Activities (appropriated/nonappropriated); FWA Awareness Publications; Investigation Reports of 31 USC Section 1517 Violations; MCDOSSET Inspection Reports; NISCOM and DCIS Reports; Marine Corps Management Control Program and Fraud Council Records; JAGMAN Investigations; and all supporting documentation, for 3 years after the date of final action and destroy.

10. Reserve Applicability. This Order is applicable to the Marine Corps Reserve.


J.J. WENT
Assistant Commandant
of the Marine Corps and
Chief of Staff

DISTRIBUTION: A less 1060003/4125019/
7352028/8180052/
plus 2020009/2157004/
3700003/7111041 (1)

Copy to: 8145001

DEFINITIONS

Acquisition. The term includes, but is not limited to: the determination of requirements for supplies and services; the test, evaluation, qualification, or selection of particular products or services; the preparation and adoption of procurement specifications and standards; and the award and administration of Government contracts. These items encompass all appropriated or nonappropriated fund contracts, including research and development contracts. The foregoing apply also to similar production processes within the DON.

DON Personnel. All U.S. military personnel serving in the DON and all civilian employees of the DON (including those in nonappropriated fund activities).

Fraud. Any willful means of taking or attempting to take unfair advantage of the Government, including but not limited to: the offer, payment, or acceptance of gratuities, as set forth in SECNAVINST 5370.2; making of false statements, submission of false claims, or use of false weights or measures; evasion or corruption of inspectors and other officials; deceit either by suppression of the truth or misrepresentation of a material fact; adulteration or substitution of materials; falsification of records and books of account; arrangements for secret profits, kickbacks, or commissions; and conspiracy to use any of these devices. It also includes those cases of conflict of interest, criminal irregularities, and unauthorized disclosure of official information which are connected with acquisition and disposal matters.

Waste and Abuse. Any extravagant, careless or needless expenditure of Government funds or the consumption or misuse of Government property, resulting from deficient or improper practices usually not involving prosecutable fraud.

Management Controls. The plan of organization and all of the methods and measures adopted within an organization to safeguard its resources; assure the accuracy and reliability of its information; assure adherence to applicable laws, regulations and policies; and promote operational economy and efficiency. This term is interchangeable with "Internal Controls."

Significant Cases. Any fraud case opened or monitored by the NISCOM or other DoD criminal investigative agencies which involves any of the following:

- (1) A potential dollar amount of \$100,000 or more loss to the Government.
- (2) Corruption related to procurement which involves bribery, gratuities, or conflicts of interest, regardless of the amount.
- (3) Defective products or product substitution in which a serious hazard to health, safety, or operational readiness is indicated, regardless of value.
- (4) Suspected misconduct involving O-5's, GS/GM-13's, or above.
- (5) Computer Fraud.
- (6) Cases which are otherwise significant because of unusual or noteworthy conditions, including the extent of actual or potential interest; the effect on unit readiness, security, or morale, the potential for extensive fraud using similar methods; the number of defendants or conspirators; the potential scope of contractors affected; or a demonstrated absence of adequate controls leaving an activity vulnerable to further loss.

ENCLOSURE (1)

REMEDIES PLAN REPORT FORMAT

(Date of Plan)

SECTION I (ADMINISTRATIVE DATA):

- A. Subject of Allegation. _____
- B. Principal Investigative Agency. _____
- C. Investigative Agency File Number. _____
- D. Subject's Location. _____
- E. Location Where Offense Took Place. _____
- F. Responsible Action Commander. _____
- G. Responsible Major Subordinate Command Commander. _____
- H. Contract Administrative Date (If Applicable):
1. Contract Number. _____
 2. Type of Contract. _____
 3. Dollar Amount of Contract. _____
 4. Period of Contract. _____
- I. Principal Case Agent (Name and Telephone Number). _____
- J. Civilian Prosecutor (If Applicable) (Name, Address, and Telephone Number). _____
-
- K. Is Grand Jury Investigating This Matter? _____
- L. Audit Agency Involved (If Applicable). _____
- M. Suspense Date for Update of This Plan. _____

SECTION II (SUMMARY OF ALLEGATIONS AND INVESTIGATIVE RESULTS TO DATE):

(Provide sufficient detail for reviewers of the plan to evaluate the appropriateness of the planned remedies. If information is "close-hold" or if grand jury secrecy applies, so state.)

SECTION III (ADVERSE IMPACT STATEMENT):

(Describe any adverse impact on the DON/DoD mission. Adverse impact includes but is not limited to endangerment of personnel or property; monetary loss; denigration of program or personnel integrity; compromise of the procurement process; and reduction or loss of mission readiness. Identify impact as actual or potential. Describe the impact in terms of monetary loss, endangerment to personnel or property, mission readiness, etc. This information should be considered in formulating your remedies as described below and provided to prosecutors for their use in prosecution of the offenses.)

ENCLOSURE (2)

SECTION IV (REMEDIES TAKEN AND/OR BEING PURSUED):

A. Criminal Sanctions. (As a minimum, address the following: Are criminal sanctions appropriate? If so, which ones? If not, why not? Has the local U.S. Attorney or other civilian prosecutor been notified and briefed? What actions have been taken or are intended? If and when action is complete, describe action and final results of the action. Other pertinent comments should be included.)

B. Civil Remedies. (As a minimum, address the following: Which civil remedies are appropriate? Has the local U.S. Attorney or other civilian prosecutor been notified and briefed? How, when, where, and by whom are the appropriate civil remedies implemented? If and when action is completed, describe action and final results. Other pertinent comments should be included.)

C. Contractual/Administrative Remedies. (As a minimum, address the following: Are contractual and administrative remedies appropriate: If so, which ones? If not, Why? If contractual or administrative remedies are considered appropriate, describe how, when, and by whom the remedies are implemented. If and when action is completed, describe action and results of the action. Other pertinent comments should be included.)

D. Personnel Actions. (As a minimum, address the nature and type of personnel actions taken or anticipated, recoupment or recovery (if any), identification and position of individual taking action and when taken.)

E. Restrictions on Remedies Action. (Comment as to why obvious remedies are not being pursued. For example, the U.S. Attorney requests suspension action held in abeyance pending criminal action.)

SECTION V (MISCELLANEOUS COMMENTS/INFORMATION):

ENCLOSURE (2)