

**21 OCTOBER 1994**



**Law**

**COORDINATION OF REMEDIES FOR FRAUD  
AND CORRUPTION RELATED TO AIR FORCE  
PROCUREMENT MATTERS**

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OPR: SAF/GCQ  
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1. The Air Force must detect and correct instances of procurement fraud to maintain operational readiness, recoup lost financial resources, restore public confidence in Air Force acquisitions, and prevent fraudulent conduct from occurring in the future.
2. The Air Force aggressively will pursue all significant procurement fraud cases which affect Air Force interests, and will ensure that appropriate criminal, civil, contractual, and administrative remedies are taken in a coordinated, expeditious manner.
3. This directive establishes the following responsibilities and authorities:
  - 3.1. The Office of the General Counsel (SAF/GC) establishes policy and serves as the central authority for the Air Force in monitoring and coordinating remedies in all significant procurement fraud cases.
  - 3.2. Major command (MAJCOM), field operating agency (FOA), and direct reporting unit (DRU) commanders will facilitate the pursuit of appropriate remedies in all cases of significant procurement fraud involving resources under their command or control.
  - 3.3. Installation commanders will ensure preparation of acceptable remedies plans reflecting the pursuit of appropriate criminal, civil, contractual, and administrative remedies in all cases of significant procurement fraud involving their installations or facilities.
  - 3.4. The Air Force Office of Special Investigations will investigate allegations of misconduct in each significant procurement fraud case and support SAF/GC; MAJCOM, FOA, and DRU commanders; and installation commanders in the pursuit of applicable criminal, civil, contractual, and administrative remedies.
4. See **Attachment 1** for measures used to comply with this policy.
5. See **Attachment 2** for the definitions of key terms used in this directive.

6. This directive does not apply to the Air National Guard.
7. This document implements DoD Directive 7050.5, *Coordination of Remedies for Fraud and Corruption Related to Procurement Activities*, June 7, 1989.
8. This directive interfaces with AFI 51-1101, *The Air Force Procurement Fraud Remedies Program*.

GILBERT F. CASELLAS  
The General Counsel

**Attachment 1**

**MEASURING COMPLIANCE WITH POLICY**

**A1.1.** SAF/GC will rate each remedies plan submitted to it as either "Acceptable" or "Unacceptable."

A1.1.1. SAF/GC will chart the percentage of remedies plans which achieve an "Acceptable" grade, and will use fiscal year 1995 as the baseline year (see **Figure A1.1.**)The goal is a trend toward 100 percent.

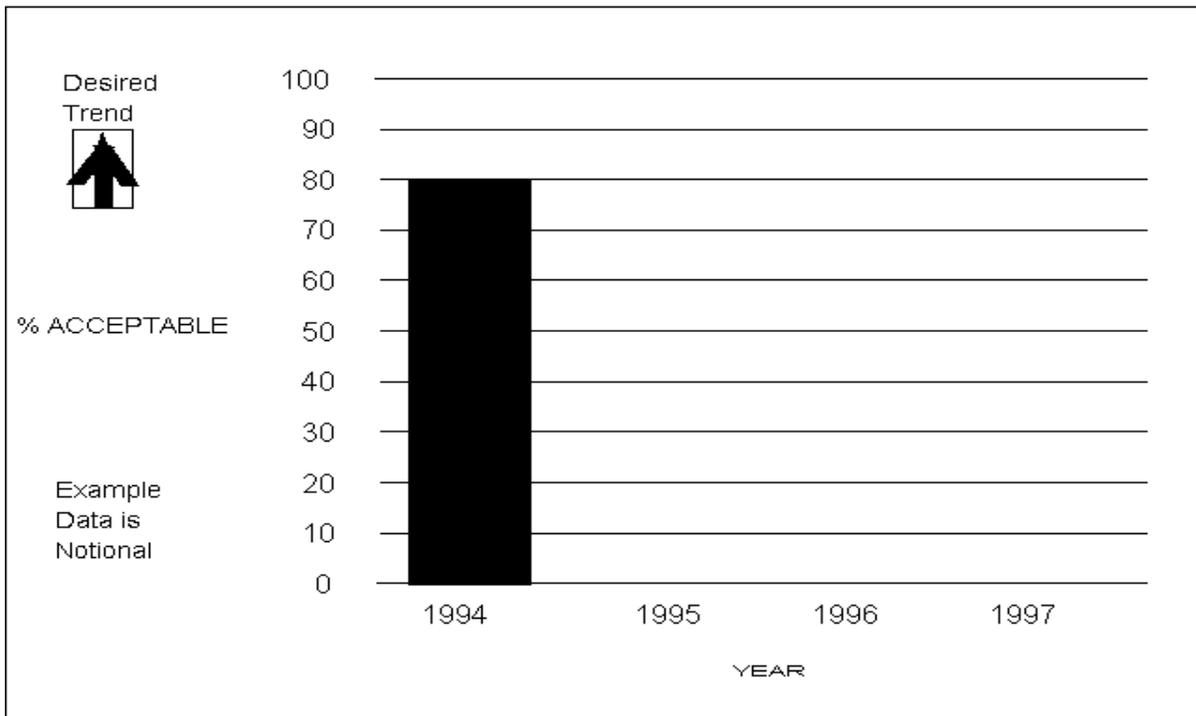
A1.1.2. SAF/GC will consider the following factors in determining the grade for each remedies plan:

A1.1.2.1. Compliance with suspense date for remedies plan submission to SAF/GC.

A1.1.2.2. Compliance of submitted remedies plan to the format established by AFI 51-1101, attachment 3.

A1.1.2.3. Quality of efforts to ensure the Air Force pursues all appropriate criminal, civil, contractual, and administrative remedies, including demonstration of a coordinated team approach among attorneys, investigating agents, contracting personnel, and other pertinent government participants.

**Figure A1.1. Sample Metric of ACCEPTABLE Remedies Plans.**



## Attachment 2

### DEFINITIONS OF KEY TERMS

**A2.1. Fraud.** Any intentional deception by an individual, corporation, partnership, or other entity which seeks to unlawfully deprive the Air Force of something of value or to secure from the Air Force a benefit, privilege, allowance, or consideration for which there is no entitlement.

**A2.2. Installation.** An Air Force Base, Station, Center, or other fixed location as designated by a MAJ-COM, FOA, or DRU. This definition includes Air Force Materiel Command product centers.

**A2.3. Remedies.** Criminal, civil, contractual, and administrative actions that should be initiated by a commander or official having responsibility over a matter central to a significant procurement fraud case in order to protect the interests of the Air Force and to deter future incidents of fraudulent conduct.

**A2.4. Remedies Plans.** Comprehensive, evolving plans prepared in accordance with AFI 51-1101 for pursuing all applicable remedies in significant procurement fraud cases. These plans are updated periodically to report new information and provide the status and success of all applicable remedies.

**A2.5. Significant Procurement Fraud Cases.** Alleged or confirmed instances of criminal or civil misconduct by a government contractor or individual which satisfy one or more of the following criteria:

A2.5.1. All procurement-related fraud cases which involve an alleged or actual loss to the Air Force of \$100,000 or more.

A2.5.2. All corruption cases related to the Air Force procurement process, regardless of the dollar amount of loss involved. Corruption includes such fraudulent acts as conflicts of interest; the solicitation, offer, payment, or receipt of bribes, gratuities, kickbacks, or commissions; the unauthorized disclosure of procurement-related information; and collusion, bid rigging, price-fixing, or other anti-trust violations.

A2.5.3. All Air Force cases involving alleged or proven defective products or product substitution where the nature of the product defect or substitution presents a serious hazard to health, safety, or operational readiness, regardless of the dollar amount of loss involved.

A2.5.4. All cases in which there is a significant Air Force interest as determined by SAF/GC. Such cases include, but are not limited to, those involving a congressional inquiry or substantial media attention.