



# Department of Defense Contractor Disclosure Program

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## FAR Rule Implemented

- Voluntary Disclosure Program became Contractor Disclosure Program
- Effective December 12, 2008
- AT&L 29 December 2008 Letter designating DoD Office of Inspector General as agency IG for DoD contracts
- Disclosures must be in writing to IG
  - Copy to Contracting Officer



## Contractor Disclosure Program

- Process essentially the same as Voluntary Disclosure Program
- Centralized management; decentralized execution
- Affords contractors a means to report violations
- Facilitates coordinated evaluation of criminal, civil, and administrative actions with stakeholders
- Provides a framework for Government verification, when appropriate
- Ensures prompt resolution



## Voluntary Disclosures

- Disclosure and initial inquiry
- Acceptance or rejection
- Execute XYZ Agreement
- Company internal investigation
- Government verification investigation
- Coordination of Remedies
- Close with notice to company

## Contractor Disclosures

- Disclosure
- Stakeholders triage
- Decision
- Company internal investigation, if appropriate
- Government verification investigation, if appropriate
- Coordination of Remedies
- Close with notice to company



## Stakeholders

- DoD OIG
- DCMA
- Services General Counsel
- Services Suspension & Debarment Authority
- Contracting Officer
- Affected Military Department
- DCAA
- Defense Agencies
- Defense Criminal Investigative Organizations
  - AFOSI
  - CID
  - DCIS
  - NCIS
- DOJ Criminal Division (Fraud Section)
- DOJ Civil Division (Commercial Litigation)
- US Attorney Office



## What the Government Must Do

- Encourage contractors to self report
- Respond to reports quickly
- Speed up DOJ decision
- Focus and complete investigations
- Establish coordination between IG and CO
- Provide Feedback to contractors



## What the Contractor Must Do

- Disclose early
- Disclose online when practical
  - If not, use sample format
    - Contains information required for quick resolution
- Disclose in an abundance of caution
- Fully cooperate ensuring timely resolution



## Issues for the Government

- Can the Government rely solely on the KOR's internal investigation
- Can the Government distinguish between an actionable fraud and a matter for the CO without conducting an investigation
- Can the Government expedite stakeholders' decisions
- Can the Government provide incentive for KORs making disclosures



## Disclosures Update

- Eighty since December 12, 2008
- Top 100, Foreign and Small companies
- Three Administratively Closed
- Sixteen referred to DCIOs
- Twelve closed, Four others planned
- DOJ decision



## Disclosures Update Continued

- Types of Disclosures

- Kickbacks
- Price reduction not extended
- Appropriated funds paid to a prohibited company
- Representing back to the Government
- Fraudulent SBA (8a) certification
- Labor Mischarging



## CD Program Update

- Toll Free Number 866 429-8011
- Web-based Disclosures
  - <http://www.dodig.mil>
  - [Click Contractor Disclosure](#)
  - [Click Submit a Contractor Disclosure](#)
- DoD Guide to submitting a Disclosure
- DoD Instruction
- Coordination and Outreach



## Contact Us

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