

**MEMORANDUM OF UNDERSTANDING
BY AND AMONG**

**AIR FORCE DEPUTY ASSISTANT SECRETARY (CONTRACTING) ASSISTANT
SECRETARY (ACQUISITION);**

**AIR FORCE DEPUTY GENERAL COUNSEL (CONTRACTOR RESPONSIBILITY);
and**

AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

This is a memorandum of understanding among the Deputy Assistant Secretary (Contracting), Assistant Secretary (Acquisition) (“SAF/AQC”), the Air Force Deputy General Counsel (Contractor Responsibility) (“SAF/GCR”), and the Air Force Office of Special Investigations (“AFOSI”); hereinafter referred to as the “Parties.”

1. BACKGROUND AND OBJECTIVE: Recapturing acquisition excellence, strengthening the procurement process, and preventing and mitigating the effects of procurement fraud, misconduct, fraudulent contract performance, and unethical activity (collectively, the “procurement fraud fight”) is one of the Air Force’s top priorities as demonstrated by the USAF Chief of Staff’s Vector 2011 to Recapture Acquisition Excellence. An increased number of complex Air Force and Department of Defense procurement initiatives and continued efforts to combat criminal and fraudulent activity require a closer working relationship among the Parties. Our objective is to formalize that relationship to help identify and prevent procurement fraud, misconduct, fraudulent contract performance and unethical activity and to protect our people and equipment from criminal activity, and serious hazards to health, safety, or operational readiness. We will accomplish this objective by sharing existing procedures, manpower, and training wherever practicable. The intent is to have all communities – contracting, law enforcement, acquisition fraud counsel, and the Air Force suspension and debarment organizations – planning, working, and training together to provide the Air Force with the best means to proactively accomplish the Air Force’s objectives including, but not limited to, criminal prosecutions, taking contract and administrative remedies, and reaching civil outcomes early, when our contracts are still open, and the funds can be used by the affected programs.

2. PURPOSE: This Memorandum of Understanding enhances the overall organizational relationship and responsibilities for the procurement fraud fight among the Parties. We agree in principle to make every effort to plan, work, and train together at all levels, and to align and deconflict our efforts whenever possible. We further agree to make every effort to proactively accomplish our objectives including, but not limited to, setting joint procurement fraud remedies priorities, facilitating criminal investigations and coordinating prosecution efforts among the parties to this MOU and DOJ, and when possible, taking contract and administrative remedies and reaching civil outcomes early, when our contracts are still open, so that the funds may be used by the affected programs. This relationship will serve as a force multiplier and provide the ability to cross-leverage the disciplines and capabilities of each organization to enhance the Air Force’s ability to administer its programs, prevent, detect, deter and remedy procurement fraud

and misconduct, and protect our people and equipment from serious hazards to health, safety, and operational readiness.

3. AUTHORITY: SAF/AQC's core mission is to develop and execute responsive acquisition strategies and compliant sourcing solutions to enable the global Air Force mission. SAF/AQC is organized by Air Force Major Commands with contracting directorates and squadrons within those Major Commands. SAF/GCR houses both the Air Force Suspending and Debarring Official and the Air Force Office of Procurement Fraud Remedies. The Office of Procurement Fraud Remedies operates pursuant to Air Force Instruction 51-1101 and Department of Defense Instruction 7050.05. SAF/GCR relies heavily on the functional support of acquisition fraud counsel at every Air Force installation ("acquisition fraud counsel"). The AFOSI fraud investigative mission provides special investigative capabilities in accordance with Air Force Mission Directive 39. This reference assigns AFOSI responsibility to identify and investigate crimes against people, crimes against private and U.S. Government property, fraud, technology transfer violations, environmental violations, terrorism, and desertion. AFOSI is organized into Regions that generally align with Air Force Major Commands, and detachments and squadrons within those Regions (collectively, AFOSI).

4. RESPONSIBILITIES OF THE PARTIES:

a. Joint Responsibilities:

- (1) The Parties shall meet regularly (not less than quarterly) to discuss mutual issues of concern and best practices with respect to the procurement fraud fight. These meetings shall be as informal as practicable, designed to bring stakeholder communities together to share ideas for mutual consideration, rather than policy-setting or vote-taking sessions.
- (2) Recognizing that effective communication and coordination is essential to the procurement fraud fight at every level of the Air Force, the Parties shall encourage each of their organizational or functional components to develop relationships with their counterparts in the corresponding organizations and, if necessary, any other relevant stakeholders.
- (3) Recognizing that AFOSI is a criminal investigative agency, to the maximum extent practical, the Parties will work to support criminal prosecution of fraud cases and recognize that close coordination with DOJ is a force multiplier in the fraud fight.
- (4) Recognizing that the Air Force considers all possible remedies for procurement fraud and implements the appropriate remedies expeditiously for the benefit of the Air Force, to the maximum extent practical the Parties will work to employ the best criminal, civil, contract and administrative remedies to resolve each matter. In addition, to the maximum extent practical, the Parties will work to drive a return to the affected program(s) before funds expire.

(5) Recognizing that joint training is beneficial to the entire Air Force field, the Parties shall proactively seek out joint training opportunities and seek to include other parties in existing training sessions (both receiving and providing the training) as appropriate.

(6) Recognizing that even in the closest of working relationships based upon mutual trust differences can arise, to the maximum extent practical any differences among the Parties will be resolved through communication and collaboration.

b. SAF/AQC shall:

(1) Direct (via policy directives) Contracting to participate with the AFOSI field unit and acquisition fraud counsel in their area of responsibility to establish a working relationship based on mutual trust.

(a) To advance the mutual trust relationship, Contracting is encouraged to provide to AFOSI and acquisition fraud counsel annually, not later than 1 November of each year, Contracting's top priorities for detecting, mitigating, and remediating procurement fraud, misconduct, fraudulent contract performance, and/or unethical activity. This may include priority acquisitions such as weapons systems or construction projects, common schemes seen by Contracting, contractors with questionable records of ethical operations or areas with a lack of robust controls in the contracting process where there may be opportunities for fraudulent behavior ("procurement fraud priorities.")

(b) Contracting shall informally monitor the progress of efforts to address the procurement fraud priorities with AFOSI and acquisition fraud counsel at least twice per year (if useful, this could occur as part of an installation-specific or regional procurement fraud working group meeting).

(2) Direct Contracting at each field level within the Air Force to designate annually a point of contact ("POC" or "Contracting POC") to serve as the primary interface with AFOSI and acquisition fraud counsel at the corresponding field level.

(3) Direct (via policy directives) Contracting to work with the local AFOSI Economic Crime Program Manager and the local acquisition fraud counsel on an as-needed basis including proactively during the development of threat assessments as well as during investigations, to include but not be limited to document location support, analysis of contract requirements, contract file review, proof analysis and/or analysis of defenses.

(4) Assist in the development of procurement fraud training to increase awareness of and participation in the procurement fraud fight.

(a) To the extent that periodic procurement fraud working groups are a viable option for increasing awareness and training, the POC, AFOSI and acquisition fraud counsel shall work together to promote and effect these working group meetings.

(b) SAF/AQC shall encourage the POC to be a regular participating member of these working groups.

(5) Encourage the POC to work with AFOSI and acquisition fraud counsel to increase awareness of and training of other stakeholders, such as Civil Engineering personnel, quality assurance representatives, and the base populace, for participation in the procurement fraud fight.

(6) Coordinate (via policy directives) periodically with AFOSI and SAF/GCR to, among other things, make sure that as new initiatives arise, the acquisition component has support from, and is appropriately integrated with, fraud counsel and AFOSI.

c. **AFOSI shall:**

(1) Direct (via policy directives or other viable means) AFOSI Economic Crime agents, as part of building their annual threat assessments, to request Contracting's procurement fraud priorities and, whenever practicable, incorporate those priorities into their threat assessments and Economic Crime mission plans.

(2) Informally monitor the progress of efforts to address the procurement fraud priorities with the Contracting POC and acquisition fraud counsel at least twice per year (if useful, this could occur as part of an installation-specific or regional procurement fraud working group meeting).

(3) Direct each AFOSI field unit to team with the designated Contracting POC and acquisition fraud counsel to provide mutual assistance and advice when appropriate on procurement fraud, misconduct, fraudulent contract performance, and unethical activity investigations.

(4) Encourage (when appropriate in the context of ongoing criminal investigations) each AFOSI field unit to share information of possible systemic weaknesses if identified during investigations or target surveys to the appropriate commander, chief of contracting and acquisition fraud counsel so Contracting can take steps to protect the government from future fraudulent activity.

(5) Assist (when possible) in the development of procurement fraud training, including at the Lackland Training School for Enlisted Contracting Officer candidates and the Mission Ready Contracting Officer (MRCO) course for Officer Contracting Officer candidates.

(6) Assist in providing contingency contracting procurement fraud briefings whenever possible.

(7) Encourage each AFOSI field unit's Economic Crime Program Manager to work with and provide appropriate information to the local acquisition fraud counsel (or acquisition fraud counsel at SAF/GCR, AFMCLO/JAF or AFLOA/JAQ, as appropriate) and, in

coordination with the Region Economic Crime Program Manager, on all investigations of interest to SAF/GCR. These interactions include, but are not limited to: document location support, analysis of contract requirements, contract file review, proof analysis and/or analysis of potential or actual defenses.

(8) Encourage each AFOSI field unit to work with the Contracting POC and acquisition fraud counsel to increase awareness of and training for participation in the procurement fraud fight.

(a) To the extent that periodic procurement fraud working groups are a viable option for increasing awareness and training, the Contracting POC, AFOSI and acquisition fraud counsel shall work together to promote and effect these working group meetings.

(9) Encourage AFOSI Economic Crime agents to work with SAF/GCR, acquisition fraud counsel, and contracting to increase awareness of and training of other stakeholders, such as Operational Commanders, Civil Engineering personnel, quality assurance representatives, and the base populace for participation in the procurement fraud fight.

(10) Coordinate periodically with SAF/AQC and SAF/GCR to, among other things, make sure that as new Air Force-wide initiatives arise, the acquisition component has support from, and is appropriately integrated with, fraud counsel, and AFOSI.

d. SAF/GCR shall:

(1) In its own name or through the acquisition fraud counsel coordinating bodies (AFMCLO/JAF for Air Force Materiel Command cases and AFLOA/JAQ for non-Air Force Materiel Command cases), encourage acquisition fraud counsel to establish a working relationship based on mutual trust with the relevant Contracting POC and AFOSI field unit.

(a) To advance the mutual trust relationship, acquisition fraud counsel shall integrate Contracting's procurement fraud priorities into the acquisition fraud counsel's annual procurement fraud training as well as their proactive detection, remedies, and mitigation efforts.

(b) Acquisition fraud counsel, along with the Contracting POC and AFOSI, shall informally monitor the progress of efforts to address Contracting's procurement fraud priorities at least twice per year (if useful, this could occur as part of an installation-specific or regional procurement fraud working group meeting).

(c) Acquisition fraud counsel shall, to the maximum extent practical, advise and coordinate suspensions, debarments and procurement fraud remedies with AFOSI and AUSA(s) (as applicable) before taking action on ongoing criminal or civil investigations concerning the Air Force.

(2) Encourage supervisors of acquisition fraud counsel to rate their acquisition fraud counsel, in part, upon the success of this relationship building and priority-setting process, to include their efforts to flow the efforts down to the rest of the Air Force acquisition fraud counsel field.

(3) Through the acquisition fraud counsel coordinating bodies, encourage each Air Force acquisition fraud counsel to maintain a current list of the relevant Contracting POC and the AFOSI Economic Crime Program Manager for their area of responsibility; and to provide their identifying information to their Counterparts and AFOSI counterparts.

(4) Through acquisition fraud counsel, seek to ensure that adequate lines of communication exist among Contracting, Law Enforcement, Staff Judge Advocates, AUSA(s) and all other necessary stakeholders for the procurement fraud fight.

(5) Through the acquisition fraud counsel coordinating bodies, encourage acquisition fraud counsel to provide as-needed support to AFOSI during the creation of threat assessments and during investigations in addition to the acquisition fraud counsel's independent support requirements for SAF/GCR under Air Force Instruction 51-1101. Such support for AFOSI may include, but is not limited to, document location support, analysis of contract requirements, contract file review, proof analysis and/or analysis of potential or actual defenses.

(7) Through the acquisition fraud counsel coordinating bodies, encourage acquisition fraud counsel to work with AFOSI and the Contracting POC to increase awareness of and training for participation in the procurement fraud fight.

(a) To the extent that periodic procurement fraud working groups are a viable option for increasing awareness and training, the Contracting POC, AFOSI and acquisition fraud counsel should work together to promote and effect these working group meetings.

(8) Through the acquisition fraud counsel coordinating bodies, encourage acquisition fraud counsel to work with AFOSI and SAF/GCR to increase awareness of and training of other stakeholders, such as Operational Commanders, Civil Engineering personnel, quality assurance representatives, and the base populace, for participation in the procurement fraud fight.

(9) Coordinate periodically with the SAF/AQC and AFOSI to, among other things, make sure that as new Air Force initiatives arise, the acquisition component has support from, and is appropriately integrated with, acquisition fraud counsel and AFOSI.

(10) Support, to the maximum extent practicable, suspension, debarment and procurement fraud remedies training for Contingency Contracting Officers (e.g., by providing training materials, reviewing CCO Guidebook section on fraud, and by providing direct training when possible and requested).

(11) Support, to the maximum extent practicable, suspension, debarment and procurement fraud remedies training for all procurement fraud fight stakeholders.

5. PERSONNEL/MANPOWER/FUNDING: This Memorandum of Understanding is not intended to impact or affect current personnel/manpower/funding needs or obligations. Instead, it is intended to avoid duplication of effort, achieve synergies, and provide a force multiplying effect. This Memorandum of Understanding does not authorize the transfer or exchange of funds or manpower among the Parties and does not appropriate or obligate any funds.

6. TERMINATION: This Memorandum of Understanding may be terminated at any time by any party upon 90 days written notice to the other parties, or by mutual written consent of all parties. Email notice is acceptable.

7. ADMINISTRATION: Any notices or communication sent pursuant to this Agreement shall be addressed to the following OPR or workflow inboxes:

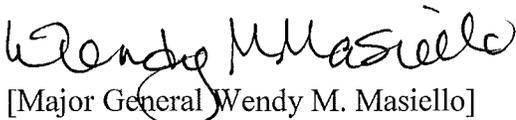
If SAF/AQC: SAFAQC.workflow@pentagon.af.mil

If AFOSI: SA Neil King, Cornelius.King@ogn.af.mil

If SAF/GCR: SAFGCR.workflow@pentagon.af.mil

8. EFFECTIVE DATE: This Memorandum of Understanding is effective the date of the signature of the last party to sign (separate signature pages acceptable) and remains in effect until terminated.

SIGNED:



[Major General Wendy M. Masiello]
[SAF/AQC]
[DATE]

9 Dec 11



[Mr. Steven A. Shaw]
[SAF/GCR]
[DATE]

9 Dec 2011



[Brigadier General Kevin J. Jacobsen]
[AFOSI]
[DATE]

9 Dec 2011