



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Fraud Awareness Briefing

Office of Investigations





PRESENTATION AGENDA

- Background
 - OIG mission and authority
 - What is fraud & who commits it?
- Fraud & disaster relief efforts
- Fraud schemes & indicators
- Financial assistance oversight
- Fraud prevention
- Reporting suspected fraud





OFFICE OF INSPECTOR GENERAL

- DOI OIG is part of Council of the Inspectors General on Integrity and Efficiency (CIGIE)
 - IG Act of 1978 authorizes audits & investigations
 - DOI OIG has approximately 270 employees to carry out our mission:
 - To promote excellence, integrity, and accountability in the programs, operations, and management of the Department of the Interior.
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WHAT IS FRAUD?

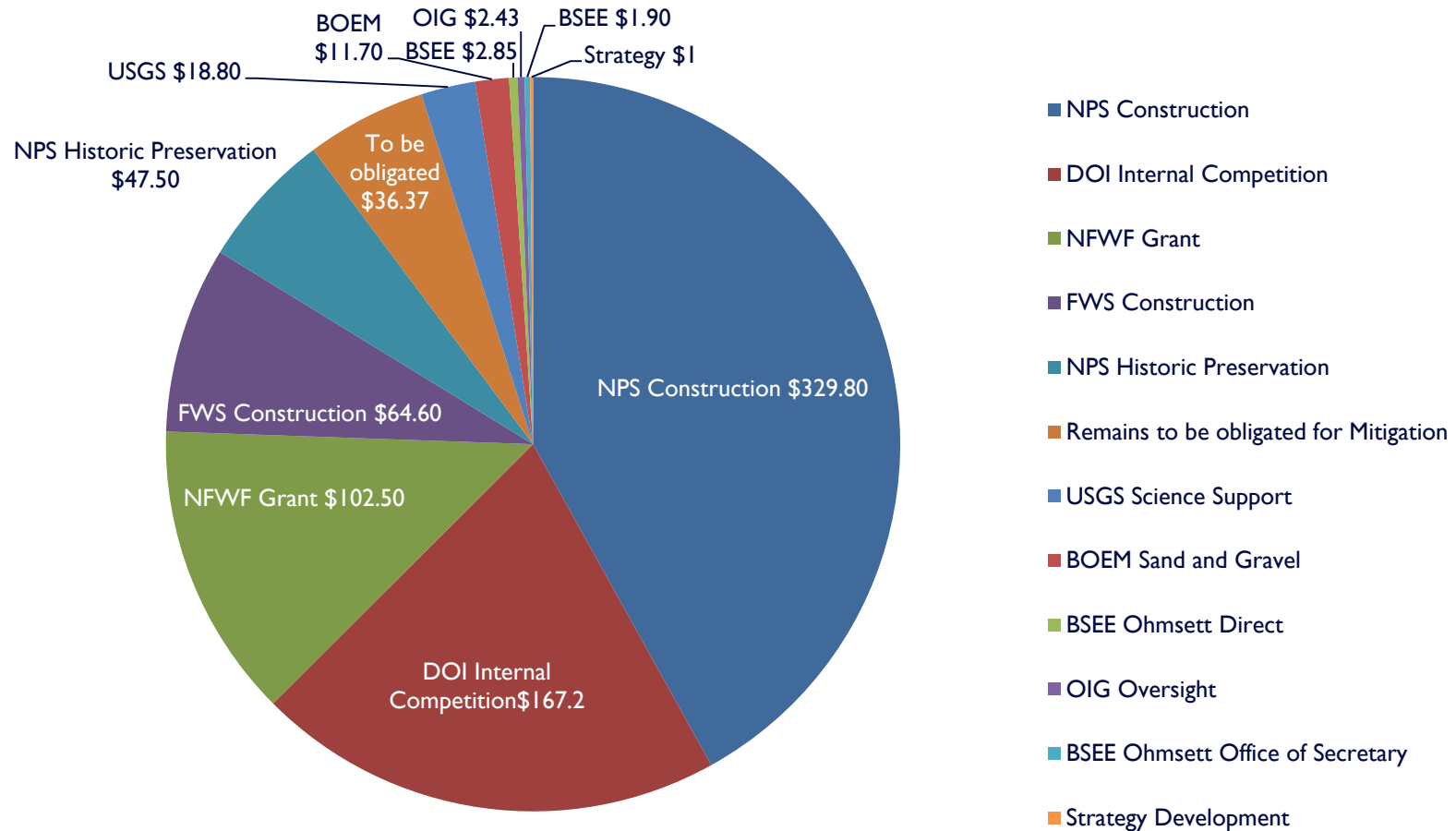
An **intentional misrepresentation** which causes the suffering of damages and usually monetary losses

- Fraud is cheating for profit or gain
- Fraud is characterized by acts of guile, trickery, concealment, or breach of confidence, which are used to gain some unfair or dishonest advantage involving money, property, or services





DOI SANDY FUNDING \$787 MILLION





FRAUD & DISASTER RELIEF EFFORTS

- False certifications
 - Dubious qualifications
 - HUBZone, 8a, SDVOB...
- Failure to verify certifications
- Little or no government contract experience
 - Davis Bacon Act
 - Services Contract Act





COMMON FRAUD SCHEMES

During disaster relief efforts the following fraud schemes are commonly committed:

- False Claims
 - Bonds
 - Progress Reports
 - Certified Timesheets

- Public Corruption
 - Bribes
 - Kickbacks
 - Embezzling
 - Extortion





COMMON FRAUD SCHEMES

- Collusion
 - Bid Rigging
 - Price Fixing
 - Customer Allocation
- Product Substitution
 - Products
 - Services





FRAUD INDICATORS

- Living beyond means
- Never taking leave
- Exceeding appointed authority
- Unauthorized transactions
- Duplicate or inflated charges
- Inadequate, missing, or altered records
- Unsupported or unauthorized draw-downs





FINANCIAL ASSISTANCE

- **Contract**
 - Government funds for supplies or services.
- **Cooperative Agreement**
 - Government funds or in-kind contribution to a partner organization; the government plays a substantial role in the project's success.
- **Grant**
 - Government funds provided for a public purpose; the government is not the recipient of the goods or services and does not play a substantial role in participation.





FINANCIAL ASSISTANCE NFWF & DOI RESPONSIBILITIES

- NFWF
 - Monitor
 - Conduct a pre-award survey
 - Conduct site visits and telephone calls
 - Review payment requests and progress reports
 - Evaluate financial reports
 - Maintain your files
- DOI
 - Provide oversight





FINANCIAL ASSISTANCE RECIPIENT RESPONSIBILITIES

- Carry out project goals and objectives
- Use funds for the intended purpose
- Account for costs and justify expenditures
- Comply with record keeping requirements
- Abide by cost allocation/sharing requirements
- Obtain approval before making project changes
- Remit interest earned on advanced funds
- Submit timely progress and final reports





FRAUD PREVENTION

- Perform audits and inventories
- Reconcile financial records
- Protect government and proprietary information
- Perform only authorized transactions
- Establish and follow effective internal controls
- Support suspicious activity





REPORTING SUSPECTED FRAUD

- Immediately report any suspected fraud to your supervisor and/or OIG
- Collect details of suspected activity (Who, What, Where, When, Why)
- Do not discuss your suspicions with others
- No need to identify yourself, but leaving contact information is encouraged





WHISTLEBLOWER PROTECTION

Federal employees who reasonably believe there is reasonable evidence of:

- Gross mismanagement of a contract or grant
- Gross waste of funds
- Substantial danger to health and safety
- Abuse of authority
- Violation of law, rule or regulation regarding contract or grant



** FAR 1.603-2 and FAR 2.101*



Office of Investigations





RESOURCES

- On-line, FREE Interactive Fraud Program
 - www.doi.gov/oig
 - Click – “Contractor & Recipient Resources”, then click – “Interactive Fraud Program”
- Fraud Awareness Briefings – Sandy & General
 - To schedule a briefing contact:
 - Vicki Josupait – 303-236-9056





WHERE TO REPORT (DOI)



- Web: <http://www.doioig.gov>



- Mail: U.S. Department of the Interior
Office of Inspector General
Attn: Fraud Hotline
1849 C Street NW - Mail Stop 4428
Washington, D.C. 20240



- Phone Hotline: Toll Free 1-800-424-5081





FRAUD HOTLINE

**U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL**

**Report FRAUD, WASTE & MISMANAGEMENT
in the Programs and Operations of DOI
Bureaus and Offices**

**www.doi.gov/oig.cfm
1-800-424-5081**

