



FROM THE DESK OF ALICE S. FISHER

I am writing to update you regarding the progress of the National Procurement Fraud Task Force. I want to thank all of the members of the Task Force and our regional working group partners for your support. We continue to have great participation at our meetings in Washington and support from prosecutors and investigators across the country remain committed to our mission. Your ongoing support is vital to the continued success of the Task Force.

Task Force Meetings

The Task Force held its third meeting on April 12, 2007. We were pleased once again to have over 100 individuals in attendance. At the meeting, we discussed the latest accomplishments and activities of the Task Force and heard reports from the National Security Division, which recently joined the Task Force, the Civil Division, and each of our working committees. The National Security Division briefed the Task Force on the investigation against ITT Corporation that recently resulted in guilty pleas, a deferred prosecution agreement, and a \$100 million penalty. The Civil Division briefed the Task Force on its efforts and successes in cases relating to the war fighting efforts in Afghanistan and Iraq. The Chairs of the Committees briefed us on the accomplishments of the various working committees. It was clear from these presentations that we are aggressively pursuing procurement fraud on a number of different fronts.

The next Task Force meeting will be held on July 24, 2007, from 2-3:30 pm Eastern Time. Please save the date. We will circulate a proposed agenda and other details as the meeting date approaches.

Potential FAR Changes

Two FAR amendments have been proposed that I believe will assist the fight against procurement fraud. The first proposal is one that I made in a letter to Paul Denett, the Administrator of Office of Federal Procurement Policy at OMB, requesting that the FAR be modified to require that contractors establish and maintain internal controls to detect and prevent fraud in their contracts, and that they notify contracting officers without delay whenever they become aware of a contract overpayment or fraud. This proposal would bolster the government's ability to detect and prevent fraud. A copy of the proposal is attached to this email. The second proposal, which was authored by GSA, would require government contractors to have an effective compliance and ethics program. The Department supports the proposed change, and has commented that the rule could provide more detail regarding what constitutes an effective compliance and ethics program by referencing the Federal Sentencing Guidelines, Section 8B2.1, which establishes a baseline standard for a contractor's code of ethics. A copy of the Department's Comment Letter, dated May 23, 2007, is also attached.

Procurement Fraud Training at the National Advocacy Center

On June 13-15, 2007, the Task Force sponsored a procurement fraud training course for federal prosecutors. The course was attended by more than 80 attorneys working on both civil and

criminal matters. Attendees at the course received excellent instruction on how to effectively fight procurement fraud from federal prosecutors with decades of experience in procurement fraud matters. Steve Linick and Barbara Corprew did a fantastic job putting the course together. I hope that it is the first of many successful procurement fraud trainings that will be held for federal attorneys.

DOJ Testimony on Procurement Fraud Before the House Judiciary Committee

On June 19, 2007, Barry Sabin, a Deputy Assistant Attorney General in the Criminal Division, Stuart Bowen, the Special Inspector General for Iraq Reconstruction, and Thomas Gimble, the Principal Deputy Inspector General for the Department of Defense, testified before the Subcommittee on Crime, Terrorism, and Homeland Security, a subcommittee of the House Judiciary Committee, regarding procurement fraud and the War Profiteering Act, which is currently pending in Congress. The panelists did a great job and touted the work of the Task Force. The Representatives demonstrated a clear interest in the work that we are doing to combat procurement fraud, which affirms the importance of our mission and should serve as an incentive to all of us to maintain our focus on this vital effort.

Procurement Fraud Cases

Since the announcement of the National Procurement Fraud Initiative, over 150 procurement fraud cases have resulted in criminal charges, criminal resolutions, or civil settlements. The press releases from these cases are included on our website at <http://www.usdoj.gov/criminal/npftf/>. I encourage each member of the Task Force to take some time to review the impressive results achieved by you and your colleagues around the country.

New Intake Procedure for Contracting Fraud Cases Associated with GWOT

One goal of the Task Force is to establish a unified and coordinated approach for prosecuting procurement fraud cases associated with contracting in Afghanistan, Kuwait and Iraq, and the global war on terror ("GWOT Cases"). There is great interest in these cases within the Department, on the Hill and in the media. In order to ensure that cases are progressing appropriately, to respond to Congressional inquiries about these cases, and to identify those cases that need special attention or greater resources, the Criminal Division has implemented a new intake procedure for GWOT cases. The intake procedure requires each agency handling GWOT Cases to contact either Steve Linick, the Director of the Task Force, or Brenda Morris, the Principal Deputy in the Public Integrity Section, at the time that the agent wishes to present the case to the Criminal Division for prosecution or even earlier, if possible. Steve and Brenda will make sure that these cases are appropriately staffed, taking into consideration, among other things, the availability and expertise of the individuals who have a history of prosecuting these cases. Additionally, Steve and Brenda will make every effort to include other DOJ components such as the Civil Division in the intake process to ensure that all of our remedies are effectively utilized to combating procurement fraud.

To the extent that agencies bring GWOT Cases to U.S. Attorneys' Offices or another component of DOJ other than the Criminal Division, I have requested that each agency notify Steve Linick about any GWOT Case before or at the time the case is referred for potential prosecution. At the time of notification, agencies should provide: (1) the names of the subjects and/or targets of the

investigation; (2) a summary of the alleged misconduct, (3) the U.S. Attorney's office or DOJ Component to which the case will be presented, and, if known, (4) the AUSA/trial attorney who will handle the case. This process will ensure that the Task Force has accurate information and records regarding new cases that are not referred to the Criminal Division. This process will also assist the Task Force's efforts to prioritize and expedite appropriate cases, and help us respond to future Hill inquiries.

I have been informed that the intake procedure is working. On several occasions Steve and Brenda have been able to pair cases with prosecutors who have the requisite expertise and time to handle the case. We are also attempting to closely track all of the cases that we are aware of to make sure that they are appropriately staffed and are progressing appropriately. Thank you for helping to make this new intake procedure work.

Working Committees:

The working committees have been meeting regularly to advance the goals set forth in their strategic plans and are tackling a variety of important issues. As always, I would encourage you to participate or assign someone from your office to participate on these committees. We hope to detail each committee's accomplishments in a more formal progress report that we are in the process of preparing.

Law Enforcement Online (LEO)

As you know, LEO is an information sharing platform used by the Task Force. If you need a password or training, please contact Sarah Breen at sarah.breen@gsa.gov.

Keep up the good work and please let me know if I can be of assistance in any way.
Sincerely yours,

Alice S. Fisher
Chair,
National Procurement Fraud Task Force