

## Contract Compliance and Awareness of Malpractice Prevention

### **B 1.0 Scope**

Refer to Terms & Conditions per PO

Additional reference for EB:

[http://www.gdeb.com/suppliers/3\\_doing\\_business\\_with\\_eb/attachments/standards\\_of\\_business\\_ethics\\_and\\_conduct.pdf](http://www.gdeb.com/suppliers/3_doing_business_with_eb/attachments/standards_of_business_ethics_and_conduct.pdf)

Additional reference for NNS:

<https://hii.com/suppliers/newport-news-suppliers/nns-supplier-ethics-and-compliance/>

### **B 2.0 Prevention of Fraud and Falsification**

**B 2.1** Suppliers and their Sub-Tiers (management and employees) are contractually obligated to meet all PO requirements, including but not limited to adherence to all applicable laws, regulations, and contract terms and conditions.

**B 2.2** Suppliers and their Sub-Tiers shall be vigilant in their efforts to prevent fraud and falsification as it affects contract compliance, impacts costs, and can cause grave safety issues.

**NOTE:** Suppliers and their Sub-Tiers are made aware through terms and conditions that any falsification, concealment, gross mistake tantamount to fraud, alteration of any material fact, or any false, fraudulent or fictitious statement or representation in connection with the work under the PO resulting in fraud or falsification is not only prohibited by the Purchaser's policy, but may also be punishable under law.

**B 2.3** Suppliers must ensure that employees and Sub-Tier Suppliers are provided all the proper and pertinent documentation necessary to perform work in compliance with all contractual requirements, including letters and posters.

**B 2.4** Any party aware of, or having reason to suspect, fraud or falsification is obligated to report this violation anonymously or in person to:

- a) Local Supervision or Management
- b) Purchaser Point of Contact
- c) Purchaser Quality Representative
- d) Purchaser Buyer
- e) Department of Defense Hotline
  - Telephone (800) 424-9098
  - Website <https://www.dodig.mil/Components/Administrative-Investigations/DoD-Hotline>
  - Mail to:

Department of Defense Hotline  
The Pentagon  
Washington, DC 20301-1900

Should such a notification be necessary, information including location, date(s), time, names of people involved, and violation suspected would be most helpful to promote an investigation.

### **B 3.0 Contract Compliance**

- B 3.1** To demonstrate contract compliance with this specification, the Supplier is required to perform, and maintain records for, the following:
- a) Alert all employees to this (Fraud and Falsification) Appendix during new hire indoctrination.
  - b) Annually provide refresher training to this (Fraud and Falsification) Appendix for all employees.
  - c) A Fraud and Falsification notification poster serves as a visible reminder notice, and provides contact information should malpractice or fraud & falsification be observed or suspected. Suppliers are to post a DOD sanctioned reminder notice in conspicuous and prominent locations throughout the facility, especially work areas, at a minimum rate of one (1) copy for every fifty (50) employees. An example of a hotline poster can be found at:  
[https://www.dodig.mil/Portals/48/Hotline%20Poster\\_072022\\_11x17\\_v3\\_1.pdf](https://www.dodig.mil/Portals/48/Hotline%20Poster_072022_11x17_v3_1.pdf)
  - d) Include verification during internal quality audits that malpractice and F&F training is performed and reminder notices are posted.
  - e) Include in audit requirements that auditors be alert for F&F during internal and external quality audits.
  - f) Perform periodic and independent over-checks of final inspections and testing.
  - g) Alert all Sub-Tier Suppliers of their F&F prevention obligations through pass down of this specification in Supplier POs.
  - h) While performing on-site quality audits at Sub-Tier Supplier's facilities confirm and verify Sub-Tier awareness of F&F prevention.

### **B 4.0 Examples of Fraud or Falsification**

- Issuing a procedure or instructions known to contain unauthorized deviation(s) to contractual requirements.
- Knowingly waiving or eliminating a contractual requirement without authority to do so.
- Deliberately accepting unsatisfactory work.

- Intentionally performing unacceptable work.
- Failing to report problems or unsatisfactory conditions in one's own workmanship.
- Verifying by signature that an action was taken, knowing in fact the action was not taken, or not performing the required checks or verifications to ensure the action was taken.
- Verifying performance of action based on hearsay, not personal observation.
- Tampering with calibrated instruments to avoid rejection of work.
- Falsifying dates on records to comply with frequency or deadline requirements.
- Falsifying data to cover-up a procedure or drawing deviation.
- Falsifying data to have work accepted, thereby avoiding further work or rework.
- Concealing or not reporting information on fraud, or falsification known to have been committed by others.

# NOTICE

Any party aware of, or having reason to suspect, MALPRACTICE OR FRAUD & FALSIFICATION is obligated to report this violation anonymously or in person to:

- f.) Company Supervision or Management
- g.) Purchaser Supervision or Management
- h.) Purchaser Quality Representative
- i.) Purchaser Buyer
- j.) Department of Defense Hotline

Telephone 800-424-9098

- Website:  
<https://www.dodig.mil/Components/AdministrativeInvestigations/DoD-Hotline/Hotline-Complaint/>

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