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Fraud Any intentional deception designed to deprive the United States unlawfully of something of value or to secure from the United States for an individual a benefit, privilege, allowance, or consideration to which he or she is not entitled. Such practices include: making false statements; submitting false claims; using false weights or measures; evading or corrupting inspectors or other officials; deceit either by suppressing the truth or misrepresenting material fact; adulterating or substituting materials; falsifying records and books of accounts; arranging for secret profits, kickbacks, or commissions; and conspiring to use any of these devices. The term also includes conflict of interest cases, criminal irregularities, and the unauthorized disclosure of official information relating to procurement and disposal matters.

Independence The state or quality of being free from subjection or from the influence, control, or guidance of individuals, things, or situations. As applied to examining officials and their respective organizations, there is a responsibility for maintaining neutrality and exercising objectivity so that opinions, judgments, conclusions, and recommendations on examined allegations are impartial and shall be viewed as impartial by disinterested third parties.

Mismanagement A collective term covering acts of waste and abuse. Extravagant, careless, or needless expenditure of Government funds or the consumption or misuse of Government property or resources, resulting from deficient practices, systems, controls, or decisions. Abuse of authority or similar actions that do not involve criminal fraud.

Waste The extravagant, careless, or needless expenditure of Government funds, or the consumption of Government property that results from deficient practices, systems, controls, or decisions. The term also includes improper practices not involving prosecutable fraud.

§98.4 Policy.

(a) It is DoD policy to combat fraud and mismanagement in DoD programs and operations. To strengthen and focus departmental efforts in support of this policy, the Defense Hotline Program, under the direction and control of the IG, DoD, shall ensure that allegations of fraud and mismanagement are properly evaluated; substantive allegations are examined; appropriate administrative, remedial, or prosecutive actions are taken; and systems of records for the control of the Defense Hotline are established and maintained.

(b) All DoD Component hotlines shall comply with the guidelines prescribed by this part.

§98.5 Responsibilities.

(a) The Inspector General, Department of Defense, as the principal advisor to the Secretary of Defense on all matters relating to the prevention and detection of fraud and mismanagement, shall:

(1) Oversee the development of the Defense Hotline Program.

(2) Provide guidance to DoD Components for implementing DoD policies.

(3) Direct, manage, and control the operation of the Defense Hotline Program.

(4) Establish procedures to ensure that full and proper consideration is given to all cases of alleged fraud and mismanagement in the Department of Defense that are reported through the Defense Hotline Program.

(5) Ensure that audits, inspections, and investigations initiated as an integral part of the Defense Hotline Program are conducted under applicable laws, including the Uniform Code of Military Justice, court decisions, and DoD regulatory documents and policies.

(6) Conduct periodic quality assurance reviews of the DoD Component field investigative files to ensure that investigations of the Hotline allegations have been handled properly and that the findings and conclusions of the examiners are fully supported by the documentation contained in the official files.

(7) Periodically review and evaluate the operations of the Defense Hotline Program.

(8) Establish a Defense Hotline Advisory Group to: