

THE DETECTIVE

THE JOURNAL OF ARMY CRIMINAL INVESTIGATION



U.S. Department of Justice
National Institute of Justice

This document has been reproduced exactly as received from the person or organization originating it. Points of view or opinions stated in this document are those of the authors and do not necessarily represent the official position or policies of the National Institute of Justice.

Permission to reproduce this copyrighted material has been granted by
The Detective/USACIDC

to the National Criminal Justice Reference Service (NCJRS).

Further reproduction outside of the NCJRS system requires permission of the copyright owner.



83424

WINTER
1975-76



NCJRS

COMMANDER

BRIGADIER GENERAL PAUL M. TIMMERBERG

DEPUTY COMMANDER

COLONEL THOMAS W. ADAIR

CHIEF OF STAFF

COLONEL RICHARD A. REIN

EDITOR

MAJOR BRIGHAM S. SHULER

ASSISTANT EDITOR

CAPTAIN GLEN T. HIRABAYASHI

GRAPHICS

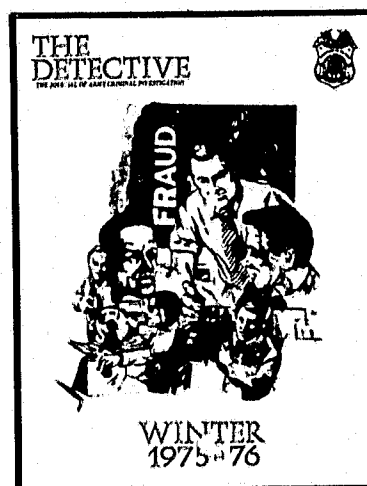
SSG MICHAEL P. FURR
SP5 RICHARD PERRYMAN
SP5 RAYMOND LANDRY
SP4 DENNIS MULLAN

COPY PRODUCTION

MS CONNIE JAMES

PRODUCTION STAFF

SFC WILLIAM J. JORDAN
SP5 VERGILIO RIVERA



THE COVER

The trickery, deceit, misrepresentation and allusory nature of fraud make such crimes difficult to recognize and demanding to investigate. This issue features a profound and explicit perspective of fraud expressed by a former Chief, Fraud Branch and a pertinent analysis of computer fraud contributed by a USACIDC Special Agent.

THE DETECTIVE

THE JOURNAL OF ARMY CRIMINAL INVESTIGATION

VOLUME V NUMBER 12 WINTER CID PAMPHLET 360-1-7

- 4 COMMANDER'S NOTES
- 5 THE LOGISTICS SPECIALIST PROGRAM AND UPDATE CRIME PREVENTION SURVEYS
- 8 COMPUTER FRAUDS
- 12 PROMOTION-YOUR FILE IS YOU
- 18 FRAUD 83424
- 27 REVIEW AND ANALYSIS
- 30 THE MANAGED TENURE PROGRAM
- 32 PACKAGING OF ARSON EVIDENCE
- 34 A NEW "DETECTIVE"
- 36 AROUND USACIDC
- 39 FUMBLING FABLES



THE DETECTIVE is published by the United States Army Criminal Investigation Command. Its purpose is to provide current doctrinal information in USACIDC areas of interest, promote a unity among all members of the USACIDC and increase the professional capability of each member through the presentation of professional materials. Unless otherwise stated, material presented herein does not represent official policy, thinking or endorsement by any agency of the U.S. Army. It is meant to convey the latest thoughts of HQUSACIDC on professional topics and thus may be considered to be guidance short of policy. All USACIDC policy is addressed through other official media. Unless otherwise credited, all photographs are USACIDC photographs. All original material may be reprinted provided credit is given THE DETECTIVE.

THE DETECTIVE supports the Command Information Program of USACIDC. Distribution is made to USACIDC units by USACIDC pinpoint distribution. A limited distribution is made outside of USACIDC to those members of the Army and other Federal law enforcement agencies whose duties bring them into frequent contact with USACIDC and thus necessitates a need for them to be familiar with USACIDC. No individual subscriptions are available.

Comments on any item contained herein may be addressed to: Editor, THE DETECTIVE, U.S. Army Criminal Investigation Command, Washington, D.C. 20318.

FOR THE COMMANDER:

OFFICIAL:
BRIGHAM S. SHULER
Major, GS
Public Affairs Officer

RICHARD A. REIN
Colonel, GS
Chief of Staff

THE USACIDC STAFF

OPERATIONS

COLONEL WILLIAM C. BODEN

INVESTIGATIVE CONCEPTS/DOCTRINE

COLONEL CARL O. SWANSON

LOGISTICS

COLONEL WILLIAM T. PURDY

INSPECTOR GENERAL

COLONEL EDWIN R. LEVINE

COMPTROLLER

COLONEL JOHN G. BLANCHE, III

PERSONNEL & ADMINISTRATION

COLONEL ARTHUR D. BILLS

MANAGEMENT INFORMATION SYSTEMS

LIEUTENANT COLONEL ROBERT M. WIGGINS

COMMUNICATIONS-ELECTRONICS

LIEUTENANT COLONEL WILLIAM D. WATTS

STAFF JUDGE ADVOCATE

LIEUTENANT COLONEL JOHN F. LYMBURNER

PUBLIC AFFAIRS

MAJOR BRIGHAM S. SHULER

CRIME RECORDS

ROBERT A. BRISENTINE, JR.

SECRETARY OF THE GENERAL STAFF

LIEUTENANT COLONEL CARL B. KOON

REGION COMMANDERS

FIRST REGION

COLONEL JONATHAN S. VAN HORN

SECOND REGION

COLONEL RUSSELL PARMENTER

THIRD REGION

COLONEL ALBERT A. ACKERMAN

SIXTH REGION

COLONEL PAUL M. ADAMS, JR.

SEVENTH REGION

COLONEL THOMAS M. JONES

SEPARATE FIELD OFFICE

THAILAND FIELD OFFICE

LIEUTENANT COLONEL ALBERT R. PERKINS

CRIMINAL INVESTIGATION LABORATORIES

CONUS

LIEUTENANT COLONEL ROBERT C. CAMPBELL

EUROPE

LIEUTENANT COLONEL DAVID A. NYDAM

PACIFIC

LIEUTENANT COLONEL MAURICE D. MILTON



COMMANDER'S NOTES

BRIGADIER GENERAL PAUL M. TIMMERBERG
COMMANDING GENERAL

I want to address my remarks to an area which affects every member of this command. That area is personal professionalism or seeing ourselves as others see us. Because our command is a law enforcement element in an open society the ability to see ourselves as others see us is of vital importance in our ability to accomplish our mission successfully.

Let me state without equivocation, that our primary efforts must be directed toward accomplishing our law enforcement responsibilities in a manner which connotes professionalism, which is impartially conducted, and which completely satisfies the legal needs of the commanders and attorneys who use our investigations. But underlying this primary thrust is an equally unequivocal declaration that the manner of mission accomplishment must reflect a minimum of abrasiveness, promote favorable community relations with the supported community, and inspire confidence in the integrity and ability of our command to exercise judgment and discretion in the performance of our duties.

Several factors make up this area of personal professionalism. These include:

PERSONAL APPEARANCE. Many factors go into this area, but it can best be summed up by saying that the style of dress which you choose should compliment your physical features and conform to accepted standards of good taste. As a rule, all USACIDC personnel will maintain their hair in conformity with published Army standards. Individuals may be authorized to deviate from this rule to the extent necessary for operational reasons.

COURTESY. All USACIDC personnel will be expected and required to observe established customs of military courtesy and those of civilian society as well. Although many of you may wear civilian clothing, you remain soldiers and, consistent with your positions, are expected to act properly. The "Golden Rule" is as applicable today as it has been in the past.

DEMEANOR. How do you treat others? Do you treat victims, witnesses, and suspects as if you regard them as convicted criminals? Do you always treat offenders with human dignity and with due re-

spect for their rights? Are you abusive or condescending? Do you talk down to people? If your demeanor is brusque or offensive, you may very well find that the informants and witnesses on whom you so vitally depend will dry up and leave you with no source of information. Moreover, you could be held legally accountable for unfair and improper treatment of individuals who register complaints which are substantiated by investigations. Never be too overworked to be civil. Beware of approaching the world from an extreme adversary relationship. The vast majority of people in the Army are on our side. Capitalize on that support and work hard at converting the remainder.

ATTITUDES TOWARD SUPPORTED COMMANDERS AND UNITS. Maintain more than a working relationship with the commanders whom you support. Develop their confidence in you and in CID's capabilities. Communicate with them. Avoid stereotyping units with sweeping, often unsupported and derogatory generalizations. Also avoid claiming that no one understands police work except police officers. If our supported units do not understand our work, we have failed to articulate properly. And just as we expect them to take us into their confidence, so must we be prepared to confide in them.

DO THE JOB. The Army has every reason to expect us to perform all of the tasks required in AR 195-2 (Criminal Investigation Activities). Just because acceptance of a case will add to an overburdened caseload is no reason to decline to investigate or to push the case off on the MPI or some other unit if it should be our case. I expect complete adherence to our mission requirements.

Our responsibilities are enormous. Their fulfillment requires men and women capable of more than just getting by. We are, each of us, an ambassador for USACIDC, for the Army, and for each other. We judge others by their acts or omissions, we can expect to be likewise judged. If we have been true to our responsibilities, ourselves, and our fellow workers, we have nothing to fear from that judgment. In fact, we should welcome it.

Paul M. Timmerberg

The Logistics Specialist Program and



Update-Crime Prevention Surveys

MAJOR JOHN P. BORDENET

United States Army Criminal Investigation Command (USACIDC) crime prevention survey activities and the Logistics Specialist Program have continued to develop since the reorganization of the Operations Directorate in February 1975. There have been some modifications to original concepts

and additional changes are anticipated. This article provides current information concerning USACIDC crime prevention survey activities, answers questions pertaining to the Logistics Specialist Program and discusses plans for the future.

APPLICATION FOR THE LOGISTICS SPECIALIST PROGRAM

Applicants for entry into the Logistics Specialist Program must be accredited criminal investigators; have a minimum of three years investigative experience; be a graduate of the GILMOC course

FRAUD

TOWARD A COMMON
UNDERSTANDING OF AN
UNCOMMON PROBLEM

By
Major Bert Edmondson

It has been shown in very convincing fashion, that fraud poses a substantial threat to the military establishment. During the brief existence of the U. S. Army Criminal Investigation Command (USACIDC), fraud-related crimes have caused more intense high level concern, have generated more Congressional inquiries, and created more adverse news media coverage than any other category of crime.

Along with increased awareness of the fraud threat has come the realization that investigation of frauds is often distinctly different from the investigation of most other crimes.

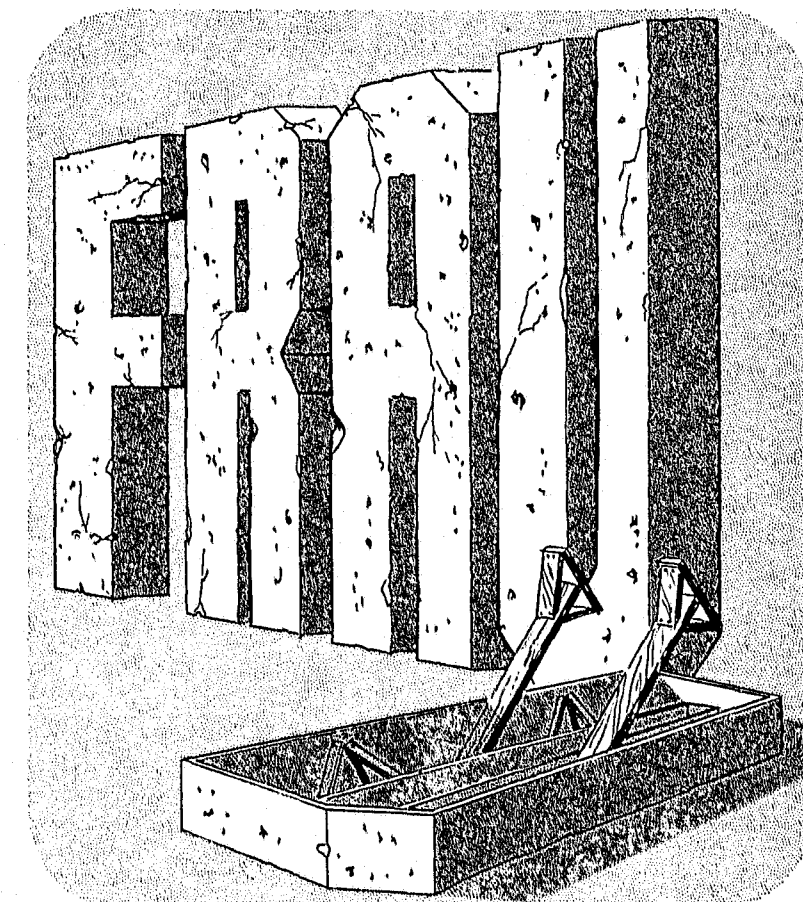
Investigators who are normally very capable of conducting investigations of "general" crimes frequently experience difficulty in the investigation of frauds. The investigation of general crimes traditionally has been included in the training of Special Agents, and general investigative skills are enhanced as the Agents mature and gain investigative experience in the field.

Major Bert D. Edmondson is currently a student at the Armed Forces Staff College at Norfolk, Virginia. He has over five years cumulative service with CID. Major Edmondson is a 1961 graduate of Texas Christian University where he received a Baccalaureate Degree in Governmental History, and a 1971 graduate of the John Jay College of Criminal Justice where he received a Masters Degree in Criminal Justice. Major Edmondson is also a graduate of the FBI National Academy Course. During his past assignment at HQ USACIDC, Major Edmondson served as Chief, Fraud Branch, General Crimes Division, Operations Directorate.

The increased awareness of the fraud threat has resulted in additional specialized Agent training and in intensified investigative efforts directed at the suppression of fraud-related crime. Although significant efforts are being directed toward the prevention, suppression and competent investigation of fraud offenses, considerable confusion still exists concerning the nature, definition and scope of "fraud."

The investigation of fraud poses a unique problem for CID commanders and investigators who have had little experience with frauds. Frequently, there is a noticeable reluctance to initiate, or pursue fraud investigations as vigorously as with other, more familiar crime categories. Often, such reluctance is based upon a real and valid assessment of their limitations to pursue such an investigation to a successful conclusion.

The lack of clear definitions of what fraud related crimes consist of, combined with the "submerged" nature of such offenses, makes it difficult to recognize or to detect that such crimes may have been committed. Usually, there is no complain as the victim is often the Government, and there normally is no "crime scene" or tangible physical evidence readily discernable to establish the existence of a crime. Frauds, when discovered, are seldom detected in a timely manner. Normally, a period of time has elapsed since the commission of the act, which further aggravates the investigative effort.





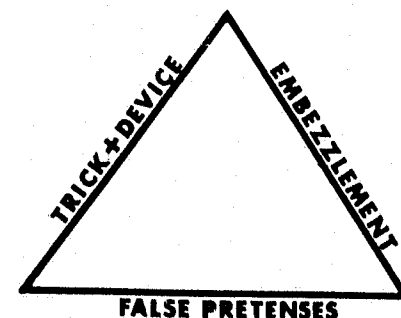
The "detection" of fraud, under most circumstances, is difficult. Many frauds go entirely undetected and unresolved, with the Government forfeiting large amounts of funds and materials to those persons who successfully manipulate the system. Considerable effort on the part of the CID Command has been devoted to the "detection" of fraud-related crimes.

Regardless of the ultimate criminal goal, which normally is larceny, it is obvious that the prevention, detection and successful investigation of frauds requires a special type of investigative effort. There are obvious differences in investigations of crimes involving fraud and those which fall into the more familiar categories of crimes against property, persons, or drug offenses.

Fraud is difficult to describe in sufficient detail to enable the average investigator to recognize readily incidents which may involve fraud. Most criminal investigations begin with the basic assumption, or allegation that crime has occurred, and the investigator seeks to establish the existence of those elements which constitute the crime. Investigative effort is normally directed toward gathering evidence to establish those essential elements of a crime in order to prove (1) that a crime has occurred and (2) that it was committed by a particular person.

It is often difficult to identify or isolate such elements when dealing with frauds. The fraudulent act, in itself, may not necessarily constitute a crime. Often, a crime may occur in which the fraud merely provides the technique or the means to commit the crime. Such is frequently the case with larceny, where the offense is committed by means of some sort of trickery, deception or misrepresentation. Fraud-related offenses are seldom investigated solely as a "fraud" but more frequently because of some other illegal act which was committed through some fraudulent scheme.

Detection of frauds is often hindered by the "submerged" nature of the crime. By its nature, fraud is non-physical, covert, and not immediate in its impact. While the financial and material losses may be measurable, the adverse effects upon the image and integrity of the military service, the compromise or corruption of trusted employees, and the adverse effects upon the military mission are more difficult to calculate. Because fraud-related crime is usually so deeply involved with the programs, systems and organizational structure of the military machinery, it does involve more sophisticated and complicated investigative efforts to develop sufficient evidence for successful criminal prosecutions.



THE TRILOGY OF FRAUD

Most crimes involve a complaint on which the police or the investigative agency may initiate an investigation. Such is seldom the case in fraud investigations, particularly concerning the type of investigations which occur most frequently in the Army environment. When frauds or swindles occur in the civilian community, where an "individual" is clearly the victim of such crime, there is normally a complaint upon which the police may act. In the military environment, most frequently, the victim of the act is the Government, or an instrumentality of the Government. In many major fraud actions, the offender has been in a position of influence where he was able to manipulate systems over which he had some supervisory responsibility. When the Government is the victim of such crimes, obviously, the victim is incapable of making a complaint. The "detection" effort then becomes infinitely more difficult.

Fraud investigations involve certain peculiar aspects which, in the past have not normally been a part of the general study of investigation in police science training curricula. Some obvious areas are those of accounting, computer skills, and familiarity with programs and systems such as procurement, contracting, management, wholesale and retail operations, and disposal operations. These are areas of essential importance in the investigations of many frauds against the Government, but which are not normally available to the investigator whose experience and training has been limited to burglary, robbery and crimes of violence. Some efforts have been made to offset these deficiencies by providing improved training programs for Special Agent personnel.

Still, difficulties continue to occur in the timely discovery and investigation of fraud-related crimes. Seldom are such crimes discovered soon after they are committed. Additionally, the lack of an aroused attitude concerning such crimes and reluctance on the part of commanders and program managers to report such incidents adds to the confusion.

The experience of the CID concerning frauds has been extremely interesting, rewarding, and at times, frustrating. We can point with a certain amount of pride to several very significant investigations which have had impressive impact upon the image and integrity of the Army and the CID effort.

Most of us will recall the scandals surrounding the non-commissioned officers' clubs. The openmess investigations created an excessive amount of extremely unfavorable press coverage, and invited extensive investigation by the United States Senate Committee on Government Operations. The damage to the reputation and the image of the Army as a result of that scan-

dal could not be measured.

The Property Disposal/Depot investigations during 1971-72 involved diversion of large amounts of military property from

★
Fraud is difficult to describe in sufficient detail to enable the average investigator to recognize readily, offenses which may involve fraud.
★

"blackmarket." The adverse effects of such weapons trafficking cannot be evaluated merely in terms of monetary loss, but may ultimately be measured in terms of the loss of lives, or other forms of human suffering resulting from the uncontrolled profiteering in U.S. weapons and lethal war material obtained from the military services. This matter was also the subject of intensive Senate inquiry and significant adverse news media coverage.

A recent crime survey conducted by the Third Region, USA-CIDC resulted in an investigation which was assumed by the Federal Bureau of Investigation which identified \$1.4 million dollars in avionics equipment which was diverted from military supply channels and ultimately sold on the legitimate commercial aircraft market. The FBI was successful in obtaining a thirteen count indictment on the five principals involved in this incident.

The list of major procurement frauds discovered in the Contract Administration Branch (CAB) of the Defense Attache Office during the final days of the Vietnam era involved millions of dollars in losses to the U.S. Government. One investigation alone, currently being conducted by the First Region, USACIDC, in cooperation with the Fraud Branch of the Department of Justice involves the theft (procurement contract fraud) of approximately \$4.4 million.

Another recent matter currently under investigation by the Sixth Region, USACIDC involves the submission of an apparent fraudulent claim against the Government which exceeds \$700,000. Investigation and collection of evidence with which to refute the claim and to establish the existence of a fraud was gathered throughout the Far East, initially under the supervision of the Thailand Field Office.

the military disposal and depot channels, resulted in loss to the Government of millions of dollars and in the diversion of large quantities of lethal material into the international arms and ammunition

The list of such investigations is long, and the adverse effects are impossible to measure. In many of these investigations, persons responsible have been trusted employees of the Government, occupying positions of responsibility. In many other instances, the offenders have been civilian contractors or civilian employees who exploited the weaknesses in the system or persuaded responsible persons to circumvent system safeguards in order to commit various crimes through the use of some fraudulent scheme.

The Defense Department is, by no means, the only Governmental agency experiencing an increase in frauds. Practically every Governmental agency is experiencing the same problem. Many agencies which have an organic investigative element are improving or strengthening their investigative capability in the fraud area. The following comments were made by Richard E. Long, of the Federal Bureau of Investigation during the Eighty-first Annual Conference of the International Association of Chiefs of Police:

Fraud against the government investigations, whether a program or procurement fraud, are white collar crimes which are usually investigated by a special agent accountant. During fiscal year 1974, 171 persons were convicted for violations of the Fraud against the Government statute. Fines, savings and recoveries to the Government in fraud cases during fiscal year 1974 were approximately \$2.5 million. As part of the FBI's intensification of investigative efforts in the white collar crime area, the FBI is participating in the U.S. Department of Justice's program to uncover fraud in programs administered by the Federal Housing Administration to the extent that 21 FBI field offices are handling investigations in 23 cities which have been designated as targeted areas by the U.S. Department of Justice.

During fiscal year 1971 the FBI investigated approximately 60,000 cases involving white collar crimes. By 1974 this figure had risen to approximately 75,000 and it is projected that during fiscal year 1976 this figure will grow in excess of 80,000.

The dramatic rise in financial manipulations, computer frauds and white collar crimes in general has placed increased responsibilities on our special agents, particularly those who are accountants. These offenses are usually committed by persons in responsible positions in government and the private business community, and occasionally, involve a great deal of finesse. Frequently, large contingents of expert accountants are required to conduct detailed analyses of both conventional and automated record-keeping systems in private, public and government organizations to unravel complex financial machinations.



When one considers the remarks of Mr. Long in connection with the potential for fraud within the many complex systems of the Department of Defense, with an annual budget exceeding \$100 billion, it becomes obvious to even the most casual observer, that the threat of fraud against the Department of Defense, and the Department of the Army is, indeed, significant.

We must understand, however, the unique nature of fraud offenses which occur in the military environment, and take care not to confuse our experience with those of our civilian counterparts who often think of fraud as an entirely different entity. If one attempts to research the nature and scope of fraud, using conventional law enforcement literature as a basis for research, he soon learns that the general law enforcement community uses the term "fraud" to describe crimes that have come to be identified with the confidence game, or swindles of individual victims - those crimes that our civilian counterparts have come to identify, in police jargon, as "bunco" or "flim flam" type crimes.

It is apparent that our conception of fraud is entirely different. Obviously, there is a problem in providing a common definition of exactly what constitutes fraud. While we have not provided a definition, we have indicated that fraud may include all manners of deception, false representation, or trickery to obtain some goal, frequently illegal. Fraud is most commonly used as a means of committing a larceny. The nature of fraud offenses may range from the simple act of "cheating" on a travel voucher, to a major procurement fraud where the potential loss is in the millions of dollars. Offenses in-

volving fraud may include any and all types of crimes. Fraud may not, of itself, constitute a crime, but may merely be indicative of the manner in which a crime is committed. However, to this point, there still has been no clear and concise definition of the term "fraud."

While a simple, single definition of the term would be desirable, fraud traditionally has taken so many diverse forms, that the legal profession and the courts have been reluctant to provide an "all encompassing" definition of the term. They have preferred instead, to consider each case which comes before it on its own merits and rely upon "general" rather than "specific" rules in determining the existence of fraud.

The courts have generally conceded that the inventive nature of man's mind is so fertile in devising new schemes with which to commit fraud, that they prefer to refrain from any attempt to define it, lest the crafty nature of man should find ways to evade the definition. Therefore, any effort to discover a precise definition of "fraud" which will cover all instances will be futile. The ultimate result, of course, is that we don't have a single, convenient definition of fraud, but many definitions, all of which are very general and which ultimately depend upon the facts of the particular case.



Detection of frauds is often hindered by the "submerged" nature of the crime. By its nature, fraud is non-physical, covert, and not immediate in its impact.



The term "fraud" then, is a broad generic term which is used to describe the many deceptive and deceitful practices used in the commission of criminal acts. Most frauds are based either on false representations or concealment of material facts. The terms "fraud" and "deceit" are frequently used interchangeably or synonymously to describe basically dishonest transactions generally falling within the understanding of fraud.

Failing in any attempt to provide a clear definition of fraud, we turn to the wording of the applicable Codes or Statutes to provide the basis for the investigation of fraud-related crime.

Fraud offenses found in the Uniform Code of Military Justice (UCMJ) include "Fraudulent enlistment, appointment or separation (Article 83)," and "Fraud against the United States (Article 132)." Included under Article 132 are the following frauds against the United States:

- 1. Delivering less than amount called for by receipt.
- 2. False oath in connection with claims.
- 3. Forgery of signature in connection with claims.
- 4. Making a false or fraudulent claim.
- 5. Making or delivering receipt without having full knowledge that it is true.
- 6. Making or using a false writing or other paper in connection with claims.
- 7. Presenting for approval or payment a false or fraudulent claim.



Obviously, CID Special Agents cannot rely solely upon the provisions of the UCMJ to determine their course of investigative action in fraud investigations, as many of the offenders in such investigations are not subject to the "Code." Experience has shown that CID investigations often focus upon Department of the Army Civilians (DAC) and Department of Defense civilian personnel, and frequently upon private contractors who deal with the military establishment.

In those instances where the investigation may focus upon persons who are not subject to the Code, it is necessary to base the investigation upon alleged violations of appropriate federal statutes regarding fraud against the Government.

Although reference is often made to the "Fraud against the Government statute," it should be clarified that there is no single statute concerning fraud against the Government, but many such statutes which deal with specific crimes. For the purpose of this article, it is appropriate to discuss four (4) of these federal statutes (Title 18, United States Code) which apply to most investigations of fraud conducted by CID Special Agents where the subjects of the in-



investigation are persons who are not subject to the Uniform Code of Military Justice:

1. 18 U.S.C. 286 "Conspiracy to defraud the government with respect to claims." Section 286 is concerned primarily with the aspect of the "conspiracy," and not the actual claim which is discussed in Section 287. Section 286 reads as follows:

Whoever enters into any agreement, combination, or conspiracy to defraud the United States, or any department or agency thereof, by obtaining or aiding to obtain the payment or allowance of any false, fictitious or fraudulent claim, shall be fined not more than \$10,000 or imprisoned not more than 10 years or both.

2. 18 U.S.C. 287 "False, fictitious or fraudulent claims." Section 287 reads as follows:

Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

The term "fraud" then, is a broad generic term which is used to describe the many deceptive and deceitful practices used in the commission of criminal acts.

3. 18 U.S.C. 371 "Conspiracy to commit offense or to defraud United States." While the two statutes mentioned above are limited to the making or conspiring to make false claims, the conspiracy statute outlined in Section 371 is more general, and applies to those persons who conspire to commit all types of fraud or any other crime against the Government. Section 371 reads as follows:

If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined not more than \$10,000 or imprisoned not more than five years or both.

If, however, the offense, the commission of which is the object of the conspiracy, is a misdemeanor only, the punishment for such conspiracy shall not exceed the maximum punishment provided for such misdemeanor.

Collusion between two or more persons is, of course, an essential element of such conspiracies. A conspiracy is generally defined as a combination of two or more persons to accomplish some unlawful purpose, or some lawful purpose by unlawful means.

4. 18 U.S.C. 1001 "Statements or entries generally." Section 1001 is probably the most applicable of the "fraud against the government" statutes which would be appropriate for CID investigations. It is the most frequently applied statute, and is most representative of the often used term "fraud against the government statute." Section 1001 reads as follows:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

All of these statutes have a common purpose; that of preventing persons from cheating the Government by any means whatsoever. The courts have generally defined the term "defraud" as follows:

To conspire to defraud the United States means primarily to cheat the Government out of property or money, but it also means to interfere with or obstruct one of its lawful governmental functions by deceit, craft or trickery, or at least by means that are dishonest. It is not necessary that the Government shall be subjected to property or pecuniary loss by the fraud, but only that its legitimate official action and purpose shall be defeated by misrepresentation, chicanery or the overreaching of those charged with carrying out the governmental intention (Hammer-schmidt v. U.S., 265 U.S. 182 - 1924).



Experience during recent years has indicated beyond doubt that the potential for fraud is great within the military services. The CID is steadily recognizing the necessity for additional application of trained resources in sufficient quantity to cope with the fraud threat. Efforts begun in 1972 to provide basic logistics orientation training to all Special Agents through attendance at the Criminal Investigator's Logistics Management Orientation Course (CILMOC) were an important step forward in the suppression of fraud. Following closely upon the establishment of the CILMOC course was the initiation of the Logistics Specialty program which provided intensive training in "wholesale" logistics systems of the Army and the Department of Defense.

Agents will probably result in a net recovery in excess of \$3 million dollars. When one considers whether we can afford to devote such trained personnel "exclusively" to the suppression of fraud-related crime, it poses the obvious counter-question: "Can we afford not to devote these trained personnel to such efforts?"

Obviously, there is no simple solution to the problem of detection, suppression, prevention and investigation of fraud within the Army. Fraud-related crimes will occur as long as the potential for personal gain is present within the system. The investigation of such crimes often is a complex endeavor which requires a methodical approach, logical thought processes, and a great deal of tenacity and determination on the part of the investigator. It is a different type of criminal investigation to which many Special Agents are not particularly well suited, or adequately trained. As it frequently requires patience and determination and some knowledge of systems or programs, it is apparent that fraud investigations cannot be assigned, on a random basis, to all Agents as with other general crimes, but to those Agents who possess the qualifications and temperament for such matters.

The proper utilization of trained Special Agents in the investigation of fraud-related crimes has proven extremely "cost effective." Numerous examples exist where a single investigation has more than compensated the Government for the costs of training incurred in the specialist program. One investigation alone, conducted primarily by two logistics/procurement trained

As with the investigation of other types of crime, it is also prudent to recognize the investigative limitations which may exist at the field office or investigator level. Just as the homicide investigator would rely upon the pathologist to conduct a post mortem examination, so should the fraud investigator recognize the need to seek expert assistance in the fraud investigation. As the narcotics investigator

relies upon the chemist to develop evidence for testimony in court, so should the fraud investigator rely upon the auditor, the computer expert, or other qualified technicians to develop evidence in the fraud investigation.

Fraud crime is with us to stay. Every federal investigative agency has recognized this fact and is currently striving to improve its capability to investigate and pro-

ecute fraud offenses. We are provided with a unique opportunity to make a significant contribution to the integrity and image of the military service by focusing increased attention upon the suppression and eventual elimination of fraudulent schemes against the military establishment, and the prosecution of those persons, who by committing such fraudulent schemes, betray the public trust and confidence.

USACIDC BULLETIN BOARD

24 HOUR INDEX AT CRIME RECORDS

The Crime Records Directorate has been operational on a 24 hour, 7 day per week basis, to afford Records Checks to the CID and the Military Police for both Law Enforcement & Freedom of Information Act purposes since 4 May 1975. This service may also be utilized by any Federal Law Enforcement element who has legitimate need for CID Crime Records.

Crime Records checks will not only assist the Special Agent to target his investigation in the proper direction, but can be invaluable during the interrogation process.

The progressive CID Agent will accomplish his Records Checks prior to the interview of suspects and subjects; and consequently may receive the necessary "tool" from CRD to conduct an interrogation that results in truth from the suspect. Criminal recidivism within the United States averages 65%; therefore, Records Checks are important.

Other services that may be obtained at CRD on a 24 hour basis are World Wide Military Locator Service and National Crime Information Center (NCIC) checks.

Phone numbers for CRD are: Autovon 283-9222/9223/9293 or Commercial 301-234-9222/9223/9293. These numbers may be used 24 hours per day.

ASSIGNMENTS: All CONUS assignments continue to have a minimal 36 month stabilization requirement. On-going austerity requires continued encouragement for overseas extension, inter-theater transfers and precludes intra-CONUS reassignments without extenuating circumstances.

CIVIL SCHOOL: The stated Department of Army goal for Warrant Officer civil education remains at the Associate Degree level. At the present time, the emphasis on affording each eligible warrant officer an opportunity to attain an associate degree precludes consideration of applications for higher level degrees.

Replacement vehicles from the FY 75 Department of Defense purchase package have been received and distributed to USACIDC field elements. Our share of the pie for CONUS was 21 vehicles.

In accordance with current DOD policy, all of these vehicles are of the compact class. This means that they are not equipped with the heavy duty suspension, heavy electrical wiring and other items that we might like to have.

The HQ USACIDC Staff Conference notes of 19 February 1975 (item 2c), described action that is underway between HQ USACIDC and the Law Enforcement Division, DCSPER, HQDA, to obtain DOD authorization for a standard law enforcement sedan of the Type II, intermediate class. (This would equate a Ford Torino or Chevrolet Chevelle type sedan as opposed to the compact size which is the current DOD standard.

RA

A FUNCTION OF MANAGEMENT

Commanders and supervisors at all levels require periodic appraisals of the performance of programmed activities, and the accomplishment of assigned missions, operating programs, activities and projects. This periodic review is a vital part of effective control and management of operations, efficient utilization of resources and provides a means for intelligent planning for the future.

"Controlling" is a basic function of management, and may take many forms depending on what the manager is controlling and at what level of management the controls are being applied. However, there is one form or technique that is widely used in private indus-

try, government and the military--that is the Review and Analysis (R&A) technique.

The Review and Analysis technique involves the assembly and analysis of recorded and reported data; the interpreting of the data in relation to operating program objectives and schedules; a performance evaluation to determine status, progress and trends; identification of deficiencies and problems; and preparation of a summation which can be used as a basis for decision and action. The summary applies the principle of "management by exception" which is the giving of first attention and emphasis to unusual or special situations and problems.

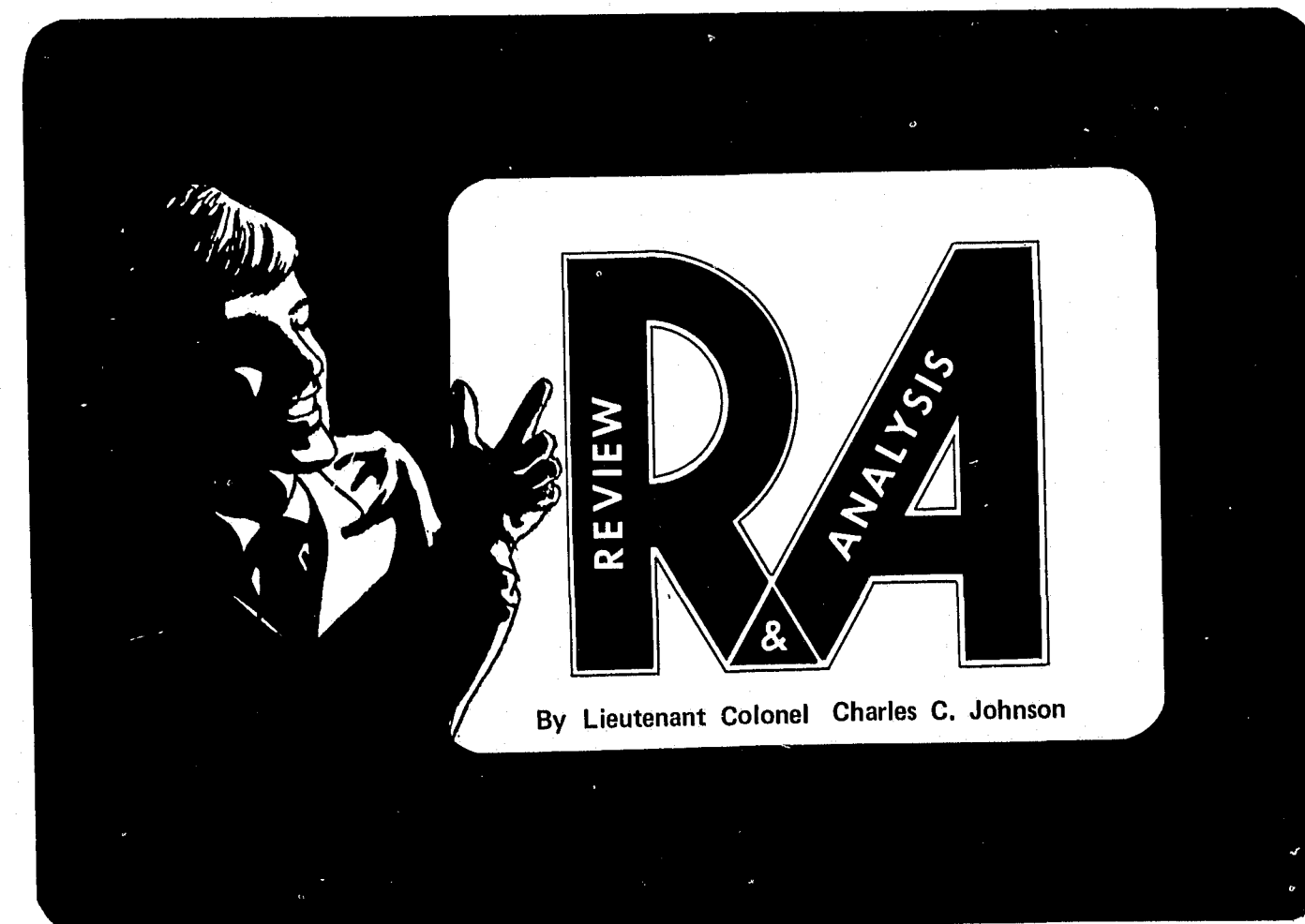
Review and Analysis must be a continuous process since its purpose is to allow managers to continuously evaluate the efficiency of operations and the effective utilization of personnel,

money, materiel and facilities.

Through Review and Analysis, the Commander or the supervisor is kept informed of progress and accomplishment in each of his programmed activities. In this manner, the Commander can identify deficiencies and imbalances and effect timely corrective actions. This provides him assistance for reprogramming his activities and resources and provides a basis for future planning and budget estimates.

THE REVIEW AND ANALYSIS CYCLE

The R&A cycle is divided into three phases: (1) The planning phase, (2) the preparation phase and (3) the presentation phase. The three phases may overlap each other or may even overlap the previous cycle.



PLANNING PHASE

The planning phase evolves from a thorough orientation of the activities and performance measurements of the organization. During the planning phase, the analyst develops a work schedule covering all three phases of the R&A cycle and correlates this working outline or format with the presentation. The work schedule should be developed by selecting the date for the R&A presentation and then stepping off backwards in time, giving due consideration to such factors as regular reporting due dates, time requirements for special reporting, time required for coordination, writing and drafting and time required for preparing and issuing directives.

PREPARATION PHASE

The objectives of the preparation phase are (1) a summary text, supported by graphs and tables, suitable for distribution as a publication and (2) a summary text or outline, with supporting visual aids designed for oral presentation.

Data is assembled, reviewed and developed into format for use. Some of the main sources of usable data are:

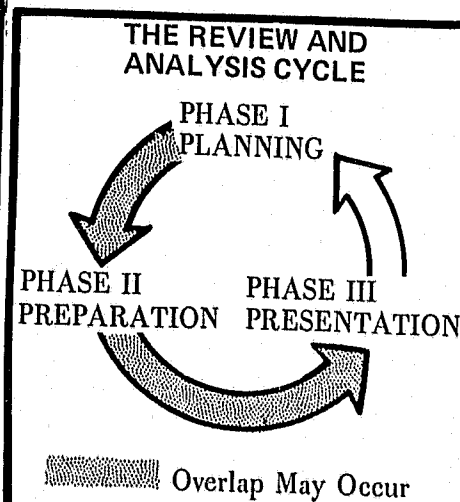
- Program documents and schedules
- Progress reports
- Budget documents
- Financial reports
- Logistical reports
- Personnel and Administration reports
- Performance analyses
- Staff studies

-Surveys and inspections

-Personal contacts

The big job for an analyst or the person responsible for preparing the R&A presentation is to work his way through the abundance of available data and digest the data into meaningful text, charts, and tables.

Utilizing the "management by exception" technique, the analyst highlights only those activities in which there have been major accomplishments, significant deviations, exceptional situations, critical problems and important actions having a direct bearing on the execution of the mission.



After the analyst has assembled his facts, figures and criteria for measurement, made his adjustments and applied the measurements to actual accomplishments, he is ready to answer the basic questions of review and analysis: "Are we doing what we planned to do?" and "Are we doing it as well as we should?" Equally significant, are the answers to related questions, such as, "Have our plans been realistic?" "Have our resources been sufficient?" It is in the analysis step that the "WHY" question of every review and analysis must be answered:

-Why did actual accomplishments differ from the established goal?

-Why did pre-established goals prove to be unrealistic?

-Why do the criteria for measuring progress require revision?

-Why were resources inadequate?

-Why have problems arisen?

The next logical question to follow should be, "What should be done to correct the situations?" The R&A staff normally will not be in a position to direct corrective action, but recommendations are made and an analysis of projected outcome is offered. An analysis should reflect an objective and independent judgement based on facts. Once this complete and independent analysis is made and presented to the Commander or supervisor with recommendations for corrective action, a sound and solid decision for correcting adverse trends and conditions can be made.

PREPARATION PHASE

When the draft text and charts are completed, the review should be practiced and subjected to rigorous, constructive criticism by the analyst working on the pro-

Each analyst must be prepared to defend his facts, his contention his conclusions by presentation supporting data or explanation thought processes leading to the conclusion.

The final oral presentation should be short and directly to the point, providing the Commander or supervisor with only essential information. All remarks, comments and announced decisions regarding the R&A should be recorded as they are made by the Commander, his staff or supervisors, by the analyst or his team during the presentation. The comments, changes, and decisions, are then used in the preparation of the Review & Analysis written report and follow-up actions that will be required.

Once the presentation is finished and the question period is over, all charts, slides, written remarks, analyses, etc., are gathered for use in compiling a written R&A report which can be used as the basis for continuing a point for the next scheduled R&A. This written report also serves as a vital infor-

mation tool to be disseminated to subordinate units or individuals for their management use.

FOLLOW-UP ACTIONS

Follow-up action to insure announced decisions and actions are understood and taken may take the form of a memorandum, regulation or directive. There is no prescribed format for the directive but it should include a general introductory reference to the purpose of the study and related events; a list of directed actions and responsible staff or individual and a priority or time table for completing actions.

At this point the Review and Analysis Cycle is ready to start again.

SUMMARY

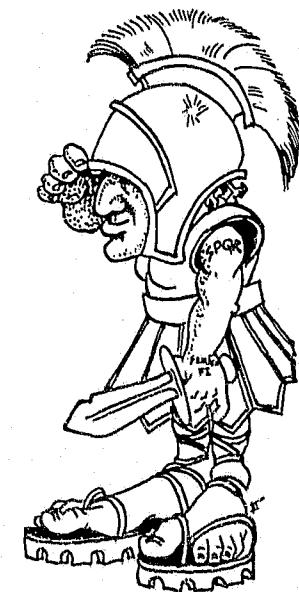
In summary, the purpose of the Review and Analysis Program is to provide a systematic approach in the evaluation and enhancement of

the effective accomplishment of missions and the efficient and economical utilization of resources available to support those missions. We must not delude ourselves however, into thinking that the system in itself is a panacea for all of our mission and resource problems. Practical and logical application by analysts of the R&A "thought pattern" will help substantially to objectively appraise organizational achievement. It will point out problems and indicate corrective actions needed and facilitate the follow-up of such actions. A systematic approach to Review and Analysis engenders staff discipline and encourages a dynamic tendency to action. It requires people to think, stimulates the staff and contributes substantially to the achievement of organizational goals. We must, however, avoid the danger of becoming servants to the R&A system; we must insure the system serves the needs of the Command. The system must remain dynamic and flexible to fit into the ever changing missions and situations of the organizations.

GLORY

"For over a thousand years, Roman Conquerors returning from the wars, enjoyed the honor of a triumph—a tumultuous parade. In the procession came trumpeters and musicians and strange animals from the conquered territories together with carts laden with treasure and captured ornaments. The conqueror rode in a triumphant chariot, the dazed prisoners walking in chains before him. Sometimes, his children, robed in white, stood beside him or rode the trace horses. A slave stood behind the conqueror holding a golden crown and whispering in his ear a warning—that all glory is fleeting, thou art but a man."

Spoken by George C. Scott in the character role of General George S. Patton, Jr. from the movie "Patton".



Lieutenant Colonel Charles C. Johnson is currently assigned to Headquarters, United States Army Criminal Investigation Command as Chief, Resource Management Division, Comptroller's Office. He was commissioned as a Regular Army Officer in the Infantry upon graduation from Florida Southern College in 1959. LTC Johnson is a graduate of the Infantry Officer Basic Course, Military Police Officer Advance Course, Defense Language Institute German Course and the U.S. Army Command and General Staff College. He received his Masters degree in Business Management from Shippensburg State College, Pennsylvania in 1973. LTC Johnson has served in Germany, Viet Nam, Korea and various CONUS locations.

END