

ABOUT US

- > The Air Force Office of Special Investigations (AFOSI), was founded August 1st, 1948, at the suggestion of Congress to consolidate investigative activities in the U.S. Air Force. The agency was patterned after the FBI and to this day conducts many of the same investigations. The AFOSI reports to the Inspector General, Office of the Secretary of the Air Force. AFOSI's primary responsibilities include criminal investigations and counterintelligence services.

On October 17th, 2013, AFOSI activated the Office of Procurement Fraud. While OSI has conducted procurement fraud investigations since 1948, this new office will allow AFOSI to centralize and consolidate procurement fraud investigations, providing the best investigative services possible to our Air Force.

WHAT IS FRAUD?

Fraud is the misrepresentation of a material fact with the intent to deceive (criminal) or with reckless disregard for the truth (civil). It includes the deliberate omission of material facts as well as a false or misleading representation.

WHY SHOULD WE BE CONCERNED?

- > Why Should We Be Concerned?
 - . Safety of the warfighter
 - . Mission degradation
 - . Value and cost of materials
 - . Increased maintenance, facility costs, and life cycle costs of equipment
 - . Reduced public confidence

TYPES OF INVESTIGATIONS

- > Bribery and Kickbacks
- > Conflict of Interest
- > Collusive Bidding
- > Cost Mischarging
- > Defective Pricing
- > False Statements/Claims
- > Fraudulent Contracts
- > Fraudulent Testing
- > Leaking of Bid Data
- > Product Substitution
- > Unjustified Sole Source

FRAUD INDICATORS

- > Bribery and Kickbacks
 - . Unexplained or unjustified favorable treatment of a particular supplier
 - . Close socialization between Government officials and vendors
 - . Government official's acceptance of inappropriate gifts or entertainment
- > Collusive Bidding
 - . Rotation of winning bidders by job, type of work, or geographical area
 - . Bid prices drop when new bidder enters competition
 - . Joint venture by firms that usually bid alone
- > Defective Pricing
 - . Apparent high prices compared to similar contracts, price lists, or industry averages
 - . Contractor fails to record rebates, discounts, etc.
 - . Contactor refuses, delays, or is unable to provide supporting documentation for costs
- > False Statements and Claims
 - . Refusal or inability of contractor to provide supporting documentation
 - . Unreasonable claims or statements compared to prior performance or industry standard
 - . Inadequate or apparently altered supporting documentation
- > Product Substitution
 - . Discrepancy between product's description and actual appearance
 - . Frequent complaints by user of supplies or services
 - . Pattern of malfunctions with new equipment

