

Introduction

- **Partner:** “Hello! Welcome to the Procurement Fraud and Investigation learning module. I’m your partner in fraud investigation. Today, we’re going to look into several situations, each investigating a fraudulent behavior. Once we’ve selected our scenario, we’ll visit various scenes to gather information about the fraud they committed, and then interview them to reach a final conclusion.”
- **Partner:** “You’ll start in our office. From there, you’ll be looking over two scenes for anything that will reveal what happened. Travel to one of these locations by clicking on the picture of that area. Once there, you’ll move your cursor around the scene, and suspicious objects will be highlighted. For example, a drawer in our suspect’s office might contain documentation of their fraudulent behavior. Try hovering over the drawer to see how this works.”
- **Partner:** “After you find all of the items the scenes have to offer, it’s time to interview our suspect! You’ll be able to pursue three different theories of what happened, each based on evidence presented by various different items. Choosing a theory will let you ask the suspect a series of questions on that topic. At the end of a line of questioning, you can decide if the theory is plausible; if not, you can choose a new theory to pursue.”
- **Partner:** “When you’ve selected a theory, you’ll ask your suspect a series of questions with choices. Pay careful attention to the suspect’s responses – they will reveal valuable information about the plausibility of your theory.”
- **Partner:** “If you think you’ve found the correct theory, you’ll be prompted to identify what kind of fraud your theory supports. Be careful, though; you need to have found the correct theory to ensure that you’re not making baseless accusations!”
- **Partner:** “If you identify the correct theory and correct fraud type, congratulations! You’ve solved the case! You’ll be returned to the main list of scenarios and will be able to investigate a new scenario. The module ends when you successfully solve all of the scenarios. If you need help during a case, click on my icon in the upper right corner of the screen. I’ll be glad to remind you how everything works. Good luck!”

Scenario 1: Rear Admiral Hastings

- **Partner:** “Let’s see what we’ve got here - In December of 2006, the Navy issued a solicitation for bids for support services. The contracting officer recognized a name on one of the submissions: Gordon L. Hastings. The officer remembered that, until his retirement, Hastings had been a highly decorated Rear Admiral in the Navy. To avoid any appearance of impropriety, the contracting officer immediately called us.”

Investigation Phase

Scene 1: RADM Hastings’ Home Office

- **Plaque:** This plaque is the last the Rear Admiral is likely to receive from the Navy. It thanks him for his many years of service and honors the occasion of his retirement on March 10, 2006.

- **E-mail Print-out:** You flip through the papers in the drawer. They are mostly print-outs of e-mails between RADM Hastings and the government lawyer who advised him about the restrictions on his post-Navy employment. The last reads:

"March 29, 2006

RADM Hastings,

I hope you are enjoying your retirement. At our last meeting, before you retired, we discussed the 18 USC Sec 207 restrictions. However, neither of the job opportunities in which you expressed interest in your letter of March 22, namely college president or theatrical consultant, should present any ethical conflict for you. If you have any further questions, please do not hesitate to contact me again.

Respectfully,
Robert T. Perry
Lieutenant, JAGC, USN"

- **Partner:** "I bet Rear Admiral Hastings is wishing he'd taken that theatrical consulting job. There wouldn't be nearly as much drama as he's dealing with now."

Scene 2: Offices of Corridor Inc.

- **Contract Proposal:** This is a copy of a proposal Corridor, Inc. submitted in response to a solicitation for bids for support services issued by the Navy. It is unsigned, but lists Rear Admiral Hastings as the primary contact for negotiations on the \$150 million contract. It is dated December 18, 2006.
- **Date Book:** RADM Hastings' schedule is meticulously kept. Of note is the entry for December 3, 2005, when Hastings attended a cocktail party where he spoke with the CEO of Corridor, Inc. and was offered a job.

Interview Phase

Theory 1: Accepted the job with Corridor before leaving the Navy

- RADM Hastings, we have a few questions about your employment at Corridor, Inc.

Dialogue Tree 1

- **Question:** Rear Admiral Hastings, in your appointment book, it states that you were offered this job on December 3, 2005. If you don't mind, could you please tell me when exactly you accepted the position with Corridor, Inc.?
 - **Answer:** Not at all! After consulting with my wife, I accepted the position within a few days of receiving the offer. December 6, I believe it was.
- **Question:** I'm sorry, Rear Admiral, but - to clarify - you accepted the position with Corridor before your official retirement from the Navy on March 10, 2006?
 - **Answer:** Well, I suppose I did, at that! Why, is that a problem?

Dialogue Tree 2

- **Question:** It says in your appointment book, Rear Admiral, that you were offered a job with Corridor as early as December 3, 2005. When did you accept that position?
 - **Answer:** I accepted this position on December 6, 2005.
- **Question:** So you officially accepted the offer before your retirement from the Navy on March 10, 2006?
 - **Answer:** That is correct. Is that a problem?

Dialogue Tree 3

- **Question:** You were getting pretty cozy with Corridor long before you retired - December 3, 2005, to be exact. I'd like to know how soon after that the relationship became official.
 - **Answer:** How dare you! My loyalty is above reproach. The Navy has been my life! To answer your highly insulting question, I accepted this position on December 6, 2005.
- **Question:** December 6, 2005, eh? But you didn't retire until March 10, 2006! You accepted this position before your retirement was official!
 - **Answer:** And so what if I did? It's not a problem, is it?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 2: Senior employee contacted his former department within one year of leaving service

- Rear Admiral Hastings, we have a few questions about your involvement with this Contract Proposal.

Dialogue Tree 1

- **Question:** I'm a bit confused about the time line here. You retired from the Navy on March 10, 2006; began working for Corridor, Inc. immediately afterward; and submitted a contract proposal on December 18, 2006. Correct?
 - **Answer:** Yes, yes! That all sounds correct to me!
- **Question:** Forgive me, Rear Admiral Hastings, but does that mean you contacted your former agency within a year of the end of your service?
 - **Answer:** I suppose it does, yes, although I was sure to FedEx the proposal so as to avoid appearing in person.
- **Question:** Sir, you are listed as the primary negotiator.

- **Answer:** Oh yes, but negotiations would never have begun before the anniversary of my retirement.
- **Question:** But, sir, the copy that you submitted - did you sign it yourself?
 - **Answer:** That seems to be a trifling detail, but yes, I did. That doesn't present a problem, does it?

Dialogue Tree 2

- **Question:** Rear Admiral Hastings, this contract proposal was submitted on December 18, 2006, and your retirement from the Navy was on March 10, 2006, correct?
 - **Answer:** Those dates sound correct.
- **Question:** Less than a year passed between your retirement and when you contacted them to submit the proposal?
 - **Answer:** Yes. I sent the proposal via FedEx and did not appear in person.
- **Question:** What about the fact that you are listed as the primary negotiator for the contract?
 - **Answer:** I was confident that negotiations would not begin until after the anniversary of my retirement.
- **Question:** One final question then, sir. This draft of the contract is unsigned. Who signed the copy that was submitted?
 - **Answer:** I did. Is that a problem?

Dialogue Tree 3

- **Question:** Retired from the Navy on March 10, 2006 and by December 18 you're already submitting contract proposals for your new company?
 - **Answer:** I don't like your tone, but those dates are correct.
- **Question:** Less than a year had passed, and you just waltzed in there with a contract proposal?
 - **Answer:** I submitted the proposal, yes. But I used FedEx. I did not go there in person.
- **Question:** But you were listed as the primary negotiator! You didn't have a problem with that?
 - **Answer:** Not at all! Negotiations wouldn't have begun until after the anniversary of my retirement.
- **Question:** But you signed the proposal, didn't you? This draft is unsigned, but you put your John Hancock all over the one you mailed in.
 - **Answer:** So what if I did?! It's not as if that's a problem, is it?
- **Partner:** "Correct! The Rear Admiral is clearly in violation of the 18 USC Sec. 207 restrictions, which state: 'For one year after service in a "senior" position terminates, no former "senior" employee may knowingly make, with the intent to influence, any communication to or appearance before an employee of a

department or agency in which he/she served in any capacity during the one-year period prior to termination from “senior” service, if the communication or appearance is made on behalf of any other person (except the United States), in connection with any matter concerning which he/she seeks official action by the employee.’ Simply by signing his name to the contract proposal before the one-year communication ban had expired, the Rear Admiral is guilty of conflict of interest.”

Theory 3: Misleading the Navy as to the nature of post-retirement employment

- Sir, I have a few questions about your communication with the JAG lawyers with regards to your post-retirement employment.

Dialogue Tree 1

- **Question:** Sir, this e-mail from Lieutenant Perry states that you contacted him both before your retirement and by e-mail a few days after.
 - **Answer:** Yes, I did. It's always a good idea to keep the lawyers on your side!
- **Question:** This first meeting; did it take place before or after you had accepted the position with Corridor, Inc.?
 - **Answer:** After, I suppose.
- **Question:** I beg your pardon, Rear Admiral, but you never told your lawyer that you had already accepted a position with Corridor, Inc.? Even after your retirement?
 - **Answer:** No. It didn't seem important.
- **Question:** But you never even discussed that particular job as a possibility?
 - **Answer:** It never came up, no. That's not a problem, is it?

Dialogue Tree 2

- **Question:** You spoke with Lieutenant Perry before you retired and sent him an e-mail a few days after your retirement, correct?
 - **Answer:** That is correct.
- **Question:** Did the meeting before your retirement take place after you had accepted the position at Corridor, Inc.?
 - **Answer:** Yes, it did.
- **Question:** And neither at the meeting nor after your retirement did you notify the lawyer of your employment with Corridor, Inc.?
 - **Answer:** No.
- **Question:** Did you include Corridor on a list of possible jobs?
 - **Answer:** No. Is that a problem?

Dialogue Tree 3

- **Question:** So, you talked to Lieutenant Perry before you retired, huh? And sent him an e-mail afterward?
 - **Answer:** Yes, I did.
- **Question:** And you'd already accepted the position with Corridor, Inc. before you went to the first meeting, hadn't you?
 - **Answer:** Indeed, I had.
- **Question:** You're a very secretive man, Rear Admiral. You never mentioned to Lieutenant Perry that you had this cozy little job all lined up, did you?
 - **Answer:** No! What business was it of his, anyway?
- **Question:** You never even dropped a hint you might be thinking about working for Corridor, did you?
 - **Answer:** I didn't include it as a possibility, no. Does that present a problem?

- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Scenario 2: Edward Faustino

- **Partner:** "We've received a report from the Navy's Southeast Regional Maintenance Center (SERMC). One of their vessels, the USS John F. Kennedy, was scheduled to have some fasteners replaced. The contractee was a company by the name of Fast Eddie Fasteners (FEF), led by one Mr. Edward Faustino. SERMC's report found that, despite initial reports of a job well done, the fasteners on the Kennedy were not up to specifications at the end of the contract. Let's check it out."

Investigation Phase

Scene 1: Fast Eddie Fasteners

- **Contract:** The contract between Fast Eddie Fasteners and the U.S. Navy.
 - **Partner:** "This is F.E.F.'s contract to replace fasteners on the USS John F. Kennedy carrier. Looks like they were supposed to remove the old Grade 5 fasteners and install new 500 K-model fasteners in the ship's Service Steam System."
- **Inspection Fax:** Random inspections that prove F.E.F.'s contract work was not completed as specified.
 - **Partner:** "This report proves that when random inspections were conducted, the new fasteners installed were actually reverted to the original components... some even showed signs of being moved more than once."
- **Initial Inspection:** This folder contains an initial inspection that claims the fasteners were successfully replaced.
 - **Partner:** "According to this initial inspection, there was no problem with the fasteners. What happened between this initial report and SERMC's final evaluation?"

Scene 2: The USS Kennedy Carrier

- **Fastener Box:** This is one of the new Grade 500 k-Model fasteners that were supposed to be installed.
 - **Partner:** “These boxed and unused fasteners were reported as installed a month ago. I've identified the serial number; these are the right ones, but they definitely aren't installed!”
- **Large Pipe /w Fasteners:** Zinc-plated Grade 5 Fasteners. The valves are off and tagged, and these dismantled fasteners can be taken until the investigation concludes.
 - **Partner:** “These zinc plated Grade 5 Fasteners should have been replaced with the 500 k-Model fasteners. They show heavy stripping, as if moved more than once.”
- **Service Order:** This schematic details all of the rooms to be serviced with the new valve fasteners.
 - **Partner:** “Hmm...take a look at the safety information on this work order. It looks like these fasteners could cause serious injury to thousands on this ship if installed incorrectly.”
- **Foreman's Journal:** The journal says that old Grade 5 zinc-plated fasteners were being used on certain valves around the ship instead of the new, approved ones. It also documents bolts being installed backwards.
 - **Partner:** “This is the journal from the pipe shop foreman that resigned after admitting to this breach of contract. This concurs with the reports that initiated this investigation. It's possible that the management of F.E.F. gave the green light to these practices. Who knows how many other contracts they've done the same way?”

Interview Phase

Theory 1: Day-to-day details of contract work not properly documented

- Mr. Faustino, we have some questions about your documentation of the USS Kennedy contract.

Dialogue Tree 1

- **Question:** It seems the work done on the carrier resulted in some issues. Do you know why your initial inspections didn't find any problems?
 - **Answer:** Well, it was a rather straightforward job. I don't know, actually. The inspection was contracted.
- **Question:** Sir, if you'll pardon me saying so, why weren't you aware of these issues as they happened?
 - **Answer:** I try not to micromanage, you know? A guy can't be everywhere at once. Minor issues happen all the time during jobs - my subcontractors can be trusted to take care of them.
- **Question:** We weren't able to find all of your documentation, sir. Was all work for this contract properly recorded?

- **Answer:** Yes. I checked that personally. I may not have a hand in events as they happen, but I always make sure the paperwork is in order. Why, is there a problem with the documentation?

Dialogue Tree 2

- **Question:** Why did this initial inspection not reveal any problems with the installed fasteners?
 - **Answer:** I don't know; it was a contracted inspection.
- **Question:** Were you aware of the problems with the fasteners as they were happening?
 - **Answer:** Officially? No. I don't take first-hand control of our work. My subcontractors take care of the nitty-gritty stuff. I'm aware that small issues like this often come and go.
- **Question:** Was all of the work on the USS Kennedy properly documented?
 - **Answer:** Yes, to the letter. Despite any other issues we may have had over the course of this contract, my records are always triple-checked. Is there a problem with this?

Dialogue Tree 3

- **Question:** This initial inspection says there weren't any problems, but that clearly wasn't the case. You lied on this inspection, didn't you?
 - **Answer:** How dare you insinuate such a thing! I didn't even have anything to do with that inspection! It was contracted. I'm not responsible.
- **Question:** It's your responsibility to take care of problems like this! Didn't you know what was happening?
 - **Answer:** Hey! I don't like your tone. I'm not in charge of ensuring that every last thing my subcontractors do is perfect. They do their own quality control.
- **Question:** You're trying to hide behind your inadequate documentation, aren't you?
 - **Answer:** My records are flawless! We triple-check them. I don't know what you're looking for, but you won't find any problems with my paperwork. Do you really have a problem with that?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 2: Insufficient parts and labor used in order to embezzle extra money

- A few questions about the work you've done on the Kennedy, Mr. Faustino.

Dialogue Tree 1

- **Question:** May I ask why your company in particular was selected for this contract, sir?
 - **Answer:** Certainly! Fast Eddie Fasteners is renowned for the quality of the materials we use. The Navy told us as much when we were hired.
- **Question:** We found a box of the new fasteners on the Kennedy. Do you happen to have any others for us to inspect?
 - **Answer:** Heh, not on me! The rest of the new fasteners are in our warehouse, with all of our other materials.
- **Question:** I apologize, Mr. Faustino, but...shouldn't all of those fasteners currently be installed on the Kennedy?
 - **Answer:** Oh, no, you've got it all wrong! I can see how that might be suspicious, but we order our parts in bulk. We have several thousand Grade 500 fasteners in our warehouse that were never involved with this contract. Why, is that a problem?

Dialogue Tree 2

- **Question:** Could you tell me why the Navy awarded you this contract?
 - **Answer:** I always personally ensure that we use only the best materials for every job. I was happy to hear this reason quoted to us when we were hired.
- **Question:** What happened to the rest of these new fasteners?
 - **Answer:** They're in our warehouse, like all materials we're not currently using.
- **Question:** Why weren't those extra fasteners all installed during this contract?
 - **Answer:** We keep thousands of fasteners in our warehouse, regardless of current contracts - they have nothing to do with the Kennedy contract. It's much easier for us to order in bulk. Why, is that a problem?

Dialogue Tree 3

- **Question:** Clearly your company wasn't to be trusted with this contract; why would the Navy choose you for the job?
 - **Answer:** Why, I...! I've never been so insulted! We are widely known for using only the finest materials in our jobs. This was even commented upon as we were hired.
- **Question:** We only found one box of the new fasteners. You sold the rest of them for profit, didn't you?
 - **Answer:** What? How dare you suggest such a thing! Of course not! They're in our warehouse.
- **Question:** Aha! So you admit it! You've kept all of the Kennedy contract fasteners to sell!
 - **Answer:** No! Those extra fasteners are for other contracts! You can check the warehouse yourself. Do you still have a problem with that?

- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 3: Subcontractors were told to violate terms of contract to keep costs down

- I'd like to talk about the foreman you hired for the work on the Kennedy, Mr. Faustino.

Dialogue Tree 1

- **Question:** We found the foreman's journal, which documents some questionable practices. To put it bluntly, sir, was he doing these things under your command?
 - **Answer:** No! Well, in part, I guess. We'd never suggest that a contractor do the things documented in that journal, of course! That foreman has since resigned. But certain other things, well...
- **Question:** I'm sorry, sir, but..."other things"?
 - **Answer:** Oh, nothing out of the ordinary. Everyone in the fasteners business knows a few tricks to make the contract go more smoothly. I'd never tell someone to do all of this, of course, but there are certain...shortcuts that make life easier.
- **Question:** Sir, are you aware that some of those "shortcuts" are a breach of contract?
 - **Answer:** Oh, I don't know about that. I mean, sure, it could have been done better, but one fastener is just like any other at the end of the day, right? Good enough for government work, as I always say. There's not a problem here, right?

Dialogue Tree 2

- **Question:** Did you tell the foreman to perform the contracted work improperly, as described in this journal?
 - **Answer:** Of course not! I would never tell someone under me to do those things. Not those things in particular, in any case, and that foreman has since resigned. But other things, yes, perhaps.
- **Question:** What "other things" have you asked of your contractors?
 - **Answer:** The usual. Everyone in this industry knows that you need some shortcuts from time to time to make a job more tolerable. I'd never have suggested the things in this journal, of course.
- **Question:** The things you just described are a breach of contract.
 - **Answer:** Oh, uh...are they? I don't believe they are. I mean, we got the job done, and we got it done on time. Is one fastener really that different from another? And I should know - fasteners are my life! Anyway, no one got hurt. Is there really a problem?

Dialogue Tree 3

- **Question:** You told the foreman to do all of the things in this journal, didn't you? You wanted to do this job as poorly as possible and pocket the change!
 - **Answer:** What? I've never heard such a thing! The foreman responsible has resigned! Are you suggesting that I would directly order such behavior? I may request certain other things, but those actions? Never.
- **Question:** "Other things"? Hah! Other things like fraud, embezzlement, and theft! What did you ask of your contractors?
 - **Answer:** Get off my back! I haven't done anything that everyone else in my industry doesn't already do. Shortcuts are a normal part of this job.
- **Question:** So you admit it! You intentionally did a poor job so you could keep the extra parts and money!
 - **Answer:** No! I...of course not! We got the job done on time, and no one was hurt. There's not really that much difference between the fasteners, after all. Are you sure there's a problem here?

Partner: "Correct! The random investigations, the journal, and the pre-investigation tell the story. Fast Eddie Fasteners undid the job that SERMC inspections had approved as final by replacing the new fasteners with the old ones – a prime example of product substitution. Fortunately, someone tipped off SERMC about the replacement. Unchecked, this was a direct threat to the crew, and could have cost the Navy thousands in damages."

Scenario 3: Lt. Col. John Wu

- **Partner:** "Remember that big storm we had a while back? Well, apparently it knocked down some trees on a nearby Army installation. A lieutenant by the name of John Wu is the contracting officer at that base, and set up a bid for the tree clean-up contract. It seemed to be on the up-and-up, but we've received a complaint from a local tree surgeon that the bidding process seemed suspicious. Let's investigate and see if anything fishy is going on."

Investigation Phase

Scene 1: John Wu's Office

- **Bids Folder:** This folder contains three bids for the tree removal contract. One of the bids, from a company called Bart's Tree Service, is stamped 'ACCEPTED'. Bart's is the lowest bid, coming in at \$20,000.
- **Calendar:** The calendar is currently set to June 2006. The page has obviously been used as a scratch pad since then, and it's covered in phone numbers, names, and odd numerical notations. June 12 is circled in red ink, and written inside are the words 'Princess and Bart – 3 year anniversary party DON'T FORGET'.

- **Partner:** “Princess' must be his daughter, I guess. And could that be Bart of Bart's Tree Service? That would make our contracting officer Bart's father-in-law.”
- **Thank-You Card:** Most of the cards are from birthdays and Father's days past and are signed “Princess”. One, however, says “Thanks For Everything” on the front. It's signed “Bart”, and the hand-written note inside says:

”John -
I hope you enjoyed the trip as much as I did. Sometimes it's great to get away from it all! Of course, when you get home, it's nose to the grindstone again. I just wanted to say thanks again for all your support. After our talk out on the lake, I'm feeling a lot better about the future of Bart's Tree Service.
- Bart”
- **Partner:** “Hmmm... Something about this trip smells fishy...”
- **Fish Picture:** One of the pictures on the file cabinet catches your eye. In it two men, one of whom is John Wu, are grinning and holding a large fish. Both men sport red baseball caps with the words “Bart's Tree Service” emblazoned across the front.

Scene 2: Secluded Notice Board

- **Notice Board:** This notice board is extremely secluded. It's hard to believe that posting the invitation here would get many bids.
 - **Partner:** “This is way off the beaten track. I'll take a picture for our files.”
- **Invitation for Bids:** This is the invitation for bids posted by John Wu. The contract is to remove trees damaged in a recent storm. The solicitation was released on September 4, 2006. A faded stamp in blue ink notes that it was posted on this bulletin board on September 7, 2006. The date for submission of bids is September 14, 2006.
 - **Partner:** “This is the only posted copy of this invitation for bids we've been able to find anywhere! It's almost as if he didn't want anyone to know about it...”

Interview Phase

Theory 1: Contracting officer unfairly limited the bidding pool

- Lt. Wu, I have a few questions about the bidding process.

Dialogue Tree 1

- **Question:** Could I ask for some clarification, Lt. Wu? How long was this invitation in circulation?
 - **Answer:** Sure! I put that up on September 7, 2006 and closed the bidding on September 14, 2006. About a week, I guess.
- **Question:** We found this copy of the posting here on the installation. Could you please tell me where else it was posted?

- **Answer:** Oh, well - I don't really remember posting it anywhere else.
- **Question:** This folder contains three bids. Were there any others?
 - **Answer:** No. No, that was it.
- **Question:** And the decision was made to call this a sufficient bid pool to award the contract?
 - **Answer:** Well, it wasn't a big job, and we wanted to get it taken care of quickly. So we just decided to go with the low bidder and be done with it. Is that a problem?

Dialogue Tree 2

- **Question:** How long was this invitation for bids posted?
 - **Answer:** Well, it was posted for a week. September 7, 2006 to September 14, 2006.
- **Question:** Was this the only posting?
 - **Answer:** It was.
- **Question:** Were these three the only bids?
 - **Answer:** Well, yes. That was it.
- **Question:** Did you consider re-posting the invitation to get a larger bid pool?
 - **Answer:** No. We didn't think about that. Is that a problem?

Dialogue Tree 3

- **Question:** You didn't post this invitation until three days after it was released, and it looks like it was only available for seven days - is that correct?
 - **Answer:** Yes. September 7, 2006 to September 14, 2006.
- **Question:** This seems to have been posted way out in the middle of nowhere, and that was the only copy we could find. Was that it?
 - **Answer:** Well, uh, there might have been one or two... No. No, that was the only posting.
- **Question:** Three bids? Three?! That was all you got?!
 - **Answer:** Those were the only ones submitted. What do you want me to do?
- **Question:** That was good enough for you, huh? You didn't think you should maybe re-post and get a bigger pool?
 - **Answer:** Why bother? It was a small job. We had a couple bids. Didn't seem like it was worth the trouble. You got a problem with that?
- **Partner:** "Correct! The short time frame of the posting and the secluded location of the notice board kept the bidding pool very small. The decision not to re-post and get a larger bid pool pushes this squarely into the grounds of fraud. Further investigation revealed that Lt. Col Wu attempted to limit the bid pool in order to give an unfair advantage to Bart's Tree Service, which is owned and operated by his son-in-law."

Theory 2: Contracting officer had a potentially undisclosed, personal relationship with winning bidder

- I have some questions about your relationship with Bart of Bart's Tree Service.

Dialogue Tree 1

- **Question:** I need to clarify - this picture shows that you were friendly with Bart, and this notation on your calendar - was he married to your daughter?
 - **Answer:** Well, I wasn't trying to hide it! Yup, Bart and my Laura have been married for a couple of years now. Best son-in-law you could ask for!
- **Question:** Of course, you must have disclosed this relationship before awarding the contract, correct?
 - **Answer:** Absolutely! Heck, I was bragging about him before we even got the bid! Why, is that a problem?

Dialogue Tree 2

- **Question:** This picture indicates that the two of you have a non-professional relationship, and this calendar notation implies that he's married to your daughter. Is that correct?
 - **Answer:** Yes, Bart is my son-in-law.
- **Question:** Did you properly disclose the relationship before the contract was awarded?
 - **Answer:** Of course. I notified the proper authorities as soon as we received his bid. Is there a problem here?

Dialogue Tree 3

- **Question:** This picture has me concerned. You look pretty friendly with good old Bart here... And who is this "Princess" he's married to?
 - **Answer:** My daughter, Laura. Bart is my son-in-law!
- **Question:** Well, I hope for your sake that you properly disclosed the relationship before you started handing out money!
 - **Answer:** Of course! I notified the proper authorities as soon as we received his bid. You got a problem with that?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 3: Contracting officer accepted inappropriate gifts in return for awarding the contract

- I have a few questions about the nature of this fishing trip.

Dialogue Tree 1

- **Question:** This looks like a nice spot. When was this picture taken?
 - **Answer:** It's a great place. Down south of here on the lake. I've been going there for ages! Let's see...this picture is from last summer.
- **Question:** I know this is a delicate question, but who financed this trip, Lt. Wu?
 - **Answer:** Oh, no! You've got it all wrong! I paid for the trip myself. It was my little gift to Bart for starting his own business. He's my son-in-law, you know. I've got the receipts for the trip, or you can check with my credit card company. Why, is there a problem here?

Dialogue Tree 2

- **Question:** When did this trip take place?
 - **Answer:** It took place last summer.
- **Question:** Who paid for it?
 - **Answer:** I did. It was to celebrate Bart - my son-in-law - opening his new business. I can provide receipts and credit card statements, if you need them. Is there a problem here?

Dialogue Tree 3

- **Question:** Care to enlighten me as to when you took this picture?
 - **Answer:** It was taken last summer.
- **Question:** And who funded this special little vacation?
 - **Answer:** I don't like your implication, but to answer your question, I did. It was a gift to Bart, my son-in-law, to celebrate his new business venture. I have receipts and credit card statements to back that up. Do you still have a bone to pick?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Scenario 4: Theo K. Minrose

- **Partner:** "We've received a tip from an anonymous source about a Mr. Theo K. Minrose, a contract specialist for the Army. While anonymous, the source claims to be "a concerned friend" of his. Apparently Mr. Minrose has recently acquired some rather expensive vehicles, and is spending all of his time with a new group of friends. We've been asked to check out the situation, and given Mr. Minrose's position in the Army, we should leave right away."

Investigation Phase

Scene 1: Garage of Theo K. Minrose

- **Boat Receipt:** This is a receipt for the purchase of a power boat. The trailer was free of charge.
 - **Partner:** “Wow, this is an expensive boat! Large purchases like this are more than a bit suspicious, don't you think?”
- **Owner's Manual:** The owner's manual for the truck in this garage. The receipt and title for the truck are inside.
 - **Partner:** “This was purchased in full less than a year ago. He must have some life savings to compensate for his wages not getting weighed down by this purchase.”
- **Drawer of Bills:** Among the bills is his personal cell phone bill, which includes a list of all phone numbers dialed and received over the last several months.
 - **Partner:** “His cell phone bill! There's one number that was dialed more than any other. I'll bet it was to the roofing contractees!”

Scene 2: Theo K. Minrose's Truck

- **Laptop:** The laptop sits open in the middle of the truck. The active window shows an e-mail application.
 - **Partner:** “Many of these e-mails are from the roofing company that won the contract. This laptop certainly doesn't appear to be Army-issue...”
- **Contracts Binder:** It's a binder with all of the awarded contracts for the last year.
 - **Partner:** “He's kept all of the Army-awarded contracts for the last year. Nearly every single one has been won by the same company: R and R! They're the ones who won this recent contract! Hmm...”
- **Vacation Photos:** Pictures from what appears to be a lake vacation. Theo Minrose is in each photo, smiling with several friends.
 - **Partner:** “I recognize these guys - they all work for R and R, the company that won the roofing contract!”

Interview Phase

Theory 1: Accepting bribes from contractors or embezzling funds

- Mr. Minrose, I have some questions about these vehicle photos.

Dialogue Tree 1

- **Question:** These are some nice machines! If they're yours, you must be very proud.

- **Answer:** Yes, these are my babies. I've always wanted those, ever since I was a kid. You haven't lived until you've felt the wind in your hair on my motorcycle or tasted the salty breeze on my boat!
- **Question:** If I may, Mr. Minrose, when did you purchase each of these?
 - **Answer:** Let me think... I believe the most recent was eight months ago, when I purchased my boat. All of them are less than a year old, though.
- **Question:** As fine as these vehicles are, Mr. Minrose, we have records of complaints by your friends and neighbors. Any idea why?
 - **Answer:** Ah, they're just jealous. I've been spending a lot of time with these babies since I got them, after all. Maybe if they knew how to manage their money, they could afford something nice too!
- **Question:** Well, on that note...if you'll excuse me saying so, Mr. Minrose, how were you able to afford these on your salary?
 - **Answer:** While it's true that I purchased these together, it was all through my savings. You can examine my bank records, if you like. Is there a problem here?

Dialogue Tree 2

- **Question:** Do you recognize the vehicles in these pictures?
 - **Answer:** Yes. I would recognize my motorcycle, truck, and boat from a mile away.
- **Question:** How long have you had these vehicles?
 - **Answer:** I've had all of these for little under a year. I don't remember the exact dates.
- **Question:** Your friends and neighbors have registered several complaints about these vehicles. Why?
 - **Answer:** I'd suspect that's just jealousy. I've spent most of my weekends out on the road or lake since purchasing these vehicles. A little envy is to be expected - none of them have a boat, after all!
- **Question:** Is your salary burdened by these vehicle acquisitions?
 - **Answer:** No; these purchases were bought with many years' worth of savings. I have all of the paperwork to back this up, if you'd like to see it. Is this a problem?

Dialogue Tree 3

- **Question:** These are some nice toys. They're not yours, are they?
 - **Answer:** What do you mean by that? These machines are the pride of my life! Of course they're mine!
- **Question:** When did you get these hunks of junk?
 - **Answer:** Excuse me? If you meant "when did I get these carefully customized, precision machines", I got them all within the last year.
- **Question:** Did you feel it necessary to rub the fact that you owned a few new scrap heaps into your friends' and neighbors' faces?

- **Answer:** Show my babies a little respect! Much like you, most of my acquaintances don't appreciate the finer things in life. Or they're just jealous that I have them and they don't.
- **Question:** Ah, but that's just the thing. You shouldn't be able to afford these! How much money did you embezzle to fill your garage?
 - **Answer:** What?! Your baseless accusation couldn't be further from the truth. I saved for a long time to buy these, and my bank records will show the truth. Do you have a problem with that?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 2: Insider information used to secure bids from a specific contractor

- Mr. Minrose, some questions about these e-mails and phone calls.

Dialogue Tree 1

- **Question:** Your job as a contract specialist is to seek many bids. Can you please explain why so many of these calls are to just one company, Mr. Minrose?
 - **Answer:** Oh, I can explain that. It's important to maintain a very healthy relationship with good business partners. R and R is one of our best contractors, so I like to keep in touch.
- **Question:** May I ask why you made all of these calls to R and R from your cell phone instead of your office phone?
 - **Answer:** Oh, there's a simple reason for that. I'm just more used to my cell phone, that's all. Oh, and their number is stored on my cell phone, so I don't have to look it up.
- **Question:** If you don't mind me asking, why do you prefer R and R over other roofing companies?
 - **Answer:** They're great! They've always done the best possible job for the lowest cost.
- **Question:** If you'll excuse me saying so, they always seem to be the lowest cost, Mr. Minrose. Have you been sharing any information with them?
 - **Answer:** Well, of course! Professionals always talk shop. I mean, they may have had some info about the bids, but they still had to put it all together. There's no problem here, right?

Dialogue Tree 2

- **Question:** Do you always make this many calls to just one company when looking for bids?
 - **Answer:** Sure, when they're as good at what they do as R and R. I simply like to keep in touch with our best contractors.

- **Question:** Why were these calls made from your cell phone?
 - **Answer:** I just prefer using my cell phone, that's all. I don't have to look up the number every time I make a call.
- **Question:** Can you explain why R and R has won almost every roofing contract you've been assigned to?
 - **Answer:** They're the best at what they do. They've given great service for the lowest cost.
- **Question:** Have you been in contact with R and R about specific bid information, Mr. Minrose?
 - **Answer:** Well, yes, but I didn't think it was out of line. They still had to do all of the legwork to prepare their bids, so there's no problem, right?

Dialogue Tree 3

- **Question:** These phone calls are very suspicious. Did you even think to contact other companies for bids?
 - **Answer:** What? Of course! I just like to keep in touch with good contractors, and R and R certainly meets that qualification.
- **Question:** Seems like you're trying to cover something up. Why else use your cell phone to call R and R and not your office phone?
 - **Answer:** I take offense to that! I just prefer using my cell phone, that's all. I have easier access to their number. That's it, I swear!
- **Question:** R and R has won almost all of your roofing contracts. Can you convince me that this isn't as fishy as it sounds?
 - **Answer:** What exactly are you accusing me of? It's very simple - they're the best at what they do! The best service for the lowest cost. That's all I need to say.
- **Question:** You've been giving R and R confidential information, haven't you?
 - **Answer:** Hey! That depends on your definition of "confidential". I may have told them one or two things, but they still had to do the work. Do you have a problem with that?
- **Partner:** "Correct! Though his relationship with his clients was not a direct problem, Mr. Minrose's disclosure of confidential bid information is clearly fraudulent behavior. Information on competing clients' bids is intentionally private, and disclosing it violates the principle of the bidding system."

Theory 3: Unprofessional fraternization with contractors

- I'd like to ask a few questions about your relationship with one of your contractors, Roof and Relaxation.

Dialogue Tree 1

- **Question:** You seem to be having a great time in this picture of your vacation! Where was this taken?

- **Answer:** Oh, that's the lake near here! It's beautiful. We've gone there several times over the past few years.
- **Question:** If you don't mind me asking, who's "we"?
 - **Answer:** Those guys are two of my best friends, who happen to head up R and R, who does our contracting work. I met them through the job - we've had some great times since then.
- **Question:** Forgive me, Mr. Minrose, but couldn't that be construed to be a bit, well...unprofessional?
 - **Answer:** Oh! I see your concern. No, no, rest assured that my relationship has had no impact on our business. R and R has to go through the bidding process like everyone else. Is there a problem here?

Dialogue Tree 2

- **Question:** Where was this picture taken?
 - **Answer:** The lake. We went there on vacation a few months ago.
- **Question:** Who are you with in this picture?
 - **Answer:** Those are the heads of R and R, my leading contractor.
- **Question:** Has this relationship impacted your business with R and R?
 - **Answer:** No - I go to great lengths to ensure that my personal life stays out of my work. R and R goes through the bidding process like any other company. Is there anything wrong?

Dialogue Tree 3

- **Question:** Something about these pictures is suspicious. Where were you when these were taken?
 - **Answer:** Hey, I won't hear a word against that vacation! We had too good a time at that lake to have you slander it.
- **Question:** "We"? Who's "we"? Your partners in crime?
 - **Answer:** How dare you! Those are some of my closest friends! They happen to be the heads of R and R, my biggest contractor, and I won't have you talking trash about them.
- **Question:** Hah! Got you! You've given R and R all of your business because they're your friends, haven't you?
 - **Answer:** Stop accusing me! I'll have you know that I've done no such thing. You can check the records - they've had to fill out the forms the same as any other company. Can you find a problem with that?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Scenario 5: Ms. Jeanette Bower

- **Partner:** “The Navy called us in on this one. It seems there's something suspect about a new paint shipment they received from Bower's Supply, Inc., owned by Ms. Jeanette Bower. They want us to find out what's going on. The call came from a petty officer at the nearby Navy hangar; why don't we stop by and get her story?”

Investigation Phase

Scene 1: Ms. Bower's Office

- **File Cabinet:** You quickly locate the folder for the Navy contract. Among the information inside is a catalog listing the prices for several different kinds of paint. The new heat-resistant paint is listed as 'new and improved' and costs \$50 per gallon. The older type of paint is listed at \$40 per gallon. The paint is only shipped in lots of 1,000 gallons.
- **Desktop Computer:** You fire up the computer and find Ms. Bower's e-mail program. A quick scan of the e-mails reveals one very interesting message in the “Trash” folder:

RE: Old paint

Todd,

It looks like that old heat-resistant paint you found left over from the private jet fleet contract last year is almost as good as the new stuff the Navy wants. We might as well move those crates out while we have this chance. Re-pack them (change the labels) and ship them ASAP. Nice catch!

- Jeanette

- **Partner:** “Looks like she didn't want anyone to find this email. Suspicious. We better print out a copy.”

Scene 2: Navy Hangar

- **Petty Officer Ana-Luisa Hernandez:** You have the petty officer sign an affidavit that reflects the story she tells:

”About a week ago, we got a shipment of the new heat-resistant paint for the engine housing. We had this plane in for repairs, so we decided to try out some of the new paint. The new paint is supposed to work with just one coat, so I painted the panels, let them dry, and then replaced them on the plane. Yesterday, we did a test run. The engine was working fine, but when we were done, we noticed that the paint was ruined. It was worse than the old paint! I've worked on a lot of planes, and I've seen the new paint used before. In my opinion, this isn't the new paint!”

- **Partner:** “This account is full of valuable information! With this statement, we can use it as official evidence.”
- **Paint Invoice:** This invoice notes that the crate contains 250 gallons of paint at \$50 per gallon – the cost of the new paint.

Interview Phase

Theory 1: Contractor charged the Navy for supplies which had already been paid for under a separate contract

- Ms. Bower, I have a few questions about the origins of the paint you supplied to the Navy.

Dialogue Tree 1

- **Question:** Ms. Bower, I simply need to clarify - this paint was not originally purchased to fill the Navy contract, was it?
 - **Answer:** No, it wasn't. Last year a private jet company needed 750 gallons, and the paint only shipped in lots of 1000 gallons. It's been an absolute nightmare! This paint's been in my warehouse since then.
- **Question:** And would you mind telling me if you charged the private jet company for the full shipment of 1000 gallons you ordered?
 - **Answer:** No. I probably should have, but I cut them a break. I only charged them for the 750 gallons they needed.
- **Question:** And - again, simply to keep my facts straight - you only charged the Navy for the 250 gallons, as this invoice indicates?
 - **Answer:** Yes, indeed! There isn't anything wrong with that, is there?

Dialogue Tree 2

- **Question:** Was the paint ordered specifically to fill this contract?
 - **Answer:** No, it was from a contract we did last year with a private jet company. They needed 750 gallons, but it only ships in lots of 1000 gallons. The other 250 gallons have been taking up space ever since.
- **Question:** Did you charge the private jet company for the full 1000 gallons you ordered?
 - **Answer:** No, only for the 750 they used. I should have charged them for all of it.
- **Question:** And you only charged the Navy for 250 gallons, as stated on this invoice?
 - **Answer:** Yes. There shouldn't be anything wrong with that, is there?

Dialogue Tree 3

- **Question:** You didn't order this paint specifically for this contract, did you, Ms. Bower?
 - **Answer:** Not that it makes any difference, but no, I didn't. It's been taking up valuable space in my warehouse since last year. A private jet firm needed 750 gallons, but the paint is only shipped in lots of 1000.

- **Question:** And you didn't charge the private jet company for the full 1000 gallons?
 - **Answer:** No! Only for what they'd ordered! Maybe I should have charged them for the full shipment.
- **Question:** So you're telling me you didn't make a tidy profit by charging the Navy for paint that was already paid for?
 - **Answer:** Yes, that's exactly what I'm saying! There's nothing wrong with that, is there?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 2: Contractor charged more for supplies than they paid

- I'd like to clear up some confusion regarding the amount you charged the Navy for this paint.

Dialogue Tree 1

- **Question:** Ms. Bower, please let me know me if I'm wrong, but the catalog lists the price of the paint at \$40 per gallon, correct?
 - **Answer:** Yes. Yes, it does say that.
- **Question:** This invoice says that you charged the Navy \$50 per gallon - care to explain?
 - **Answer:** It's because they've changed the price. When I filled the Navy's order, the paint was \$55 per gallon - I was taking a loss! Is there a problem with that?

Dialogue Tree 2

- **Question:** The cost in this catalog is listed at \$40 per gallon, is that correct?
 - **Answer:** That is what is says in the catalog, yes.
- **Question:** Can you explain why you charged the Navy \$50 per gallon?
 - **Answer:** That catalog is brand new! The paint was purchased over a year ago, when it cost \$55 per gallon. When I filled the Navy contract, it was \$50 per gallon - I'm actually losing money! Have you got a problem with that?

Dialogue Tree 3

- **Question:** So, it says here in this catalog that the paint retails for \$40 per gallon. Does that sound about right to you?
 - **Answer:** It seems to be. Yes.
- **Question:** Then why did you charge the Navy \$50 per gallon for it?!
 - **Answer:** That catalog is only a few weeks old! I filled the contract for the Navy when the paint cost me \$55 per gallon. I actually lost money in selling it to the Navy for \$50! You don't have a problem with that, do you?

- **Partner:** “Let’s review the evidence and see if we can come to any new conclusions.”

Theory 3: Paint supplied by the contractor did not live up to the specifications laid out in the contract

- Ms. Bower, I have a few questions about the specific paint with which you filled the Navy contract.

Dialogue Tree 1

- **Question:** I hope you can clear this up for me, Ms. Bower. This e-mail seems to imply that you knowingly supplied the Navy with a product that was not up to specifications. Is that true?
 - **Answer:** My goodness! It does look bad, doesn't it? Unfortunately, I don't recall sending that e-mail. Computers can be so easily manipulated... It doesn't actually say we sent the old paint, now does it?
- **Question:** Well, we do have a sworn statement from a Navy mechanic who has used both types of paint. She is very sure that the paint you sent was not, in fact, the new formula. Any comment?
 - **Answer:** Oh dear! Well, if some of the old paint accidentally made its way into the shipment, it's not so bad, is it? Less than a year ago, that paint was top-of-the line! Is it such a big deal?
- **Question:** I suppose it doesn't have to be - if the Navy contract didn't specify which formula was needed. What did the contract say, specifically?
 - **Answer:** Well, it did specify the new paint. But the old paint is almost as good! I do have a business to run, employees to pay! This isn't going to be a problem, is it?

Dialogue Tree 2

- **Question:** This e-mail indicates that you planned to use an inferior paint to fill the Naval contract. Is that correct?
 - **Answer:** Where did you find that? I don't recall sending any such e-mail. I can see why you'd find it incriminating, but really, it doesn't prove that we sent inferior paint, now does it?
- **Question:** Navy personnel familiar with both types of paint have sworn that this is not the new paint. Do you have any comments?
 - **Answer:** Even if some of the old paint did accidentally slip into this order, what of it? A year ago, the old paint was the best thing out there! Is it really such a big deal?
- **Question:** The Navy contract specifically stated that the new paint be ordered, did it not?

- **Answer:** So what if it did? The old paint is practically the same - it was just taking up room in my warehouse! I have a business to run, and no one wanted that old paint. Is this going to be a problem?

Dialogue Tree 3

- **Question:** You should be more careful with your internal communications, Ms. Bower. Care to explain this e-mail, which clearly demonstrates a plot to supply inferior product to the Navy?
 - **Answer:** I haven't the faintest idea of what you're talking about! E-mail is so easy to fake - anyone could have written that. And anyway, that doesn't prove we actually delivered the paint, does it?
- **Question:** Highly qualified Navy personnel have testified that the paint you sent was not up to snuff. They said it responded exactly like the old paint. What do you have to say to that?
 - **Answer:** That old paint was perfectly good! A year ago, it was the best thing on the market! If some did accidentally go to the Navy, it shouldn't be a big deal, should it?
- **Question:** Listen, Ms. Bower. It's not up to you! If the Navy contract specified the new paint, then that's what you should have sent them. Now, what did the contract say?
 - **Answer:** Fine. They wanted the new paint. We sent them the old paint because it was cluttering the warehouse and no one wanted it. I have a business to run. Is this going to be a problem?
- **Partner:** "Correct! Scientific testing revealed that the paint supplied was, indeed, the old formula. By supplying that in place of the contractually specified new paint, Ms. Bower was committing fraud."

Scenario 6: Ms. April Troy

- **Partner:** "This case comes from the Navy, and apparently has a bit of a backstory. Our suspect, April Troy, graduated with top marks from MIT and is now a requirements engineer for Naval vessels. Not too long ago, she began dating Martin James, a defense contractor. Recently, there's been a bit of confusion with a job that April's division contracted out to Martin's company. I've set up a meeting with Martin - let's see what we can find out."

Investigation Phase

Scene 1: Navy Think Tank

- **Defense Bid:** This defense systems bid, submitted by Martin James's company, is listed as the most suitable for selection.
 - **Partner:** "It seems this bid was selected because it meets a specific requirement for two distinct defense systems. Hmm..."

- **Blueprints:** These blueprints show that two distinct defense systems were ultimately built into the most recent series of Naval vessels.
- **Defense Documents:** These documents detail April Troy's concerns about the necessity of a second defense system.
 - **Partner:** "That's interesting. It seems that April was the only engineer on the team to strongly support the idea of a second defense system."

Scene 2: Meet with Martin James

- **Journal:** Martin James's journal. It begins a month before his relationship with April Troy began and documents the relationship and their breakup.
 - **Partner:** "It seems that Mr. James was seeing April Troy for quite some time. He also documents their various discussions about technology."
- **Romantic Picture:** This picture depicts April and Martin mid-kiss.
 - **Partner:** "That kiss certainly seems to indicate a serious relationship."
- **Ticket Stubs:** These are ticket stubs to the California plane flight where Martin and April met.

Interview Phase

Theory 1: Ship specifications were unjustly changed

- A few questions about these ship specifications, Ms. Troy.

Dialogue Tree 1

- **Question:** I bet specifications for Navy vessels are incredibly complex. How does your team handle those challenges?
 - **Answer:** It's quite a good system, actually. Everyone on the team puts together a proposal, and then we discuss all of them and decide based on their merits. Complexity, cost, that sort of thing.
- **Question:** If I may, Ms. Troy, why was the redundant combat system specification selected over a single combat system?
 - **Answer:** Oh, my system? Well, I'm proud to say that it's a very robust implementation, and I believe my coworkers were able to see that. They all voted to select it as our final system.
- **Question:** If I understand it correctly, then, Ms. Troy - your change to the specifications was approved by your team?
 - **Answer:** Of course! To do otherwise would be...well, illegal. Why, is there a problem here?

Dialogue Tree 2

- **Question:** How does the process of determining ship specifications work?

- **Answer:** Each member of the specification team presents their own proposal for the ship specifications. Each is presented against the others, and the best overall proposal is selected.
- **Question:** Why was your system chosen?
 - **Answer:** It was voted to be the best system out of all of the proposals.
- **Question:** So all changes you made to the specs were approved by others?
 - **Answer:** Yes. That's how all changes to our systems are implemented. Is there a problem?

Dialogue Tree 3

- **Question:** You've got a lot of explaining to do. What crooked system do you use to determine ship specifications?
 - **Answer:** Our system works fine, thank you! Everyone presents their own proposal, and then the best is selected. It's democratic - hardly "crooked".
- **Question:** Looks like your system was picked. What'd you have to do to get that one past?
 - **Answer:** Nothing! I simply proposed the system, spoke my piece, and my coworkers voted to approve it.
- **Question:** Hmm. You didn't sneak your changes past your colleagues, then?
 - **Answer:** What are you insinuating? All changes I propose have to be approved by the entire team, and are. There's no way around it, even if I wanted to. Do you still have a problem here?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 2: Inappropriate communication

- Ms. Troy, I have a few questions about your combat system proposal.

Dialogue Tree 1

- **Question:** Sorry to suggest this, Ms. Troy, but you've never revealed information to individuals outside of the Navy, correct?
 - **Answer:** No. I'm extremely careful with the information I possess. Defense specifications are highly confidential.
- **Question:** Good to hear it, Ms. Troy. How do you gather information when preparing for a system deployment like this?
 - **Answer:** We gather lots of information from both internal and external sources. An official RFI - Request for Information - is used to document facts and suggestions.
- **Question:** I'm sorry, Ms. Troy, but did you seek advice from Mr. James while researching your proposal?
 - **Answer:** No. Well, not personally, anyway.

- **Question:** If you'll excuse me saying so, Ms. Troy, we have evidence that shows Mr. James's involvement in your redundant combat system proposal. Can you please explain this?
Answer: Oh, no, I should have clarified - I didn't personally talk to him, but his information was included in our team's RFI. All very correct and proper. Is there a problem?

Dialogue Tree 2

- **Question:** Have you discussed any confidential Navy information with a third party?
 - **Answer:** No. That could potentially compromise the safety of the soldiers that use our defense systems.
- **Question:** How do you research your proposals for defense system specifications?
 - **Answer:** An official RFI - Request for Information - is used to gather facts and opinions from many different sources. We pull from that RFI data for our proposals.
- **Question:** Did you personally contact Mr. James about the specifications during your research?
 - **Answer:** No, not personally.
- **Question:** Mr. James was involved in your specifications, however. Can you explain this contradiction?
Answer: Oh, I'm sorry, I should have clarified - his information was included in our RFI. I didn't speak to him personally about it. This is all well-documented. Is there a problem?

Dialogue Tree 3

- **Question:** How much sensitive information have you leaked over the years?
 - **Answer:** What? None! That could potentially endanger Navy personnel! What do you take me for?
- **Question:** Hmph. Surely you at least greased a few palms when researching your system proposal?
 - **Answer:** No! There's an official RFI - Request for Information - procedure that is followed to the letter. It gathers information from many internal and external sources. Without extortion or bribery, thanks.
- **Question:** I get it now. You went and got all of the specs from your boyfriend, didn't you?
 - **Answer:** We're not together any more, thanks, and no, I didn't. Not personally, anyway.
- **Question:** Caught you! So you admit to sharing information improperly with Martin James?
Answer: Get off my back! You've got it wrong, anyway. His information was included in our team's RFI - all legal and proper. I didn't ask him personally. Do you still have a problem?

- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 3: Close relationships between personnel and bidders during bidding process

- I have a few questions about your relationship with Mr. James.

Dialogue Tree 1

- **Question:** When did you first meet Martin James, Ms. Troy?
 - **Answer:** About 3 months before the start of the RX project, I went on a plane trip to California. We met on the plane.
- **Question:** Apologies for the personal inquiry, but are you two still together?
 - **Answer:** Unfortunately, no. We just kind of drifted apart. It happens.
- **Question:** Mr. James is a defense contractor. If you'll excuse me saying so, Ms. Troy, did Mr. James influence any of your professional decisions?
 - **Answer:** I suppose so, yes. Some of our more technical conversations inspired me to add a redundant combat system to the RX series of ships. But it's such an efficient system; who was I to decline?
- **Question:** How many different companies did you pursue for that kind of redundant combat system, Ms. Troy?
 - **Answer:** Well, just Martin's, I guess. His company was so well-equipped to deal with the system in question that it seemed like the natural thing to do.
- **Question:** Ms. Troy, did your friends at work know about Mr. James?
 - **Answer:** Of course not! I pride myself on being able to keep my personal life out of my work. They didn't need to know. Why, is there a problem here?

Dialogue Tree 2

- **Question:** When did you meet Mr. James?
 - **Answer:** We met on a plane to California during unrelated business trips.
- **Question:** What is the status of your relationship with Mr. James?
 - **Answer:** Right now, there isn't one. We used to date, but have since broken it off.
- **Question:** Did your relationship with Mr. James influence your career?
 - **Answer:** A bit, I suppose. We had many technical discussions on our dates. Something he said eventually convinced me that we needed a redundant combat system on the RX series of ships.
- **Question:** Did you look into purchasing that redundant combat system from any businesses other than Mr. James's?
 - **Answer:** Well, no, but just because Martin's company's system worked so well. It fit our specifications exactly - we saw no need to look for alternatives.

- **Question:** Did you disclose the nature of your relationship with Mr. James to your coworkers?
 - **Answer:** No. I intentionally keep my personal life and my career separate, and there was no need for them to know. Is there a problem here?

Dialogue Tree 3

- **Question:** Martin James. That name ring any bells for you?
 - **Answer:** Of course! You obviously know, or you wouldn't be asking. We met on a flight to California.
- **Question:** Are you still with this guy?
 - **Answer:** Not that it's any of your business, but no, I'm not.
- **Question:** So. A boyfriend who sells the things you're in charge of buying. Isn't that more than a little suspicious?
 - **Answer:** No! My relationships never interfere with my work. We had many technical discussions, and he did suggest some fantastic ideas for redundant combat systems, but that was all.
- **Question:** So you admit it! You went straight to your boyfriend's company for this system, didn't you?
 - **Answer:** I don't like your insinuation! But we did choose Martin's company, yes. He simply delivered the best solution; we didn't see a need to look for others.
- **Question:** I'll bet you hid all of this from your coworkers, too, didn't you?
 - **Answer:** What do you take me for, a gossip? My work and my personal life are separate for a reason. No one needed to know. You have a problem with that?
- **Partner:** "Correct! In this case, the relationship that April had with Martin caused her to modify the bid from knowledge gained through private channels. The nature of her personal relationship with Mr. James influenced her decision, and was highly inappropriate. By fraternizing with him about the system specifications, they were modified in favor of his system, effectively rigging the specifications and locking out other companies."

Scenario 7: Captain Susan Park

- **Partner:** "This time, we've been called to an Army installation in Virginia. About a week ago, the installation received a complaint from a man named George Patel, the operator of a local paving company. He complained that something was up with the bidding process for some recent sidewalk repair work done on the installation. He's making all kinds of accusations - let's see if we can get to the bottom of things."

Investigation Phase

Scene 1: Captain Park's Office

- **Application Folder:** In a file marked Pending, you find a document labeled "Application for Sole Source". It requests permission to make Cortez Concrete the sole source for sidewalk repair on the Army installation. Dated May 10, 2008, it lists the reasons for the request as "familiarity with installation procedures, previous exemplary performance, and consistently competitive pricing."
- **Thank-You Card:** The card on the windowsill is from Eric Cortez of Cortez Concrete. It reads:

Captain Park,
Thanks again for choosing Cortez Concrete for your paving needs. We always enjoy working with your office. Please accept this gift as a token of our gratitude.

Eric Cortez, Cortez Concrete
May 13, 2008

- **Partner:** "Hmm. Aren't there rules about contracting officers accepting gifts from contractors? This could be a problem..."
- **Sports Car:** The car outside in Captain Park's space is a brand new sporty convertible.
 - **Partner:** "That seems a bit extravagant for a Captain's salary, don't you think? Let me take a picture for our file."

Scene 2: Patel's Paving

- **George Patel:** When asked about the complaint he filed, Patel replies:

"About time you started looking into these shenanigans! Every time there's a contract on that installation, it goes to either Cortez Concrete or Smith's Sidewalks! I don't know what kind of operation Captain Park is running over there. This last time, she didn't even post a solicitation for bids! It's like she just gave the job to Cortez. Then I see her driving around town in a shiny new car a week after he gets the contract, and, well...I don't want to jump to any conclusions, but it's more than suspicious. It's downright shady, if you ask me!"
 - **Partner:** "Useful information! With this signed statement, we can use it as evidence."

- **Shady Contracts:** When you pick up the sheaf of paper labeled "Shady Dealings", Patel's eyes light up.

"I thought you'd be interested in that! That's a list of every paving contract on the Army installation for the last three years. Notice anything? Each and every one of those contracts was awarded to either Cortez Concrete or Smith Sidewalks. You can go ahead and take that with you, if you like. Believe me, I have copies."

Interview Phase

Theory 1: Contracting officer sole sourced contract for an unjustified reason

- Captain Park, I have a few questions about how this contract was awarded.

Dialogue Tree 1

- **Question:** Captain Park, what was the bidding process like for this particular contract?
 - **Answer:** There wasn't one! I sole sourced the contract.
- **Question:** Pardon me, Captain, but could you please explain your justification for using Cortez Concrete as your sole source?
 - **Answer:** I'd be happy to! We've never had anything but good experiences with Cortez Concrete. Their good service is unique. They're familiar with the base and their work is impeccable; I love working with them. Is this a problem?

Dialogue Tree 2

- **Question:** Was there a bidding process for this particular contract?
 - **Answer:** No. I opted to sole source the contract.
- **Question:** On what grounds did you sole source this contract?
 - **Answer:** Mr. Cortez is an extremely reliable, capable, and competitive contractor. I feel that this makes his service unique. Other contractors have given us difficulties before, but never Mr. Cortez. This isn't a problem, is it?

Dialogue Tree 3

- **Question:** We received a complaint that you didn't bother to establish a bidding process for this contract. Why not?
 - **Answer:** I don't like your tone, but you're right. There was no bidding process; I sole sourced the contract.
- **Question:** What made you think you could sole source this contract?
 - **Answer:** We've had some trouble with other companies we've used in the past. Cortez Concrete has always been honest and reliable, and their work is always excellent. That certainly makes them unique. Is that a problem?
- **Partner:** "Correct! Although well intentioned, and certainly understandable, Captain Park's actions are, indeed, fraudulent. Sole sourcing a contract can only be used in cases where the contract provides a truly unique service. Exceptionally good service, though perhaps hard to find, is not grounds for sole sourcing."

Theory 2: Contracting officer accepted inappropriate gifts for awarding contracts

- Captain Park, we have some concerns about your car.

Dialogue Tree 1

- **Question:** This is a nice car! However, we have a report claiming you purchased it not long after awarding the contract to Mr. Cortez. Care to comment?
 - **Answer:** Well, I bought the car around the middle of May, and I know I awarded the contract on May 12. So yes, I suppose it did all happen in a relatively short time frame.
- **Question:** Forgive me, but could you please explain how you purchased an expensive car on a Captain's salary?
 - **Answer:** I didn't! A distant uncle who I had never met recently passed away and left me an inheritance. If not for that, I'd have been saving up for years to buy something that nice!
- **Question:** I'm glad to hear the car was not this "gift" in Mr. Cortez' card. Would you mind telling me what that was?
 - **Answer:** Oh, is that what this is about? Chocolate chip cookies! His wife made them for me, but I shared them around the office. Everyone agreed that they were amazing. Is there a problem here?

Dialogue Tree 2

- **Question:** You purchased this car around the time that Cortez Concrete was awarded the most recent contract, is that correct?
 - **Answer:** Let's see...I bought the car around the middle of May, and the contract was awarded on May 12, so I suppose you're correct.
- **Question:** It seems a bit expensive to have been bought on a Captain's salary. Can you explain that?
 - **Answer:** Of course! A distant uncle who I had never met recently passed away and left me some money. I could never have bought it otherwise!
- **Question:** If not the car, could you please explain the "gift" referred to in this card from Mr. Cortez?
 - **Answer:** Oh dear! That does look bad, doesn't it? He was talking about some cookies his wife baked for me. They were delicious! I shared them with everyone in the office. Is that a problem?

Dialogue Tree 3

- **Question:** You got this car just about the same time that the Cortez contract went through. Doesn't that strike you as suspicious?
 - **Answer:** What are you suggesting? I awarded the contract on May 12, and I bought the car not long after that - around the middle of the month.

- **Question:** Let me lay this out for you. There's no way you should have been able to afford that car. What's your explanation?
 - **Answer:** Hey! A distant uncle passed away and left me some inheritance money. How dare you slander his name by suggesting otherwise!
- **Question:** Really? So what was this "gift" Cortez mentioned in his little thank-you note?
 - **Answer:** Those were cookies made by Mr. Cortez's wife, thank you very much. They were delicious. Are you done suggesting outlandish things, or do you still have a problem?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Theory 3: Contracting officer has manipulated the bidding process for years, ensuring that contracts go to favored vendors

- I have a few questions about the bidding process you employ, Captain Park.

Dialogue Tree 1

- **Question:** Captain, would you mind talking me through your standard procedure for awarding a contract?
 - **Answer:** Not at all! I always follow procedures: post for a reasonable length of time, get a big enough bid pool, review the bids, then award the contract to the lowest reasonable bidder.
- **Question:** Forgive me, Captain, but our complaint states that this bidding process wasn't followed in this case. Is that true?
 - **Answer:** Actually, yes, but I can explain the difference. You see, in this case, I awarded a sole source contract to Cortez Concrete. Standard procedures don't apply in that case.
- **Question:** I can't help but notice that the vast majority of these paving contracts go to either Cortez Concrete or Smith Sidewalks. What is the reason for that?
 - **Answer:** Well, we've had some problems with Smith Sidewalks, but they always come up with low bids. Cortez is the same - low prices. No other companies in the area seem to be competitive! Is that a problem?

Dialogue Tree 2

- **Question:** Can you explain the bidding process you use to award contracts?
 - **Answer:** I'd be happy to! We post the bid to the public for a reasonable length of time. Once we have enough bids, we review them and award the contract to the lowest reasonable bidder.
- **Question:** We have received some complaints that this standard procedure wasn't used for this contract. Can you explain?

- **Answer:** Certainly. In this case, I opted to sole source the contract to Cortez Concrete. Normal bidding procedures do not apply in the case of a sole source.
- **Question:** Why have so many of the paving contracts on this installation gone to only two companies?
 - **Answer:** They always come in with the lowest bids. We've been very pleased with the work from Cortez, but we have had a few problems with Smith Sidewalks. That isn't a problem, is it?

Dialogue Tree 3

- **Question:** All right, spill it! How are you working the system? How do you go about hand-picking your contractors?
 - **Answer:** Hey! I follow the rules! All contracts start with a solicitation for bids, which is posted for a set length of time. After we have enough bids, we review them and pick the best. Everything is legitimate!
- **Question:** You always follow the rules? Then why do I have a very compelling complaint claiming you threw that process out entirely for this contract?
 - **Answer:** Probably because I did, and was supposed to! I sole sourced the contract to Cortez Concrete. Normal bidding procedures don't apply to sole sourcing!
- **Question:** You seem to be very buddy-buddy with Mr. Cortez! Most of the paving contracts from the last few years have gone to him, or to this other guy - Smith Sidewalks. What makes those two so special?
 - **Answer:** Calm down! It's very simple - they make the lowest bids. None of the other local guys are even close, competitively speaking, and even Smith Sidewalks has some issues. Is that a problem?
- **Partner:** "Let's review the evidence and see if we can come to any new conclusions."

Conclusion

- Congratulations! You have completed the PFI Capstone Game. To proceed with the module, select the next topic from the Table of Contents.