



DEFENSE CONTRACT AUDIT AGENCY  
DEPARTMENT OF DEFENSE  
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IN REPLY REFER TO

OO 730.4.2.1

February 9, 2009  
09-OTS-004(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA  
DIRECTOR, FIELD DETACHMENT, DCAA  
HEADS OF PRINCIPAL STAFF ELEMENTS, HQ, DCAA

SUBJECT: Audit Alert - Reporting Suspected Contractor Fraud and Other Contractor Irregularities

The purpose of this memorandum is to provide a reminder about the Agency policy for reporting suspected contractor fraud and other contractor irregularities encountered during the performance of audits. Suspected contractor fraud and irregularities should be reported promptly using DCAA Form 2000, in accordance with the guidance contained in CAM 4-700, and DCAA Instruction No. 7640.16, Reporting Suspected Contractor Fraud and Other Contractor Irregularities. Effort expended to prepare the DCAA Form 2000 should be charged to the 48610 activity code.

**There is no requirement for the auditor to prove the existence of fraud or other contractor irregularities in order to submit a DCAA Form 2000.** The auditor is merely reporting the suspicion of irregularities to the appropriate investigative agencies. Management should support the timely completion of DCAA Form 2000s and ensure that auditors have the time necessary to properly refer all suspicious irregularities. Management reviews of the DCAA Form 2000s prior to formal submission should be limited to that necessary to ensure clarity. No attempt should be made to dissuade an auditor from completing and submitting a DCAA Form 2000.

Examples of contractor irregularities include labor mischarging, submitting false claims, repeated significant overbilling, falsifying labor charges, improper transfers of costs between contracts, and bribes/kick-backs. This is not an all-inclusive list - any suspected irregularity may be referred.

DCAA Instruction No. 7640.16 or DCAA Form 2000, may be accessed using the following intranet addresses, [https://infoserv.dcaaintra.mil/reflib/DDCAA/DCAAI\\_7640.16.pdf](https://infoserv.dcaaintra.mil/reflib/DDCAA/DCAAI_7640.16.pdf) and [https://infoserv.dcaaintra.mil/AP\\_AR\\_OAG/OAG/DCAAF2000.pdf](https://infoserv.dcaaintra.mil/AP_AR_OAG/OAG/DCAAF2000.pdf).

Questions on this memorandum may be directed to Jeff Miller, Justice Liaison Auditor, at (703) 767-2238 or e-mail at [jeffrey.miller@dcaa.mil](mailto:jeffrey.miller@dcaa.mil).

/s/

Karen K. Cash  
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Operations

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