



Ministry of Defence

**Fraud Defence
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[REDACTED]

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Date: 23rd October 2014

Dear [REDACTED],

Your correspondence dated 2nd October 2014 has been considered to be a request for information in accordance with the Freedom of Information Act 2000. You requested the following information:

We would like to request a copy of the Ministry of Defence's written guidelines and procedures provided to staff with regard to how they should raise concerns about bribery or other financial irregularity.

A search for the information has now been completed within the Ministry of Defence, and I can confirm that information in scope of your request is held.

I attach a copy of The MOD Policy on Fraud, Theft, Corruption, Bribery and Irregularity (2011DIN05-040).

Section 40(2) has been applied to some of the information in order to protect personal information as governed by the Data Protection Act 1998. Section 40 is an absolute exemption and there is therefore no requirement to consider the public interest in making a decision to withhold the information.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, 1st Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.gov.uk>.

I hope you find this helpful.

Yours sincerely,

Fraud Defence

DEFENCE INSTRUCTIONS AND NOTICES (Not to be communicated to anyone outside HM Service without authority)	
Title:	The MOD Policy on Fraud, Theft, Corruption, Bribery and Irregularity
Audience:	All Service and Civilian personnel
Applies:	Immediately
Expires:	When rescinded or replaced
Replaces:	2010DIN05-044
Reference:	2011DIN05-040
Released:	October 2011
Channel:	05 Management, Organisation and Business Practice
Subject:	Fraud; Corporate Governance; Management and Communication; Service Personnel; Civilian Personnel; Regularity and Propriety.
Content:	The MOD's updated policy on Fraud
Sponsor:	Defence Fraud Analysis Unit
Contact:	[REDACTED]
Keywords:	Fraud Policy, Fraud Hotline; Whistle blowing; Criminal activities; Regularity and Propriety; Theft; Corruption; Bribery
Related Info:	
Classification:	UNCLASSIFIED

1. The MOD policy on Fraud, Theft, Bribery and Corruption has been updated and is attached at Annex A. It has also been expanded to include reference to the Waste Hotline which Minister (DEST) directed should be set up.
2. The procedure for reporting suspicions and instances of fraud, theft, bribery, corruption and other irregularity is set out in Annex B, which also covers the procedure for reporting concerns about possible waste.

Ministry of Defence Policy

Fraud, Theft, Bribery, Corruption, Irregularity and Waste

Fraud

Introduction

1. Fraud in the Ministry of Defence is unacceptable. While most MOD personnel would not consider committing fraud there is, unfortunately, a small minority, both Service and civilian, who do so. People who abuse the system are not only defrauding taxpayers but also our Service personnel on the front line.

2. The Ministry of Defence has a zero tolerance approach to fraud. The Department expects all staff to act in accordance with the Civil Service Code or the appropriate Values and Standards of the Single Services and to protect the public resources for which they are responsible. MOD will fully investigate all reported suspicions and apply appropriate sanctions through administrative, disciplinary or criminal procedures. The Department has a one-stop-shop for reporting and recording suspicions and incidents, where reports are treated in strict confidence and all whistle blowers are fully protected.

3. This policy applies to all MOD personnel, Service and civilian, staff employed by contractors at our premises and other contractors with whom we do business. You should read it in conjunction with:

- The MOD Fraud and Waste Response Procedure;
- The Civil Service Code;
- The Naval Service Core Values;
- The Values and Standards of the British Army;
- The Royal Air Force Ethos, Core Values and Standards;
- Single Service Standing Orders covering fraud and related issues.

4. In this document the term 'fraud' is used generically and includes fraud, theft, bribery, corruption and irregularity.

Principles

5. MOD is committed to preventing fraud from occurring and to developing an anti-fraud culture. To achieve this, MOD will:

- Develop and maintain effective controls to prevent, deter and detect fraud;

- Ensure that if fraud occurs a vigorous and prompt investigation takes place;
- Impose appropriate sanctions through administrative, disciplinary and legal action in all cases where justified;
- Undertake recovery action as appropriate;
- Review systems and procedures to prevent similar frauds;
- Investigate whether there has been a failure in supervision and, where appropriate, take administrative or disciplinary action where supervisory failures occur; and
- Report, and record outcomes of, all discovered cases of fraud.

Ownership

6. As Accounting Officer, the Permanent Secretary is responsible for ensuring that the Department has an effective counter fraud policy in place. Director General Finance is the Senior Responsible Owner of this policy.

Responsibilities

7. All staff have a role to play in creating an anti-fraud culture which underpins all the work undertaken to counter fraud.

Management (including process and policy owners)

8. Work to counter fraud is a core management responsibility. Management at all levels, both Service and civilian, are responsible for:

- Identifying the risks to which their systems and procedures are exposed;
- Developing and maintaining effective controls to prevent, deter and detect fraud;
- Ensuring that controls are complied with; and
- Dealing with all fraud perpetrated by their staff in accordance with both the Departmental zero tolerance policy and the Service and civilian personnel policies in a consistent manner, regardless of rank or grade.

Staff

9. All members of staff, Service and civilian, are responsible for:

- Acting with propriety in the use of official resources and in the handling and use of funds whether they are involved with cash or payment systems, receipts or dealing with contractors or suppliers;
- Reporting details immediately to their Line Management, Chain of Command or the Defence Irregularity Reporting Cell (DIR Cell) if they suspect that a fraud has been committed or see any suspicious acts or events; and

- Assisting in the investigation of any suspected fraud.

Waste of MOD Resources

10. The extravagant or needless use of MOD resources through inefficiency, or for any other reason, diverts resources and is totally unacceptable. The Department is committed to reducing waste so that every pound allocated to the defence budget is fully utilised for defence purposes. Minister (DEST) has taken a personal interest in this issue and directed that a waste hotline to report concerns is established. All reported concerns will be investigated and addressed. The results and lessons learned from good practice will be recorded and disseminated to avoid the repetition of actions and practices that are wasteful.

Fraud and Waste Response Plan

Fraud

11. MOD has established arrangements via the Hotline at the DIR Cell for staff to report any concerns that they may have without fear of prejudice or harassment.

- The DIR Cell will log all incidents in the Fraud Database, which contains details of allegations, investigations and outcomes.
- The DIR Cell will allocate every allegation of fraud for investigation by appointed members of staff which could be: Line Managers or Chain of Command, the Defence Fraud Analysis Unit, the Service Police Authorities or the Ministry of Defence Police.
- Following completion of investigations, the Department will impose appropriate sanctions, through administrative, disciplinary and legal action, against all individuals, both Service and civilian, found to be committing fraud.
- Recovery of misappropriated funds is a priority for MOD so that fraudsters are fully aware that they have nothing to gain from their actions. This redress may entail recovery from salary, directly from individuals, through civil procedures or through the criminal courts.

Waste of MOD Resources

12. It is important that the Department is alerted to concerns regarding possible waste and given an opportunity to make improvements. Individuals may raise their concerns via the Hotline at the DIR Cell without fear of prejudice or harassment.

- The DIR Cell will log all concerns on the Waste Database and refer them to the TLB or Trading Fund Waste Focal Point for investigation and action.
- The Waste Focal Point will advise the DIR Cell of the results of the investigation and any follow-up action.
- The DIR Cell will record the outcomes on the database.

Ministry Of Defence

Fraud and Waste Response Procedure

Introduction

1. This procedure applies to all MOD personnel, Service and civilian, staff employed by contractors at our premises and other contractors with whom we do business. You should read it in conjunction with:

- The MOD Policy on Fraud, Theft, Bribery, Corruption, Irregularity and Waste;
- The Civil Service Code;
- The Naval Service Core Values;
- The Values and Standards of the British Army;
- The Royal Air Force Ethos, Core Values and Standards.
- Single Service Standing Orders covering fraud and related issues

The Defence Irregularity Reporting Cell

2. The Defence Irregularity Reporting Cell (DIR Cell) is the Department's one-stop-shop for reporting suspicions of fraud, theft, bribery, corruption, other irregularity and waste. The DIR Cell records, and monitors the outcome of, all allegations so that we can provide information to senior management and address areas of concern across the Department.

Fraud

3. If you suspect, or are aware of an instance of fraud, theft, bribery, corruption or irregularity you must report it as follows:

- You should normally report suspicions involving Service or civilian personnel, contractors or other external bodies without delay to the Chain of Command or Line Management. Where the Chain of Command has reported suspicions directly to the appropriate Service Police Authority, the Service Police Authorities will inform the DIR Cell of all reported suspicions on the Service side in order that one full Departmental record is kept.
- The Chain of Command and Line Managers must report all suspicions about which they have been informed, irrespective of whether they have dealt with the issue, to the DIR Cell immediately. In this way the Department will be able to build a comprehensive picture of fraud and so target resources where they are most needed to combat it.

- However, if you as an individual, whether Service or civilian, feel unable to inform the Chain of Command or Line Management, or prefer to speak to an independent body, for whatever reason, you may contact the DIR Cell directly by phone, fax, e mail or letter. The DIR Cell staff will treat all calls and correspondence in strict confidence. You do not have to provide your contact details, but these can be helpful if further clarification is required. Where the case is allocated to an independent authority for investigation - ie the Defence Fraud Analysis Unit, the Service Police Authorities, or the MOD Police - your contact details (where provided) will be passed to them and these authorities will also treat your details in confidence. Your details will not be disclosed to anyone other than the independent authorities above.

4. On receipt of a reported suspicion, DIR Cell staff will carry out some initial research. If further action is required the DIR Cell will allocate the case to one of a number of agencies for investigation: Line Management or Chain of Command, the Defence Fraud Analysis Unit, the Service Police or the Ministry of Defence Police. Some cases may require the involvement of more than one agency.

Waste of MOD Resources

5. If you are part of the defence community - Service and civilian staff and their families or contractors - we encourage you to raise concerns where you see waste of resources or room for improvement within MOD as follows:

- Service and civilian personnel should normally raise concerns to their Chain of Command or Line Management who should report them to the DIR Cell if they:
 - are unable to resolve the issue locally; or
 - have resolved the issue and identified significant savings or improvements so that the DIR Cell will be able to record and share lessons learned.
- However, if you as an individual, whether Service or civilian, feel unable to inform the Chain of Command or Line Management, or prefer to speak to an independent body, for whatever reason, you may contact the DIR Cell directly by phone, fax, e mail or letter. The DIR Cell staff will treat all calls and correspondence in strict confidence.
- Families of MOD personnel and contractors should raise their concerns directly with the DIR Cell by phone, fax, e mail or letter. The DIR Cell staff will treat all calls and correspondence in strict confidence.

6. On receipt of a report of waste the DIR Cell will log the call and refer the case to the Waste Focal Point within the relevant TLB or Trading Fund. The Focal Point will raise the matter locally, take forward any necessary action and inform the DIR Cell of the outcome. All calls and correspondence with the DIR Cell will be treated in strict confidence, so it would be helpful if you could indicate whether you are content for your details to be passed to the relevant Waste Focal Point.

Reporting Suspicions and Concerns

7. You can report suspicions and concerns to the DIR Cell by phone, fax, e mail or letter as follows:

DIR Cell Free Hotline

0800 161 3665 (UK)

+44 1371 854881 (Overseas)

DIR Cell Fax

94667 4438 (military line)

01371 854438 (civilian line)

+44 1371 854438 (Overseas)

DIR Cell e mail address

dircellmailbox@mdpga.mod.uk

DIR Cell Address

Defence Irregularity Reporting Cell
Room 209, Building 1071
MDPGA HQ
Wethersfield
Braintree
Essex CM7 4AZ

DIR Cell Advice and Queries

94667 extension 4223 or 4740 or 4806
or 4479 (Military line)

01371 85 extension 4223 or 4740 or
4806 or 4479 (civilian line)

+44 1371 85 extension 4223 or 4740 or
4806 or 4479 (Overseas)

Remember: All calls to, and correspondence with, the DIR Cell are confidential and the identity of the whistle blower will be protected.