



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND  
WASHINGTON, DC 20362-5101

IN REPLY REFER TO

NAVSEAINST 5041.1

OPR 00N3

24 March 1988

NAVSEA INSTRUCTION 5041.1

From: Commander, Naval Sea Systems Command

Subj: HOTLINE POLICY AND PROCEDURES FOR NAVSEA SHORE ACTIVITIES

Ref: (a) SECNAVINST 5370.5A  
(b) SECNAVINST 5430.92A  
(c) NAVSEA ltr OPR 00N3 ser 00N/1001 of 10 Jul 87

Encl: (1) Text of Hotline Case Files Entry Appearing in the  
Federal Register (Vol. 51 No. 165 of Tuesday,  
26 August 1986, pages 30393 and 30394)  
(2) NAVSEA/Local Hotline Completion Report

1. Purpose. To establish Naval Sea Systems Command (NAVSEA) policy and procedures for NAVSEA shore activity Hotline programs, to provide guidance for timely processing and documenting of Hotline complaints, and to supplement the guidance contained in references (a) and (b).

2. Scope. This instruction applies to all NAVSEA shore activities and detachments.

3. Background. Reference (a) establishes policies and procedures for the management, coordination, and operation of Hotlines administered by the Inspector General, Department of Defense (DOD Hotlines) and by the Naval Inspector General (Navy Hotlines). Reference (b) affirms Department of the Navy (DON) policy to eliminate fraud, waste, and related improprieties from DON and, in implementation of this policy, sets forth responsibilities of naval officials and personnel, including management and coordination responsibilities and procedures involving principal audit, inspection, and investigative components of the DON. Reference (c) forwarded information on the operation of the toll-free NAVSEA Hotline to NAVSEA shore activities and detachments. These three references provide procedures for the operation and administration of the DOD, Navy, and NAVSEA Hotlines, including reporting requirements and priorities, and place emphasis on timeliness and use of the chain of command.

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#### 4. Policy

a. Shore activities shall encourage their employees to use the chain of command in reporting suspected incidents of fraud, waste, or related improprieties. Employees should be encouraged to use the local Hotline (if one is available), then the NAVSEA, Navy, or DOD Hotlines, in that order, if the issue is not resolved to the employee's satisfaction.

b. Local Hotlines may be established at the discretion of the shore activity's commanding officer. Local Hotlines, when established, do not need to be telephone operations. Shore activities and detachments may use appropriately placed and secured "suggestion-type" boxes (or U.S. Post Office boxes) as their Hotlines to receive reports of fraud, waste, and abuse identified by employees. Such an operation must comply with references (a) and (b), as well as be given the same Hotline program publicity, user confidentiality, and command responsiveness as telephone-operated Hotlines.

#### 5. Action for NAVSEA Shore Activities and Detachments

a. Ensure that responses to DOD, Navy and NAVSEA Hotline referrals are forwarded to reach NAVSEA by the NAVSEA-assigned due date. One extension may be granted by telephone; however, information must be provided to show cause as to why the original suspense date cannot be met. All future extension requests must be addressed in writing in progress report format as outlined in enclosure (3) of reference (a) and be submitted to NAVSEA in sufficient time to reach the tasking agency on or before their assigned suspense date. Such progress reports shall provide current status of the investigation, intended course of action or inquiry, and a reasonable date of completion. For criminal cases open 6 months or more, progress reports will be prepared as significant information is developed and at least semiannually on 15 March and 15 September.

b. Ensure that complete records and controls are established and maintained locally, containing, in addition to all of the information requested by references (a) and (b), working papers and any additional information which the cognizant investigator feels would be helpful in establishing audit trails of the shore activity's inquiries. This requirement applies to local Hotline programs as well as to DOD, Navy, and NAVSEA referrals. The records shall be kept for a minimum of 2 years from the originator's closing date for the case. Enclosure (1) provides information and guidance on the right of

shore activities to maintain Hotline program case files under the Privacy Act of 1974. Safeguards for classified Hotline data shall be in compliance with OPNAVINST 5510.1G.

c. Establish and maintain a system to track all Hotline cases stemming from fraud, waste, and related impropriety complaints, regardless of their origin (DOD, Navy, NAVSEA, or local Hotlines). The Hotline case tracking system shall ensure that case logs provide a Hotline control number, date of complaint, name of local examining official, brief description of the complaint, current status, date closed, whether or not allegations were substantiated, and disposition of the case. Enclosure (2) is the format for NAVSEA/Local Hotline Completion Reports currently in use at the NAVSEA Inspector General (NAVSEAINSGEN) Office, and it is recommended for shore activity use. It brings together in one place and in one logical sequence all necessary Hotline case information and allows for simplified file maintenance, data searches, and report construction.

d. Publicize information about the DOD, Navy, and NAVSEA Hotline programs on official bulletin boards and periodically in activity newsletters or Plans of the Day. Employee awareness of the DOD, Navy, and NAVSEA Hotline programs, as well as compliance with this instruction, shall be reviewed during NAVSEA Command Inspections.

e. Notify the NAVSEA Inspector General in writing of any investigation which the Naval Investigative Service (NIS) (or any other agency having investigative jurisdiction) has been requested to conduct, involving:

(1) Military personnel at or above the rank of 0-5, or civilian personnel at or above the level of GS/GM-13.

(2) Suspected losses of \$20,000 or more.

(3) Suspected contract fraud or collusion between government employees and contractors.

(4) Potential media interest, either local or national.

f. Provide for the confidentiality of Hotline users.

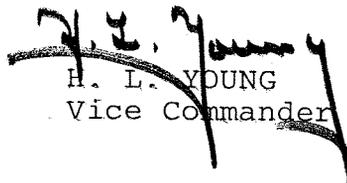
g. Ensure that Hotline complaint examiners are independent, impartial, and free of actual or perceived influence from any parties related to the investigation.

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h. Continue to track those cases which have been referred to NIS in accordance with reference (b) so that the shore activity will always be in a position to assume a case that NIS initially refuses or later drops.

i. Request guidance or assistance from the NAVSEA Inspector General, as appropriate.

6. Reports. The reporting requirements contained herein are exempt from reports control by OPNAVINST 5214.7.

  
H. L. YOUNG  
Vice Commander

Distribution:

SNDL C84 COMNAVSEASYSKOM Shore Based Detachments  
FKP COMNAVSEASYSKOM Shore Activities (Less FKP6B)

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Text of HOTLINE CASE FILES Entry  
Appearing in the Federal Register  
Vol. 51 No. 165 of Tuesday, 26 August 1986  
(Pages 30393 and 30394)

Department of the Navy

Privacy Act of 1974; New Record System

Agency: Department of the Navy, DOD.

Action: Notice of a new record system subject to the Privacy Act.

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**SUMMARY:** The Department of the Navy is adding a new record system to its existing inventory of record systems subject to the Privacy Act of 1974, as amended (5 U.S.C. 552a).

**DATE:** This proposed action will be effective without further notice on or before September 25, 1986, unless comments are received which would result in a contrary determination.

**ADDRESS:** Send any comments to Mrs. Gwen Aitken, Privacy Act Coordinator, Office of the Chief of Naval Operations (OP-09B30), Department of the Navy, The Pentagon, Washington, DC 20350-2000, telephone: 202-697-1459, autovon: 227-1459.

**SUPPLEMENTARY INFORMATION:** The Department of the Navy systems of records notices subject to the Privacy Act of 1974 have been published in the Federal Register as follows:

FR Doc 86-8485 (51 FR 12908) April 16, 1986  
FR Doc 86-10763 (51 FR 18088) May 16, 1986 (Compilation)  
FR Doc 86-12448 (51 FR 19884) June 3, 1986

A new system report, as required by 5 U.S.C. 552a(o) of the Privacy Act was submitted on July 29, 1986, pursuant to paragraph 4b of Appendix I to OMB Circular No. A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," dated December 12, 1985.

Linda M. Lawson,  
Alternate, OSD Federal Register Liaison Officer, Department of  
Defense.  
August 20, 1986

NO4385-2

Enclosure (1)

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SYSTEM NAME: Hotline Program Case Files

SYSTEM LOCATION: Department of the Navy shore activities. The official mailing addresses are in the Navy's Address Directory in the Appendix to the Navy Department's systems notices appearing in the Federal Register.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals filing hotline complaints. Also individuals alleged or suspected of administrative misconduct, including, but not limited to, fraud, waste, or inefficiency.

CATEGORIES OF RECORDS IN THE SYSTEM: All records resulting from an inquiry into a hotline complaint such as the name of the examining officials assigned to the case, the hotline control number, date of complaint, date investigation completed, the allegations, whether or not the case was referred to Naval Security and Investigative Command, the investigators' findings, disposition of the case, and background information regarding the investigation itself such as the scope of the investigation, relevant facts discovered, information obtained from witnesses, and specific source documents reviewed.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: 10 U.S.C. 6011, 10 U.S.C. 987, and implementing instructions.

PURPOSE(S): For the Commanding Officer and/or his designated auditors, inspectors, or investigators to conduct and coordinate official hotline investigations. To compile statistical information to disseminate to other components within the Department of Defense engaged in the Hotline Program. To provide prompt, responsive and impartial actions and improve efficiency in investigating hotline complaints. To provide management with a source to identify potential problems and weaknesses. To provide a record of complaint disposition. Hotline complaints appearing to involve major criminal wrongdoing will be referred immediately to the Naval Security and Investigative Command.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES: The Blanket Routine Uses that appear at the beginning of the Department of the Navy's compilation apply to this system.

POLICIES AND PRACTICE FOR STORING, RETRIEVING/ACCESSING,  
RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE: File folders, log books, magnetic tapes/disks.

RETRIEVABILITY: By hotline case number, complainant,  
subject of the complaint and individual accused.

SAFEGUARDS: Access is limited to local hotline staff, and, as delegated by the Commanding Officer or Officer-in-Charge, and the Executive Officer, on a need-to-know basis. Paper records are stored in locked cabinets. Automated records may be controlled by limiting physical access to CRT data entry terminals or use of passwords. Access to central computer mainframe, other peripheral equipment and tape and disk storage is strictly controlled. Work areas are sight-controlled during normal working hours. Building access is controlled and doors are locked during non-duty hours.

RETENTION AND DISPOSAL: Files are maintained at the local command for a minimum of two years after final action is taken. Thereafter, files are stored with the nearest Federal Records Center. Electronic data are erased, over-printed or destroyed, as appropriate.

SYSTEM MANAGER(S) AND ADDRESS: Commander, Naval Sea Systems Command, Washington, DC 20362-5101.

NOTIFICATION PROCEDURE: Written requests may be addressed to the appropriate Naval activity concerned (official mailing addresses are listed in the Navy's Address Directory in the appendix to the Navy Department's systems notices).

RECORD ACCESS PROCEDURES: The agency's rules for access to records may be obtained from the system manager.

CONTESTING RECORD PROCEDURES: The agency's rules for contesting contents and appealing initial determinations by the individual concerned may be obtained from the system manager.

RECORD SOURCE CATEGORIES: Individuals, investigations, judicial and administrative reports, and complainants.

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SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT: Portions of this system may be exempt under 5 U.S.C. 552a(k)(1), (2), (5), (6), and (7), as applicable. For additional information, contact the system manager. An exemption rule for this system has been promulgated in accordance with the requirements of 5 U.S.C. 553 and has been published in SECNAV INSTRUCTION 5211.5 and the Code of Federal Regulations at 32 CFR Part 701.

[FR Doc. 86-19208 Filed 8-25-86; 8:45 am]

Billing Code 3810-01-M

NAVSEA/LOCAL HOTLINE COMPLETION REPORT

Case Number: 87-XX [Suggest shore activities use a numbering system which incorporates the year.]

Date of Complaint:

Allegation(s): [Identify the source of the complaint, such as "phone call" or "letter." Note whether the source is open or confidential. Include all pertinent details for each allegation, such as "who," "what," "when," "where," "why," and "how."]

- a. \_\_\_\_\_
- b. \_\_\_\_\_

Issues: [Ensure that every reasonable issue raised by the allegation(s) is identified and addressed. For example, the allegation may be as simple as "John Doe did not return from TDY on the scheduled date." The issues reasonably raised include: (1) reason for failure to return on scheduled date; (2) if failure was for personal reasons, did he claim per diem for the extra days, was leave taken, did he notify his supervisor, and so forth; (3) if he voluntarily vacated his seat on an overbooked airline flight, did the delay to a later flight materially interfere with the discharge of his duties; (4) if he was involuntarily removed from his seat on an overbooked airline flight, was remuneration received from that airline?]

List of Interviewees: [Name, position title, and code. If an individual named in the complaint is not interviewed, state the reason, such as "retired." Retain interview notes in the case file.]

- a. \_\_\_\_\_
- b. \_\_\_\_\_

List of Records, Regulations, and Instructions Reviewed:  
[Retain notes from these reviews in the case file.]

- a. \_\_\_\_\_
- b. \_\_\_\_\_

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Findings: [Note results of any labor checks, surveillances, timecard reviews, travel claim checks, inventories, and so forth. Keep working papers in the case file. Cite any regulatory, administrative, or criminal violations found.]

- a. \_\_\_\_\_
- b. \_\_\_\_\_

Recommendations: [Include referrals to codes for action, as well as referrals to other agencies, such as NIS. Keep copies of any referral letters in the case file.]

- a. \_\_\_\_\_
- b. \_\_\_\_\_

Disposition: [Note nature of any actions taken as a result of the recommendations, and date of action. If none taken, so state. If NIS takes the case, provide the NIS case control number. Keep copies of any responses to recommendations in the case file. Note date that the case closed.]

- a. \_\_\_\_\_
- b. \_\_\_\_\_

Investigator(s) name:

NOTE: ALL WORKING PAPERS AND NOTES SHOULD BE SIGNED, DATED, AND FILED IN CHRONOLOGICAL ORDER IN THE CASE FILE.



DEPARTMENT OF THE NAVY  
NAVAL SEA SYSTEMS COMMAND  
WASHINGTON, DC 20362-5101

IN REPLY REFER TO

NAVSEAINST 5041.1 CH-1  
OPR 00N3  
23 OCT 89

NAVSEA INSTRUCTION 5041.1 CHANGE TRANSMITTAL 1

From: Commander, Naval Sea Systems Command

Subj: HOTLINE POLICY AND PROCEDURES FOR NAVSEA SHORE ACTIVITIES

Encl: (2) Hotline Completion Report

1. Action. Modify the basic instruction as follows:

a. On page 1, enclosure (2) line, delete the words "NAVSEA/Local".

b. On page 3, line 3 change "OPNAVINST 5510.1G" to "OPNAVINST 5510.1H".

c. Page 3, paragraph 5c, line 9, delete the words "NAVSEA/Local".

d. Page 3, cross out the information in paragraph 5e (information is now incorporated in NAVSEAINST 5041.2) and replace with "Ensure that all employees are aware that they have an obligation to cooperate with all official inquiries and investigations".

e. Remove current enclosure (2) and insert enclosure (2) to this change transmittal.

  
M. MACKINNON III  
Vice Commander

Distribution:

SNDL C84 COMNAVSEASYSKOM Shore Based Detachments  
FKP COMNAVSEASYSKOM Shore Activities

NAVSEA Special List Y1

Copy to:

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FL1 COMNAVDAC (Code 82)  
FT88 EDOSCOL

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HOTLINE COMPLETION REPORT  
AS OF (APPLICABLE DATE)

1. Name of Official Conducting the Audit, Inspection, or Investigation:
2. Rank and/or Grade of Official(s):
3. Duty Position and Contact Telephone Number of Official(s):
4. Organization of Official(s):
5. Hotline Control Number:
6. Scope of Examination, Conclusions, and Recommendations:
  - a. Identify the allegations, applicable organization and location, person or persons against whom the allegation was made, dollar significance of actual or estimated loss or waste of resources.
  - b. Indicate the scope, nature, and manner of the investigation (documents reviewed, witnesses interviewed, evidence collected, and persons interrogated). The report shall reflect whether inquiries or interviews were conducted by telephone or in person. The identity of the interviewee need not be reflected in the report; however, this information shall be documented in the official field file of the examining agency. If individuals cited in the specific identity and location of pertinent documents reviewed during the course of the investigation shall be recorded and reflected in the report. Procurement history data shall be reflected in those complaints of spare parts excessive price increases.
  - c. Report findings and conclusions of the investigating official: This paragraph may include program reviews made, comments as to the adequacy of existing policy or regulation, system weaknesses noted, and similar comments.
7. Cite Criminal or Regulatory Violation of Violations Substantiated:
8. Disposition: For investigations involving economies and efficiencies, report management actions taken in the final report. For investigations involving criminal or other unlawful acts, include the results of criminal prosecutions, providing details of all charges and sentences imposed. Include the results of administrative sanctions, reprimands, value of property or money recovered, or other such actions taken to preclude recurrence.

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9. Specify Security Classification of Information: Each investigating organization must determine and state, when applicable, the security classification of information included in the report that might jeopardize national defense or otherwise compromise security if the contents were disclosed to unauthorized sources.

10. Indicate the location of Field Working Papers and Files: