

Case Study: E-3 Wedding Fraud Scam

Description:	An active duty Navy E-3 stationed aboard CVN defrauds the U.S. Government by participating in a fraudulent wedding scam to receive married BAQ. E-3 awarded NJP vice courts martial due to first offense. Fined, reduced in rank to E-1 and dishonorably discharged.
Background:	An informal investigation was convened to explore the case and to determine what decisions, events and circumstances contributed to the E-3 behavioral failing. The investigation was initiated following the results of the UCMJ but completely separate from UCMJ.

Findings:

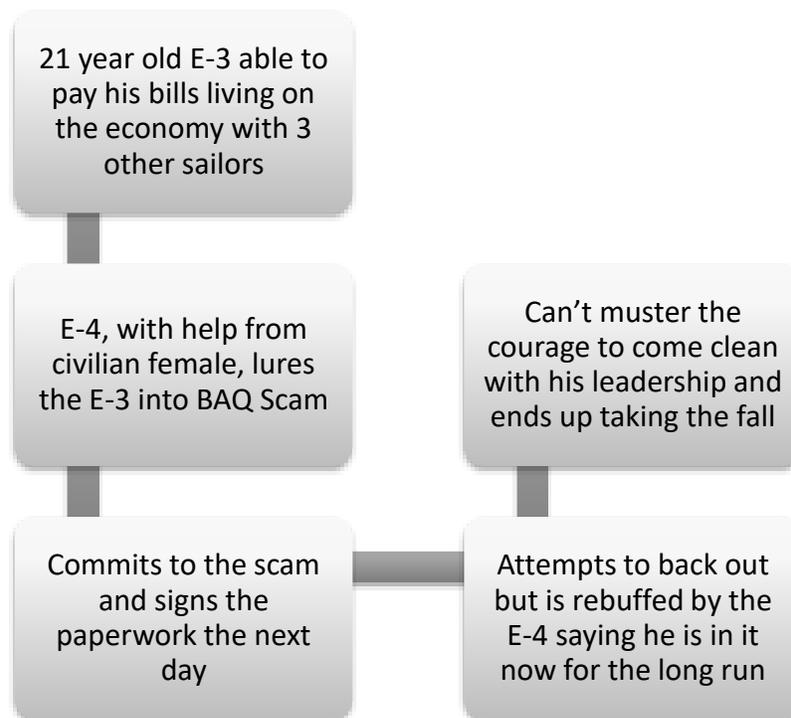
1. E-3 was unmarried and shared an apartment with three roommates from his ship.
2. E-3 was having lunch on base when he was approached by an E-4 who worked at the naval base Personnel Support Detachment (PSD).
3. E-3 said that the E-4 was very friendly and that he was impressed with his new car. He said they chatted a while about where they worked and what they did and then the E-4 asked if he had time to take a little spin in the car with him, which they did.
4. While on the ride, the E-4 asked the E-3 his marital status and when learning he was single asked if he wanted a bigger paycheck. The E-3 said he was interested but would have to learn more about it and he had to get back to the ship soon.
5. The E-4 took him back to the base and suggested they meet at a local Gentlemen's Club after work to discuss the opportunity further.
6. E-3 accompanied E-4 to the club and he was impressed by how the bartender and hostesses treated the E-4. While drinking a beer, the E-4 explained that as a PSD clerk he could adjust the E-3's record to indicate he was married and qualified for married BAQ. The E-4 then pointed to the young waitresses and told the E-3 he could help one of

them make a better life for herself by giving her an identification card and commissary privileges.

7. The E-4 said that nothing would have to change for the E-3 except he would be getting more money every month and not lose his BAQ when the ship deployed.
 8. One of the ladies stepped up and asked if they needed another beer and chatted with the E-4. The E-4 introduced Monique to the E-3.
 9. When Monique returned with their beer, she sat next to the E-3 and talked about how hard it was for a single parent to provide for a baby.
 10. E-4 explained that the cost was only 10% of the increase the E-3 would be getting in BAQ. The E-4 said that he had many clients in the Navy who were participating in his program.
 11. The E-4 left the table and the E-3 and Monique talked for some time. The E-3 said he was quite taken with her story and when the E-4 returned, he agreed to participate.
 12. The E-3 went on a date with Monique the next Saturday and thoroughly enjoyed her company.
 13. The next weekend the E-3 drops by Monique's apartment to surprise her and finds she has a boyfriend who appears to be a drug dealer. E-3 meets with the E-4 and tries to back out of the deal. At this point, he has not received any married BAQ.
 14. The E-4 explains it is too late to back out and that by signing the BAQ paperwork the E-3 was "in as deep as he was."
 15. This frightens the E-3 so he remains quiet and begins to draw the BAQ.
 16. The fraud conspiracy grows and inconsistencies trigger an audit inside the PSD. NCIS begins an investigation and "the program" is uncovered.
 17. Monique is interviewed and she cooperates with the NCIS investigators.
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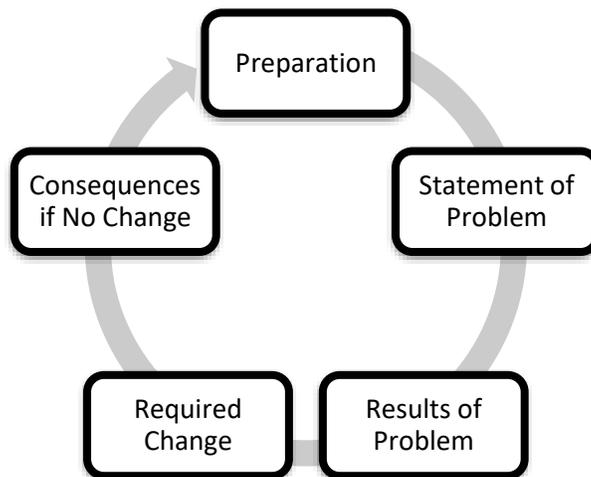
Facilitation Questions:

1. Diagram the thought-to-action chain for the E-3.
 - a. 21 year old E-3 living with 3 other roommates on the economy, An E-4 with help from a female lures the E-3 into a BAH Scam, goes through with the scam and signs the paperwork the next day, attempts to back out but is rebuffed by the E-4 saying he is in it for the long run now, cannot seem to muster the courage to come clean with his leadership and takes the fall.
2. At what point in the chain does he go wrong?
3. What could he have done?
4. Do you think this case is unusual?
5. Do you think he could have observed the actions of others (while a junior officer, etc.) that might have supported some of his actions?



Social Constructive Confrontation Discussion:

1. The first opportunity for constructive confrontation is internal. In this case, the E-3 would benefit from a constructive confrontation with himself. He is having financial issues and would like to make more money. He needs to take a moment and talk to himself about what he is doing. The Yeoman and instigator should also take an internal look and ask himself how many others he is dragging down with him..
2. A next opportunity for confrontation might come from a friend or colleague. These “on-lookers” often know about or strongly suspect instances of misbehavior. Have you ever been in such a situation? Approaching a friend or co-worker would be very difficult and you would have to be sure that real, negative consequences were likely. Approaching a senior would be even harder. Using the case study, your own observations, or a hypothetical example, how would you realistically handle such a confrontation? Look at the wheel below for a template.



Preparation:

1. You are a supervisor to this young Sailor and you know about the situation. What does this step mean to you? How would you prepare? In what setting would this type of confrontation best take place?

Statement of Problem:

1. What is the problem (or likely result) of the misbehavior? What problem is it for you? What problem is it for the unit, etc.?
2. How would you state this to your colleague/friend?
3. Listen.

Results of Problem:

1. Using the example, what are the likely results or negative outcomes from the problem and how would you state that to the friend?
2. Listen.

Required Change:

1. What change in behavior do you want to see?
2. Listen.

Consequences If No Change:

1. Hopefully, by this point in the confrontation you are having a discussion and not a shouting match. The understanding of consequences would be something that both of you agree to vice you listing them

Case Conclusions:

1. What main points did you take from this case study?
2. What are your concerns as a facilitator with this case study?