DEPARTMENT OF THE AIR FORCE
HEADQUARTERS ELECTRONIC SYSTEMS CENTER (AFMC)
HANSCOM AIR FORCE BASE MASSACHUSETTS

JUN 11 2001

MEMORANDUM FOR DISTRIBUTION C

FROM: ESC/CD

SUBJECT: Billing Policy Regarding ITSP and Contractor Employees

With the summer season upon us, I recognize that many ESC organizations will be planning "team-building" or social events. Without gnashing out every detail, I wanted to reiterate ESC's policy regarding the invitation of contractor employees to these events.

Government Officials are not authorized to grant "administrative leave" or expend government resources to compensate Contractor employees to attend Government-sanctioned activities such as golf tournaments, sports days, office picnics or similar recreational and social events. All who are involved in the administration and performance of our support services contracts/orders must abide by the regulatory requirements regarding such contracts. In order for manhours to be considered "expended" for billing/invoicing purposes, deliverable services must be performed against the contract/task order's Statement of Work (SOW) or Performance of Work Statement.

These requirements do not mean that support contract personnel cannot participate in organizational sponsored events along with their Government (civilian/military) counterparts; it simply means that any such time spent in any "non-contracted-support tasking" endeavors must not be billed to the contract/order. Contractor employees should be advised to comply with the directions and policies of their company management regarding use of leave and payroll. Acceptance of non-work related time as billable under the submission of a public voucher (invoice) for payment constitutes a false claim, which might lead to criminal sanctions, fines, suspension, and/or debarment. Under the provisions of the False Claims Act, 37 U.S.C. 3729, individuals and corporations can be fined from $5,000 to $10,000 for **each** false claim submitted, and be liable for **treble** the amount of any actual damages suffered by the Government. Such penalties can apply to **both** Government and Contractor employees. It is General Kenne's intention that we avoid not only the actual problems that arise from such activities, but also any appearance that we are not careful stewards of appropriated funds.

Government money can be spent for appropriate mission related off-sites, planning sessions, program management reviews, or other program related activities. However, no amount of verbal "games playing" should be used to authorize the use of government funds for sports days, winter carnivals, holiday parties, picnics, golf outings or other like functions. I encourage you to instruct your personnel regarding these issues.

JAMES A. CUNNINGHAM, SES
Executive Director