

## Case Study: E-8 defrauds the Government by receiving OAH in Japan while family returned to CONUS

**Description:** An active duty E-8 found guilty of defrauding the US Government by knowingly collecting unauthorized Overseas Housing Allowance benefits while residing in government housing in Japan. SNPO was tried, convicted, and sentenced to confinement to be served at a Federal Penitentiary.

**Background:** An informal investigation was convened to explore the case and to determine what decisions, events and circumstances contributed to the behavioral failing. The investigation was initiated following the results of the court martial but completely separate from court martial.

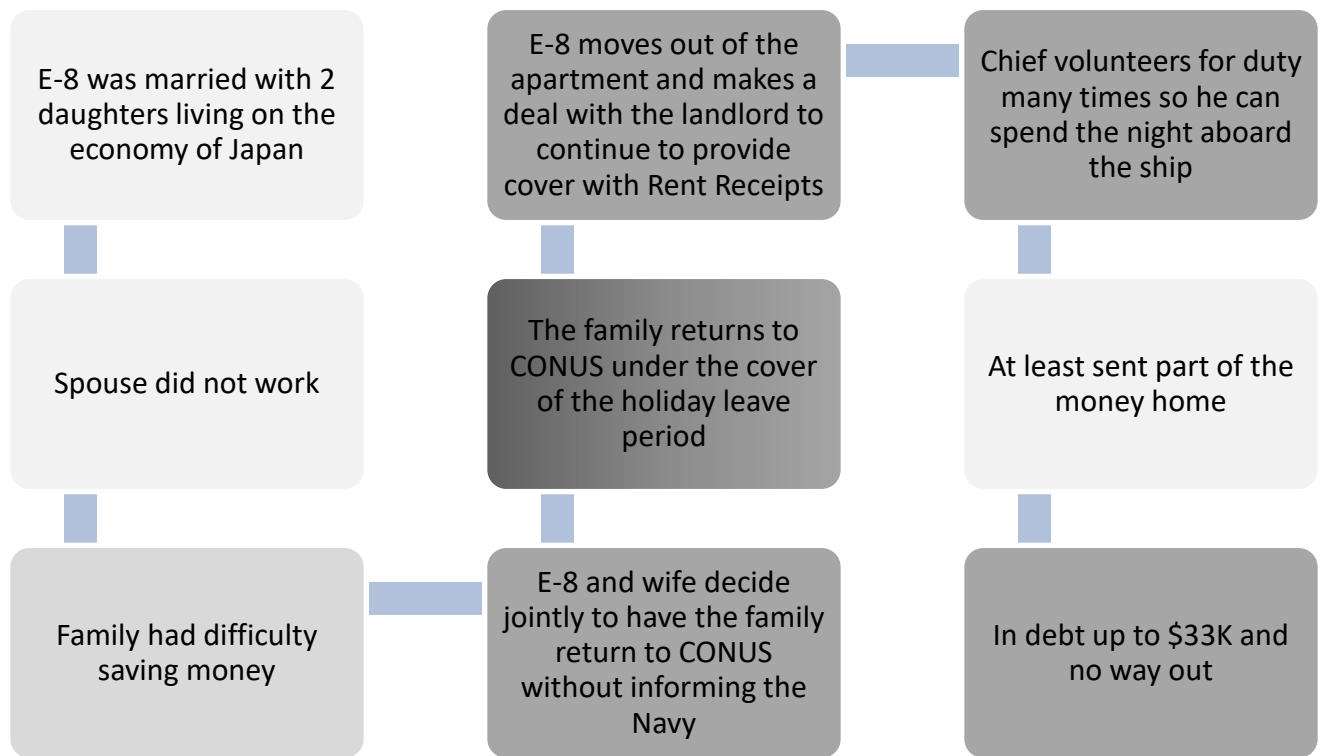
### Findings:

1. E-8 was married with two daughters living in Japan on the economy.
2. E-8 spouse did not work while in Japan.
3. E-8 and spouse had difficulty saving money even with the substantial VHA for Japan.
4. After 9 months of duty in Japan, the E-8 and wife decide that the only way they can make ends meet is to have her and the children return to CONUS and live with her parents.
5. Over the holiday leave period the entire family returned to CONUS and established residence with the wife's parents.
6. The E-8 returned from leave, cleaned the apartment, found a new renter, and worked a deal with the landlord to continue to receive receipts for rent. He would in turn pay the landlord \$100/month.
7. The E-8 spent most nights aboard the ship or in the BEQ.
8. The E-8 sent half of the OHA home to his family and kept the other half for expenses.
9. After a year and a half, a routine audit discovered discrepancies and an investigation was launched into the E-8's OHA validity.
10. The E-8 had become indebted to the US Government for \$33,000.
11. The E-8 clearly knew the rules for qualifying for OHA and violated them.
12. He enlisted the help of a foreign citizen to assist in his scheme.

13. E-8 was tried at courts martial, found guilty of fraud and sentenced to a prison term in federal penitentiary.

#### **Thought-to-Action Chain**

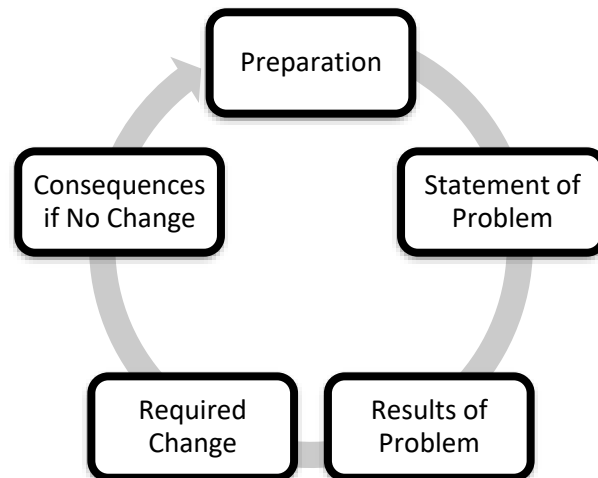
1. Diagram the thought-to-action chain for the E-8.
2. At what point in the chain do you lose a connection with him? Where does he go wrong?
3. What could he have done? What other avenues did he have to save money while keeping the family together?
4. Why do you suppose he made such a leap to violate regulations?
5. Do you think he might have had a history of “fudging” on travel and other claims for compensation?
6. Do you think he could have observed the actions of others (while a younger petty officer, etc.) that might have supported this thinking?
7. What should he have done?



### Constructive Confrontation Discussion:

1. The first opportunity for constructive confrontation is internal. In this case, the E-8 would benefit from a constructive confrontation with himself. He is having issues with his ego and his ability to support his family. There are many avenues for advice and counsel available in the Navy to help in situations like this if they are addressed early enough. Do you think maybe pride was keeping him from bringing his problem up to the chain of command? If not what was it?
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. If you are married and are volunteering for the duty every night, your peers are going to figure something is up. Have you ever been in such a situation? Approaching a friend or co-worker and

especially a senior in such a situation would be very difficult and you would have to be sure that real, negative consequences were likely. 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 fellow chief petty officer and you know what is going on. Would you approach the E-8? Would you ask him to stop the misbehavior? Would you insist that he report himself to authorities? 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/senior?
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?