



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO
OPNAVINST 5527.2A
N413P
23 June 1999

OPNAV INSTRUCTION 5527.2A

From: Chief of Naval Operations

Subj: POLICY REGARDING COMMAND ACTION IN RESPONSE TO OFFENSES
INVOLVING THE OPERATION OF THE NAVY EXCHANGE SYSTEM

Ref: (a) OPNAVINST 5527.1B
(b) Uniform Code of Military Justice
(c) SECNAVINST 5822.1A
(d) Navy Exchange Manual, Volume III, Chapter V
(e) SECNAVINST 5300.22C, Chapter V
(f) BUPERSINST 1750.10A
(g) SECNAVINST 5520.3B
(h) OPNAVINST 5450.331

1. Purpose. To set forth policy regarding command action against persons committing offenses which adversely affect the Navy Exchange System (NES) and to ensure reasonable consistency in such actions. This instruction is not intended to limit in any way the independent judgment to be exercised by Commanding Officers and others performing military justice functions in any case. This instruction has been completely revised and should be reviewed in its entirety.

2. Cancellation. OPNAVINST 5527.2.

3. Discussion. Navy Exchange Command (NEXCOM) management is responsible for providing a safe and secure workplace and protecting the assets of the NES. Reference (a) requires all information and evidence, including Hotline complaints which have an adverse impact on activities within the NES, be referred to the NEXCOM Loss Prevention (LP) Department for investigation. Recent studies regarding loss prevention indicate the need for increased command awareness, consistent and aggressive enforcement of policies and procedures, and effective follow up action in all cases to decrease inventory shrinkage and enhance the bottom line.

4. Definition. For the purpose of this instruction, "offense" means any act, conspiracy, or attempt to violate any law, rule, instruction, policy or procedures, order, or regulation involving the operation of the NES. The term includes, but is not limited to, internal theft or loss of assets, dishonored checks, forgery, fraud, and shoplifting.

5. Action. All officers and managers shall take appropriate and timely action when there is evidence of crimes against property (i.e., larceny, fraud, malfeasance, misappropriation, excessive inventory loss), or other offenses affecting the performance of the Navy Exchange (NEX). In addition to appropriate command action under the provisions of references (a) through (h), the following guidelines apply to the offenses listed:

a. Offenses by Patrons

(1) Offenders who are subject to the jurisdiction of reference (b) shall be appropriately dealt with thereunder. Administrative measures, including the temporary withholding of NEX and check cashing privileges, and civil recovery, shall also be considered.

(2) In addition to any action taken under applicable law, patrons who are not subject to reference (b), may, based on the recommendations provided by the General Manager, or NEXCOM LP Department to the jurisdictional authority, have their NEX and check privileges suspended for a minimum of 1 year.

(3) In all cases of patron theft, civil recovery options should be considered by the NES and local base commands.

(4) Local procedures shall be developed for patrons to submit written appeals to commands suspending their privileges.

b. Offenses by Employees

(1) Administrative disciplinary action under the provisions of reference (e) should proceed independently of, and in addition to, any action taken under applicable criminal law.

(2) The offenses of theft and wrongful appropriation of Government, Non-Appropriated funds or other property are of such a nature that termination of employment may be warranted.

(3) Immediate suspension from duties pending the outcome of further investigation may be appropriate when it is determined that the continued presence of an employee at the work site will be detrimental to the interests of the NES or operations of the activity. Basis for immediate suspension includes, but is not limited to, the potential for violence, vandalism, potential loss of funds or property, and general disruption to existing workforce.

(4) All cases of employee theft should be reviewed with the appropriate authorities, based on jurisdiction, for possible criminal prosecution. This may include NCIS, base Judge Advocate General Office, U.S. Attorney's Office or local city and state police and prosecutors' offices.

(5) In all cases of employee theft, theft restitution options (cash payment, offset against pay, promissory note, etc.) should be considered.

(6) Employees must be kept informed through, new employee indoctrination, supervisory channels, bulletin boards, house publications, and other means, that the Department of the Navy and NES will not tolerate offenses contrary to the effective and efficient operation of the NES by employees.


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By direction

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