



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

IN REPLY REFER TO

OPNAVINST 5527.2B

N46

12 Jan 07

OPNAV INSTRUCTION 5527.2B

From: Chief of Naval Operations

Subj: POLICY REGARDING COMMAND ACTION IN RESPONSE TO
OFFENSES INVOLVING THE OPERATION OF THE NAVY EXCHANGE
SERVICE COMMAND (NEXCOM)

Ref: (a) OPNAVINST 5527.1C
(b) Uniform Code of Military Justice
(c) SECNAVINST 5822.1B
(d) Navy Exchange Manual, Volume III, Chapter V
(e) DOD 1401.1-M, Chapter V, Personnel Policy Manual
for Non-appropriated Fund Instrumentalities, of
20 Oct 05
(f) BUPERSINST 1750.10B
(g) NEXCOM Human Resources Policy Manual
(h) OPNAVINST 5450.331
(i) NEXCOM Loss Prevention and Safety Manual
(j) 28 U.S.C. S 2680 (h)

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 5527.2A

3. Background. Navy Exchange Service Command (NEXCOM) management is responsible for providing a safe and secure working and shopping environment for customers, and to protect the assets of the NES. Reference (a) requires all information and evidence, including Alertline (Hotline) complaints, which have an adverse impact on activities within the NES, be referred to the NEXCOM Loss Prevention / Safety (LP/S) Department for investigation. Recent studies regarding loss prevention indicate the need for increased command awareness,

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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, theft or loss of services, 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, and 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 (j), 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, Youth Educational Shoplifting (Y.E.S) or adult equivalent, and civil recovery programs, 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/S 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, restitution, and Youth Education on Shoplifting (Y.E.S.) options should be considered by the Navy Exchange 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

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(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 appropriated Government, or Non-Appropriated Government funds, services, 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 administrative investigation, or pending criminal investigation/prosecution, 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, services, and general disruption to existing workforce.

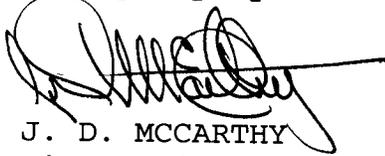
(4) Reciprocity. Administrative action taken at any Navy Exchange facility will be enforced at all other Navy Exchanges worldwide. The LP/S Program manager for the Navy Exchange System shall ensure the establishment of a central database, known as the Asset Protection Information System (APIS), to maintain records of investigations (internal/external/vendor) at all facilities under the Navy Exchange System and at the respective regional or base installations. When administrative sanction is imposed and when a person is processed through one of the administrative programs, that action shall be reported to APIS in a timely manner. Each record shall be maintained for a period of seven (7) years.

(5) 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, as appropriate.

(6) In all cases of employee theft, theft restitution options (cash payment, civil demand, offset against pay, final payroll checks, promissory note, etc.) will be considered.

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



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