

Fiscal Year 2016 Budget Estimates
Office of Inspector General (OIG)



February 2015

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**Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2016 Budget Estimates**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 01: Office of Inspector General (OIG)**

| | FY 2014 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2015 <u>Enacted</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2016 <u>Estimate</u> |
|-----|--------------------------|------------------------|--------------------------|---------------------------|------------------------|--------------------------|----------------------------|
| OIG | 311,375 | 3,602 | -3,147 | 311,830 | 3,803 | 526 | 316,159 |

* The FY 2014 Estimate column **includes** \$6,606 thousand of FY 2014 Overseas Contingency Operations (OCO) Appropriations funding (PL 113-76).

* The FY 2015 Estimate column **excludes** \$10,263 thousand of FY 2015 OCO Appropriations funding (PL 113-235).

* The FY 2016 Estimate **excludes** OCO.

I. Description of Operations Financed: The Office of Inspector General (OIG) audits, investigates, inspects, and evaluates the programs and operations of the Department of Defense (DoD) and, as a result, recommends policies and process improvements that promote economy, efficiency, and effectiveness in DoD programs and operations. The Inspector General is the only DoD official authorized to issue opinions on the financial statements of the DoD.

The Inspector General:

- 1) is the principal adviser to the Secretary of Defense (SecDef) for matters relating to the prevention and detection of fraud, waste, and abuse in the DoD programs and operations
- 2) provides policy direction for audits and investigations relating to fraud, waste, and abuse and program effectiveness
- 3) investigates fraud, waste, and abuse uncovered as a result of other contract and internal audits, as the Inspector General considers appropriate
- 4) develops policy, monitors, and evaluates program performance, and provides guidance with respect to all Department activities relating to criminal investigation programs;
- 5) monitors and evaluates the adherence of DoD auditors to internal audit, contract audit, and internal review principles, policies, and procedures

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I. Description of Operations Financed (cont.)

- 6) develops policy, evaluates program performance, and monitors actions of audits conducted by the Comptroller General of the United States;
- 7) requests assistance as needed from other audit, inspection, and investigative units of the DoD (including Military Departments) and
- 8) gives particular regard to the activities of the internal audit, inspection, and investigative units of the Military Departments with a view toward avoiding duplication and ensuring effective coordination and cooperation.

The aggregate budget request for the operations of the DoD OIG is \$316.1 million. The portion of this amount needed for OIG training is \$3.6 million, and the amount needed to support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is \$.759 million.

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I. Description of Operations Financed (cont.)

Auditing: ODIG-AUD, by conducting independent, objective audits of all facets of DoD operations, supports the fundamental DoD initiatives identified in the Quadrennial Defense Review. This includes DoD efforts to rebalance the joint force and the Department itself as part of its effort to control internal cost growth that is threatening to erode U.S combat power in this period of fiscal austerity. The ODIG-AUD conducts oversight that benefits DoD by addressing critical life and safety issues; improving operations and financial accountability; strengthening internal controls; identifying fraud, waste, and abuse; ensuring compliance with statute and regulations; improving national security; and identifying potential monetary benefits.

ODIG-AUD is composed of four directorates: Acquisition, Parts, and Inventory; Contract Management and Payments; Readiness and Cyber Operations; and Financial Management and Reporting. Audit topics are determined by law, requests from the Secretary of Defense and other DoD leaders, Defense Hotline allegations, congressional requests, and DOD OIG risk analyses of DoD programs. Audits topics include contract management, including contract pricing of spare parts, services contracts, improper payments, and contractor overhead costs; major weapons systems acquisitions; financial management and audit readiness efforts; business-systems modernization; cyber operations; health care; and joint warfighting and readiness.

- The Acquisition, Parts, and Inventory (API) Directorate plans and performs audits in the areas of weapons system and information technology acquisition; spare-parts procurement and pricing; and management of Government-owned inventory. We determine best value, fair and reasonable cost, and adequacy of program planning and execution. We also determine whether the program management determination of program cost

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I. Description of Operations Financed (cont.)

identified during acquisition planning is valid for major and non-major weapon and information technology systems.

- The Contract Management and Payment (CMP) Directorate plans and performs audits in the areas of contract award and administration, Government charge cards, improper payments, transportation payments, contract payments, health care payments, and construction and sustainment.
- The Readiness and Cyber Operations (RCO) Directorate plans and performs audits in the areas of defense critical infrastructure, cyber operations, global logistics, force management, and readiness. This includes issues that span all combatant commands to ensure the warfighter is equipped and trained for the mission.
- The Financial Management and Reporting (FMR) Directorate plans and performs audits of finance and accounting systems, functions, and activities established to carry out DoD fiscal responsibilities. Specifically, it is focused on the audit-readiness efforts of the Department and on conducting the financial-statement audits.

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I. Description of Operations Financed (cont.)

Investigations: The Office of the Deputy Inspector General for Investigations (ODIG-INV) contains the Defense Criminal Investigative Service (DCIS). DCIS traditional areas of concentration are fraud investigations (e.g., procurement and acquisition, defective, substituted, and counterfeit products); public corruption (e.g., bribery, kickbacks, and theft); technology protection investigations (illegal transfer, theft, or diversion of DoD technologies and U.S. Munitions List items to forbidden nations and persons); healthcare; and cybercrimes.

Procurement fraud investigations continue to comprise a major part of the DCIS case inventory. Of all forms of white-collar crime, procurement fraud is probably the least visible, yet the most costly. Procurement fraud includes, but is not limited to, cost or labor mischarging, defective pricing, price fixing, bid rigging, and defective and counterfeit parts. The potential damage resulting from procurement fraud extends well beyond financial losses. This crime poses a serious threat to the ability of the Department to achieve its operational objectives and can have a negative impact on the implementation of programs. DCIS places the highest priority on investigations impacting safety and operational readiness to protect the welfare of warfighters throughout the procurement process.

DCIS is an active member of the Council of Inspectors General on Integrity and Efficiency (CIGIE) and is a mainstay on the Department of Justice National Procurement Fraud Task Force (NPFTF). The NPFTF was created in October 2006 to promote the prevention, early detection, and prosecution of procurement fraud. The NPFTF Force includes the FBI, the Department of Justice Inspector General and other federal Inspectors General, defense investigative agencies, federal prosecutors from United States Attorney's offices across the country, as well as the Criminal, Civil, Antitrust and Tax Divisions of the

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I. Description of Operations Financed (cont.)

Department of Justice. DCIS also remains a key member of the Department of Justice International Contract Corruption Task Force (ICCTF), whose mission is to deploy criminal investigative and intelligence assets worldwide to detect, investigate, and prosecute corruption and contract fraud resulting primarily from Overseas Contingency Operations (OCO). The mission of ICCTF is to integrate the full spectrum of investigative, intelligence, audit and prosecutorial resources to combat contract fraud and public corruption related to U.S. government spending, with an emphasis on Southwest Asia operations.

Corruption by public officials poses a fundamental threat to the country's national security and overall safety and undermines the public trust in the Government. Public corruption wastes billions of tax dollars and negatively affects DoD and the mission of the warfighter. DCIS combats this issue with the authority, resources and expertise to conduct undercover operations, court-authorized electronic surveillance, and forensic audits. Using these tools, DCIS pursues those who undermine the integrity of the DoD acquisition system. The entire procurement system is based on the trust and integrity of public officials who oversee the purchase, quality, safety and security of equipment, and the services that warfighters require to carry out the mission.

DCIS supports DoD and its warfighting mission through timely, comprehensive investigations of counterfeit, defective or substandard products, and substituted products that do not conform with the requirements of the contract. Nonconforming products disrupt readiness and waste economic resources. They also threaten the safety of military and Government personnel and other end users. When substituted products are deliberately provided to DoD, mission critical processes and capabilities can be severely impacted until those products are removed from the DoD supply chain. DCIS works with Federal law enforcement partners, supply centers and the defense industrial base to

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I. Description of Operations Financed (cont.)

ensure that DoD contractors provide the correct parts and components to meet DoD requirements. DCIS actively participates in the Defense Supply Center - Columbus Counterfeit Material/Unauthorized Products Substitution Team and partners at the national level with the Intellectual Property Rights Coordination Center, to focus on preventing the proliferation of counterfeit parts. Pooling the member agencies' resources allows for more effective detection and removal of inferior goods that threaten the safety of America's soldiers, sailors, airmen and Marines.

DCIS serves a vital role in national security through investigations of theft and illegal export or diversion of strategic technologies and U.S. Munitions List items to banned nations, criminal enterprises and terrorist organizations. This includes the illegal transfer or theft of defense technology, weapon systems, and other sensitive components and programs. Consistent with its role in protecting America's warfighters, DCIS is an integral participant in the President's Export Control Reform Initiative. DCIS is a charter member of the Export Enforcement Coordination Center, a multiagency center established to serve as a focal point for the coordination and enhancement of Government export enforcement efforts.

DCIS works with U.S. Immigration and Customs Enforcement (ICE) to stem the illegal diversion of DoD technology, weapon systems, and equipment through an intensive criminal investigative effort and awareness training that includes tailored briefings designed to encourage DoD and contractor employees to report crimes affecting DoD programs. Part of DCIS' criminal investigative effort includes the use of undercover operations. The scope of these undercover operations continues to target crimes with significant impact on the DoD's warfighting capabilities, which include the theft of critical technology, unlawful access to sensitive computer networks, and the substitution of counterfeit, substandard or defective material for use on major DoD weapons systems. The use of undercover

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I. Description of Operations Financed (cont.)

operations to address these types of crimes have proven to be very productive and are in direct support of protecting DoD's technological edge over its adversaries as well as the Global Information Grid.

The rising costs associated with health care continue to be a national concern. DCIS has experienced an increase in allegations of health care fraud, and combatting this crime is one of DCIS' top investigative priorities. Of particular concern are allegations of potential harm to DoD military members and their dependents. In addition to patient harm, typical investigations scrutinize health care providers participating in corruption or kickback schemes, overcharging for medical goods and services, marketing of drugs for uses not approved by the Food and Drug Administration, and approving unauthorized individuals to receive TRICARE health care benefits. DCIS continues to proactively target health care fraud through coordination with other Federal agencies and participation in Federal and state task forces.

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I. Description of Operations Financed (cont.)

Administrative Investigations: The Office of the Deputy Inspector General for Administrative Investigations (ODIG-AI) promotes public confidence in the integrity and accountability of DoD leadership by investigating, and performing oversight reviews of investigations conducted by the Service Inspectors General, into allegations of senior official misconduct, whistleblower reprisal, improper mental health referrals, and restriction of military members from contacting an Inspector General or Member of Congress. The ODIG-AI is committed to being the model oversight agency for administrative investigations in the Federal Government.

Beginning in FY 2015 the ODIG-AI will be comprised of three directorates: Whistleblower Reprisal Investigations (WRI), Investigations of Senior Officials (ISO), and DoD Hotline which is being transferred from OCCL.

The WRI Directorate is overall responsible for the DoD Whistleblower Protection Program, which encourages personnel to report fraud, waste, and abuse to appropriate authorities; provides mechanisms for addressing complaints of reprisal; and recommends remedies for whistleblowers who encounter reprisal, consistent with applicable laws, regulations, and policies.

WRI has statutory responsibility to investigate complaints of reprisal for making disclosures protected by three Federal Statutes under Title 10 of the United States Code: 1) 10 U.S.C. 1034 for members of the Armed Services, 2) 10 U.S.C. 1587 for DoD non-appropriated fund employees, 3) 10 U.S.C. 2409 for DoD contractor employees. As noted further, WRI has responsibility under Presidential Policy Directive 19: Protecting Whistleblowers with Access to Classified Information, for investigating complaints filed under Parts A and B or reviews and approves the results of investigations by specific DoD components.

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I. Description of Operations Financed (cont.)

In addition, pursuant to section 7(c) of the Inspector General Act of 1978 (IG Act), WRI also has authority to protect appropriated fund whistleblowers consistent with provisions under 5 U.S.C. 2302 which identifies reprisal as a prohibited personnel practice. Although the Office of Special Counsel (OSC) is the primary government agency protecting appropriated fund federal employees and applicants from prohibited personnel practices, especially reprisal for whistleblowing, through WRI, DoD IG provides parallel -- and sometimes crucially greater -- protections to DoD civilian appropriated-fund employees. That is, because members of the intelligence community cannot avail themselves of OSC and MSPB protection, WRI has been the only recourse for members of the Defense intelligence community who believe they have been retaliated against, especially if retaliation takes the form of suspension, revocation, or denial of security clearance

The ISO Directorate has the primary mission of investigating, and performing oversight reviews of investigations conducted by the Service IGs, into allegations of misconduct against general/flag officers, members of the Senior Executive Service, and Presidential Appointees. ISO evaluates the impact of these investigations on public confidence in DoD leaders and ultimately on national security. ISO investigations routinely garner significant media, SECDEF, or congressional interest, with results provided directly to the SECDEF or Members of Congress and involve complicated issues of public interest.

ISO investigations involve allegations ethics violations, conflicts of interest on the part of senior DoD officials, misuse of position and resources, mismanagement of major Defense programs, and travel/contracting irregularities. The severity of corrective actions in cases with substantiated findings -- immediate removal from command, reprimand, reduction in rank, and reimbursement to the Government --demonstrates that the Department holds senior leaders accountable for their actions.

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I. Description of Operations Financed (cont.)

Additionally, as part of its responsibility to fully inform the President and Senate of adverse information concerning senior officials being nominated for promotion, reassignment, or other action, the ISO Directorate conducts over 11,000 name checks annually on DoD senior officials. The Senate Armed Services Committee relies exclusively on checks completed by ISO before confirming military officer promotions.

The DoD Hotline provides a confidential avenue for individuals to report allegations of wrongdoing pertaining to programs, personnel, and operations that fall under the purview of the Department of Defense, pursuant to the Inspector General Act of 1978. Members of the public and Department of Defense employees (military members, civilian employees, and DoD contractor employees) may file a complaint with the DoD Hotline.

Policy and Oversight: The Office of the Deputy Inspector General for Policy and Oversight (ODIG-P&O) provides policy, guidance, and oversight for the audit and criminal investigative function within the DoD. ODIG-P&O also provides analysis and comments on all proposed draft DoD policy issuances, conducts technical assessments of DoD programs, and provides engineering support for other DOD IG assessments.

- Audit Policy and Oversight Directorate (APO) provides audit policy direction, guidance, and oversight for the Office of the Deputy Inspector General for Auditing, the Military Departments' audit organizations, the Defense Contract Audit Agency (DCAA), other Defense audit organizations, and for public accounting firms under the Single Audit Act. This includes more than 8,200 DoD auditors in 21 DoD audit organizations (DoD auditors comprises approximately 60 percent of all federal auditors) and 22 single audit cognizant organizations. APO is also responsible for conducting and/or overseeing peer reviews of 19 DoD audit organizations. In addition, APO develops

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I. Description of Operations Financed (cont.)

policy, evaluates program performance, and monitors actions taken by all components of the Department in response to DCAA audits. In the third quarter FY 2014, APO assumed responsibility for DoD-wide policy on performing inspections and evaluations. In this capacity, APO provides guidance for the inspection/evaluation functions performed by the 17 Defense agencies, the Joint and Combatant commands, and the Military Departments.

- Investigative Policy and Oversight Directorate (IPO) evaluates the performance of and develops policy for the DoD criminal investigative and law enforcement community (48,000 law enforcement and security personnel/4,000 special agents), manages the DoD Subpoena program and the DoD Contractor Disclosure program. The Contractor Disclosure program requires DoD contractors to notify the DoD IG when a Federal criminal law is violated or a violation of the False Claims Act occurs, and will include newly required reporting of electronic counterfeit parts. Over the past few years, IPO evaluated systemic processes including data collection and analysis to determine the effectiveness of management control systems related to sexual assault and other violent crime investigations. This includes reviewing sexual assault and other violent crime investigative policies and related programs, and to determine compliance with Federal law, and DoD and Military Service investigative standards.
- Technical Assessment Directorate (TAD) conducts expert, independent technical engineering assessments to affect improvements in defense system acquisition, operation, and sustainment by proactively addressing issues of concern to Congress, DoD, and the public. Additionally, TAD provides a variety of engineering support functions for the DOD IG audit, investigative, and evaluation organizations and to other DoD organizations, as needed.

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I. Description of Operations Financed (cont.)

Intelligence and Special Program Assessments: The Office of the Deputy Inspector General for Intelligence and Special Program Assessments (ODIG-ISPA) conducts audits, evaluations, inspections, and administrative investigations, to include monitoring, and reviewing various programs, policies, procedures, and functions of the DoD Intelligence, Counterintelligence, Security, Nuclear Enterprises, and Special Access Programs (SAPs) of the DoD. The ODIG-ISPA is the primary advisor to the DoD IG on all of these functional areas and related matters. The ODIG-ISPA audits, reviews, and evaluates topics determined by law, requests from the Secretary of Defense (SecDef) and other DoD leadership, Hotline allegations, congressional requests, and analyses of risk in DoD Intelligence, Counterintelligence, Security, and Nuclear Enterprises. The ODIG-ISPA also works closely with other Federal agency and organization Inspectors General, such as the Central Intelligence Agency, Office of the Director National Intelligence, and Department of Justice, coordinating and collaborating on projects to ensure proper operation, performance, and results for national-level activities affecting the enterprises within ODIG-ISPA oversight purview.

The DIG-ISPA chairs the Defense Intelligence and Special Programs Oversight Committee (DISPOC), which promotes and improves information sharing among DoD Auditors and Inspectors General. It also enables each Inspector General to carry out the duties and responsibilities established under the Inspector General Act of 1978, as amended, to avoid duplication and ensure effective coordination and cooperation. ODIG-ISPA also collaborates with the Office of the Director National Intelligence Inspector General's Intelligence Community Inspectors General Forum, to enhance the collective partnerships of each of the group's members and to continue to foster increased collaboration, coordination, and information sharing.

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I. Description of Operations Financed (cont.)

Special Plans and Operations (SPO): The Office for Special Plans and Operations (SPO) facilitates informed decision-making by senior leaders of the DoD, U.S. Congress and other Government organizations by providing timely, high-value assessment reports on strategic challenges. Its work complements the efforts of the other DoD IG components.

SPO is staffed with a core combination of civilian and military personnel who must be deployable to overseas contingency operations including the Southwest Asia theater of operations.

The Office of Communications and Congressional Liaison (OCCL): OCCL supports the entire DOD IG by providing internal communications support for the DOD IG and serving as the primary point of contact for external communications between the DOD IG, the public, Congress, and the news media.

Specific areas of OCCL's responsibility include congressional liaison, Government Accountability Office (GAO) Liaison, public affairs, strategic communications, website management, digital and social media, and production of the Semiannual Report to Congress. Beginning in FY 2015, the DoD Hotline and Freedom of Information Act, Privacy, and Civil Liberties Office responsibilities are transferred to Administrative Investigation and the Office of General Counsel, respectively.

The DoD IG is an active member of the Council of the Inspectors General on Integrity and Efficiency, an independent entity established by the Inspector General Reform Act of 2008 and comprised of the federal inspectors general. The DoD IG is also a member of the CIGIE Executive Council, and chairs the CIGIE Audit Committee which oversees the federal inspectors general audit peer review process.

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I. Description of Operations Financed (cont.)

OCCL also includes a strategic planning office that acts as advisor to the agency for enterprise management of DOD IG-wide programs, plans, and performance metrics.

The Office of Administration and Management (OA&M): provides mission essential services for Human Capital Management (HCM) and Operational Support. Human Capital Management provides Human Capital Advisory Services, Learning Management, Strategic Workforce Management, and Senior Leader Management. Operational Support includes the Office of Security (OSEC), Administration and Logistics Support Directorate (ALSD), Operations Center, and Information Systems Directorate (ISD). OA&M supervises and provides mission critical functions in support of the OIG's day-to-day operations at the OIG headquarters and 74 field offices located throughout the world to include PACOM, EUCOM, and CENTCOM with permanent staff deployed to Afghanistan and Qatar. The OA&M also supports the Warfighter (COCOM's) Inspector General training through the Combatant Command and Joint Inspector General Training and Doctrine development.

The Office of General Counsel (OGC): The IG Act established the position of OIG General Counsel as the chief legal officer of the OIG, appointed by and serving at the discretion of the Inspector General. The General Counsel, assisted by an office staff of legal counsel and administrative support personnel, provides independent, objective and comprehensive advice and legal counsel to the Inspector General and the OIG staff on all matters related to the OIG mission. The scope of OGC advice and legal opinions includes criminal and administrative investigations, procurement and fiscal law, personnel and equal employment advice and agency representation, ethics, international law and contingency operations, whistleblower protections, and intelligence matters. The OIG General Counsel serves as the OIG Designated Agency Ethics Official (DAEO) and oversees the OIG Ethics Program.

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I. Description of Operations Financed (cont.)

Beginning in FY 2015, the personnel and mission responsibilities of the Freedom of Information Act, Privacy, and Civil Liberties Office have been transferred to the OIG Office of General Counsel. This realignment is consistent with how a majority of the CIGIE community operates and provides for a more direct relationship between the office and the legal support functions it relies upon.

II. Force Structure Summary:

N/A

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III. Financial Summary (\$ in thousands)

| | FY 2015 | | | | | | |
|-------------------------------|--------------------------|--------------------------|-----------------------------|----------------|---------------------|---------------------------|----------------------------|
| | FY 2014 <u>Actual</u> | Budget <u>Request</u> | <u>Congressional Action</u> | | | Current <u>Enacted</u> | FY 2016 <u>Estimate</u> |
| | | | <u>Amount</u> | <u>Percent</u> | <u>Appropriated</u> | | |
| A. BA Subactivities | | | | | | | |
| Administrative Investigations | 12,435 | 12,438 | 0 | 0.0 | 12,438 | 12,438 | 17,641 |
| Auditing | 78,362 | 82,495 | 0 | 0.0 | 82,495 | 82,495 | 78,497 |
| Intelligence Investigations | 7,841 | 7,949 | 0 | 0.0 | 7,949 | 7,949 | 8,267 |
| OCO Funding | 82,078 | 85,211 | 0 | 0.0 | 85,211 | 85,211 | 80,057 |
| Other OIG | 6,609 | 0 | 0 | n/a | 0 | 0 | 0 |
| Policy and Oversight | 98,126 | 97,707 | 0 | 0.0 | 97,707 | 97,707 | 103,363 |
| Special Plans and Operations | 16,687 | 16,541 | 0 | 0.0 | 16,541 | 16,541 | 18,754 |
| Training (Centrally Funded) | 7,624 | 7,766 | 0 | 0.0 | 7,766 | 7,766 | 8,062 |
| Total | 311,375 | 311,830 | 0 | 0.0 | 311,830 | 311,830 | 316,159 |

* The FY 2014 Estimate column includes \$6,606 thousand of FY 2014 Overseas Contingency Operations (OCO) Appropriations funding (PL 113-76).

* The FY 2015 Estimate column excludes \$10,263 thousand of FY 2015 OCO Appropriations funding (PL 113-235).

* The FY 2016 Estimate excludes OCO.

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III. Financial Summary (\$ in thousands)

| B. <u>Reconciliation Summary</u> | Change | Change |
|--|-------------------------------|-------------------------------|
| | <u>FY 2015/FY 2015</u> | <u>FY 2015/FY 2016</u> |
| Baseline Funding | 311,830 | 311,830 |
| Congressional Adjustments (Distributed) | | |
| Congressional Adjustments (Undistributed) | | |
| Adjustments to Meet Congressional Intent | | |
| Congressional Adjustments (General Provisions) | | |
| Subtotal Appropriated Amount | 311,830 | |
| Fact-of-Life Changes (2015 to 2015 Only) | | |
| Subtotal Baseline Funding | 311,830 | |
| Supplemental | 10,623 | |
| Reprogrammings | | |
| Price Changes | | 3,803 |
| Functional Transfers | | |
| Program Changes | | 526 |
| Current Estimate | 322,453 | 316,159 |
| Less: Wartime Supplemental | -10,623 | |
| Normalized Current Estimate | 311,830 | |

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III. Financial Summary (\$ in thousands)

| | Amount | Totals |
|--|---------------|----------------|
| C. Reconciliation of Increases and Decreases | | |
| FY 2015 President's Budget Request (Amended, if applicable) | | 311,830 |
| 1. Congressional Adjustments | | |
| a. Distributed Adjustments | | |
| b. Undistributed Adjustments | | |
| c. Adjustments to Meet Congressional Intent | | |
| d. General Provisions | | |
| FY 2015 Appropriated Amount | | 311,830 |
| 2. War-Related and Disaster Supplemental Appropriations | | 10,623 |
| a. OCO Supplemental Funding | | |
| 1) FY 2015 Supplemental Budget Request | 10,623 | |
| 3. Fact-of-Life Changes | | |
| FY 2015 Baseline Funding | | 322,453 |
| 4. Reprogrammings (Requiring 1415 Actions) | | |
| Revised FY 2015 Estimate | | 322,453 |
| 5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings | | -10,623 |
| FY 2015 Normalized Current Estimate | | 311,830 |
| 6. Price Change | | 3,803 |
| 7. Functional Transfers | | |
| 8. Program Increases | | 8,436 |
| a. Annualization of New FY 2015 Program | | |
| b. One-Time FY 2016 Increases | | |
| 1) Additional Compensable day | 1,175 | |
| c. Program Growth in FY 2016 | | |
| 1) Funding provided for the OIG IT Modernization initiative. Other OIG Baseline \$97,707K; +0 FTEs) | 5,700 | |
| 2) Increased Intra-govt Support Agreements - ACAT I/II Quality Assurance and Risk Assessment; (P&O FY 2015 Baseline \$16,541; +0 FTEs) | 1,041 | |
| 3) Increased Rental Payments to GSA; OIG FY 2015 | 295 | |

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| C. Reconciliation of Increases and Decreases | Amount | Totals |
|---|---------------|----------------|
| Baseline \$97,707K; +0 FTEs) | | |
| 4) Other including DISA Enterprise Computing Centers | 225 | |
| 9. Program Decreases | | -7,910 |
| a. Annualization of FY 2015 Program Decreases | | |
| b. One-Time FY 2015 Increases | | |
| c. Program Decreases in FY 2016 | | |
| 1) Reduced ADP & Comm Equipment Purchases-DMEN Tech Refresh delayed; (OIG FY 2015 Baseline \$97,707K; +0 FTEs) 0925 | -3,801 | |
| 2) Civ Pay reductions from average salary changes due to change in mix of agency workforce; offset by increase due to the additional compensable day. | -1,647 | |
| 3) Reduction in Minor Construction; (OIG FY15 Baseline \$97,707; +0 FTEs) | -806 | |
| 4) Reduction in 3rd party Engr and Tech Svcs Contracts; (OIG FY 2015 Baseline \$97,707; +0 FTEs) | -788 | |
| 5) Reduction in non-IT CAAS Contracts; (OIG FY15 Baseline \$97,707; +0 FTEs) | -682 | |
| 6) Planned reduction in Supplies & Other materials | -186 | |
| FY 2016 Budget Request | | 316,159 |

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IV. Performance Criteria and Evaluation Summary:

Auditing:

A prime objective of the DOD IG Strategic Plan and the Audit Strategic Plan is to assess the risks and weaknesses in the Department and recommend the development or strengthening of management practices and controls to ensure the efficient use of resources and to promote effective operations. Two key measures of Audit success are the identification of potential monetary benefits and the concurrence rate on audit recommendations that correct deficiencies. In FY 2014 ODIG-AUD oversight has identified over \$9.3 billion in potential monetary benefits. Some audits did not identify monetary benefits but provided value by addressing critical areas, such as the quality assurance and testing of equipment and parts; protecting against cyber threats; redistribution and accountability of assets from the field; improvements in contingency contracting to reduce the potential for fraud, waste, and abuse; and force readiness.

In FY 2014, the Acquisition, Parts, and Inventory Directorate (API) identified significant problems in the areas of major systems contract management and contractor oversight, management of weapon system acquisitions and spare parts (including determination of fair and reasonable pricing for spare parts), and existence and use of excess Government-owned inventory. Oversight in these areas has historically generated significant return on investment in the form of realized monetary benefits and funds put to better use. For example, the Acquisition, Parts, and Inventory Directorate identified that DoD did not effectively manage the cost, schedule, and performance of major and non-major acquisition programs, which resulted in cost increases and program delays. Acquisition, Parts, and Inventory has also identified unnecessary acquisition of major systems.

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IV. Performance Criteria and Evaluation Summary:

In FY 2015, API Directorate continues to focus its effort on problems with DoD weapons system procurement and parts and inventory. Acquisition, Parts, and Inventory is reviewing acquisition areas such as requirements generation and validation, system performance, program cost and schedule, and testing. Acquisition, Parts, and Inventory places heavy emphasis on the valid acquisition of major and non-major weapons systems and use of inventory parts, including the areas of fair and reasonable pricing and use of excess inventory.

In FY 2016, API Directorate will continue to concentrate on acquisition of DoD weapons and IT systems and the contracting efforts associated with obtaining fair and reasonable prices for parts and the problems with contracts of major and non-major systems, performance-based logistics contracts, commercial pricing, and adequate use of existing Government-owned inventory.

In FY 2014, the Contract Management and Payment Directorate (CMP) identified additional efficiencies within the DoD \$4.2 billion Permanent Change of Station Program, as well as improper payments and inventory of contracts for service. The following controls should be implemented: ensure that the Services are tracking and managing non-temporary storage entitlements; that the Army improves oversight to prevent overpayments for Service members who exceed their household-goods weight limit; that personnel property shipping office personnel use the most cost-effective method to accomplish domestic moves weighing 1,000 pounds or less; that DoD imposes weight limits for household-goods shipments during certain local moves; that DoD use the most cost-effective mode of transportation for all overseas PCS moves; and that DoD consider implementing a statutory incentive to allow Service members to voluntarily reduce the weight of shipped household goods and receive a

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portion of the savings. DoD and the Services could realize additional efficiencies and savings after implementation.

In another example, the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, met five of the six requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA). However, DoD's inability to ensure review of all required payments resulted in unreliable estimates and rates. Furthermore, DoD did not meet the reduction targets for five of its eight payment programs with established targets: Military Pay, Civilian Pay, DFAS Commercial Pay, U.S. Army Corps of Engineers Travel Pay, and DoD Travel Pay. DoD did not meet the reduction targets because of errors attributed to high turnover in payroll clerks, input errors by personnel in human resource offices and by pay technicians, and the insufficiency of approving officials' reviews of travel vouchers to prevent improper payments. Because of the errors, DoD did not reduce the improper payments reductions intended in IPERA for these five programs and did not fully comply with IPERA in FY 2013.

In a final example, personnel from the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]) submitted to Congress DoD's FY 2012 inventory of contracts for services for the Military Departments, Defense Agencies, and DoD Field Activities (the Components), as required by 10 U.S.C. § 2330a. It was determined that Component personnel used different methodologies and data sources when compiling the ICS; used different methodologies to calculate contractor equivalents; and cited several limitations to fully capturing DoD's inventory of contracts for services universe. Component personnel used various methods to conduct the inventory of contracts for services reviews, did not address all required elements requested by OUSD (P&R), and provided varying levels of detail in their certifications. Finally, it was concluded

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that the Component personnel generally agreed the results of the inventory of contracts for services did not directly influence budgeting and programming decisions.

For FY 2015, CMP Directorate continues to focus on audits of contract award and administration of service contracts, Berry Amendment and Buy American purchases, Economy Act orders, and facilities construction and real property maintenance. Additionally, audits on changes to contracting regulations, DoD payments to include contract payments, improper payments, and the Government Travel and Purchase Card Programs and the military health care for active-duty, reserve, retired, and dependent personnel are planned.

For FY 2016, CMP Directorate will focus on contract award and administration for contracts and facilities construction and real property maintenance. Additionally, audits on DoD payments to include contract payments, improper payments, and the Government Purchase Card Program and the military health care for active-duty, reserve, retired, and dependent personnel are planned.

In FY 2014, Readiness and Cyber Operations Directorate (RCO) focused on areas of special interest to the SECDEF or Congress and those with high risk or high impact. Those areas included the cyber workforce, cyber security and operations, global logistics, military construction, workplace violence, and individual and unit readiness and training. For example, Readiness and Cyber Operations Directorate auditors identified additional improvements the Naval Supply Systems Command could make to identify and manage zero-demand stock items by identifying stocks without a valid requirement for disposal, freeing up funds previously used to pay for storing items without a valid requirement. As a result, the Naval Supply Systems Command could put \$90,835 annually to better use,

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and \$454,175 over the next 5 years. Readiness and Cyber Operations Directorate also continued its presence in Southwest Asia and its Overseas Contingency Operation work, focusing on the drawdown of troops and equipment. For example, Readiness and Cyber Operations Directorate auditors reported the Army did not have effective procedures for processing and safeguarding retail and wholesale equipment at the Redistribution Property Assistance Team yards in Afghanistan.

In FY 2015, RCO Directorate is focusing on high-risk areas including large-scale, complex logistics systems; readiness; training; foreign military sales; cyber security; and cyber operations. Readiness and Cyber Operations Directorate will also continue to conduct audits in Southwest Asia, focusing on military construction, direct funding, the continued drawdown of troops and equipment, and closure of U.S. operating bases in Afghanistan. Projects include climate change, Defense Fuel Supply Points, cyber workforce management, and Qatar space consolidation.

In FY 2016, RCO Directorate will continue to focus on Overseas Contingency Operations, whether those operations continue in Southwest Asia or other locations throughout the world.

In FY 2014, Financial Management and Reporting Directorate (FMR) again limited its financial-statement audit work based on management representations concerning financial statement reliability. Financial Management and Reporting Directorate continues to focus on audits related to the Department's plan to achieve audit readiness of the General Fund Statement of Budgetary Resources (SBR) by the end of FY 2014 and all DoD financial statements by the end of FY 2017. However, the Department plans to limit the scope of the FY 2015 SBR General Fund audits to the Schedule of Budgetary Activity, which will

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include current-year appropriation activity and transactions and not balances from prior-year activity. Financial Management and Reporting Directorate also coordinated with the OSD Financial Improvement and Audit Readiness (FIAR) Office on an Audit Services Acquisition Strategy, designed to prepare the Department to undergo a full financial-statement audit by congressionally mandated timelines.

The auditors issued disclaimers of opinion on the DoD Agency-wide and Special Purpose FY 2013 financial statements and six of the components' statements that support the Agency-wide statements. The auditors also issued an unqualified opinion on the FY 2012 U.S. Marine Corps Schedule of Budgetary Activity, which reported FY 2012 current-year activity as of September 30, 2012. The auditors transmitted the independent public accounting firms' unmodified opinion on the financial statements of the Army Corps of Engineers, the Military Retirement Fund, and TRICARE Management Activity's Contract Resource Management, and a qualified opinion on the DoD Medicare Eligible Retiree Health Care Fund. Because of previously identified difficulties with DoD system implementation efforts, we conducted audits on additional DoD business-systems modernization efforts, including the enterprise resource planning systems, an examination of Army general equipment, and an examination of the Navy's representation of audit readiness related to ordnance.

For FY 2015, FMR Directorate is performing the initial audits of the General Fund Schedules of Budgetary Activity for the Army, Navy, and Air Force that do not include balances from prior-year activity. Furthermore, DoD will begin audits of the complete Statement of Budgetary Resources (SBR) only after achieving successful audits of current-year appropriation activity. Through participation in the FIAR governance board

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and various other meetings, the DOD OIG advises the FIAR Directorate in updating and executing the FIAR plan and FIAR guidance.

In FY 2016, FMR Directorate will continue to audit the Department's Schedules of Budgetary Activity and other financial-statement areas that the Department asserts are audit ready. We will also continue to work with the DoD components to identify deficiencies and recommend corrective actions, focusing on audits of financial statements, systems, internal controls, compliance, and other financial areas, to assist DoD in improving its overall financial management operations and, as a result, prepare auditable financial statements. As OSD and Service Components identify segments of financial statements that are ready for review, ODIG-AUD will announce audits or attestation engagements, as appropriate.

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Investigations:

The Defense Criminal Investigative Service (DCIS) uses several methods to evaluate performance. DCIS established a performance metric that 80 percent of the investigative caseload must be focused in its priority areas of fraud investigations, public corruption, technology protection, healthcare and cybercrimes. Another DCIS performance metric is at least 85 percent of total man-hours must be attributed to investigations within these DCIS priority areas. DCIS also monitors arrests, indictments and criminal charges, convictions, fines, recoveries, restitution, suspensions and debarments, to ensure consistency in effort and historical output, and the effective use of its valuable investigative resources.

In FY 2014, DCIS investigations have resulted in total investigative receivables and recoveries of \$1.855 billion for the U.S. Government (which includes recovered Government property, civil judgments/settlements, criminal fines, penalties, and restitution ordered and administrative recoveries); resulted in 118 arrests, 316 criminal charges, 283 criminal convictions; and contributed to 150 suspensions and 218 debarments of contractors. The following major investigations requiring extensive efforts by DCIS were conducted thus far in FY 2014; Janssen Pharmaceutical Products (\$1.2 billion government recovery), Scios, Inc. (\$156 million government recovery), Amedisys, Inc. (\$123.6 million government recovery), Carefusion Corporation (\$28.8 million government recovery), and J-M Manufacturing Company, (\$22.5 million government recovery). Criminal and civil investigations often lead to additional undertakings initiated by the DOD IG or directed by Congress, the Office of the Secretary of Defense (OSD), and the Department of Justice (DoJ). The publicity of these major investigations also results in increased crime reporting.

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In FY 2015 & FY 2016, DCIS will: (1) maintain a high priority on significant procurement/acquisition fraud investigations with emphasis on defective, substituted, and counterfeit products that impact the safety and mission-readiness of our warfighters; (2) continue focus on combating corruption by ferreting out and uncompromisingly investigating major DoD procurement fraud, including bribery, corruption, kickbacks, conflicts of interest, and major thefts; (3) continue concentration on investigations, and awareness aimed at the illegal transfer of technology, systems, and equipment critical to DoD and dangerous if in the hands of restricted nations and persons; (4) continue focus on healthcare investigations involving potential harm to DoD military members and their dependents and healthcare fraud schemes; and (5) continue defense against cyber crimes and computer intrusions that impact DoD.

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Administrative Investigations:

In FY14, ODIG-AI has continued an organizational transformation to achieve its vision of being the model administrative investigation organization in the Federal government. Building on prior-year recruitment and restructuring efforts, significant efforts were expended on training DoD IG and Military Service IG investigators, developing performance metrics for timeliness and quality, and deploying the next generation case activity tracking system (D-CATS).

Training initiatives included a DoD IG Basic Whistleblower Reprisal Investigator Course which was attended by investigators from the DoD IG, the Military Services, the Combatant Commands and Defense Agencies. The curriculum included whistleblower statutes, intake processes, interviewing, investigative planning, report writing, report quality assurance processes, and DoD IG oversight and case closure procedures. AI also hosted its 5th Semi-Annual Symposium attended by 200 personnel from the DoD, Military Service and Defense Agencies Offices of Inspector General. The symposium included guest speakers, a Military Service Inspector General panel, and track sessions covering topics of interest relating to sexual assault, whistleblower reprisal, and senior official investigations.

ODIG-AI also placed increased emphasis on performance measures, and developed new metrics for timeliness and quality. For timeliness, metrics were developed for the life-cycle of the investigation including intake process, the planning process, field work, first draft report of investigation, and total days to close. In addition, new metrics were developed to measure the quality of investigations for compliance with CIGIE professional standards, the completeness of documentation and the completeness, currency and accuracy of data. These measures were examined during internal controls testing, and reported on a quarterly basis to the Inspector General.

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ODIG-AI established a Quality Assurance position to perform independent reviews of reports of investigation and special reviews for compliance with CIGIE standards and GAGAS for accuracy, documentation, thoroughness, and objectivity. The reviews include evidence, source documents and witness testimony supporting factual statements in reports to certify the factual accuracy and supportability of information, conclusions and recommendations. The Quality Assurance position is also responsible for internal controls testing, identifying systemic weaknesses, and recommending improvements to controls.

A significant part of the ODIG-AI transformation has been realized with the deployment of D-CATS, the next generation case activity tracking system. The deployment has enabled ODIG-AI to transform to a paperless environment by employing functionalities for data, documentation, dashboards and reports. This has resulted in efficiencies in the investigation process and cost savings in the purchases of paper and case folders. Moreover, the system was developed jointly with the DoD Hotline which has resulted in increased efficiencies and timeliness in the transmittal of complaints and other documentation between the two offices. As a result of the demonstrated efficiencies realized, the DoD OIG has submitted D-CATS for approval as a DoD business system to be deployed as an IG Enterprise System to the Military Services. This will achieve further efficiencies in transmitting cases throughout the Department of Defense, as well as cost savings by avoiding the stove-pipe development of next generation systems by the Military Services.

In FY15, ODIG-AI is continuing to implement a series of programmatic strategic initiatives. ODIG-AI is continuing to employ continuous process improvement and best practices to improve the timeliness and quality of investigations. As the program office

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charged with responsibility for the oversight of whistleblower reprisal and senior official investigations across the department, ODIG-AI is also continuing an aggressive campaign of outreach and training to improve the performance of investigations programs across the Department of Defense. In addition, ODIG-AI is engaged in a significant effort to update the DoD-level policies and directives to implement the latest changes in whistleblower law including: 1) Presidential Policy Directive 19, "Protecting Whistleblowers with Access to Classified Information"; 2) the Whistleblower Protection Enhancement Act of 2012; and 3) the National Defense Authorization Act for FY13 amendment to Title 10, U.S.C. 2409, "Contractor Employees" and the FY14 NDAA amendments to Title 10 U.S.C. 1034, "Protected communications; prohibition of retaliatory personnel actions."

In FY16, ODIG-AI will continue on a strategic path to being a model administrative investigations organization. This will include implementing ongoing and continuous process improvement and best practices, outreach and training, and deploying D-CATS as a DoD IG Enterprise System. These initiatives will achieve improved efficiencies, timeliness and quality in the investigations programs across the Department of Defense.

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Policy and Oversight:

ODIG-P&O operations are evaluated based on outcomes from evaluating significant DoD programs and operations, significance and quality of audit and investigative policies issued, contractor disclosures processed, subpoenas processed, timeliness and quality of technical support provided, positive impact on draft DoD policy issuance coordination, and follow-up of Defense Contract Audit Agency (DCAA) report recommendations. In FY 2014, ODIG-P&O issued 22 reports, 10 Notices of Concern, processed 660 subpoenas, provided technical support to 5 DOD IG audit and investigative projects, and managed the DOD IG's policy coordination process for 365 DoD policy issuances. ODIG-P&O updated and published the following six DoD Issuances:

1. DoDI 7600.10 - "Audits of States, Local Governments, and Non-Profit Organizations," January 3, 2014;
2. DTM 14-002 - "The Establishment of Special Victim Capability within the Military Criminal Investigate Organizations," February 11, 2014;
3. DoDI 5525-12 - "Implementation of the Law Enforcement Officers Safety Act of 2004," February 13, 2014;
4. DoDI 5100.86 - "DoD Forensic Science Committee," April 18, 2014;
5. DoDI 7050.05 - "Coordination of Remedies for Fraud and Corruption Related to Procurement Activities," May 12, 2014;
6. DoDI 5505.09 - "Interception of Wire, Electronic, and Oral Communications for Law Enforcement," May 27, 2014;

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In FY 2014, the Audit Policy and Oversight Directorate (APO) issued three Hotline reports; six external quality control reviews of Defense organizations' audit operations; and two single audit quality control reviews. APO also issued five Notices of Concern. APO performed 165 desk reviews of single audit reports covering \$4.5 billion in DoD funds and issued 92 memorandums that identified 102 findings and \$25.2 million in questioned costs. APO administered the peer review program for DoD audit organizations, encompassing oversight of peer reviews of DoD audit organizations (seven completed at National Reconnaissance Office U.S Special Operations Command, Naval Exchange Command, Army Audit Agency Special Access Program Audits, the Service Audit Agencies round robin peer reviews and four planned). As of the semiannual reporting period ending March 31, 2014, APO provided oversight on contracting officers' actions related to 2,406 open and closed contract audit reports with more than \$12 billion in potential savings and contracting officers disallowed \$463.0 million (45.3 percent) in response to \$1,022.7 million questioned cost from 515 significant DCAA post-award contract audit reports during the period. Also, APO issued 21 report recommendations to date achieving an 81 percent agreement rate for those recommendations. APO participated in 9 working groups, including but not limited to the Procurement Fraud Working Group, Council on the Inspectors General on Efficiency and Integrity (CIGIE) Process Oversight Work Group for Inspections and Evaluations External Reviews, and National Single Audit Coordinators (NSAC).

In FY 2015, APO is focusing on monitoring and evaluating DCMA, including the DCMA eTool system and contracting officers' use of DCAA audit reports; and updating the DoD Audit Manual, DoD Instruction 7640.02, "Policy for Follow-up on Contract Audit Reports" and DoD Instruction 7600.10, "Audits of States, Local Governments, and Non-Profit Organizations." APO is also focusing on policy and oversight of DoD audit organizations efforts in identifying and detecting fraud, waste, and abuse including support to the Contractor

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Disclosure Program; and internal control and fraud assessments, guidance, and training. APO continues to update its DoD IG Fraud website, including adding additional contract audit fraud scenarios, monitor DCAA fraud referrals and efforts on contractor disclosures; and providing input to DCAA revisions to its fraud-related audit guidance. APO is performing or overseeing performance of peer reviews of the Defense Contract Management Agency, National Guard Bureau, Defense Information Systems Agency, and the National Geospatial Agency-Intelligence. APO is also reviewing relevant Defense Hotlines of DCAA and DCMA audits, reviews, management, and personnel. In the Single Audit area, APO is performing four single audit quality control reviews and one follow-up review, and continues to review all single audit reports for audit findings that require grant/contracting officer follow-up actions. The Single Audit area encompasses \$8.0 billion in DoD research and development funds associated with 22 organizations. In the contract audit follow-up area, APO restarted its aggressive program to review contracting officers' actions on DCAA contract audit reports. For the contract audit monitoring area, APO is again monitoring the quality of contract audits within DoD. For inspection and evaluation policy, APO is focusing on the issuance of DoD-wide policy for performing inspections and evaluations; working with other IG components to increase coordination of inspections and evaluations among DoD inspection and evaluation organizations; and increase awareness of and best practices for inspections and evaluations. This includes participation in the CIGIE pilot external review program for Inspectors General inspection and evaluation activities.

In FY 2016, APO will focus on oversight of DCAA; DoD Components' contracting officers' actions on DCAA audit report recommendations; peer reviews of DoD audit organizations; fraud related training; guidance and scenarios to update our fraud website; liaison on the Contractor Disclosure Program including related policy and oversight of DCAA; and quality control reviews on three or four Single Audit cognizant/oversight organizations.

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For inspection and evaluation policy, APO will continue efforts to increase awareness and quality of DoD inspections and evaluations; coordination of inspection and evaluation activities among DoD and other IG organizations; and external review processes for inspection and evaluation activities.

In FY 2014, the Investigative Policy and Oversight Directorate (IPO) produced: DoDD 5100.86, "DoD Forensic Science Committee," April 18, 2014; DoDI 5525.12, "Implementation of the Law Enforcement Officers Safety Act of 2004," February 13, 2014; DoDI 7050.05, "Coordination of Remedies for Fraud and Corruption related to Procurement Activities," May 12, 2014; DTM 14-002, "The Establishment of Special Victim Capability Within the Military Criminal Investigative Organizations," February 11, 2014.

IPO also collaborated with the Military Criminal Investigative Organizations to address National Defense Authorization Act requirements for evidence retention on sexual assault investigations and the development of special victim capability units. In addition, they participated with various DoD and other government agencies such as the Defense Enterprise-wide Working Group and the DoD Sexual Assault Prevention and Response Office to facilitate the development of criminal investigative policy. The Contractor Disclosure Program (CDP) office evaluated more than 200 disclosures submitted by Defense contractors and subcontractors concerning certain violations of criminal law and violations of the civil False Claims Act and suspected counterfeit/non-conforming parts discovered during the contractors' self-policing activities. The CDP office oversaw and directed coordinated courses of administrative, civil, and criminal actions for the disclosures with the Department of Justice Commercial Litigation Branch (Fraud Section), Defense Criminal Investigative Organizations (DCIOs), Defense and Service audit agencies, and the Services' Offices of Procurement Fraud Remedies and Acquisition Integrity. In

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addition, the CDP office evaluated more than 40 Defense Contract Audit Agency (DCAA) Forms 2000, Suspected Fraud and Irregularity Reports. In consultation with the Department of Justice Commercial Litigation Branch (Fraud Section) and DCAA auditors, referred the matters to the DCIOs for criminal investigation determinations.

The DOD IG Subpoena Program issued 660 subpoenas in FY 2014. IPO also trained 350 criminal investigators and attorneys from other DoD agencies. IPO training was integrated into DoD and military service basic and advanced criminal investigative training courses which allows students to use the subpoena as an investigative tool with good success. IPO also hosted the Federal Law Enforcement Training Center's Continuing Legal Education Training Program Course for DoD and other Federal agency investigators and attorneys. IPO conducted, initiated or completed projects evaluating DoD adult sexual assault investigations; child sexual assault investigations; Defense Incident Base Reporting System; DoD compliance with Sexual Offender Registration and Notification Act; DNA Collection Requirements for Criminal Investigations; MCIO Compliance with the Lautenberg Amendment; and an evaluation of sensitive position screening for criminal investigators assigned to conduct sex crime investigations. IPO also reviewed a death investigation entangled with a rape and perjury.

In FY 2015, IPO is revising the following investigative policies: (a) DoDI 5505.09, "Interception of Wire, Electronic and Oral Communications for Law Enforcement;" DoDI 5505.11, "Fingerprint Card and Final Disposition Report Submission Requirements;" DoDI 5505.14, "DNA Collection Requirements for Criminal Investigations;" DoDI 5505.18, "Investigation of Adult Sexual Assault in the Department of Defense;" and a new policy on founded/unfounded determination pertaining to sexual assault investigations as directed by the FY 2014 NDAA. The Subpoena Program Division is seeking to decrease

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subpoena processing time, and is working within our constituent community to improve and manage the process of DCAA fraud referrals (DCAA Form 2000). IPO expects continued Congressional interest in complaints about the thoroughness of death investigations and increased oversight of sex crime investigations.

In FY 2016, IPO's work will involve issues as varied as evaluations of active shooter responses; criminal investigations not assigned to a DCIO; emergency transfers of sexual assault complainants; the investigative thoroughness of unsolved serious crimes; and child abuse in DoD home based and government daycare in DoD communities.

In FY 2014, the Technical Assessment Directorate (TAD) issued five reports: Assessment of Military Housing in Japan; Assessment of Military Housing in the Republic of Korea; Quality Assurance and Reliability Assessment of the Missile Defense Agency's Exoatmospheric Kill Vehicle; Assessment of Government Quality Assurance for DoD Acquisition Programs; and Assurance Policy Review for Spacecraft and Strategic Systems.

TAD also initiated five Notices of Concern to address immediate safety and environmental issues for military housing in Japan and the Republic of Korea. The Notices of Concern required immediate attention by the Service organizations responsible for Operation and Maintenance of accompanied and unaccompanied housing used by the Warfighter and their families.

In addition, TAD provided engineering support to five DOD IG projects: Audit of DoD DAM Safety Inspections; Audit of the Acquisition of the Army Integrated Air and Missile Defense Program; Audit of the Air Force MQ9 Unmanned Aircraft System Reaper; Audit of the Navy

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Ship-to-Shore Connector Program; and Audit of Requirements and Contract Oversight of Military Construction Projects at Camp Lemonnier, Djibouti, Africa.

In FY 2015, TAD is performing technical assessments that address issues of concern to Congress, DoD, and the public, and will give priority to those that affect life, health and safety. This includes an assessment of the C-5 Re-engining Refurbishment Program, two assessments on the F35 aircraft program, and an assessment on a major acquisition program. Similar to the Japan and Korea military housing safety and environmental health assessments performed in FY 2014, TAD is performing two CONUS military housing assessments. TAD is also supporting DOD IG components on their audit/evaluation assist requests. TAD is also conducting analysis of several ACAT I programs for other potential FY 2015 projects.

FY 2016, TAD will perform technical assessments that address issues of concern to Congress, DoD, and the public, and give priority to those that affect life, health and safety. In addition, TAD will perform a major military housing inspection in CONUS or OCONUS as follow-on inspections to the ones in Japan, Korea and CONUS, which were conducted in FYs 2014 and 2015. TAD will also support DOD IG components on their audit/evaluation assist requests.

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Intelligence and Special Program Assessments:

As a result of ODIG-ISPA efforts, DoD Directive 5200.43, "Management of the Defense Security Enterprise," was published. It establishes the Defense Security Enterprise (DSE) Executive Committee and provides direction for a comprehensive DSE policy and oversight framework and governance structure to safeguard personnel, information, operations, resources, technologies, and facilities against harm, loss, or hostile acts and influences.

In FY 2014 and 2015, besides completing ongoing projects ODIG-ISPA personnel will continue to reassess oversight of defense priorities and congressional perspectives to ensure resources provide the best coverage. This will include projects that continue to support operational forces. The ODIG-ISPA will have to focus reviews on issues that showcase our oversight strength in areas such as cyber security, acquisition, and contracting within the DoD Intelligence community, and intelligence and counterintelligence programs, systems, training, analysis and funding. In 2016, ISPA will continue to evaluate stakeholder input and provide timely and relevant reports. FY 2016 reporting will also consider updates to strategic DoD guidance and updated legislative requirements. Moreover, project emphasis will consider updates in technology, changes in funding strategy, adaptations in acquisitions, updates to intelligence law and DoD worldwide engagement and collaboration among different DoD agencies and commands as well as coalition partners.

Intelligence:

In FY 2014, our office continued to follow-up on the effectiveness of the contractor personnel security clearance process at the four defense intelligence agencies. As a result of heightened Congressional interest, ISPA evaluated DoD Unmanned Aerial Systems

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support to domestic civil authorities. At the operational level, we assessed the impact of the degradation of the Defense Intelligence Enterprise's long-term intelligence analytic capabilities on the support to campaign planning and acquisition program requirements. We completed an evaluation of Intelligence training and education programs to determine if they are providing the DoD intelligence workforce the fundamental competencies necessary to perform their duties. Additionally, we investigated specific mission areas to ensure the protection of sensitive information and operations.

In FY 2015, our main effort is focused on OUSD (Intelligence) programs that the intelligence agencies have responsibility to implement as well as programmatic updates on their progress in implementing various initiatives. FY 2015 areas of emphasis include the following: evaluation of high-risk DoD Intelligence programs to identify critical vulnerabilities; an assessment of DoD Intelligence, Surveillance, and Reconnaissance reconstitution efforts; cover support and clandestine activities. In line with DoD strategy, we will evaluate effectiveness related to intelligence activities post-Afghanistan as well as impacts associated with intelligence resources resulting from a rebalance to the Pacific region

In FY 2016 the ODIG-ISPA will continue to look at issues throughout the intelligence enterprise. Key issues include increased awareness and utilization of the Intelligence Community Whistleblower Protection Act. We will also evaluate the implementation of insider threat initiatives as well as updated data collection procedures in response to updated legislation including the Foreign Intelligence Surveillance Act (FISA) amendments. In FY 2016, updates to UAVs and ISR policies and procedures will likely be a renewed area of oversight interest for the ODIG-ISPA.

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Counterintelligence:

In FY 2014, we assessed DoD Processes in Support of the Committee on Foreign Investment in the United States Determinations and Foreign Ownership, Control, or Influence Mitigation. We also completed an assessment of counterintelligence support to in-transit force protection by evaluating the Force Protection Detachment.

In FY 2015, we are assessing Counterintelligence Support to the Defense Critical Infrastructure Program. We are also assessing counterintelligence support to the protection of DoD research, development, and acquisition as well as CI support to Special Operations. In FY 2015 the ODIG-ISPA continues to look at issues throughout the counterintelligence enterprise.

In FY 2016 our office will oversight issues that we draw from changes to critical technologies that drive updates to CI support and efforts to deter foreign intelligence adversaries. Key issues include counterintelligence support to cyberspace/forensics and changes in CI funding as well as technical surveillance countermeasures, investigation procedures and CI support to Counterterrorism.

Security Enterprise:

In FY 2014, ODIG-ISPA led efforts on Public Law 111-258, "The Reducing Over-Classification Act." ODIG-ISPA was asked by the Council of Inspectors General on Integrity and Efficiency to lead the federal government effort on this congressionally mandated project.

In FY 2014, ODIG-ISPA led a Council of Inspectors General on Integrity and Efficiency project to develop a government-wide common framework to determine the level of

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protection provided to our most sensitive and cutting-edge technologies, where billions of dollars are invested. We developed a standard assessment guide and associated inspection checklist, with the intent of ensuring that future assessments follow a consistent methodology to allow for cross-agency comparisons. We conducted assessments, with each participant assessing their own department, to determine the reliability of the evaluation guide and corresponding inspection guidelines. We are also assessed the future use of the Militarily Critical Technologies/Developing Scientific Technologies lists.

In FY 2015 the ODIG-ISPA will continue to look at issues throughout the security enterprise. Key issues include cyber security, where we are expanding the results of our previous outreach into the Department to determine our current posture in cyber security with an emphasis on supply chain risk management, the insider threat, and unauthorized disclosures.

In FY 2016, the ODIG-ISPA will complete the legislatively mandated second round of oversight efforts on Public Law 111-258, "The Reducing Over-Classification Act." We will also assess implementation efforts from the Defense Security Enterprise related to Insider Threat initiatives including Continuous Monitoring and Continuous Evaluation. DoD emphasis with information sharing will also continue to be an emphasis area in FY 2016.

Nuclear Enterprise:

The Nuclear Enterprise continues to be identified by ODIG as one of DoD's management challenges. In FY 2014, we issued reports on the nuclear command and control crypto

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IV. Performance Criteria and Evaluation Summary:

modernization effort, accountability of the Air Force's classified inventory of nuclear weapons related material, and a hotline report on a proposal to eliminate the U.S. Nuclear Command and Control System Support Staff. We have ongoing projects related to DoD requirements for nuclear gravity weapon delivery and nuclear weapon accident/incident response task force capability.

In FY 2014, we conducted an assessment of the Fixed Submarine Broadcast System site infrastructure. We also researched a potential FY 2014 project on mission capabilities of U.S. nuclear-capable fighters. One of our major goals for FY 2014 was to establish a Nuclear Enterprise Oversight Coordination Group. This group will consist of representatives from organizations that have nuclear enterprise oversight responsibilities and be used to coordinate oversight activities and keep abreast of developments with the nuclear enterprise community.

In FY 2015 the ODIG-ISPA is continuing to look at issues throughout the nuclear enterprise based on inputs from USSTRATCOM, the Joint Staff, DoD CIO office, DASD (Nuclear Matters), DISA, and the Services. Numerous vital areas need attention throughout the nuclear enterprise to ensure the recent revitalization efforts stay on track to meet Presidential direction. Other areas planned include oversight of sustainment efforts, command and control (C2) and governance.

In FY 2016, ODIG-ISPA will continue to assess strategies and programs related to nuclear surety, C2 planning, and nuclear operational readiness.

Special Access Programs:

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IV. Performance Criteria and Evaluation Summary:

DoD Directive 5205.07, "Special Access Program (SAP) Policy," July 1, 2010, requires the Office of the Inspector General, Department of Defense, "maintain a sufficient dedicated cadre of SAP-trained personnel to perform inspection, investigation, evaluation, and audit functions for DoD SAPs and SAP-related activities." Within the DOD IG DoD, the cadre is assigned to ODIG-ISPA.

ODIG-ISPA has performed audits and evaluations that were both self-initiated and requested by the Director, DoD Special Access Program Central Office. The types of audits performed include performance audits of major acquisition programs; information technology; intelligence; security; systemic issues; and organizational reviews which ensure compliance with DoD directives, policies, guidance and internal operating instructions. ODIG-ISPA also performed assessments of several intelligence SAPs.

In 2014, we performed 3 classified program and acquisition audits and reported on issues including contracting, procurement, testing, security, and program management. All projects supported SecDef or IG mission priorities or management challenges. In FY 2015 and FY 2016 our plan is to continue to conduct audits related to SAP program management. In 2015, emphasis is on several operationally sensitive programs. In FY 2016, emphasis will include acquisition efforts related to the Defense Security Environment Architecture, DoD-Intelligence community capabilities integration, and DoD efforts related to Intelligence Community Information Technology Enterprise (ICITE) and associated contracts and program management.

Summary:

In summary, all projects support SecDef or IG mission priorities or management challenges. The ODIG-ISPA will further refine project scope and objectives to improve

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IV. Performance Criteria and Evaluation Summary:

cycle times. Also, the ODIG-ISPA will continue chairing the DISPOC and participating in quarterly meetings of the Intelligence Community IG Forum to prevent duplication and overlap between the DOD IG, Service audit and Inspectors General agencies; or collaborating with DISPOC and Intelligence Community IG Forum members.

Special Plans and Operations (SPO):

FY 2014

Southwest Asia:

SPO selects, summarizes, and concisely presents six months of quantitative and qualitative metrics deemed indicative of progress toward the goal of developing a sustainable Afghan National Security Force (ANSF) to fill a perceived information gap among senior leaders in the Office of the Secretary of Defense and relevant Congressional Committees. We produced four periodic reports for the Afghan National Police and the Afghan National Army. These reports were classified CONFIDENTIAL RELEASABLE TO NATO/ISAF in accordance with U.S. policy.

In a continuing series of self-initiated assessments that focus on the training and equipping Afghan National Security Forces, SPO conducted fieldwork in October 2013 on the "Assessment of USG Efforts to Transition Security Cooperation and Security Assistance Supporting GIRoA from DoD to DOS." SPO suspended the project and associated report after initial fieldwork, until the finalization of a U.S. - Afghan Bilateral Security Agreement. Based on the reported timeline remaining for Coalition Forces to work in force in Afghanistan, the effective, rapid transition of the Security Cooperation and

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IV. Performance Criteria and Evaluation Summary:

Security Assistance function/capability is critical to USG's future support of the Afghan National Security Forces.

In December 2013, SPO released a report on "Planning for the Effective Development and Transition of Critical ANSF Enablers to Post-2014 Capabilities Part II - Cross-Cutting Issues of Afghan National Army Enabler Development." Enablers are those capabilities essential to supporting a successful outcome on the battlefield, including aviation, Counter-Improvised Explosive Device, medical, intelligence, engineering, special operations forces, fires, mobile strike forces, and operational coordination centers. The majority of ANSF operational units have been organized, equipped, and fielded, but their success is currently dependent on U.S.-provided enablers for sustainment and operational effectiveness.

SPO released a report on "U.S. Military and Coalition Efforts to Develop Effective and Sustainable Healthcare in Support of the Afghan National Police" in May 2014. The development of effective and sustainable healthcare for the Afghan National Police (ANP), who currently take the most casualties in the ongoing security operations in Afghanistan, is critical to the long-term moral and viability of the police forces.

In December 2013, SPO conducted fieldwork on its "Assessment of USG and Coalition Efforts to develop the Logistics Sustainment Capability of the Afghan National Army." SPO released its draft assessment report in July 2014, with a projected final report release date of September 2014. In a similar, related project, SPO conducted fieldwork in June 2014 on the "Assessment of USG and Coalition Efforts to develop the Logistics Sustainment Capability of the Ministry of Interior Police Forces." An effective logistics system is

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IV. Performance Criteria and Evaluation Summary:

probably the most critical enabler necessary for the long-term viability of the Afghan National Security Forces.

All of these projects were coordinated with the USCENTCOM, USFOR-A, and the NATO Training Mission-Afghanistan Inspectors General.

Medical:

As a result of a 2008 Congressional request for assistance, SPO has been conducting an ongoing series of assessments ("Wounded Warriors Matters") to determine whether the DoD programs for the care, management, and transition of recovering service members wounded during deployment to Iraq or Afghanistan are managed effectively and efficiently.

In February 2014, SPO published the "Assessment of Wounded Warrior Matters: Managing the Risks of Multiple Medications." This report examined the policies related to reducing adverse drug events, such as unanticipated side effects, decreased drug effectiveness, accidental overdose and death. It also examined procedures related to disposing of medications that are expired or no longer needed for treatment. Misuse of unneeded medication can result in similar adverse drug events.

In August 2014, SPO also published the "Assessment of DoD Wounded Warrior Matters: Selection and Training of Warrior Transition Unit and Wounded Warrior Battalion Leaders and Cadre" to determine whether the U.S. Army and Marine Corps had policies and procedures in place to ensure the selection and training of appropriately qualified personnel to fill leadership and cadre positions for Army Warrior Transition Units (WTUs) and Marine Corps Wounded Warrior Battalions (WWBns).

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IV. Performance Criteria and Evaluation Summary:

SPO assessed the DoD Suicide Event Report (DoDSER), a standardized database used by the military services as the "system of record" for reporting suicide behavior, to determine the extent that incomplete or inaccurate data from the DoDSER may have been used when making program or policy decisions on suicide prevention efforts. The draft report for this project was issued in August 2014, with a final report expected in September 2014.

In October 2013, SPO initiated a project "Assessment of DoD-Provided Healthcare for Members of the United States Armed Forces Reserve Components." This project aims to determine whether DoD-provided healthcare supports DoD established Guard and Reserve pre-deployment medical readiness rates, and whether DoD-provided healthcare supports efficient and effective post-deployment care for Guard and Reserve members who become wounded, ill, and injured while on active duty. We expect the final report to be issued in first quarter FY 2015.

Congressional / Other:

In response to a Congressional request in the 2013 NDAA, SPO issued a report on "Arlington and Soldiers' and Airmen's Home National Cemeteries" to assess the implementation of new guidance from Department of Army. To obtain sufficient and appropriate evidence to provide a reasonable basis for our assessment, we visited Arlington National Cemetery, the Soldiers' and Airmen's Home National Cemetery, Mission and Installation Contracting Command-Fort Belvoir, and the U.S. Army Corps of Engineers-Norfolk District.

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IV. Performance Criteria and Evaluation Summary:

In March 2014, SPO published "Section 847 Ethics Requirements for Senior Defense Officials Seeking Employment with Defense Contractors", which addressed (1) the central database and DoD IG oversight provisions of Public Law 110-181, "The National Defense Authorization Act for Fiscal Year 2008," Section 847, "Requirements for Senior Department of Defense Officials Seeking Employment with Defense Contractors," January 28, 2008; and (2) subsequent direction from the House Armed Services Committee (HASC).

In July 2014, SPO published the "Assessment of the Armed Forces Retirement Home," addressing all aspects of the AFRH facilities in Washington, DC and Gulfport, MS to determine compliance with applicable laws and regulations, and reviewing the concerns brought up by the Advisory Council, the Resident Advisory Committees, and the residents. This project yielded over 130 recommendations for implementation over a broad array of functional areas within both retirement homes.

In June 2014, SPO published the capping report on the DoD Combating Trafficking in Persons program. The report summarized findings resulting from our multi-year review which began in 2009, in response to the requirement for the Inspectors General of the Department of Defense, Department of State, and United States Agency for International Development to investigate a sample of contracts for which there was a heightened risk that contractors may engage in acts related to trafficking in persons. The team visited 67 Department of Defense organizations at 46 installations, conducted over 280 briefings, interviews, and sensing sessions with over 300 military and Department of Defense civilian personnel, and over 200 contractor personnel.

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IV. Performance Criteria and Evaluation Summary:

In April 2014, SPO published a report on the effectiveness of interaction between DoD and the State Defense Forces (SDF), military forces which are statutorily authorized to the states. These forces, along with the National Guard, are the constitutionally authorized and recognized militia of the states. We found that the status of SDF varied among the states choosing to establish them, and the interaction between DoD and the 23 SDF was not properly defined. Improved DoD/SDF cooperation and interaction was impeded by overly restrictive implementation of the statute and unclear guidance governing interaction between DoD and the SDF.

In June 2014, SPO published its draft report, "Assessment of the Department of Defense Prisoner of War/Missing in Action Accounting Community" to assess the Department's programs and practices concerning the identification and repatriation of the remains of the Nation's missing-in-action from past armed conflicts. This included the overall accounting community organization and effectiveness, issues raised about possible inappropriate official travel, and allegations made by past and present personnel assigned to the mission concerning poor leadership and mismanagement. In addition, we were asked to identify any other deficiencies related to the administration of programs carried out by the Defense POW/Missing Personnel Office, Joint POW-MIA Accounting Command (JPAC), and other members of the accounting community that have or could impede its ability to accomplish the identification and repatriation mission. The final report is expected to be issued in September 2014.

SPO completed the assessment of the Federal Voting Assistance Program for Calendar Year 2013, which continues our annual evaluation of voting assistance to Service members and reports on risks to program objectives, or violations of law, policy, or regulation, so

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IV. Performance Criteria and Evaluation Summary:

public officials and those charged with governance can take appropriate action. Section 1566 of 10 United States Code requires that the Inspectors General of the Army, Navy, Air Force, and Marine Corps conduct an annual review of their voting assistance programs. Upon completion of their annual reviews, each Service Inspector General is required to submit a report to the DoD Inspector General, who in turn submits a summary report to Congress.

FY 2015

Southwest Asia:

In a continuing series of self-initiated assessments that focus on the train and equip missions in Afghanistan, SPO will release a report on the "Assessment of USG and Coalition Efforts to develop the Logistics and Maintenance Sustainment Capability of the Ministry of Interior Police Forces."

At the request of CSTC-A, SPO will also complete an "Assessment of the Sufficiency of the ANSF's Policies, Processes, and Procedures for the Management and Accountability of ammunition, explosives, and Fuel" and an "Assessment of US and Coalition Efforts to Develop the ANSF Inspector General System" in FY 2015.

Continuing its series of periodic reporting of quantitative and qualitative metrics deemed indicative of progress toward the goal of developing a sustainable Afghan National Security Force, SPO will issue its report focused on the Afghan National Security Forces

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in FY15. This report will also be classified CONFIDENTIAL RELEASABLE TO NATO/ISAF in accordance with U.S. policy.

SPO also anticipates completion of the "Assessment of USG Efforts to Transition Security Cooperation and Security Assistance Supporting GIRoA from DoD to DOS" in FY 2015.

In FY 2015, SPO anticipates conducting an "Assessment of US and Coalition Efforts to Develop ANA Training Centers at Corps-Level."

Global Security Issues:

Section 1206 of the NDAA for FY 2006 provided the Secretary of Defense with authority to train and equip foreign military and maritime security forces to build their capacity to conduct counterterrorism and stability operations. In a self-initiated assessment, SPO will evaluate and report on the overall effectiveness of the Section 1206 program in supporting combatant commands' counterterrorism mission and stability operations.

Biosurety is defined as the combination of security, biosafety, agent accountability, and personnel reliability needed to prevent unauthorized access to select agents of bio warfare. In FY 2015, in a self-initiated assessment, SPO will begin to evaluate DoD biological surety and security oversight, and DoD component biological surety and security compliance with the relevant statutes and regulations.

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Medical:

A new project about DoD suicide prevention programs will: 1) Evaluate DoD's processes used in the development of suicide prevention policy, and 2) Determine what changes are required to improve the process for developing evidence based suicide prevention and intervention policies and programs.

Congressional/Other:

SPO will also continue to assess statutorily mandated subject areas and other high-risk topics, as required, including "The Federal Voting Assistance Program/State Grants" and "Rights of Conscience of Service Members and Chaplains."

FY 2016

In response to a growing need to assess priority national security objectives globally, SPO will continue to explore expanding its scope to include a variety of non-SWA topics in FY 2016. Areas of interest include, but are not limited to:

- Readiness of U.S. forces in Africa, the Pacific, and the Middle East.
- Training and equipping foreign military forces
- Security Cooperation / Assistance programs worldwide
- Counter-terrorism operations

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- Cyber-security
- Emerging security threats

In Afghanistan, the ongoing "Assessment of USG Efforts to Transition Security Cooperation and Security Assistance Supporting GIROA from DoD to DOS" and the "Assessment of US and Coalition Efforts to Develop ANA Training Centers at Corps-Level" are expected to be completed in FY 16.

In addition, SPO plans FY 2016 assessments in the areas of Cyber, Operations and Information Security."

SPO will continue to assess critical healthcare topics, such as transition of wounded service members to the Department of Veterans Affairs, military mental health programs, and medical research activities.

Additional known projects for FY 2016 include another assessment/report in the series dealing with service member suicide and the annual assessment of "The Federal Voting Assistance Program.

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IV. Performance Criteria and Evaluation Summary:

| | <u>FY 2014 Actual</u> | <u>FY 2015 Estimate</u> | <u>FY 2016 Estimate</u> |
|--|---------------------------|-----------------------------|-----------------------------|
| <u>AUDIT</u> | | | |
| Reports issued | 128 | 130 | 130 |
| Potential monetary benefits (\$ millions) (* Monetary benefits cannot be estimated) | 9,300 | * | * |
| Achieved monetary benefits (\$ millions) (*Monetary benefits cannot be estimated at this time) | * | * | * |
| <u>CRIMINAL INVESTIGATIONS</u> | | | |
| Indictments and Charges | 316 | 328 | 338 |
| Convictions | 283 | 280 | 294 |
| Fines/penalties/restitutions, etc. (\$ millions) | \$1,855.00 | \$2,650.66 | \$2,783.20 |
| <u>ADMINISTRATIVE INVESTIGATIONS</u> | | | |
| Complaints Received | 800 | 800 | 800 |
| Complaints Closed | 650 | 800 | 800 |
| Complaints Closed by ISO | 400 | 550 | 550 |
| Complaints Closed by Service/Defense Agency IGs with Oversight by ISO | 300 | 300 | 300 |
| Whistleblower Reprisal Investigations- Complaints Received | 900 | 1150 | 1150 |
| Whistleblower Reprisal Investigations- | 500 | 600 | 600 |

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IV. Performance Criteria and Evaluation Summary:

| | | | |
|--|-------|--------|--------|
| Complaints Closed by WRI | | | |
| Whistleblower Reprisal Investigations- Complaints Closed by Service/Defense Agency IGs with Oversight by WRI | 300 | 400 | 400 |
| Whistleblower Reprisal Investigations- Complaints of Improper Mental Health Evaluation (MHE) Referral Received | 50 | 30 | 30 |
| Whistleblower Reprisal Investigations- Complaints of Improper MHE Referral Closed by WRI | 6 | 6 | 6 |
| Whistleblower Reprisal Investigations- Complaints of Improper MHE Completed by Service/Defense Agency IGs with Oversight by WRI | 30 | 50 | 50 |
| Hotline calls/letters received | 8,700 | 12,000 | 12,500 |
| Substantive cases generated | 5,000 | 6,000 | 7,000 |
| <u>POLICY and OVERSIGHT</u> | | | |
| Audit oversight reports | 6 | 8 | 10 |
| Hotline completion reports | 3 | 3 | 3 |
| Notices of Concern | 10 | 10 | 10 |
| Investigative Policy and Oversight reports | 8 | 8 | 8 |
| Contractor Disclosures Submitted | 200 | 200 | 200 |

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IV. Performance Criteria and Evaluation Summary:

| | | | |
|---|-----|-----|-----|
| Subpoenas issued | 660 | 670 | 780 |
| Technical Assessment reports | 5 | 5 | 5 |
| Engineering Support to Other Component Projects | 5 | 5 | 5 |
| <u>INTELLIGENCE</u> | | | |
| Reports issued | 14 | 16 | 18 |
| <u>SPECIAL PLANS and OPERATIONS</u> | | | |
| SPO reports | 14 | 13 | 14 |
| <u>COMMUNICATIONS & CONGRESSIONAL LIAISON</u> | | | |
| Opened congressional inquiries | 185 | 200 | 200 |
| Closed congressional inquiries | 232 | 225 | 225 |
| GAO Draft / Final Reports Reviewed | 196 | 310 | 330 |
| GAO Announcement Received | 221 | 276 | 276 |
| <u>OFFICE OF GENERAL COUNSEL</u> | | | |
| FOIA requests received | 800 | 850 | 850 |
| FOIA requests processed | 600 | 650 | 700 |
| FOIA appeals received | 15 | 25 | 25 |

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| <u>V. Personnel Summary</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | Change FY 2014/ FY 2015 | Change FY 2015/ FY 2016 |
|---|-----------------------|-----------------------|-----------------------|--|--|
| <u>Active Military End Strength (E/S) (Total)</u> | <u>28</u> | <u>28</u> | <u>28</u> | <u>0</u> | <u>0</u> |
| Officer | 27 | 27 | 27 | 0 | 0 |
| Enlisted | 1 | 1 | 1 | 0 | 0 |
| <u>Civilian End Strength (Total)</u> | <u>1,536</u> | <u>1,645</u> | <u>1,645</u> | <u>109</u> | <u>0</u> |
| U.S. Direct Hire | 1,535 | 1,644 | 1,644 | 109 | 0 |
| Total Direct Hire | 1,535 | 1,644 | 1,644 | 109 | 0 |
| Foreign National Indirect Hire | 1 | 1 | 1 | 0 | 0 |
| <u>Active Military Average Strength (A/S) (Total)</u> | <u>28</u> | <u>28</u> | <u>28</u> | <u>0</u> | <u>0</u> |
| Officer | 27 | 27 | 27 | 0 | 0 |
| Enlisted | 1 | 1 | 1 | 0 | 0 |
| <u>Civilian FTEs (Total)</u> | <u>1,543</u> | <u>1,570</u> | <u>1,570</u> | <u>27</u> | <u>0</u> |
| U.S. Direct Hire | 1,542 | 1,569 | 1,569 | 27 | 0 |
| Total Direct Hire | 1,542 | 1,569 | 1,569 | 27 | 0 |
| Foreign National Indirect Hire | 1 | 1 | 1 | 0 | 0 |
| Average Annual Civilian Salary (\$ in thousands) | 153.8 | 148.4 | 149.9 | -5.4 | 1.5 |
| <u>Contractor FTEs (Total)</u> | <u>109</u> | <u>107</u> | <u>110</u> | <u>-2</u> | <u>3</u> |

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

| <u>OP 32 Line</u> | <u>FY 2014</u> <u>Actual</u> | <u>Change</u> <u>FY 2014/FY 2015</u> | | <u>FY 2015</u> <u>Enacted</u> | <u>Change</u> <u>FY 2015/FY 2016</u> | | <u>FY 2016</u> <u>Estimate</u> |
|--|---------------------------------|---|----------------|----------------------------------|---|----------------|-----------------------------------|
| | | <u>Price</u> | <u>Program</u> | | <u>Price</u> | <u>Program</u> | |
| 101 Exec, Gen'l & Spec Scheds | 235,516 | 2,355 | -7,021 | 230,850 | 2,828 | -401 | 233,277 |
| 111 Disability Compensation | 984 | 0 | 239 | 1,223 | 0 | -71 | 1,152 |
| 121 PCS Benefits | 769 | 0 | 71 | 840 | 0 | 0 | 840 |
| 199 Total Civ Compensation | 237,269 | 2,355 | -6,711 | 232,913 | 2,828 | -472 | 235,269 |
| 308 Travel of Persons | 6,177 | 111 | -621 | 5,667 | 96 | -95 | 5,668 |
| 399 Total Travel | 6,177 | 111 | -621 | 5,667 | 96 | -95 | 5,668 |
| 647 DISA Enterprise Computing Centers | 3,475 | -25 | -328 | 3,122 | -313 | 313 | 3,122 |
| 699 Total DWCF Purchases | 3,475 | -25 | -328 | 3,122 | -313 | 313 | 3,122 |
| 771 Commercial Transport | 471 | 9 | -349 | 131 | 2 | -2 | 131 |
| 799 Total Transportation | 471 | 9 | -349 | 131 | 2 | -2 | 131 |
| 912 Rental Payments to GSA (SLUC) | 22,024 | 396 | 264 | 22,684 | 386 | 295 | 23,365 |
| 913 Purchased Utilities (Non-Fund) | 90 | 2 | -7 | 85 | 1 | 1 | 87 |
| 917 Postal Services (U.S.P.S) | 20 | 0 | 1 | 21 | 0 | 0 | 21 |
| 920 Supplies & Materials (Non-Fund) | 1,609 | 29 | 644 | 2,282 | 39 | -186 | 2,135 |
| 921 Printing & Reproduction | 160 | 3 | -3 | 160 | 3 | -3 | 160 |
| 922 Equipment Maintenance By Contract | 1,404 | 25 | 140 | 1,569 | 27 | -9 | 1,587 |
| 923 Facilities Sust, Rest, & Mod by Contract | 2 | 0 | 5 | 7 | 0 | 0 | 7 |
| 925 Equipment Purchases (Non-Fund) | 1,109 | 20 | 5,441 | 6,570 | 112 | 1,899 | 8,581 |
| 932 Mgt Prof Support Svcs | 23,210 | 418 | -4,721 | 18,907 | 321 | -682 | 18,546 |
| 934 Engineering & Tech Svcs | 3,478 | 63 | -999 | 2,542 | 43 | -788 | 1,797 |
| 955 Other Costs (Medical Care) | 9 | 0 | -9 | 0 | 0 | 0 | 0 |
| 960 Other Costs (Interest and Dividends) | 254 | 5 | 17 | 276 | 5 | 20 | 301 |
| 987 Other Intra-Govt Purch | 6,513 | 117 | 1,241 | 7,871 | 134 | 1,041 | 9,046 |
| 989 Other Services | 4,101 | 74 | 2,848 | 7,023 | 119 | -806 | 6,336 |
| 999 Total Other Purchases | 63,983 | 1,152 | 4,862 | 69,997 | 1,190 | 782 | 71,969 |
| Total | 311,375 | 3,602 | -3,147 | 311,830 | 3,803 | 526 | 316,159 |

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- * The FY 2014 Estimate column includes \$6,606 thousand of FY 2014 Overseas Contingency Operations (OCO) Appropriations funding (PL 113-76).
- * The FY 2015 Estimate column excludes \$10,263 thousand of FY 2015 OCO Appropriations funding (PL 113-235).
- * The FY 2016 Estimate excludes OCO.