

Fiscal Year 2010 Budget Estimates Office of the Inspector General (OIG)



May 2009

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OFFICE OF THE INSPECTOR GENERAL
Operation and Maintenance, Office of the Inspector General
Fiscal Year (FY) 2010 Budget Estimates

Office of the Inspector General

	FY 2008 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2009 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2010 <u>Estimate</u>
OIG	243,830	6,447	24,063	274,340	6,301	-8,197	272,444

* The FY 2008 Actual column includes \$7.6 thousand of FY 2008 Emergency Supplemental funds for the Overseas Contingency Operations (PL 110-252).

* The OIG did not receive Bridge Funding Appropriations for FY 2009 Overseas Contingency Operations (PL 110-329).

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. For the last 3 years, **the OIG has achieved \$22.8 billion in savings and \$4.1 billion in recovery** for the nation. The Inspector General is the only DoD official qualified to issue opinions on the financial statements of the DoD.

The Inspector General Reform Act (Public Law 110-409) was signed by the President on October 14, 2008. Section 6 (f) (1) of the Inspector General Act of 1978, 5 U.S.C. app.3, was amended to require certain specifications concerning the OIG budget submissions each year. The aggregate amounts requested in the President's Budget for OIG operational requirements; training; and support to the CIGIE satisfies the OIG requirements for FY 2010.

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I. Description of Operations Financed: (continued)

Narrative Explanation of Changes:

FY 2009 to FY 2010: Civilian FTEs decrease by 25 due to attrition.

Auditing: Audit topics are determined by law, requests from the Secretary of Defense and other DoD leadership, Hotline allegations, congressional requests, and OIG risk analyses of DoD programs and also include areas of concern for contract pricing, services contracts, contractor overhead costs, and major weapons systems acquisitions. To support the Overseas Contingency Operations (OCO), the OIG maintains staff in Iraq, Afghanistan and Qatar and is establishing new field offices in Germany, and Hawaii and expanding the Yorktown, Pennsylvania and Tampa, Florida offices. During FY 2008, Audit achieved over \$655.7 million in monetary benefits from reports issued in earlier years. **Since FY 2006, each auditor has returned an average return on investment of \$11.7 million in monetary benefits each year.**

Priority demands on audit resources include:

- Section 842 of the FY 2008 National Defense Authorization Act which requires the Inspector General of the Department of Defense to develop a comprehensive plan for a series of audits of Defense contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction functions in Iraq and Afghanistan;
- The Chief Financial Officer's Act of 1990, as amended by the Federal Financial Management Act of 1994;
- The Intelligence Authorization Act for FY 2002 which requires the OIG to audit the form and content of the financial statements of the National Security Agency, National Geospatial-Intelligence Agency, and Defense Intelligence Agency;

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I. Description of Operations Financed: (continued)

Defense Business Operations (formerly Defense Financial Auditing Service): The DoD annually produces at least 65 individual financial statements, many of which are larger and more complex than the statements of most public corporations. In addition, because of increased concerns over funding spent on the Overseas Contingency Operations (OCO), the OIG is performing several financial audits to determine whether OCO funds are being used for their intended purpose.

Investigations: The Office of the Deputy Inspector General for Investigations (ODIG-INV) comprises the Defense Criminal Investigative Service (DCIS) and the Office of the Assistant Inspector General for Administrative Investigations, the latter consisting of Investigations of Senior Officials (ISO), Military Reprisal Investigations (MRI), and Civilian Reprisal Investigations (CRI). The ODIG-INV's missions have evolved and escalated since the terrorist attacks of September 11, 2001, encompassing the increasing sophistication of criminal enterprises and new and developing statutory requirements. In the aftermath of September 11, DCIS' traditional areas of concentration (major procurement fraud with emphasis on defective and substandard products, cyber crimes, healthcare fraud, and public corruption) expanded to include anti-terrorism operations and technology protection investigations (illegal transfer, theft, or diversion of DoD technologies and U.S. Munitions List items to proscribed nations and persons). The DCIS participates with the Federal Bureau of Investigation (FBI) on Joint Terrorism Task Forces (JTTFs) at the FBI headquarters and at 45 locations across the U.S. The DCIS also works with U.S. Immigration and Customs Enforcement to stem the illegal diversions of DoD technology, weapon systems, and equipment through an intensive criminal investigative effort and awareness training to include tailored briefings designed to encourage DoD and contractor employees to report to DoD law enforcement agencies crimes impacting DoD programs.

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I. Description of Operations Financed: (continued)

The DCIS actively participates in the Law Enforcement/Counterintelligence Center (LECIC), which is part of the Joint Task Force - Global Network Operations (JTF-GNO) established to protect the Global Information Grid (GIG). Additionally, DCIS is an active member of the President's Council on Integrity and Efficiency (PCIE), supports the Executive Council on Integrity and Efficiency (ECIE,) and is a mainstay on the Department of Justice National Procurement Fraud Task Force.

Fraud investigations often lead to additional endeavors initiated by the OIG or directed by Congress, the Office of the Secretary of Defense, and the Department of Justice (DoJ). The DCIS continues to aggressively investigate DoD-related fraud originating from Iraq and other Southwest Asia (SWA) areas of operations through its offices in Afghanistan, Iraq, Kuwait, Germany, and the U.S. Subsequent to the launch of the Overseas Contingency Operations, DoJ, with its DoD and other Federal law enforcement partners significantly increased efforts to counter procurement fraud and public corruption impacting DoD Overseas Contingency Operations (OCO). The DCIS remains a key member of DoJ's 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 the OCO.

The DCIS is also an active member of the National Procurement Fraud Task Force (NPFTF), created in October 2006 to promote the prevention, early detection, and prosecution of procurement fraud. The NPFTF is chaired by the Assistant Attorney General for the Criminal Division, and includes DCIS, the FBI, the Inspector General community, federal prosecutors across the country, as well as DoJ's Criminal, Civil, Antitrust, and Tax Divisions.

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- Investigations of Senior Officials (ISO) ensures that ethical violation, abuses of authority, or misuses of public office do not undermine the credibility of the national command structure. The ISO was established in 1991 after Members of Congress expressed concern about the quality of investigations conducted by the Service Inspectors General on alleged misconduct by DoD senior officials.

- Military Reprisal Investigations (MRI) conducts and oversees investigations of whistleblower reprisal under three Federal whistleblower protection statutes: 10 U.S.C. 1034 (military members); 10 U.S.C. 1587 (nonappropriated fund employees); and 10 U.S.C. 2409 (DoD contractor employees). The MRI conducts or oversees investigations of alleged violations of DoD Directive 6490.1, "Mental Health Evaluations of Members of the Armed Forces." The expansion of OCO funding has increased the number of whistleblower reprisal complaints submitted by military members and Defense contractor employees. Additionally, Congress recently broadened statutory protections for Defense contractor employees, which is anticipated to increase the number of reprisal complaints submitted to the DoD OIG. Military reprisal allegations, comprise more than 80 percent of the MRI's workload.

- Civilian Reprisal Investigations (CRI) reviews and investigates whistleblower reprisal allegations submitted to the DoD Hotline by DoD civilian appropriated fund employees. The CRI remains the sole centralized resource for investigating reprisals against DoD intelligence and counter-intelligence whistleblowers. As a leader in the whistleblower protection field, it has become the mentor to programs at the National Security Agency (NSA), Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), and within the service intelligence communities.

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I. Description of Operations Financed: (continued)

Policy and Oversight: The Office of the Deputy Inspector General for Policy and Oversight (ODIG-P&O) provides policy, guidance, and oversight to audit, inspections, evaluations, and investigative and hotline activities within the DoD and provides analysis and comments on all proposed draft DoD policy issuances. In addition, the ODIG-P&O provides technical support to OIG organizations; provides the report follow-up function for the DoD OIG, and evaluates DoD programs and functions. To support the OCO and SWA efforts, the ODIG-P&O will continue to evaluate both DoD's warfighting mission and its stabilization, security, transition, and reconstruction mission. The ODIG-P&O also will continue to respond to congressional and management requests to review audits, inspections, evaluations, investigations, and inquiries conducted by the DoD or others in support of the DoD mission.

- Audit Policy and Oversight (APO) Directorate provides audit policy direction, guidance, and oversight for the ODIG-AUD, the Military Departments audit organizations, the Defense Contract Audit Agency (DCAA), other Defense audit organizations and public accounting firms under the Single Audit Act. The APO provides guidance and oversight for over 6,500 DoD auditors in 24 DoD audit organizations, which is nearly 40 percent of all auditors in Federal Inspector General audit organizations.
- Investigative Policy and Oversight (IPO) Directorate evaluates the performance and develops policy for the DoD criminal investigative and law enforcement community, as well as the non-criminal investigative offices of the DoD. The IPO Directorate also manages the Inspector General Subpoena Program for investigating fraud and other select criminal offenses, and administers the DoD Voluntary Disclosure Program, which facilitates Defense contractors desiring to self-report potential fraud. IPO responds to complex congressional and other agency requests to determine accountability for problems attracting international notoriety. Under the Subpoena program, the office

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I. Description of Operations Financed: (continued)

reviews requests and produces subpoenas for the military criminal investigative organizations and the DCIS.

- Inspections and Evaluations (I&E) Directorate conducts objective and independent customer-focused management and program inspections and evaluations and provides timely findings and recommendations to improve DoD programs and operations. I&E also provides policy and oversight assistance to the DoD OIG community to improve the effectiveness of inspections and evaluations programs and processes.
- Technical Support Directorate provides a variety of support functions for the OIG audit, investigative, and evaluation organization and to other DoD organizations as needed. These support functions include statistical and quantitative analysis, engineering support, and data-mining large databases to identify areas of potential wrong-doing.
- The Report Follow-up and Government Accountability Office (GAO) Liaison (R&GL) Directorate provides follow-up on audit and evaluation recommendations to ensure effectiveness of remedies; mediation of disputes regarding recommendations; and manages and oversees liaison with GAO regarding GAO activities within the Department.

Intelligence: The Office of the Deputy Inspector General for Intelligence (ODIG-INTEL) audits, evaluates, monitors, and reviews the programs, policies, procedures, and functions of the DoD Intelligence Community, special access programs, the Defense nuclear program and operations, and other highly classified programs and functions within the DoD (hereafter referred to collectively as DoD intelligence). The DIG-INTEL is the primary advisor to the DoD Inspector General and through the DoD Inspector General to the SECDEF and other Office of the Secretary of Defense (OSD) leaders on intelligence audit and evaluation matters.

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I. Description of Operations Financed: (continued)

The ODIG-INTEL personnel also assist the Office of the Director of National Intelligence Inspector General (ODNI-IG) administer, coordinate, and oversee the functions of the Intelligence Community Inspectors General (ICIG) Forum.

Special Plans and Operations: The Office for Special Plans and Operations (SPO) provides timely, high-value assessment reports on strategic challenges and issues, with a special emphasis on OCO funding issues and operations in SWA. Its work complements the efforts of the other DoD OIG components.

SPO is being staffed with a core combination of civilian and military personnel who must be deployable to the SWA Theater of Operations. Team members can be drawn from OIG, other DoD, and interagency detailees that have the required evaluation and audit skill sets, and specific experience and knowledge of the issue areas being addressed.

To provide "proof of concept," at the request of the Secretary of Defense, the Inspector General organized and led SPO personnel, to which interagency personnel had been detailed, on a trip to Kuwait and Iraq. The objective was to establish the effectiveness of accountability and control over arms and ammunitions which the U.S. had been providing the Iraqi Security Forces and to recommend improvements for immediate implementation to address this issue. Additional focus areas were added during the trip, to include the Foreign Military Sales program and logistical sustainability. The Principal Deputy Inspector General led a follow-up trip to appraise the results of the previous visit, and included a trip to Afghanistan to initiate a review of the same issue areas as in Iraq. Simultaneously, another SPO team, led by the Inspector General, conducted a mission to Pakistan to review U.S. security assistance programs in that country.

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I. Description of Operations Financed: (continued)

Other Components, OIG:

The Office of Communications and Congressional Liaison (OCCL) is the primary point of contact for external communications between the OIG, the public and the Congress and is the public affairs office. OCCL includes the Defense Hotline, Freedom of Information Act Requester Service Center/Privacy Act Office, the OIG Web Development Team and digital media support. The DoD Hotline receives reports from DoD personnel and the public on allegations of mismanagement, fraud, waste, and abuse of authority. The Hotline conducts inquiries and tracks cases referred to other DoD investigative, audit, and operational organizations resulting from DoD Hotline contacts. The Hotline also provides oversight of Hotlines operated by Inspectors General of other DoD components.

In addition, the OCCL provides staff support and serves as the liaison for the DoD OIG to the President's Council on Integrity and Efficiency and the Defense Council on Integrity and Efficiency. The Inspector General is the chairman of the PCIE Information Technology Committee. OCCL also supports the DoD OIG participation in the PCIE by publishing the Journal of Public Inquiry. OCCL organizes and supports meetings of the DCIE, which are chaired by the DoD Inspector General, and held quarterly. DCIE meetings are used as a forum to discuss issues related to oversight within DoD. OCCL also acts as the lead agent for strategic planning for the DoD OIG, managing the development and periodic review and update of the DoD IG Strategic Plan to ensure that it addresses the current and emerging strategic landscape impacting the Department and the DoD OIG.

The Office of General Counsel (OGC) provides independent and objective advice and legal counsel to the Inspector General and the OIG. The scope of OGC advice and legal opinions includes criminal and administrative investigation, procurement, fiscal, personnel,

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ethics, international, and intelligence matters. The OIG General Counsel serves as the OIG Designated Agency Ethics Official (DAEO) and manages the OIG Ethics Program.

The Office of Administration and Management (OA&M) provides mission essential support for personnel, security, training, administration, logistics, financial management, and information technology through its six Directorates: Human Capital Advisory Services; Office of Security; Training Services; Administration and Logistics Services; Office of the Comptroller; and Information Systems. The OA&M also supports Combatant Command and Joint Inspector General Training and Doctrine development. The OIG, supported by the Joint Staff and Military Service Inspectors General, established the first-ever joint training dedicated to developing a professional corps of Inspectors General. Under the leadership of the Defense Council on Integrity and Efficiency, over 150 mission-ready Combatant Command and Joint Inspectors General in addition to selected individuals from the Department of State, Office of the Director of National Intelligence, Department of Homeland Security, and the Central Intelligence Agency participate in this training. Current plans call for a doubling of capacity and significant curriculum expansion in FY 2009 with plans to establish an Academy in late 2009 or early 2010. The Office of Inspector General is scheduled to relocate in 2011. The OA&M is the principal coordinator for this effort.

II. Force Structure Summary: n/a

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III. Financial Summary (\$ in thousands)

A. Subactivities	FY 2008 Actuals	Budget Request	Congressional Action			Current Estimate	FY 2010 Estimate
			Amount	Percent	Appropriated		
Audit	97,850	98,335	8,865	9	107,200	107,200	108,139
Investigations	87,659	89,527	6,589	7	96,116	96,116	95,655
Policy and Oversight	16,387	19,289	1,405	7	20,694	20,694	20,364
Intelligence	5,508	7,125	1,078	15	8,203	8,203	7,715
Special Plans & Operations	631	0	3,854		3,854	3,854	3,730
Other OIG	27,350	32,169	2,209	7	34,378	34,378	32,006
Council of the Inspectors General on Integrity and Efficiency (CIGIE)							675
OIG - Training							3,160
OCO Funding	7,574						
RDT&E Supplemental						2,000	
Procurement	871	1,400	0	0	1,400	1,895	1,000
Total	243,830	247,845	24,000	11	271,845	274,340	272,444

* The FY 2008 Actual column \$7.6 thousand of FY 2008 Emergency Supplemental funds for the Overseas Contingency Operations (PL 110-252).

* The OIG did not receive Bridge Funding Appropriations for FY 2009 Overseas Contingency Operations (PL 110-329).

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III. Financial Summary (\$ in thousands)

<u>B. Reconciliation Summary</u>	<u>Change FY 2009/FY 2009</u>	<u>Change FY 2009/FY 2010</u>
Baseline Funding	247,845	274,340
Congressional Adjustments (Distributed)	24,000	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount		
Fact-of-Life Changes (CY to CY Only)	2,495	
Subtotal Baseline Funding	271,845	
Anticipated Supplemental	9,551	
Reprogrammings		
Price Changes		6,301
Functional Transfers		
Program Changes		-8,197
Current Estimate		272,444
Less: Wartime Supplemental	-9,551	
Normalized Current Estimate	274,340	272,444

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III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2009 President's Budget Request (Amended, if applicable)		247,845
1. Congressional Adjustments - Distributed Adjustments	24,000	24,000
FY 2009 Appropriated Amount		271,845
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		2,495
a. Functional Transfers		
b. Technical Adjustments - RDTE and Procurement carry over	2,495	
FY 2009 Baseline Funding		
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2009 Estimate		274,340
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2009 Normalized Current Estimate		274,340
6. Price Change		6,301
7. Functional Transfers		
8. Program Increases (3,835
a. Annualization of New FY 2009 Program		
b. One-Time FY 2010 Increases		
c. Program Growth in FY 2010		
1) Council of the Inspectors General on Integrity And Efficiency (CIGIE) (FY 2009 Base: \$0.0 thousand)	675	
2) OIG - Training was previously displayed in other support lines. It is shown here for visibility and to show compliance with Inspector General's Reform Act (Public Law 110-409). (FY 2009 Base: \$0.0 thousand)	3,160	
9. Program Decreases		-12,032

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III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
a. Annualization of FY 2009 Program Decreases		
b. One-Time FY 2009 Increases		
c. Program Decreases in FY 2010		
1) Audit - Reduction of 2 FTEs - pay and benefits (\$405), travel (\$309), PCS (\$330), training (\$160), supply (\$164), and Communications (\$29). The reductions are offset by the pay raise of \$1,163 (FY 2009 Base: \$105,940.0 thousand)	-234	
2) Investigations - Reduction of 4 FTEs pay and benefits (\$1,693), travel (\$418), PCS (\$283), training (\$202), supplies (\$327), and communications (\$29). The reductions are offset by the pay raise of \$1,115 (FY 2009 Base: \$95,304.0 thousand)	-1,837	
3) Policy and Oversight - Reduction of 2 FTEs - pay and benefits (\$371), travel (\$204), training (\$122), supply (\$164), and communications (\$29). The reductions are offset by the pay raise of \$296. (FY 2009 Base: \$20,487.0 thousand)	-594	
4) Intelligence - Reduction of 3 FTEs - pay and benefits (\$347), travel (\$108), training (\$3), supplies (\$246), and communications (\$29). The reductions are offset by the pay raise of \$143. (FY 2009 Base: \$8,119.0 thousand)		
5) Intelligence Oversight - Reduction of 9 FTEs - pay and benefits (\$1,534), travel (\$292), rent/communications (\$280), training (\$11), other services (\$640), and supplies (\$5) (FY 2009 Base: \$2,700.0 thousand)	-2,762	
6) Special Plans & Operations - Reduction of 1 FTE - pay and benefits (\$155), travel (\$1), training (\$1), supplies (\$82), and communications (\$29). The reductions are offset by the pay raise of \$94 (FY 2009 Base: \$3,816.0 thousand)	-174	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
7) Other OIG - Reduction of 4 FTEs - pay and benefits (\$525), travel (\$273), training (\$3), supplies(\$321), communications (\$43), contracts (\$1,650), and facilities (\$828). The reductions are offset by the pay raise of \$676, workmen's compensation \$18, transportation \$82, and printing \$11. (FY 2009 Base: \$34,079.0 thousand)	-2,856	
8) RDT&E Supplemental - Decrease is a result of the FY 2008 rollover of unobligated funds to FY 2009. The funds expire as of September 30, 2009 and none have been programmed for FY 2010. (FY 2009 Base: \$2,000.0 thousand)	-2,046	
9) Procurement - Decrease is a result of the FY 2007 and FY 2008 rollover of unobligated funds to FY 2009. The FY 2007 funds will expire as of September 30, 2009 (FY 2009 Base: \$1,400.0 thousand)	-939	
FY 2010 Budget Request		272,444

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IV. Performance Criteria and Evaluation Summary:

The OIG promotes integrity, accountability, and improvement of DoD personnel, programs, and operations to support the Department's mission, including winning the War and other SECDEF top priorities.

Auditing: The Audit component assists the Department by supporting fundamental imperatives of the Department identified in the Quadrennial Defense Review Report. These imperatives transform the Department's warfighting capabilities and implement enterprise-wide changes to ensure that organizational structures, processes, and procedures support DoD's strategic direction. A prime objective of the OIG 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. Two of the key measurements of Audit success are identification of potential monetary benefits and concurrence rate on audit recommendations that correct identified deficiencies.

In FY 2008, the ODIG-AUD:

- Achieved \$655.7 million in monetary benefits;
- Achieved a 97percent concurrence rate for recommendations to mitigate risks and weaknesses in DoD operations; and
- Issued 99 draft and 136 final audit reports that identified over \$1.4 billion in potential monetary benefits, and other benefits such as improving DoD business operations, providing compliance with statutes and regulations, enhancing national security, and improving the safety and effectiveness of Service members;

In FY 2010, ODIG-AUD will focus on funds management, contract surveillance, and general accountability of resources. Auditors will evaluate such areas as controls over managing and overseeing the use of Common Access Cards issued to contractors, controls over cash

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IV. Performance Criteria and Evaluation Summary:

and other monetary assets held within the U.S. Central Command area of responsibility, expenditure of OCO funds, military construction, and armor capabilities. The OIG jointly established and chairs a SWA Joint Planning Group whose members include the Military Inspectors General, the Auditors General, the Inspectors General of State, and the Agency for International Development, the Special Inspector General for Iraq Reconstruction, the Combatant Commands Inspectors General, the Defense Contract Management Agency, the Defense Contract Audit Agency, and the Defense Finance and Accounting Service. The Joint Planning Group will improve coordination and integrate oversight activities to better focus critical resources on key high-risk areas in military operations. Auditors will place particular emphasis and dedicate resources to the high-risk/high-impact areas of life or safety issues, health care, contracting and acquisition programs, information technology management, and financial management. They will continue to lead DoD-wide audits as well as joint audits with other Federal Inspectors General. An ongoing effort involves a statutory requirement to review non-DoD agencies that perform a significant number of contracting actions for DoD. The ODIG-AUD is currently reviewing the National Institutes of Health and the U.S. Department of Veterans Affairs and will perform reviews of the Departments of Commerce and Energy in future years. Auditors also continue to assist in investigations, and related litigation, and participate as non-member advisors (at DoD management request) on a variety of task forces, process action teams, and studies.

Defense Business Operations (formerly Defense Financial Auditing Service): During FY 2008, the auditors issued: (1) disclaimers of opinion on the DoD Agency-wide FY 2007 financial statements and eight of the components' statements that support the Agency-wide statements; (2) an unqualified opinion on the Military Retirement Fund; (3) a qualified opinion on the Medicare Eligible Retiree Health Care Fund; and (4) a qualified opinion on the U.S Army Corps of Engineers, Civil Work, FY 2007 and FY 2006 financial statements,

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IV. Performance Criteria and Evaluation Summary:

which is the first major DoD Component to receive other than a disclaimer of opinion on its financial statements

In FY 2010, the OIG will continue to expand audit work related to financial management procedures and business systems, particularly those developed as enterprise resource planning systems, which should sustain internal controls over financial statement data. The OIG will continue to identify deficiencies and recommend corrective actions, focusing on financial statement, system, internal control, compliance, and other financial-related audits to help the Department improve its overall financial management operations and prepare auditable financial statements.

Investigations:

- Defense Criminal Investigative Service (DCIS) uses several methods to evaluate performance. The most significant of which is the importance of the matter under investigation, e.g., stopping the attempt to export aircraft parts that may be used by adversaries against American warfighters, preventing infiltration of military installations by suspected terrorists, or stopping a doctor from conducting unnecessary surgeries on DoD family members. In addition, DCIS established an evaluation standard that 75 percent of investigations initiated must be in its priority areas of criminal activity. DCIS also monitors indictments, convictions, fines, recoveries, restitution, and the percentage of cases accepted for prosecution to ensure consistency in effort and historical output and the resourceful use of assets.

In FY 2008, DCIS investigations resulted in 289 criminal indictments, 217 convictions, and over \$396.1 million in criminal, civil, and administrative recoveries (excluding headquarters and field managers, an average of **\$1.12 million per agent**, per year).

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IV. Performance Criteria and Evaluation Summary:

Since its inception, DCIS has participated in cases that have resulted in over **\$13.5 billion** in criminal, civil, and administrative recoveries. Further, DCIS supports crucial national defense priorities by: effectively and efficiently, using limited investigative resources and primarily emphasizing investigations of terrorism, product substitution/defective parts, illegal technology transfer, and public corruption.

In FY FY 2010, DCIS will (1) continue vigorous investigative support to the OCO as it affects the Department of Defense at home and abroad; (2) maintain a high priority on Procurement Fraud investigations with emphasis on Defective, Substituted, and Substandard Products that impact the safety and mission-readiness of our warfighters; (3) continue focus on combating corruption by investigating major DoD Procurement Fraud, including bribery, corruption, kickbacks, conflicts of interest, and major thefts; DCIS will continue to investigate DoD procurement fraud, including corruption, defective and hazardous military equipment, and significant financial crimes. Major fraud investigations, such as the Health Essentials, Inc. (\$120 million recovery), Health Visions Corporation, Inc. (\$101 million recovery), National Air Cargo (\$24 million recovery), and Body Armor Civil Fraud Task Force (\$16 million recovery) investigations, require extensive efforts by criminal investigative and audit components. Fraud investigations often lead to additional endeavors initiated by the OIG or directed by Congress, the Office of the Secretary of Defense, and the Department of Justice (DoJ). The publicity of these major investigations also results in increased crime reporting. The DCIS remains a key member of DoJ's International Contract Corruption Task Force (ICCTF), whose mission is to detect, investigate, and prosecute corruption and contract fraud resulting primarily from the OCO.

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IV. Performance Criteria and Evaluation Summary:

To improve coordination and information sharing among foreign and domestic partners, the ICCTF established a Joint Operations Center (JOC) in Washington D.C. and the DCIS has committed a full-time special agent to this. Focus of the JOC is to collect and share intelligence regarding corruption and fraud relating to OCO funding and coordinate intelligence-gathering, de-conflict investigations, assist with deployments, disseminate intelligence, and provide analytic and logistical support to ICCTF participants.

- Military Reprisal Investigations (MRI) provides whistleblower protection for Military Service members, DoD nonappropriated fund employees, and DoD contractor employees. The basic criteria for evaluating MRI is the number of reprisal complaints closed, both those investigated in-house and those conducted by Military Department Inspectors General and submitted to MRI for oversight review. During FY 2008, MRI received 544 reprisal complaints, of which 405 were examined by Military Department Inspectors General under MRI oversight. Of the 544 complaints, 516 cases were closed after preliminary inquiries. Faced with a continuing increase in whistleblower reprisal allegations received by both the OIG and the Military Department Inspectors General (from 320 complaints received in FY 1997 to 544 complaints received in FY 2008, MRI strives to implement policies and procedures that will improve the timeliness in processing and resolving such allegations. The Directorate conducts training workshops on military whistleblower reprisal investigations for representatives of the Military Services, the Joint Chiefs of Staff, and other Defense agencies.

In FY 2010, MRI will expand its investigative role by assuming the responsibility, for conducting preliminary assessments of reprisal complaints to determine whether sufficient evidence exists to warrant a full investigation under 10 U.S.C. 1034. The MRI will pursue resolution of the increasing number of reprisal complaints made under

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the three statutes. To meet these goals, MRI will reduce case cycle time by streamlining processes and expand outreach to train Military Department Inspectors General to conduct thorough reprisal investigations.

- Civilian Reprisal Investigations (CRI) provides whistleblower protection for civilian appropriated fund personnel and carries out this mission by reviewing and investigating whistleblower reprisal allegations submitted to the DoD Hotline. The basic criteria for evaluating CRI operations is the number of investigations conducted or oversights. Oversight cases are those in which a DoD component investigated and CRI reviews the final product for sufficiency. During FY 2008, the Directorate closed five cases and opened six. CRI currently has 16 open matters and expects to increase its case closure rate in the future, giving highest priority to contractor fraud and abuse within the Defense Intelligence and counter-intelligence communities. CRI has met, and exceeded, its established metric of allocating 25 percent of its resources to cases of congressional interest.

In FY FY 2010, CRI will investigate alleged reprisal against DoD whistleblowers and will take proactive measures to emphasize the protection available to DoD employees who report violations of rule, law, and/or regulation, and will establish a Procurement Fraud Reprisal Team with the same capacity as its existing National Security Reprisal Team.

Investigations of Senior Officials (ISO) Directorate closed 294 senior official cases, of which 40 (14 percent) contained substantiated allegations during FY 2008. The ISO also oversaw 175 investigations by DoD components and evaluated the impact of those investigations on public confidence in DoD leaders and ultimately on national security. Investigative impact may be evaluated by the overall number of investigations conducted

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or oversights, the percentage of investigations that were of significance to DoD or congressional leaders, and the percentage of investigations that substantiated alleged misconduct. Thirty percent of investigations conducted by ISO in FY 2008, had significant media, SECDEF, or congressional interest, with results provided directly to the SECDEF or Members of Congress and involved complicated issues of public interest and were manpower intensive because of the extensive fieldwork required. Examples of ISO work products include investigations into alleged conflicts of interest on the part of senior DoD officials, alleged mismanagement of an aircraft procurement program, and the alleged failure to use intelligence data obtained by the Able Danger anti-terrorist program. Over 16 percent of the investigations substantiated allegations against senior officials and resulted in immediate removal from command, reprimands, reductions in rank, and reimbursement to the Government, thereby demonstrating that the Department holds senior leaders accountable for misconduct. Statistics indicate the increasing complexity of allegations involving senior officials and associated requirement for comprehensive, manpower intensive investigative work. Recent examples in the area of senior official inquiries include substantiated allegations of using Government property for unauthorized purposes, taking official action for private gain, conducting official travel for personal benefit, accepting of gifts from prohibited sources, improperly supporting a non-Federal entity, and taking unauthorized personnel actions. 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 office conducted over 10,000 name checks on DoD senior officials in the past year. In FY 2010, ISO will continue to address allegations of senior official misconduct that demoralize warfighters and undermine public confidence in DoD leadership. A primary objective is to reduce investigative cycle time on senior official investigations so that results are provided to top DoD officials and Members of Congress more quickly.

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Policy and Oversight: The Office of the Deputy Inspector General for Policy and Oversight (ODIG-P&O) has varied responsibilities including establishing audit and investigative policy, performing oversight of DoD auditors and investigators, performing inspections and evaluations of DoD programs, serving as liaison between DoD and GAO for all GAO work that involves the Department, conducting follow up on OIG DoD and GAO audit recommendations, providing data mining, statistical, and engineering support to the OIG DoD and other Defense and Federal Agencies. The ODIG-P&O is also responsible for coordinating draft DoD policy issuances. Policy and Oversight operations are evaluated on the reviews conducted, as measured by the significant and quality of audit, inspection, evaluation and investigative policies provided; oversight and evaluation reports issued; voluntary disclosures processed; subpoenas processed; timeliness and quality of technical support provided; positive impact on draft DoD policy issuances; follow-up of DoD report recommendations; and outcomes from evaluations of significant DoD programs and operations. In FY 2008, Policy and Oversight issued 28 reports, commented and coordinated on 270 draft DoD policies for the OIG, provided technical support to approximately 250 audit and investigative projects, and facilitated the follow-up on over 350 OIG and GAO reports. Managed the OIG's policy coordination process on 317 draft DoD policy issuances and coordinated/published the following four DoD Issuances: DoDI 7050.01, 12/17/07, "Defense Hotline Program;" DoDD 1401.03, 4/23/08, "DoD Nonappropriated Fund Instrumentality (NAFI) Employee Whistleblower Protection;" DoDI 7050.05, 6/04/08, "Coordination of Remedies for Fraud and Corruption Related to Procurement Activities;" and DoDI 7640.02, 8/22/08, "Policy for Follow-up on Contract Audit Reports." Developed and implemented Policy and Oversight Instructions: P&O Policy # 9, "Manager's Internal Control Program," March 5, 2008, and P&O Policy # 10, "Administrative Functions," March 26, 2008.

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- Audit Policy and Oversight (APO). In FY 2008, APO issued five oversight reports, four hotline completion reports on hotline allegations, and one best practices report on audit and financial advisory committees in DoD; and reviewed and commented on 146 preliminary reviews of single audits. In addition, APO commented on 20 exposure draft policy documents and reviewed 49, and commented on 5 Federal Acquisition Regulation and Defense Federal Acquisition changes. The exposure draft policy documents were from within DoD and outside DoD including the GAO, the Federal Accounting Standards Advisory Board, the President's Council on Integrity and Efficiency, the Chief Financial Officers Council, the Institute of Internal Auditors, the Office of Management and Budget, and the American Institute of Certified Public Accountants. The APO oversaw or performed external peer review of three DoD audit organizations, including one DoD intelligence audit organization. The APO provided oversight of 1,685 open contract audit reports with over \$4.9 billion in potential savings. Provided comments on 47 revisions of the Federal Acquisition Regulations and defense Federal Acquisition regulations Supplement. Provided comments on 14 DoD/Federal Exposure Draft Policies. Conducted 197 single audit oversight reviews. Issued 11 audit oversight reports with a total of 35 recommendations, 25 (71 percent) of which were agreed upon or provided acceptable alternatives. Monitored Defense Contract Audit Agency (DCAA) assessment of all issues and conclusions on quality of audit work in response to the GAO review of DCAA Western Region Audit Offices. Reviewed 4 DoD Hotline complaints concerning DoD audit operations. Developed a fraud website that will provide guidance and other resources for DoD/Federal auditors to use. Coordinated draft audit policy guidance on identifying, detecting, and reporting potential fraud. Developed 40 fraud scenarios with indicators in 9 areas to include in-theatre operations, contracting, travel/payroll, healthcare, and purchase cards. Established a follow-up process with key personnel at Defense Contract Management Agency, Office of Naval Research, and the Army Medical Research Acquisition Activity to ensure that single audit findings are

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resolved and that Federal awarding agencies monitor the corrective actions taken by award recipients to prevent fraud, waste, and abuse of Federal programs. Established a database to track and monitor the resolution of single audit findings to ensure that DoD awarding agencies are performing required follow-up actions in a timely manner. Participated in the OIG DoD Human Capital Advisory Committee to identify P&O issues relating to management of human capital which included staff recruitment and retention. Published IGDH 7600.4, "Best Practices for Audit Committees," December 18, 2007, which provides a summary of the benefits of an audit committee and how to establish an audit committee. Provided training presentations to Federal, State, and local government auditors and private sector personnel on "What Makes an Effective Government Audit Committee" at various National conferences. Made a presentation to the American Institute of Certified Public Accountants Peer Review Committee on how the OIG DoD performs quality control reviews of OMB Circular A-133 audits to assist them in improving their processes. Training presentations to State auditors and CPA firms on Federal concerns for the National Guard and Research and Development programs. Coordinated and reviewed input from DCAA and the Contract Audit Follow-up System for inclusion in the Semiannual Reports to Congress and from DCAA for inclusion in the President's Council on Integrity and Efficiency FY Progress Report to the President.

In FY 2010, APO will continue its oversight of the DoD audit community and increase its efforts to ensure appropriate consideration of contract audit findings and recommendations by contracting officers, including additional oversight of penalties associated with expressly unallowable costs. Focus will include guidance for auditors in identifying potential fraud, follow-up on DCAA corrective actions taken in response to the July 2008 GAO Report on DCAA Audits, and the FY 2009 external peer review of DCAA.

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- Investigative Policy and Oversight (IPO). In FY 2008, IPO processed 9 DoD Voluntary Disclosure of fraud cases recovering \$425,000. Processed 354 subpoenas for DoD investigations of fraud, and other select criminal offenses, (20 percent more than FY 2007) with an average processing time of 13.6 days (1.4 days below 15-day metric). Subpoena cycle time is a standing IPO productivity measure. Completed a 100 percent inventory of OIG DoD weapons and evaluated the inventory management of weapons resulting in substantive recommendations to reduced overhead costs and increased accountability and transparency in weapons management. Provided comments to a proposed amendment to the Federal Acquisition Regulations to mandate the reporting of Federal crimes by contractors. Provided subpoena training to DoD special agents as well as ad hoc training to the Military Criminal Investigative Organizations. Oversight work included the review of electrocution deaths of military members serving in Iraq. The work involved hundreds of interviews and the analysis of thousands of pages of previous investigative work.

In FY 2010, IPO, as a member of the National Procurement Fraud Task Force, will develop metrics to evaluate a new program that will accept statutorily mandated crime reporting by Defense contractors. IPO will also continue to address issues related to sensitive investigations and inquiries and will field new investigative policy addressing such issues as the collection of DNA from arrestees and the interception of oral, wire, and electronic communications for law enforcement purposes. It will continue to process subpoena requests at a rate which has been increasing approximately 15 percent per year.

- Inspections and Evaluations Directorate (I&E) In FY 2008, I&E issued 14 reports: two interagency reports—DoD/DVA evaluation of the medical care transition program for wounded warriors and a DoD/DoEd assessment of contracting program for Military dining

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facilities; five safety survey reports; an interim report on the global train and equip programs for partner nations; an assessment of the Iraqi Security Forces Inspector General System; and an evaluation of the Federal voting assistance program. Other completed reports reviewed training issues in Iraq, DoD mental health programs, accident reporting processes and contract management. In FY 2008, I&E staff members deployed to Iraq, Afghanistan, and Pakistan and completed the field work for projects involving munitions accountability, logistics, training and equipping foreign military forces, counter terrorism, counter narcotics, capacity building, and bilateral planning. For FY 2010, I&E will continue to conduct intraagency and interagency assessments to support the OCO, SWA, and SSTR missions, and their relevance to DoD stability operations, doctrine, organizations, training, education, exercises, material, leadership, personnel, facilities, medical care, and planning. Provide advice to Defense Safety Oversight Council and its subordinate task forces in support of the Secretary of defense safety and health goals. Issued 14 Inspection and Evaluation reports with 40 recommendations (100 percent concurrence) covering such areas as the OCO, Global Training and Equipment, Iraqi Security Forces, DoD Support to Pakistan, Military Quality of Life, DoD Safety, Mental Health, Wounded Warrior Support, Investigations of DoD Deaths in Iraq, Contract Management, National Security Personnel System, and Voting Assistance. Chaired the quarterly meetings of Defense Council on Integrity and Efficiency - Inspections and Evaluations Roundtable. Provide assessments to the Inspections and Evaluations Committee and Roundtable of the President's Council on Integrity and Efficiency.

- Technical Support. P&O provided technical support to approximately 250 audits, investigations, and evaluations including high visibility projects such as the transit subsidy and purchase card programs, the Corps of Engineers financial statement audit, and the Air Force KC-X Aerial Refueling Tanker Aircraft Program. The technical support

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resulted in \$302 million in recoveries in FY 2008, six times more than FY 2007. The highly significant recovery was based on the methodology the Quantitative Methods division used to support DoD Audit to estimate the overcharge in the Boeing Retirement Fund project. In addition, P&O conducted assessments of New Orleans Temporary Outflow Canal Pumps and non-skid materials used on Navy ships.

- Report Follow-up and GAO Liaison (RF/GL). The RF/GL Directorate established effective liaison between GAO and DoD officials on 228 GAO reviews; ensured appropriate processing including comments on 406 GAO Draft and final reports; and 109 DoD responses to appropriate congressional committees, and effectively facilitated the resolution of 46 OIG disputed issues referred for mediation or assistance in obtaining DoD management comments; closed 181 OIG and GAO reports and 995 recommendations; and documented **\$1.04 billion in achieved monetary benefits** through the follow-up process; and conducted follow-up coordination meetings with several OSD and Service liaison offices in an effort to improve management oversight and timeliness in completion of corrective actions in response to audit recommendations to improve DoD programs and operations.

Intelligence: The ODIG-INTEL focuses on assessing the efficient, effective, and appropriate use of intelligence personnel and resources with emphasis on support to the warfighter and national command authority. In FY 2008, the ODIG-INTEL provided DoD leadership and Congress with 12 intelligence evaluation and audit reports on topics such as a Review of Threat Assessment Guidance Regarding Nuclear Weapons Located outside the Continental United States, NSA programs and initiatives, and Special Access Programs. A specific high-interest issue in FY 2008 was a detailed Review of the United States Government's relationship with the Iraqi National Congress: Phase Two - and the Relationship of the Iraqi National Congress with DoD. The ODIG-INTEL also continued to follow a rigid performance measure in the Strategic Plan to plan, staff, and manage

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projects in order to complete them within an average of 300 days. Congressionally directed actions or requests, management requests, or DoD Hotline complaints initiate 78 percent of ongoing projects. The other 22 percent comes from a proactive process of identifying projects to promote effective operations and ensure efficient use of resources in vital intelligence and related mission areas in support of the Department's goals and the OIG Strategic Plan.

In FY 2010, ODIG-INTEL personnel will continue to review issues related to intelligence support to Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF), especially reviews focused on intelligence, surveillance, and reconnaissance support to the Combatant Commanders. The ODIG-INTEL will also focus reviews on issues such as special access programs; acquisition and contracting within the DoD Intelligence community; intelligence and counterintelligence programs and systems. The ODIG-INTEL also has a multi-pronged approach that maintains a critical presence in evaluating and monitoring the activities within DoD in the wake of a series of instances related to DoD's nuclear enterprise that address and correct identified problems. Particular emphasis will be placed on the DoD organizational priorities of Win the War, significantly improve military intelligence, surveillance and reconnaissance capabilities, and improve effectiveness and efficiency across the board.

Office of Special Plans and Operations: The Office of Special Plans and Operations (SPO) issued a final assessment report on Iraq (Report No. SPO-2008-001) prepared by the Munitions Assessment Team I. The report covered the status of the accountability and control of munitions being provided by U.S. forces to the Iraqi army and police; the effectiveness of the U.S. Foreign Military Sales program in organizing and providing

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equipment to the Iraqi Security Forces (ISF); and the U.S. progress in assisting ISF to develop a logistical sustainment base.

In a follow-up mission to Iraq, the SPO team reviewed the DoD progress in implementing the observations, findings, and recommendations shown in Report No. SPO-2008-001 concerning munitions. Other issues assessed included the accountability and control of arms, ammunition, and explosives in Afghanistan, the responsiveness of U.S. Foreign Military Sales processes supporting the Afghan National Security Forces (ANSF) and ISF, and the development of logistics sustainment capability for ANSF and ISF, to include a related issue on building the Afghan and Iraqi military health care systems and its sustainment base.

In FY 2010, SPO plans to maintain the momentum of its on-the-ground assessments of the U.S. military's "train and equip" mission in Iraq and Afghanistan, broadening the scope of the reviews, as appropriate. It also will continue to review oversight carried out by U.S. forces with respect to sensitive equipment items being supplied by the United States to the Iraqi and Afghan security forces and, it will expand its focus into other areas critical to the success of the respective Iraq and Afghanistan expeditionary force operations.

Other Components, OIG:

Communication and Congressional Liaison/DoD Hotline The Office of Communication and Congressional Liaison (OCCL) keeps the Congress, senior OIG and DoD personnel, and the public fully and currently informed of the work and accomplishments of the OIG regarding the programs and operations of the Department. The OCCL also includes Strategic Planning, the Freedom of Information Act Requestor Service Center/Privacy Act (FOIA/PA)

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office, the DoD OIG web team, and the Defense Hotline. In fulfillment of its mission to keep Congress informed, the OCCL seeks to ensure that requests from Congress for information are responded to completely and in a timely manner. During FY 2008, the OIG opened 238 cases based on inquiries received from congressional offices. The FOIA/PA office received 386 requests for information and completed 377 requests in FY 2008. The DoD Hotline received, in FY 2008, 10,196 contacts (composed of telephone calls, letters, and email) and initiated 1,300 cases.

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	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>AUDIT</u>			
Reports issued	136	136	136
Potential monetary benefits (\$ millions)	1,431.4	*	*
(* Monetary benefits can not be estimated)			
Achieved monetary benefits (\$ millions)	655.7	*	*
(*Monetary benefits can not be estimated at this time)			
 <u>CRIMINAL INVESTIGATIONS</u>			
Indictments and Charges	289	362	362
Convictions	217	249	249
Fines/penalties/restitutions, etc. (\$ millions)	\$396.1	\$800	\$800
 <u>NONCRIMINAL INVESTIGATIONS</u>			
Military Reprisal - Investigations opened	544	600	600
Military Reprisal - Investigations closed	516	550	550
Military Reprisal - Investigations oversight	405	375	375
Civilian Reprisal - Investigations opened	6	10	10
Civilian Reprisal - Investigations closed	5	15	15
Civilian Reprisal - Investigations oversight	0	10	10
Investigations of Senior Officials - opened	60	65	70
Investigations of Senior Officials - closed	294	65	70
Investigations of Senior Officials - oversight	356	350	400

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	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>POLICY and OVERSIGHT</u>			
Audit oversight reports	10	10	10
Investigative Policy and Oversight reports	4	5	5
Inspection & Evaluation Reports	14	6	6
Voluntary disclosures-new disclosures	7	50	75
Voluntary disclosures-admitted	3	25	35
P&O Annual monetary benefits (\$ millions)	.425	.500	.500
Subpoenas issued	354	350	350
GAO surveys and reviews processed	228	230	230
GAO draft and final reports processed	406	380	380
OIG DoD and GAO reports closed	200	220	230
OIG DoD and GAP recommendations closes	995	1,300	1,400
 <u>INTELLIGENCE</u>			
Reports issued	14	15	15
 <u>SPECIAL PLANS and OPERATIONS</u> (Established April 2008)			
SPO reports	1	10	10

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	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>COMMUNICATIONS & CONGRESSIONAL LIAISON</u>			
Hotline calls/letters received	10,196	14,000	14,000
Substantive cases generated	1,300	2,000	2,000
Opened congressional inquiries	238	250	250
Closed congressional inquiries	199	250	250
FOIA requests received	386	350	350
FOIA requests processed/completed	377	380	380

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<u>V. Personnel Summary</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	Change <u>FY 2008/ FY 2009</u>	Change <u>FY 2009/ FY 2010</u>
<u>Active Military End Strength (E/S)</u>	25	28	28	3	0
Officer	24	27	27	3	0
Enlisted	1	1	1	0	0
<u>Civilian End Strength</u>	1,505	1,640	1,614	135	-26
U.S. Direct Hire	1,504	1,639	1,613	135	-26
Total Direct Hire	1,504	1,639	1,613	135	-26
Foreign National Indirect Hire	1	1	1	0	0
<u>Active Military Average Strength (A/S)</u>	25	28	28	3	0
Officer	24	27	27	3	0
Enlisted	1	1	1	0	0
 <u>Civilian FTEs (Total)</u>	 1,405	 1,639	 1,614	 234	 -25
U.S. Direct Hire	1,404	1,638	1,613	234	-25
Total Direct Hire	1,404	1,638	1,613	234	-25
Foreign National Indirect Hire	1	1	1	0	0
Average Annual Civilian Salary (\$)	130,621	132,451	137,017	1,830	4,566

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

<u>OP 32 Line</u>	FY 2008 <u>Actuals</u>	Change FY 2008/FY 2009		FY 2009 <u>Estimate</u>	Change FY 2009/FY 2010		FY 2010 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	181,719	5,214	28,381	215,314	5,340	-791	219,863
111 Disability Compensation	808	0	-144	664	0	18	682
121 Perm Change of Station	811	0	107	918	0	-513	405
199 Total Civ Compensation	183,338	5,214	28,344	216,896	5,340	-1,286	220,950
308 Travel of Persons	9,612	192	-1,580	8,224	99	-1,406	6,917
399 Total Travel	9,612	192	-1,580	8,224	99	-1,406	6,917
633 Def Pub, Print Svcs	153	-10	13	156	2	11	169
671 Comm Svcs Tier 2 (DISA)	190	8	0	198	10	-1	207
673 Def Fin & Accounting Svc	680	-35	-1	644	15	-9	650
699 Total Purchases	1,023	-37	12	998	27	1	1,026
771 Commercial Transport	717	14	115	846	10	82	938
799 Total Transportation	717	14	115	846	10	82	938
901 FN Indirect Hires	95	2	2	99	3	0	102
912 GSA Leases	18,916	473	287	19,676	492	0	20,168
914 Purch Communications	3,046	61	56	3,163	38	-233	2,968
915 Rents, Leases (non GSA)	33	1	0	34	0	0	34
917 Postal Svc (USPS)	26	0	0	26	0	0	26
920 Supplies/Matl (non fund)	3,815	76	299	4,190	50	-1,309	2,931
921 Print & Reproduction	31	1	0	32	1	0	33
922 Eqt Maint Contract	133	3	30	166	2	0	168
923 Facilities Maint Contr	2,227	44	-831	1,440	17	-827	630
925 Eqt Purch (non fund)	8,336	166	-4,304	4,198	50	-245	4,003
932 Mgt Prof Support Svcs	153	3	-73	83	1	0	84

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<u>OP 32 Line</u>	FY 2008 <u>Actuals</u>	Change FY 2008/FY 2009		FY 2009 <u>Estimate</u>	Change FY 2009/FY 2010		FY 2010 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
934 Engineering & Tech Svcs	379	7	-386	0	0	0	0
987 Other IntraGovt Purch	5,836	117	2,202	8,155	98	-2,618	5,635
989 Other Contracts	6,114	110	-110	6,114	73	-356	5,831
999 Total Other Purchases	49,140	1,064	-2,828	47,376	825	-5,588	42,613
Total	243,830	6,447	24,063	274,340	6,301	-8,197	272,444

* The FY 2008 Actual column \$7.6 thousand of FY 2008 Emergency Supplemental funds for the Overseas Contingency Operations (PL 110-252).

* The OIG did not receive Bridge Funding Appropriations for FY 2009 Overseas Contingency Operations(PL 110-329).

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