

**Fiscal Year (FY) 2011 Budget Estimates
Office of Inspector General (OIG)**



February 2010

(This page intentionally left blank.)



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

JAN 21 2010

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)

SUBJECT: Fiscal Year (FY) 2011 President's Budget Submission, Department of
Defense (DoD) Office of Inspector General (OIG)

The attached DoD OIG Fiscal Year 2011 President's Budget submission was prepared in accordance with the "Fiscal Year 2011 President's Budget Submission" memorandum dated December 22, 2009.

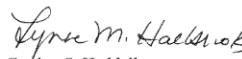
The Inspector General Reform Act (Pub. L. 110-409) was signed by the President on October 14, 2008. Section 6(f)(1) of the Inspector General Act of 1978, 5 U.S.C. app. 3, was amended to require certain specifications concerning Office of Inspector General budget submissions each fiscal year.

Following the requirements as specified above, the DoD OIG submits the following information relating to the DoD OIG's requested budget for fiscal year 2011:

- The aggregate budget request for the operations of the DoD OIG was \$278.287 million,
- The final President's Budget for DoD OIG is \$283.354 million,
- The portion of this amount needed for DoD OIG training is \$4.158 million, and
- The amount needed to support to the Council of Inspectors General on Integrity and Efficiency (CIGIE) is \$.656 million.

I certify as the Department of Defense Inspector General that the amount I have requested for training satisfies all DoD OIG training needs for fiscal year 2011.

Also included is a request for \$10.529 million for Overseas Contingency Operations. Request this amount be fully funded at the onset of FY 2011.


Gordon S. Heddell

Attachment:
As stated

(This page intentionally left blank.)

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

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

Agency	<u>FY 2009</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2010</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2011</u> <u>Estimate</u>
	279,144	6,092	2,864	288,100	4,206	-8,952	283,354

* The FY 2009 Actual column includes \$0.0 thousand of FY 2009 Bridge Funding Appropriations (PL 110-252); and \$9,551.0 thousand of FY 2009 Supplemental Appropriations Act funding (PL 111-32).

* The FY 2010 Estimate column excludes \$8,876.0 thousand enacted in the FY 2010 Defense-Wide Overseas Contingency Operations Appropriation (P.L. 111-118).

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. During the last 3 years, the OIG has achieved \$2.8 billion in savings and \$3.5 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 also:

- 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;

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

- 5) monitors and evaluate the adherence of DoD auditors to internal audit, contract audit, and internal review principles, policies, and procedures;
- 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 amounts requested in the President's Budget for: OIG operational requirements, training, and support to the Council of Inspectors General on Integrity and Efficiency (CIGIE) satisfy the OIG requirements for FY 2011.

Narrative Explanation of Changes:

FY 2010 to FY 2011: The current Fiscal Guidance for FY 2011 (\$283.4 million) reflects a decrease from FY 2010 (\$288.1 million) of \$4.7 million. This \$4.7 million for FY 2011 is a result of fewer contracts and equipment and supplies purchases.

Auditing: The work of the Office of the Deputy Inspector General for Auditing (ODIG-AUD) results in recommendations for reducing costs; eliminating fraud, waste, and abuse; improving performance of business operations; strengthening internal controls; improving Military Service member effectiveness or safety; and achieving compliance with laws, regulations, and policies. Audit topics are determined by law, requests from the SECDEF 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

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

the Overseas Contingency Operations (OCO), ODIG-AUD maintains staff in Iraq, Afghanistan, and Qatar and has established new field offices in Germany and Hawaii and is expanding the Yorktown, Pennsylvania, and Tampa, Florida offices.

For additional information regarding Auditing, visit the public website at www.dodig.mil/Audit/index.html.

Investigations: The Office of the Deputy Inspector General for Investigations (ODIG-INV) comprises the Defense Criminal Investigative Service (DCIS). DCIS traditional areas of concentration are major procurement fraud with emphasis on defective and substandard products, cyber crimes, healthcare fraud, public corruption, 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). 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. 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.

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 Defense Council on Integrity and Efficiency and is a mainstay on the Department of Justice National Procurement Fraud Task Force. DCIS 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 OCO.

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

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 Department of Justice Criminal, Civil, Antitrust, and Tax Divisions.

For additional information regarding Investigations visit the public website at www.dodig.mil/INV/index.html.

Administrative Investigations: The Office of the Deputy Inspector General for Administrative Investigations (ODIG-AI) composed of: Investigations of Senior Officials (ISO) which ensures that ethical violation, abuses of authority, or misuses of public office do not undermine the credibility of the national command structure; Military Reprisal Investigations (MRI) which conducts and oversees investigations of whistleblower reprisal; and Civilian Reprisal Investigations (CRI) which reviews and investigates whistleblower reprisal allegations submitted to the DoD Hotline by DoD civilian appropriated fund employees.

For more information regarding Administrative Investigations visit the public website at www.dodig.mil/AI/index.html.

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, investigations, and hotline activities within the DoD. ODIG-P&O also provides analysis and comments on all proposed draft DoD policy issuances, as well as provides technical assessments to OIG organizations.

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

- 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.
- Inspections and Evaluations (I&E) Directorate conducts objective and independent customer-focused management and program inspections and evaluations that address areas of interest to Congress, DoD, and the Inspector General, and provides timely findings and recommendations to improve DoD programs and operations.
- Technical Assessment Division provides a variety of engineering support functions for the OIG audit, investigative, and evaluation organization and to other DoD organizations as needed.

For more information regarding Policy and Oversight visit the public website at www.dodig.mil/Inspections/Index.htm.

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

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

and other Office of the Secretary of Defense (OSD) leaders on intelligence audit and evaluation matters. The ODIG-INTEL audits, reviews, and evaluates topics determined by law, requests from the SECDEF and other DoD leadership, Hotline allegations, congressional requests, and internal analyses of risk in DoD Intelligence programs. The ODIG-INTEL also works closely with other Federal agency and organization Inspectors General, such as the Central Intelligence Agency, Director National Intelligence, and Department of Justice, coordinating and collaborating on projects to ensure proper operation, performance and results for national intelligence activities.

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

For more information regarding Intelligence visit the public website at www.dodig.mil/Ir/Index.html.

Special Plans and Operations: 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 and issues, with a special emphasis on OCO funding issues and operations in Southwest Asia (SWA). Its work complements the efforts of the other DoD OIG components.

SPO is 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

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

DoD, and interagency detailees that have the required evaluation and audit skill sets, and specific experience and knowledge of the issue areas being addressed.

For more information regarding Special Plans and Operations visit the public website at www.dodig.mil/spo/index.html.

Other Components, OIG:

The Office of Communications and Congressional Liaison (OCCL) supports the OIG by serving as the primary point of contact for external communications between the OIG, the public and the Congress and by serving as the public affairs office. OCCL includes the Defense Hotline, Freedom of Information Division, Government Accountability Office (GAO) Liaison Office, the OIG Web Development Team, and digital media support.

For more information regarding Office of Communications and Congressional Liaison visit the public website at www.dodig.mil/occl/index.html.

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, 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. OA&M supervises and provides mission critical functions in support of the OIG's day-to-day operations at headquarters and 74 field

**OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates**

offices located throughout the world. The OA&M also supports Combatant Command and Joint Inspector General Training and Doctrine development.

II. Force Structure Summary: N/A

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2010							
	FY 2009 Actuals	Budget Request	<u>Congressional Action</u>			Current Estimate	FY 2011 Estimate	
			Amount	Percent	Appropriated			
A. BA Subactivities								
1. Auditing	108,377	109,773	4,202	4%	113,975	113,975	111,840	
2. Investigations	93,892	85,990	6,647	8%	92,637	92,637	91,338	
3. Administrative Investigations	2,221	8,225	1,765	21%	9,990	9,990	9,765	
4. Policy and Oversight	16,697	14,363	511	4%	14,874	14,874	14,468	
5. Intelligence	6,791	7,715	472	6%	8,187	8,187	8,007	
6. Special Plans and Operations	2,055	3,730	110	3%	3,840	3,840	3,761	
7. Other OIG	32,712	37,813	880	2%	38,693	38,693	38,361	
8. Council of Inspectors General on Integrity and Efficiency (CIGIE)	643	675	0		675	675	656	
				0%				
9. OIG - Training	4,039	3,160	1,069	34%	4,229	4,229	4,158	
10. OCO Funding	9,299							
11. RDT&E Supplemental	1,980							
12. Procurement	438	1,000	0	0%	1,000	1,000	1,000	
Total	279,144	272,444	15,656	6%	288,100	288,100	283,354	

* The FY 2009 Actual column includes \$0.0 thousand of FY 2009 Bridge Funding Appropriations (PL 110-252); and \$9,551.0 thousand of FY 2009 Supplemental Appropriations Act funding (PL 111-32).

* The FY 2010 Estimate column excludes \$8,876.0 thousand enacted in the FY 2010 Defense-Wide Overseas Contingency Operations Appropriation (P.L. 111-118).

OFFICE OF INSPECTOR GENERAL
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2011 Budget Estimates

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2010/FY 2010</u>	<u>Change</u> <u>FY 2010/FY 2011</u>
Baseline Funding	272,444	288,100
Congressional Adjustments (Distributed)	15,656	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	288,100	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	288,100	
Anticipated Supplemental	8,876	
Reprogrammings		
Price Changes		4,206
Functional Transfers		
Program Changes		-8,952
Current Estimate	296,976	283,354
Less: Wartime Supplemental	-8,876	
Normalized Current Estimate	288,100	

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2010 President's Budget Request (Amended, if applicable)		272,444
1. Congressional Adjustments		15,656
a. Distributed Adjustments	15,656	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
e. Congressional Earmarks - Indian Lands Environmental Impact		
FY 2010 Appropriated Amount		288,100
2. War-Related and Disaster Supplemental Appropriations		8,876
3. Fact of Life Changes		
FY 2010 Baseline Funding		296,976
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2010 Estimate		296,976
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-8,876
FY 2010 Normalized Current Estimate		288,100
6. Price Change		4,206
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2010 Program		

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
b. One-Time FY 2011 Increases		
c. Program Growth in FY 2011		
9. Program Decreases		-8,952
a. Annualization of FY 2010 Program Decreases		
b. One-Time FY 2010 Increases		
c. Program Decreases in FY 2011		
1) Auditing - Decrease in travel and contracts (Baseline: \$113,975.0 thousand)	-3,805	
2) Investigations - Decrease in supplies and contracts (Baseline: \$92,637.0 thousand)	-2,656	
3) Administrative Investigations - Decrease in supplies (Baseline: \$9,990.0 thousand)	-371	
4) Policy and Oversight - Decrease in travel (Baseline: \$14,874.0 thousand)	-624	
5) Intelligence - Decrease in supplies (Baseline: \$8,187.0 thousand)	-300	
6) Special Plans and Operations - Decrease in travel (Baseline: \$3,840.0 thousand)	-135	
7) Other OIG - Decrease in travel, supplies, equipment, contracts (Baseline: \$38,393.0 thousand)	-899	
8) CIGIE - Decrease due to amount based on appropriation (Baseline: \$675.0 thousand)	-29	

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
9) OIG - Training - Decrease in training	-133	
FY 2011 Budget Request		283,354

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Auditing: The Audit component assists the Department by supporting fundamental imperatives of the Department identified in the Quadrennial Defense Review Report. These imperatives are to continue to transform the Department's warfighting capabilities and to implement enterprise-wide changes to ensure that organizational structures, processes, and procedures support DoD's strategic direction. The ODIG-AUD goal is for 95 percent of completed audits to provide at least one of the following five benefits: improve business operations, comply with statute or regulations, improve national security, identify potential monetary benefits, and improve effectiveness of the safety of service members. 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 to ensure the efficient use of resources and promote effective operations. 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 2009, the ODIG-AUD produced 119 reports which claimed potential monetary benefits totaling \$827.7 million. During FY 2009, Audit also achieved \$1.04 billion in monetary benefits from reports issued in FY 2007 and earlier (i.e., funds were put to better use because of actions completed on audit recommendations). Numerous other audits provide value to the Department, but do not lend themselves to identification of specific monetary benefits.

In FY 2009, the ODIG-AUD created and filled new positions to provide increased oversight of high-risk areas such as Southwest Asia operations as well as the American Recovery and Reinvestment Act. Fundamental contract deficiencies continue to plague the Department, particularly in the areas of requirements definition, competition, contract administration, and contract pricing. The risk of these problems continuing is increased as the acquisition workforce and oversight community loses their skilled workers. As of June 30, 2009, there were 1,075 acquisition programs (including Acquisition Category I-IV

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

programs) with research, development, test and evaluation; and procurement costs estimated at a cost of \$1.8 trillion. Of that 92 are major defense acquisition programs with research, development, test and evaluation; and procurement costs estimated at a cost of \$1.38 trillion.

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. The OIG is the sole DoD audit organization authorized to review those statements and issue opinions on them. In FY 2009 the OIG again limited its financial statement audit work and redirected the Defense Business Operations staff to work on audits related to the Government Purchase Card Program, and internal control and compliance reviews over systems and property. In addition, because of increased concerns over funding spent on OCO and in response to the FY 2008 National Defense Authorization Act Section 842, "Investigation of Waste, Fraud, and Abuse in Wartime Contracts and Contracting Processes in Iraq and Afghanistan," the OIG is performing several financial audits to determine whether OCO funds are being used for their intended purpose.

The DoD submitted the latest version of the Financial Improvement and Audit Readiness (FIAR) Plan to congressional defense committees in March 2009, in accordance with the FY 2006 National Defense Authorization Act. The FIAR Plan is a roadmap to fix internal controls and correct processes necessary for financial statement audit readiness. Through participation in the Financial Management Leadership Council and various other meetings, the OIG serves in an advisory role to the FIAR Directorate in updating and executing the FIAR plan.

In 2009, the auditors issued disclaimers of opinion on the DoD Agency-wide FY 2008 financial statements and eight of the components' statements that support the Agency-wide

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

statements; a qualified opinion on the Medicare Eligible Retiree Health Care Fund; an unqualified opinion on the Military Retirement Fund; and a unqualified opinion on the U.S. Army Corps of Engineers FY 2008 and FY 2007 financial statements. In addition, the auditors performed audits or provided contractor oversight on 5 financial systems audits and performed approximately 65 other audits on internal controls, compliance with laws and regulations, and other financial-related issues. As OSD and Components have identified segments of financial statements that are ready for review, DoD OIG audit staff has announced audits or attestation engagements, as appropriate. For example, the OIG is overseeing an audit of the TRICARE Management Activity's Contract Resource Management Balance Sheet. The ODIG-AUD also continues to perform internal control and compliance reviews over systems and property and attestation reviews of the DoD Counterdrug program.

In FY 2010, in addition to its OCO, ARRA, and Guam efforts, the ODIG-AUD will place particular emphasis on SECDEF and congressional interest items, dedicating resources to high-risk/high impact areas. The OIG will focus its audit efforts on high-risk areas including weapon and information systems acquisition, contract oversight, financial management and systems health care, information technology, readiness and forces management, and OCO within the limits of available resources. ODIG-AUD continues to increase presence in Southwest Asia in FY 2010, focusing on associated challenges with force restructuring, and asset accountability; acquisition; logistics; financial management including trend analysis in Southwest Asia financial transactions. Auditors will increase emphasis on preventing and detecting fraud and on procurement related internal controls in both CONUS and overseas operations. Additionally, in FY 2010 and FY 2011, auditors will continue the review of funds expended for the American Recovery and Reinvestment Act and commence our oversight of Guam relocation efforts.

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

In FY 2010, the ODIG-AUD will staff the Hawaii field office and will continue to expand the Tampa, Florida, field office. Once office space is available, the staff in Hawaii will provide oversight of planned force restructure of the Marines from Japan to Guam and in strengthening and rebalancing U.S. forces in the Pacific. The Tampa staff will continue to provide oversight and support to CENTCOM for its efforts in Southwest Asia as well as providing oversight of SOCOM's increased funding to support an expanded mission and increased size of forces.

The OIG auditors also continue to lead DoD-wide audits as well as joint audits with other Federal IGs. Ongoing efforts involve 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 General Services Administration and the U.S. Department of Energy. 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.

In FY 2010 and 2011, the OIG will continue to expand audit work related to financial management procedures and business systems, particularly those developed as enterprise resource planning systems such as the Defense Integrated Military Human Resources System (DIMHRS) and Logistics Modernization Program (LMP). Unless financial management procedures and systems contain appropriate internal controls, sustaining the auditability of financial statements will become unaffordable in the Department. The weaknesses that affect the auditability of the financial statements also impact other DoD programs and operations and contribute to waste, mismanagement, and inefficient use of DoD resources. The OIG will continue to work with the DoD components to identify deficiencies and recommend corrective actions, focusing on financial statement, system, internal control, compliance, and other financial-related audits to assist the Department to improve it's

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

overall financial management operations and, as a result prepare auditable financial statements. As more components assert that their financial statements are audit ready, more effort will be required to audit financial statements in FY 2010 and future years. In addition, OIG auditors will continue to conduct financial-related audits required by statute (e.g., work related to compliance with the Improper Payment Information Act, American Recovery and Reinvestment Act, Prompt Payment Act, and Title 10 United States Code 2784, which requires periodic reviews of DoD management of the purchase card program).

DoD operations are experiencing a period of higher than normal risks due to the disruptions caused by ongoing military operations; continued restructuring; ever-increasing reliance on automated information systems; security vulnerabilities; and the introduction of new processes, many of which are untried in DoD settings and not well understood by the workforce.

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., significant fraud and corruption impacting DoD operations throughout Southwest Asia; significant procurement and acquisitions fraud; investigations of fraud, waste, and abuse of funds related to the American Recovery and Reinvestment Act (ARRA) of 2009; defective, substituted, or substandard products that compromise safety and mission-readiness; or theft and diversion of critical DoD technologies, systems, and equipment that may be used by adversaries against American warfighters. In addition, DCIS established an evaluation standard that 80 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

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

prosecution to ensure consistency in effort and historical output and the resourceful use of assets.

In FY 2009, DCIS investigations resulted in 341 criminal indictments, 284 convictions, and over \$2.107 billion in criminal, civil, and administrative recoveries (excluding headquarters and field managers, an average of \$7.50 million per agent, for the year). Since its inception, DCIS has participated in cases that have resulted in over \$16.9 billion in criminal, civil, and administrative recoveries. Further, DCIS provided effective support to crucial national defense priorities through the efficient use of limited investigative resources.

In FY 2010 thru FY 2011, DCIS will (1) continue vigorous investigative support to Overseas Contingency Operations (OCO) as it affects the Department of Defense at home and abroad; (2) maintain a high priority on significant 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 ferreting out and uncompromisingly investigating major DoD Procurement Fraud, including bribery, corruption, kickbacks, conflicts of interest, and major thefts; (4) continue concentration on investigations, training, and awareness aimed at the illegal transfer of technology, systems, and equipment critical to DoD and dangerous if in the hands of proscribed persons and nations; (5) continue defense against Cyber Crimes and Computer intrusions that impact DoD, with emphasis on Computer Network Defense to protect the Global Information Grid; (6) support the OIG's efforts in oversight and investigation of significant fraud in relation to DoD expenditures of ARRA funds.

DCIS will continue to investigate DoD procurement fraud, including corruption, defective and hazardous military equipment, and significant financial crimes. Major fraud

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

investigations, such as Pfizer Incorporated (\$566.2 million recovery), Northrop Grumman Corporation (\$276.3 million recovery), and Boeing Aerospace Operations, Inc (\$22.4 million recovery) 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.

ADMINISTRATIVE INVESTIGATIONS: The Office of the Deputy Inspector General for Administrative Investigations promotes public confidence in the integrity and accountability of DoD leadership by investigating, and conducting oversight of investigations, into allegations of misconduct by senior DoD officials and whistleblower reprisal. In FY 2009, the DoD IG significantly increased the investigative staff of Administrative Investigations demonstrating our commitment to the expeditious resolution of allegations without compromising independence or quality.

Military Reprisal Investigations (MRI) has the statutorily mandated mission of whistleblower protection for Military Service members, DoD nonappropriated fund employees, and DoD contractor employees. MRI uses the number of reprisal complaints closed and the case cycle time to evaluate performance. MRI includes cases investigated in-house and those conducted by Military Department Inspectors General and forwarded to MRI for oversight and final approval. During FY 2009, MRI received 497 reprisal complaints and closed 447 complaints, of which 230 were investigated by Military Department Inspectors General under MRI oversight. Of the 447 complaints, 354 cases were closed after the preliminary inquiry stage. MRI currently has 423 open cases. MRI continues to implement policies and procedures to improve the timeliness in processing and resolving such allegations. The Directorate also conducts extensive outreach to the

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Military Components, the Combatant Commands, and other Defense agencies through mobile training teams and formal training workshops.

In FY 2010 thru FY 2011, MRI will continue to expand its training and oversight role with the Military Department Inspectors General. This additional training and continuous case reconciliation will ensure MRI's ability to assertively pursue the timely resolution of complaints made under the three statutes.

Civilian Reprisal Investigations (CRI) has the primary mission of 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 2009, the Directorate closed 32 cases and opened 19. CRI currently has 22 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 2010 thru FY 2011, CRI will continue the resolute investigation of 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 apply additional resources to the Procurement Fraud Reprisal Team and National Security Reprisal Team.

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Investigations of Senior Officials (ISO) Directorate received 257 senior official cases and closed 408 cases, of which 50 (12 percent) contained substantiated allegations during FY 2009. ISO performed oversight on 197 investigations conducted 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 or over-sighted, 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 2009 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. 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 reprisals. The severity of corrective actions in cases with substantiated findings—immediate removal from command, reprimands, reductions in rank, and reimbursement to the Government—demonstrates that the Department holds senior leaders accountable for their 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. The Senate Armed Services Committee relies exclusively on checks completed by ISO before confirming military officer promotions.

In FY 2010 thru FY 2011, ISO will continue to address allegations of senior official misconduct that demoralize warfighters and undermine public confidence in DoD senior leadership. ISO's primary objective is to further reduce case cycle time and increase program responsiveness to top Defense officials and Members of Congress.

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Policy and Oversight: The Office of the Deputy Inspector General for Policy and Oversight (ODIG-P&O) is unique in that it has varied responsibilities, including establishing audit and investigative policy, performing oversight of DoD auditors and investigators, performing inspections and evaluations of DoD programs, providing engineering support to the OIG DoD and other Defense and Federal Agencies. The ODIG-P&O is also responsible, per the Inspector General Act of 1978, as amended, for coordinating draft DoD policy issuances. Policy and Oversight operations are evaluated on the reviews conducted, as measured by the significance and quality of audit, inspection, evaluation, and investigative policies provided; oversight and evaluation reports issued; contractor disclosures processed; subpoenas processed; timeliness and quality of technical support provided; positive impact on draft DoD policy issuances; follow-up of DCAA report recommendations; and outcomes from evaluations of significant DoD programs and operations. In FY 2009, Policy and Oversight issued 21 reports and provided technical support to approximately 21 audit and investigative projects. ODIG-P&O managed the OIG's policy coordination process for 330 draft DoD policy issuances and coordinated/published the following two DoD Issuances: DoDI 5100.86, "DoD Forensic Sciences Committee," November 20, 2008, and DoD 7600.07-M, "DoD Audit Manual," February 13, 2009.

In FY 2009, Audit Policy and Oversight (APO) issued seven oversight reports, one hotline report, and one follow-up review report; and reviewed and commented on 87 single audit reports and issued 107 memorandums for grant/contracting officer follow-up. APO commented on 13 exposure draft policy documents and reviewed 42 and commented on 5 Federal Acquisition Regulation and Defense Federal Acquisition changes. Exposure draft policy documents were from within and outside DoD, including GAO, the Federal Accounting Standards Advisory Board, the Council of Inspectors General on Integrity and Efficiency, the Chief Financial Officers Council, the Institute of Internal Auditors, the Office of

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Management and Budget, and the American Institute of Certified Public Accountants. APO conducted best practices reviews and administered the peer review program for DoD audit organizations, encompassing oversight of peer reviews of three DoD audit organizations, including one DoD intelligence audit organization. Provided oversight of 2,089 open and closed contract audit reports with over \$5.9 billion in potential savings. Issued 67 recommendations, 63 (94 percent) of which were agreed upon or provided acceptable alternatives. Monitored Defense Contract Audit Agency (DCAA) assessments of all issues and conclusions on quality of audit work in response to the GAO review of DCAA Western Region Audit Offices, completed review on 1 DoD Hotline complaint, started reviews on 2 other DoD Hotline complaints concerning DoD audit operations, reviewing 4 unsatisfactory condition complaints from DCAA, and launched a fraud website that provides guidance and other resources for DoD/Federal auditors to use. Hosted the DoD OIG's first Fraud Prevention and Detection Conference with over 320 auditors, investigators, attorneys, and acquisition/contracting personnel from over 60 organizations. Highlights included a keynote address from former Congressman Tom Davis of the 11th Congressional District of Virginia; a session with Deputy IG of the Special Inspector General for Iraq Reconstruction on Fraud in Iraq and Afghanistan; a session on Fraud within the Navy by the Navy Auditor General; and closing remarks by the Director of DCIS. Eight fraud infomercials were debuted at the conference as part of the DoD OIG's focus on fraud in conjunction with the Panel on Contracting Integrity and featured a video "Lies and More Lies," for "Solve the Scenario" sessions. Participated in the DoD OIG Human Capital Advisory Committee and identified P&O issues related to management of human capital including staff recruitment and retention and published DoD 7600.07-M "DoD Audit Manual," February 13, 2009, to assist the 24 DoD audit organizations with its over 6,500 auditors in complying with the auditing standards issued by the Comptroller General of the United States. Provided training presentations on external peer reviews of IG Audit Operations to 78 people from 49 government agencies and participated on the working group updating

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

the External Peer Review Guide for OIG Audit Operations approved by CIGIE, March 2009. Participated on at least 15 working groups including the Procurement Fraud Working Group Steering Committee, Financial Statement Audit Network, DoD OIG Peer Review Working Group, Single Audit Roundtable, DoD Contracting Oversight & Quality Assurance Joint Planning Group, DoD Council of Small Audit Organizations, National Single Audit Coordinator Workgroup (Single Audit), Federal Audit Executive Council External Peer Review Guide Update working Group, OMB/CIGIE task force to address the recommendations from the National Single Audit Sampling Initiative, Federal Audit Executive Council Audit Committee, Audit Chief's Council, IG DoD Audit Advisory Committee, Single Audit Compliance Supplement Core Team, and Federal Audit Liaison Council.

In FY 2010 through 2011, APO will focus on oversight reviews of DCAA high-risk areas and monitor, review, and report on DCAA audit compliance with GAGAS. Additionally, APO will focus on 31 Defense Hotlines of DCAA audits, management, and personnel. APO will also perform best practices reviews and administration of peer reviews of 24 DoD audit organizations. APO will continue to update the IG Fraud website, including up to 50 additional contract audit fraud scenarios. In the Single Audit area, APO will perform eight single audit quality control reviews (including three related to DCAA) and two follow-up reviews. The eight quality control reviews cover \$2.3 billion (30 percent) of the \$7.4 billion in DoD research and development funds associated with the 29 cognizant organizations. In the contract audit follow-up area, APO will review contracting officer actions on DCAA contract audit reports which currently number over 2,000 and include \$6 billion in questioned costs. For example, APO will conduct a second in a series review of contracts related to Iraq Reconstruction.

In FY 2009, Investigative Policy and Oversight (IPO) established a new program, the Contractor Disclosure Program, to receive and effectively respond to disclosures by

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Defense contractors and subcontractors of procurement-related crimes now mandated in Federal Acquisition Regulations. In FY 2009, the Program coordinated 54 disclosures of potential crimes through Defense investigative, audit, and suspension/debarment authorities and the Department of Justice. At the same time, IPO has worked to resolve over 20 voluntary disclosures under the previous program. IPO has worked diligently to promote this new program through presentations to private and government organizations. The OIG subpoena program is on track to coordinate and issue approximately 362 subpoenas to defense investigators this fiscal year, tying last year's record volume. Subpoena cycle time has been held under 15-days, the established performance metric. New subpoena initiatives include a feedback mechanism for subpoena recipients and the addition of a comprehensive subpoena reference guide to the program website. The subpoena program also provided training on 11 occasions to military criminal investigators at the Federal Law Enforcement Training Center and other venues. Oversight work was generally guided by strong congressional interest in a broad variety of investigative matters. IPO oversight work included identifying substantive deficiencies in 4 of 9 closed electrocution investigations. IPO returned the investigations to the defense criminal investigative organizations for additional work. IPO also conducted a comprehensive review of DoD's response to sexual assault complaints made by contractors accompanying the US Forces in Iraq and Afghanistan. The review identified DoD success despite significant policy deficiencies. At the request of Congress, IPO initiated a dynamic review of a murder/suicide in Iraq to resolve longstanding concerns the military service had not effectively supported the soldier who was murdered. In a time-sensitive, problematical matter, IPO moved promptly to assemble the facts related to a complaint that a senior DoD leader interfered with an autopsy of a detainee who died in U.S Forces custody. That prompt response allowed collection of the best evidence that will permit an informed resolution. In two deaths unrelated to the war, IPO successfully negotiated the DoD interest with local and State prosecutors to help resolve the DoD response to a pregnant

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Marine's rape complaint. She was later murdered by the alleged rapist. Our negotiations enabled IPO to complete nearly all background evaluation work, including preservation of perishable documentary and electronic evidence with only field work awaiting the trial of the Marine accused of her murder. In a separate congressional matter, we initiated a review of a sailor's death, that after being placed in custody in his home, pulled out a gun, and shot himself with several police officers nearby. In a matter normally outside IPO's charter, the Inspector General selected IPO to assist in the new review of another office's congressionally-directed report of allegations that conflicts of interest or inappropriate special access to DoD information spoiled a DoD public affairs program involving mostly retired military analysts.

In FY 2010 through 2011, IPO will field new/revised investigative policy addressing (a) obtaining fingerprints and criminal history data, as well as DNA samples, from arrestees; (b) oral, wire and electronic intercepts for law enforcement; and (c) investigative jurisdiction at the Pentagon; among others. The Subpoena Program will seek to continuously improve subpoena processing time while marketing subpoenas as a viable investigative tool. IPO will host a conference with speakers from the government and private sector concerning obtaining evidence from electronic communications providers. IPO will continue to refine the Contractor Disclosure Program and promote its use and be responsive to the interests of Congress and DoD leadership.

In FY 2009, Inspections and Evaluations Directorate (I&E) issued 6 reports: one interagency report – DoD/DOS evaluation of the FY 2006 National Defense Authorization Act Section 1206 "Global Train and Equip" program for partner nations; Part I of a two-part, multi-disciplinary review of electrocution deaths in Iraq; review of the voting assistance program; and three safety survey reports summarizing personnel perceptions of the DoD safety program. I&E also contributed to the Special Programs and Operations

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

report that reviewed DoD support to the Government of Pakistan. In FY 2009, I&E staff members deployed to Iraq and Afghanistan and completed field work for projects involving investigation of electrocution deaths, contract oversight, and the safety of electrical systems. The Directorate has started five projects mandated in statute or requested by Congress that will bridge into FY 2010. These five projects are: (1) review of the combating trafficking in persons program, (2) evaluation of the DoD Federal voting assistance program, (3) inspection of the Armed Forces Retirement Home, (4) review of the after government advice repository program for senior DoD officials seeking employment with Defense contractors, and (5) review of Army actions taken in response to potential soldier chemical exposure in Iraq.

In FY 2010 through 2011, I&E will continue to conduct interagency and multi-functional assessments to support Overseas Contingency Operations; SWA; and Stability, Security, Transition, and Reconstruction (SSTR) missions, and their relevance to DoD doctrine, organization, training, education, exercises, material, leadership, personnel, facilities, medical care, and planning. I&E will look for opportunities to professionalize the evaluation function and staff within the OIG, and apply I&E unique capabilities to assist other OIG components. Finally, I&E will continue to chair periodic meetings of Defense Council on Integrity and Efficiency - Inspections and Evaluations Roundtable, and represent DoD in the Inspections and Evaluations Committee and Roundtable of the Council of Inspectors General on Integrity and Efficiency.

In FY 2009, Technical Assessment Directorate (TAD) provided technical support for approximately 21 audits, investigations, and assessments, including such highly visible projects as the New Orleans Pumps and Iraqi electrocutions. TAD engineers provided support in the Southwest Asia Theater. In Bahrain, they developed test plans and assessed information assurance for the Navy's One Net system. In Afghanistan, the

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

engineers assessed mechanical and electrical issues associated with the New Kabul Compound. The engineers supported audits with technical assessments of weapon systems such as the Light Tactical Vehicle, Ground Penetrating Radar, Mine Resistant Ambush Protected Vehicles, Ballistic Glass, and Laser Dazzler. The engineers provided information support expertise for audits of the Defense Information Systems Agency and the Defense Civilian Personnel System. Their support of investigation oversight resulted in four electrocution cases being re-opened. In addition, they conducted research into non-conforming microchips and aviation safety investigations.

In FY 2010 and 2011 TAD will continue to provide technical support for audits and investigations.

Intelligence: The ODIG-INTEL focuses on assessing the efficient, effective, and appropriate use of intelligence personnel, systems and resources with emphasis on support to the warfighter and national command authority. ODIG-Intel also provides oversight of the DoD Nuclear Enterprise and special access programs. In FY 2009, the ODIG-INTEL provided DoD leadership and Congress with 16 intelligence evaluation and audit reports on topics such as a "Review of Intelligence Resources at the Joint Intelligence Task Force Combating Terrorism and Special Operations Command in Support of Operation Enduring Freedom and Operation Iraqi Freedom," "Audit of the Management of SIGINT Counter Terrorism Enterprise Analyst," and "Audit of Issues Related to the Modification of the Joint Air-to-Surface Standoff Missile System." Two projects of particular interest include the multi-IG review of Foreign Intelligence Surveillance Act (FISA) and oversight of numerous inspections of Minot and Barksdale Air Force Bases. The FISA report was mandated in the FISA Amendments Act of 2008 and examined the involvement of the Office of the Secretary of Defense in the establishment and implementation of the President's program. In addition to the DoD OIG, four other Inspector General Offices participated

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

in this project relative to their organization activities. A joint report was issued. The oversight of the Nuclear surety inspections identified improvements in the inspection process, including the need for no-notice inspections. FY 2009 was a year of identifying and improving internal processes and as such, a new Annual Project Planning Process was introduced to improve our ability to target projects to support DoD focus areas. Similarly, ODIG-INTEL improved a project planning process to gain efficiencies in the execution of a project from start to finish. Additionally, new performance metrics were established to ensure goals were met effectively and to identify opportunities for future efficiencies. Congressionally directed actions or requests, management requests, or DoD Hotline complaints initiate 65 percent of ongoing projects. The other 35 percent came 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, the ODIG-INTEL Annual Plan shows continued work on 10 ongoing projects that were implemented through the FY 2009 plan or responded to emergent external requirements from the Secretary of Defense, Inspector General senior management, and Congress. As these projects are completed, the FY 2010/2011 Annual Plan will be executed that supports four focus areas through 15 new projects to begin in 2010 and 9 in 2011. In total, all projects support one or more priorities delineated by SECDEF and Inspector General as mission priorities or management challenges. The ODIG-INTEL will also continue to refine project scope and objectives to improve cycle time. The ODIG-INTEL will continue participating in quarterly meetings of the Intelligence Community Inspectors General (IC IG) Forum and chair the Joint Intelligence Oversight Coordination Group (JIOCG) to prevent duplication and overlap between the OIG, Service audit agencies, Military Inspectors General, and other Intelligence agencies components, or

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

jointly with DoD Intelligence agency Inspectors General and Intelligence Community Inspector General Forum members.

In FY 2011, besides executing the two-year project plan for FY 2010 and 2011, ODIG-INTEL personnel will continue to reassess defense priorities and congressional perspectives to ensure resources provide the best coverage. This will include projects that support both Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). 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 will continue to follow up on recommendations made in several earlier projects concerning the nuclear enterprise thereby maintaining a critical presence in evaluating and monitoring the activities within DoD in this high visibility area.

Office of Special Plans and Operations: In a SECDEF-directed follow-up mission to Iraq and Afghanistan, a SPO team reviewed the DoD progress in implementing the observations findings and recommendations shown in a classified report it previously issued concerning munitions accountability and control in Iraq. Other issues addressed included the responsiveness of U.S. Foreign Military Sales processes supporting the Afghan National Security Forces (ANSF) and Iraqi Security Forces (ISF), and the development of logistics sustainment capability for the ANSF and ISF, to include a related issue on building the Afghan and Iraqi military health care systems and its sustainment base.

The report addressing the Afghan Security Forces was published on October 24, 2008. The companion report on the assessment results for Iraq was published December 19, 2008. During the course of the mission to Iraq, SPO identified possible issues regarding accountability and control of other DoD sensitive equipment, specifically Night Vision

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Devices. Consequently, in response to a request by the MNF-I Commander, SPO deployed a team in early FY 2009, resulting in the publication of Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq.

At the behest of the SECDEF and Chairman of the Joint Chiefs of Staff, a SPO assessment team also visited Pakistan to evaluate U.S. security assistance programs supporting that country. The subsequent classified report was issued on May 20, 2009.

Anticipating that U.S. Forces in Afghanistan may be facing a safety risk of electrocution similar to those incurred in Iraq, SPO launched a project and published a report that reviewed the effectiveness of command efforts to ensure the electrical safety of Department of Defense occupied and constructed facilities in Afghanistan.

In Spring 2009, a SPO team deployed again to Afghanistan to: assess Commander, International Security - Assistance Force (COMISAF); Commander, U.S. Forces - Afghanistan (COMUSFOR-A); and Combined Security Transition Command - Afghanistan (CSTC-A) plans, milestones and metrics to train, equip and mentor the Afghan National Army (ANA)/Afghan National Police (ANP) with respect to progress in training, equipping and mentoring the ANA/ANP. Three reports were issued in September 2009, providing observations and recommendations resulting from this assessment mission:

1. Accountability and Control of Arms, Ammunition, and Explosives (AA&E) Provided to the Security Forces of Afghanistan
2. Accountability of Arms and Ammunition Provided to the Security Forces of Iraq (Redacted version)
3. U.S. and Coalition Plans to Train, Equip, and Field the Afghan National Security Forces

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

At the request of the Commander, Multi National Security Transition Command - Iraq (MNSTC-I), SPO deployed a senior IG advisor to Iraq to advise and mentor the IGs for the Iraqi Ministries of Defense and Interior. This effort has enabled the MNSTC-I mission to build the ministerial oversight capacity of the Iraqi Security Forces.

In FY 2010 thru FY 2011, SPO plans to build on the momentum of its on-the-ground assessments of the DoD security forces development mission in Iraq and Afghanistan, broadening the scope of the reviews, as appropriate. Areas of interest include, but are not limited to: Redeployment / Drawdown in Iraq - Assessing DOD logistics planning and execution for withdrawal of U.S. forces from Iraq, as part of a priority OIG oversight initiative; Security Force Development - Assessing the performance of U.S. military operations and programs to advise, assist and develop the capability of host nation security forces in SWA; Advise and mentor host nation IGs - Building ISF and ASF capacity to oversee military and police activities; DoD Global Programs - Assessing DOD globally-focused initiatives in support of Overseas Contingency Operations, such as Section 1206 and Pakistan security assistance programs; Wounded Warrior - Assessing the effectiveness of CONUS-based medical care support provided to military personnel wounded in SWA.

Other Components, OIG: The Office of Communication and Congressional Liaison (OCCL) supports the mission of the OIG by keeping 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 Division, the DoD OIG web team, the Defense Hotline and GAO affairs. 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 2009, the OIG opened 213 cases based on inquiries received from congressional offices. The FOIA/PA office received 313

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

requests for information and completed 333 requests in FY 2009. The DoD Hotline received, in FY 2009, 13,750 contacts (composed of telephone calls, letters, and email) and initiated 2,684 cases. In FY 2009, GAO affairs processed 334 GAO Draft and final reports and 229 GAO review announcements. Targets are expected to remain steady in FY 2010 and 2011 with respect to Congressional inquiries, and Hotline cases. There is an anticipated increase in FY 2010 for FOIA requests and for GAO reviews and reports.

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

	FY 2009	FY 2010	FY 2011
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>AUDIT</u>			
Reports issued	119	120	130
Potential monetary benefits (\$ millions)	\$827.7	*	*
(* Monetary benefits can not be estimated)			
Achieved monetary benefits (\$ millions)	\$1,040.0	*	*
(*Monetary benefits can not be estimated at this time)			
<u>CRIMINAL INVESTIGATIONS</u>			
Indictments and Charges	341	345	360
Convictions	284	250	260
Fines/penalties/restitutions, etc. (\$ millions)	\$2,107.00	\$410	\$430
<u>ADMINISTRATIVE INVESTIGATIONS</u>			
Military Reprisal - Investigations opened	497	510	525
Military Reprisal - Investigations closed	447	455	465
Military Reprisal - Investigations oversight	230	235	240
Civilian Reprisal - Investigations opened	19	25	30
Civilian Reprisal - Investigations closed	32	35	40
Civilian Reprisal - Investigations oversight	2	5	8
Investigations of Senior Officials - opened	257	265	275
Investigations of Senior Officials - closed	408	420	430
Investigations of Senior Officials - oversight	197	205	215
<u>POLICY and OVERSIGHT</u>			
Audit oversight reports	9	15	15

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

IV. Performance Criteria and Evaluation Summary

Investigative Policy and Oversight reports	5	7	9
Inspection & Evaluation Reports	7	6	6
Voluntary disclosures-new disclosures	0	0	0
*Voluntary disclosures-admitted	3	0	0
Contractor Disclosures Submitted	70	150	175
P&O Annual monetary benefits (\$ millions)	\$1	*	*
(*Monetary benefits cannot be estimated at this time)			
Subpoenas issued	362	375	390

*The Voluntary Disclosure Program became the Contractor Disclosure Program in December 2008

INTELLIGENCE

Reports issued	16	15	9
----------------	----	----	---

SPECIAL PLANS and OPERATIONS

SPO reports	6	8	10
-------------	---	---	----

COMMUNICATIONS & CONGRESSIONAL LIAISON

Hotline calls/letters received	13,750	13,500	13,500
Substantive cases generated	2,684	2,500	2,500
Opened congressional inquiries	213	250	250
Closed congressional inquiries	215	250	250
FOIA requests received	313	420	450
FOIA requests processed	333	450	450
GAO surveys and reviews processed	229	275	275
GAO draft and final reports processed	334	425	425

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

V. <u>Personnel Summary</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	Change FY 2009/ FY 2010	Change FY 2010/ FY 2011
<u>Active Military End Strength (E/S)</u>					
(Total)	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>	<u>0</u>
Officer	28	28	28	0	0
Enlisted	0	0	0	0	0
 Civilian End Strength (Total)	 <u>1,515</u>	 <u>1,614</u>	 <u>1,654</u>	 <u>99</u>	 <u>40</u>
U.S. Direct Hire	1,514	1,613	1,653	99	40
Foreign National Direct Hire					
Total Direct Hire	1,514	1,613	1,653	99	40
Foreign National Indirect Hire	1	1	1	0	0
Memo: Reimbursable Civilians Included	0	0	0	0	0
<u>Active Military Average Strength (A/S)</u>					
(Total)	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>	<u>0</u>
Officer	28	28	28	0	0
Enlisted	0	0	0	0	0
 Civilian FTEs (Total)	 <u>1,515</u>	 <u>1,614</u>	 <u>1,654</u>	 <u>99</u>	 <u>40</u>
U.S. Direct Hire	1,514	1,613	1,653	99	40
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	1,514	1,613	1,653	99	40
Foreign National Indirect Hire	1	1	1	0	0
Average Annual Civilian Salary (\$ in thousands)	\$138	\$142	\$138	4	-4

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

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

<u>OP 32 Line</u>	FY	Change		FY 2010	Change		FY 2011
	2009	FY 2009/FY 2010			FY 2010/FY 2011		
	<u>Actuals</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
101 Exec, Gen'l & Spec Scheds	207,585	5,148	8,875	221,608	3,435	1,011	226,054
111 Disability Compensation	664	0	18	682	0	10	692
121 Perm Change of Station	336	0	-192	144	0	29	173
199 Total Civ Compensation	208,585	5,148	8,701	222,434	3,435	1,050	226,919
308 Travel of Persons	9,585	115	-1901	7,799	109	92	8,000
399 Total Travel	9,585	115	-1,901	7,799	109	92	8,000
633 Def Pub, Print Svcs	300	2	5	307	9	-7	309
647 DISA Info Svcs	965	-94	97	968	-136	148	980
671 Comm Svcs Tier 2 (DISA)	4	0	0	4	0	0	4
673 Def Fin & Accounting Svc	643	-1	7	649	3	4	656
699 Total Purchases	1,912	-93	109	1,928	-124	145	1,949
771 Commercial Transport	477	5	-9	473	7	-84	396
799 Total Transportation	477	5	-9	473	7	-84	396
901 FN Indirect Hires	102	3	-3	102	3	-2	103
912 GSA Leases	19,440	486	242	20,168	282	-60	20,390
913 Purch Util (non fund)	111	1	0	112	2	-1	113
914 Purch Communications	3,055	33	-29	3,059	43	-9	3,093
915 Rents, Leases (non GSA)	36	0	0	36	1	0	37
917 Postal Svc (USPS)	32	0	0	32	0	1	33
920 Supplies/Matl (non fund)	4,447	49	-33	4,463	62	-1,666	2859
922 Eqt Maint Contract	824	9	-1	832	12	-2	842
923 Facilities Maint Contr	67	1	0	68	1	-1	68
925 Eqt Purch (non fund)	8,390	93	-2,701	5,782	81	-973	4,890
932 Mgt Prof Support Svcs	41	0	1	42	1	-1	42
934 Engineering & Tech Svcs	45	0	-45	0	0	0	0

OFFICE OF INSPECTOR GENERAL
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates

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

<u>OP 32 Line</u>	FY	Change		FY 2010	Change		FY 2011
	2009	FY 2009/FY 2010			FY 2010/FY 2011		
	<u>Actuals</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
987 Other IntraGovt Purch	5,665	63	-228	5,500	77	-74	5,503
989 Other Contracts	16,330	179	-1,239	15,270	214	-7,367	8,117
999 Total Other Purchases	58,585	917	-4,035	55,466	779	-10,155	46,090
Total	279,144	6,092	2,864	288,100	4,206	-8,952	283,354

* The FY 2009 Actual column includes \$0.0 thousand of FY 2009 Bridge Funding Appropriations (PL 110-252); and \$9,551.0 thousand of FY 2009 Supplemental Appropriations Act funding (PL 111-32).

* The FY 2010 Estimate column excludes \$8,876.0 thousand enacted in the FY 2010 Defense-Wide Overseas Contingency Operations Appropriation (P.L. 111-118).

(This page intentionally left blank.)