

Fiscal Year 2013 Budget Estimates
Office of Inspector General (OIG)



February 2012

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**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

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

	FY 2011 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2012 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2013 <u>Estimate</u>
OIG	320,679	1,035	26,740	348,454	2,855	-77,488	273,821

* The FY 2011 Actual column includes \$11,311 thousand of FY 2011 OCO Appropriations funding (PL 112-10).

* The FY 2012 Estimate column excludes \$11,055 thousand of FY 2012 Overseas Contingency Operations Appropriations funding (PL 112-74).

* The FY 2013 Estimate column excludes \$10,766 thousand requested in the FY 2013 Defense-Wide Overseas Contingency Operations Budget Request.

I. Description of Operations Financed: The Office of Inspector General (OIG) audits, investigates, inspects, and evaluates the programs and operations of the Department of Defense (DoD) and, as a result, recommends policies and process improvements that promote economy, efficiency, and effectiveness in DoD programs and operations. The Inspector General is the only DoD official authorized to issue opinions on the financial statements of the DoD. During the period October 1, 2008, through September 30, 2011, the OIG has achieved \$6.7 billion in savings and \$7.7 billion in recovery for the nation. Specifically in FY 2011 the OIG achieved \$734 million in savings and \$2.25 billion in recovery.

The Inspector General:

- 1) is the principal adviser to the Secretary of Defense (SecDef) for matters relating to the prevention and detection of fraud, waste, and abuse in the DoD programs and operations
- 2) provides policy direction for audits and investigations relating to fraud, waste, and abuse and program effectiveness
- 3) investigates fraud, waste, and abuse uncovered as a result of other contract and internal audits, as the Inspector General considers appropriate

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I. Description of Operations Financed (cont.)

- 4) develops policy, monitors, and evaluates program performance, and provides guidance with respect to all Department activities relating to criminal investigation programs;
- 5) monitors and 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 budget request for the operations of the DoD OIG is \$273.8 million. The portion of this amount needed for OIG training is \$3.348 million, and the amount needed to support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is \$.717 million, which satisfies the OIG requirements for FY 2013.

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I. Description of Operations Financed (cont.)

Narrative Explanation of Changes:

FY 2012 to FY 2013: The current Fiscal Guidance for FY 2013 (\$273.8 million) reflects a decrease from FY 2012 (\$348.5 million) of \$77.5 million. This decrease reflects the additional funding provided in the Defense Appropriations Act for FY 2012.

Auditing: The Office of the Deputy Inspector General for Auditing (ODIG-AUD) conducts audits on all facets of DoD operations. The work of the Office of the Deputy Inspector General for Auditing provides independent and objective audit services to promote continuous performance improvement, management, and accountability of DoD operations, programs, and resources to support DoD in its defense of U.S. national interests, and results in recommendations for reducing costs; addressing critical life and safety issues, eliminating fraud, waste, and abuse; improving performance of business operations; strengthening internal controls; and achieving compliance with laws, regulations, and policies. The Office of the Deputy Inspector General for Auditing is comprised of five directorates: Acquisition and Contract Management, Readiness and Operations Support, Financial Management and Reporting, Defense Payments and Accounting Operations, and Joint and Southwest Asia Operations. 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 management to include contract pricing, services contracts, improper payments, and contractor overhead costs; management and execution of Afghanistan Security Forces funds; major weapons systems acquisitions; financial management; business systems modernization; cyber operations; health care; and joint warfighting and readiness.

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I. Description of Operations Financed (cont.)

- Acquisition and Contract Management (ACM) Directorate plans and performs audits in the areas of Contract Administration; Contract Pricing and Competitive Sourcing; Constructions and Sustainment; Research, Development, Test, and Evaluation and Systems; Acquisition; and Weapons Acquisition.
- Readiness and Operations Support (ROS) Directorate plans and performs audits in the areas of Defense Critical Infrastructure, Information Technology Management, Cyber Operations, Global Logistics, Military Health System, Forces Management, and Operations in the Pacific Command Area of Responsibility.
- Financial Management and Reporting Directorate plans and performs audits of finance and accounting systems, functions, and activities established to carry out DoD fiscal responsibilities. Financial management audits generally include all comptroller-type services and activities related to programming, budgeting, accounting, and reporting.
- Defense Payments and Accounting Operations (DPAO) Directorate plans and performs audits in the areas of Intelligence Financial Reporting and Payments, Forensic Analysis, DoD Business System Acquisitions, Transportation Payments, Government Purchase Cards, Improper Payments, and Financial Reporting and Payments; and provides statistical and analytical support to all of Audit through the Quantitative Methods and Analysis division.
- Joint and Southwest Asia Operations (JSAO) Directorate plans and performs audits and evaluations in support of combined, joint, interagency, and Southwest Asia operations. These audits and evaluations focus on personnel and material readiness, force protection, logistics, communications, contractor support operations, contract administration, acquisition, and finance. Additionally, specific divisions address

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I. Description of Operations Financed (cont.)

Combatant Command systemic issues that span all of the Combatant Commands or provide focused reviews on issues within the Central Command geographic area and Special Operations Command's support to that area.

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) contains the Defense Criminal Investigative Service (DCIS). DCIS traditional areas of concentration are fraud investigations (e.g., procurement and acquisition, defective, substituted, and counterfeit products); healthcare; public corruption (e.g., bribery, kickbacks, and theft); technology protection investigations (illegal transfer, theft, or diversion of DoD technologies and U.S. Munitions List items to forbidden nations and persons) and cyber crimes.

DCIS works with U.S. Immigration and Customs Enforcement (ICE) to stem the illegal diversion of DoD technology, weapon systems, and equipment through an intensive criminal investigative effort and awareness training that includes tailored briefings designed to encourage DoD and contractor employees to report crimes affecting DoD programs. DCIS participates with the Federal Bureau of Investigation (FBI) on Joint Terrorism Task Forces (JTTFs) at the FBI headquarters and at selected locations across the U.S. DCIS also actively participates in the National Cyber Investigative Joint Task Force (NCIJTF), which is the focal point for all government agencies to coordinate, integrate, and share information related to all domestic cyber threat investigations.

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I. Description of Operations Financed (cont.)

DCIS is an active member of the Council of Inspectors General on Integrity and Efficiency (CIGIE) and is a mainstay on the Department of Justice National Procurement Fraud Task Force (NPFTF).

The NPFTF was created in October 2006 to promote the prevention, early detection, and prosecution of procurement fraud. The NPFTF Force includes the FBI, the Department of Justice Inspector General and other federal Inspectors General, defense investigative agencies, federal prosecutors from United States Attorney's offices across the country, as well as the Criminal, Civil, Antitrust and Tax Divisions of the Department of Justice. DCIS also remains a key member of the Department of Justice International Contract Corruption Task Force (ICCTF), whose mission is to deploy criminal investigative and intelligence assets worldwide to detect, investigate, and prosecute corruption and contract fraud resulting primarily from Overseas Contingency Operations (OCO). The mission of ICCTF is to integrate the full spectrum of investigative, intelligence, audit and prosecutorial resources to combat contract fraud and public corruption related to U.S. government spending, with an emphasis on Southwest Asia operations.

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 violations, 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

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I. Description of Operations Financed (cont.)

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 conducting technical assessments of DoD programs and providing engineering support for other OIG assessments.

- 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 6,700 DoD auditors in 22 DoD audit organizations, which comprises approximately 40 percent of all federal auditors.
- Investigative Policy and Oversight (IPO) Directorate evaluates the performance of 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 issuing an annual average at 577 subpoenas in FY 2011, up from 525, and administers the DoD Contractor Disclosure Program. The disclosure program requires

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I. Description of Operations Financed (cont.)

DoD contractors to notify the DoD IG of credible evidence that a federal criminal law involving fraud, conflict of interest, bribery or gratuity violations or a violation of the False Claims Act occurred during the award, performance or closeout of a government contract or subcontract. The program also requires reports on any significant overpayments.

- Technical Assessment Division is an engineering unit that provides expert technical assessments that are timely, relevant, objective, independent, and affect improvements in defense system acquisition, operation, and sustainment by proactively address issues of concern to Congress, DoD, and the public. Additionally, the Technical Assessment Directorate 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 ODIG-INTEL is the primary advisor to the DoD IG 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 (CIA), Office of the Director National Intelligence (ODNI), and Department of

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I. Description of Operations Financed (cont.)

Justice (DOJ), 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's 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 (SPO): The Office for Special Plans and Operations (SPO) facilitates informed decision-making by senior leaders of the DoD, U.S. Congress and other Government organizations by providing timely, high-value assessment reports on strategic challenges 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. Within SPO, the 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.

SPO is staffed with a core combination of civilian and military personnel who must be deployable to the SWA Theater of Operations.

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I. Description of Operations Financed (cont.)

For more information regarding SPO, 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. OCCL maintains a program to promote whistleblowing and encourage personnel to report fraud, waste, and abuse to appropriate authorities.

For more information regarding OCCL, please 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 staff. 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.

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The Office of Administration and Management (OA&M) provides mission essential support for personnel, security, training, administration, logistics, and information technology through its six Directorates: Human Capital Advisory Services (HCAS), Office of Security, Training Support, Administration and Logistics Support, Operations Center, and Information Systems. OA&M supervises and provides mission critical functions in support of the OIG's day-to-day operations at the OIG headquarters and 74 field offices located throughout the world to include Germany and Korea. The OA&M also supports Combatant Command and Joint Inspector General Training and Doctrine development.

II. Force Structure Summary:

N/A

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III. Financial Summary (\$ in thousands)

	FY 2011 Actuals	Budget Request	FY 2012				Current Estimate	FY 2013 Estimate
			Congressional Action		Amount	Percent Appropriated		
			Amount	Percent Appropriated				
A. BA Subactivities								
Administrative Investigations	8,052	9,422	0	0.0	9,422	9,422	7,126	
Auditing	90,722	112,821	0	0.0	112,821	114,356	80,298	
CIGIE	306	475	0	0.0	475	475	475	
Intelligence	6,759	8,017	0	0.0	8,017	8,017	5,982	
Investigations	77,103	93,567	0	0.0	93,567	93,567	74,446	
OCO Funding	10,529	0	0	n/a	0	0	0	
Other OIG	105,575	38,837	56,156	144.6	94,993	94,993	86,233	
Policy and Oversight	13,334	14,741	-26	-0.2	14,715	14,715	11,801	
Procurement	1,000	1,000	0	0.0	1,000	1,000	1,000	
RDT&E Supplemental	0	1,600	2,900	181.3	4,500	4,500	0	
Special Plans and Operations	5,652	5,591	0	0.0	5,591	5,591	5,002	
Training	1,647	3,448	-1,630	-47.3	1,818	1,818	1,458	
Total	320,679	289,519	57,400	19.8	346,919	348,454	273,821	

* The FY 2011 Actual column includes \$11,311 thousand of FY 2011 Overseas Contingency Operations Appropriations funding (PL 112-10).

* The FY 2012 Estimate column excludes \$11,055 thousand of FY 2012 Overseas Contingency Operations Appropriation funding (PL 112-74).

* The FY 2013 Estimate column excludes \$10,766 thousand requested in the FY 2013 Defense-Wide Overseas Contingency Operations Budget Request.

*FY 2012 includes \$1,535 thousand for Procurement and RDT&E prior year carry over.

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III. Financial Summary (\$ in thousands)

B. Reconciliation Summary

	Change FY 2012/FY 2012	Change FY 2012/FY 2013
Baseline Funding	289,519	348,454
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent	57,400	
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	346,919	
Fact-of-Life Changes (2012 to 2012 Only)	1,535	
Subtotal Baseline Funding	348,454	
Supplemental	11,055	
Reprogrammings		
Price Changes		2,855
Functional Transfers		
Program Changes		-77,488
Current Estimate	359,509	273,821
Less: Wartime Supplemental	-11,055	
Normalized Current Estimate	348,454	

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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2012 President's Budget Request (Amended, if applicable)		289,519
1. Congressional Adjustments		57,400
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
1) Program Increase	54,500	
2) RDT&E Program Increase	2,900	
d. General Provisions		
FY 2012 Appropriated Amount		346,919
2. War-Related and Disaster Supplemental Appropriations		11,055
a. OCO Supplemental Funding		
1) Enter Description	11,055	
3. Fact-of-Life Changes		1,535
a. Functional Transfers		
b. Technical Adjustments		
1) Increases		
a) Unobligated Prior Year Carryover for Procurement and RDT&E	1,535	
FY 2012 Baseline Funding		359,509
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2012 Estimate		359,509
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		-11,055
FY 2012 Normalized Current Estimate		348,454
6. Price Change		2,855
7. Functional Transfers		
8. Program Increases		826
a. Annualization of New FY 2012 Program		
b. One-Time FY 2013 Increases		
c. Program Growth in FY 2013		

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C. Reconciliation of Increases and Decreases	Amount	Totals
1) One additional paid day (FY 2012 Baseline \$228,221)	826	
9. Program Decreases		-78,314
a. Annualization of FY 2012 Program Decreases		
b. One-Time FY 2012 Increases		
c. Program Decreases in FY 2013		
1) Auditing - Decrease in personnel compensation, and contracts (FY 2012 Baseline: \$112,821.0 thousand)	-35,584	
2) Investigations - Decrease in personnel compensation, supplies and contracts (FY 2012 Baseline: \$93,567.0 thousand)	-20,257	
3) Other OIG - Decrease in personnel compensation, supplies, equipment, and contracts (FY 2012 Baseline: \$38,837.0 thousand)	-9,779	
4) RDT&E Supplemental: CRIMS and Predictive Analysis system development completed in FY 2012. (FY 2012 Baseline: \$4,500 thousand)	-4,500	
5) Policy and Oversight - Decrease in equipment and supplies (FY 2012 Baseline: \$14,741.0 thousand)	-2,914	
6) Administrative Investigations - Decrease in contracts (FY 2012 Baseline: \$9,422.0 thousand)	-2,296	
7) Intelligence - Decrease in contracts and supplies (FY 2012 Baseline: \$8,017.0 thousand)	-2,035	
8) Special Plans and Operations - Decrease in supplies (FY 2012 Baseline: \$5,591.0 thousand)	-589	
9) OIG - Training - Decrease in training (FY 2012 Baseline: \$3,448.0 thousand)	-360	
FY 2013 Budget Request		273,821

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IV. Performance Criteria and Evaluation Summary:

Auditing: The Audit component assists DoD by supporting fundamental imperatives of DoD as identified in the Quadrennial Defense Review (QDR) 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 conducts oversight efforts that provide benefits to DoD by addressing critical life and safety issues, improving operations and financial accountability, compliance with statute or regulations, improving national security, and/or identifying potential monetary benefits. 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 the identification of potential monetary benefits and concurrence rate on audit recommendations that correct identified deficiencies. In FY 2011, the ODIG-AUD produced 128 reports, which identified potential monetary benefits totaling \$734 million. In addition, during FY 2011, Audit achieved \$736 million in monetary benefits from reports issued in FY 2011 and earlier (i.e., funds were put to better use because of actions completed on audit recommendations). Numerous other audits provided value to the DoD, but do not lend themselves to the identification of specific monetary benefits. These audits addressed critical issues such as the quality assurance and testing of equipment and parts, protecting against cyber threats, redistribution and accountability of assets from the field, improvements in contingency contracting practices to reduce the potential for fraud, waste, and abuse, force readiness, and the management and training of Afghan National Security Forces (ANSF) to counter the growing insurgency threat in Afghanistan.

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IV. Performance Criteria and Evaluation Summary:

In FY 2011, fundamental contract deficiencies continued to plague DoD, particularly in the areas of requirements definition, competition, contractors performing inherently governmental functions, contract oversight and surveillance, and contract pricing. The DoD OIG continues to focus oversight efforts on the complexities associated with contingency contracting, contract pricing, contracts for equipping and supplying the Afghan National Security Forces (ANSF), interagency contracting and contractor payments.

In 2011, in addition to OCO and ARRA efforts, auditors prepared highly visible reports which included a joint audit with the Department of State (DoS) regarding the training of Afghanistan National Police (ANP), an audit on excessive pricing of spare parts that could have been satisfied through use of existing DoD inventories, an audit identifying improvements in contract administration and oversight of prime vendor contracts, an audit which identified improvements needed in the review and reporting of DoD high dollar overpayments, and an audit on the need to improve the management of the shipping, receipt and disposition of equipment related to the drawdown in Iraq.

The DoD annually produces financial statements based on financial data from at least 65 individual entities and funds, many of which are larger and more complex than most public corporations. The OIG is the sole DoD audit organization authorized to audit those statements and issue opinions on them. In FY 2011, the OIG again limited its financial statement audit work based on management representations concerning financial statement reliability and reorganized and redirected the DoD Payments & Accounting Operations and Financial Management & Reporting staff to work on audits related to the controls over unliquidated obligations, improper payments, and internal control and compliance reviews over systems and property. The OIG will continue this approach to financial statement audits in FY 2012.

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IV. Performance Criteria and Evaluation Summary:

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 financial audits related to the execution of Afghan National Security Forces (ANSF) funding (Afghanistan National Army (ANA) payroll and fees and surcharges on intragovernmental orders) and the Commander's Emergency Response Program (CERP).

As a result of the requirements outlined in P.L. 111-84 and P.L. 111-383, DoD made changes to its Financial Improvement and Audit Readiness (FIAR) plan. One of those requirements was to ensure that DoD's financial statements were validated as audit ready by not later than September 30, 2017. However, the November 2011 FIAR Plan update reported that DoD has significantly changed its audit goals to include achieving audit readiness of the Statement of Budgetary Resources (SBR) by the end of calendar year 2014. The November 2011 update also reported that the new goals will require two Military Services to accelerate their SBR audit readiness efforts and one Service to create an entirely new approach. Furthermore, the update also reported that Defense Agencies must accelerate their audit readiness efforts and that DoD Components must revise their audit readiness plans to address the accelerated 2014 due date for SBR audit readiness. The update acknowledges the fact that DoD must accomplish the new goals while still maintaining DoD's overall plan to achieve audit readiness for all DoD financial statements by 2017. The FIAR Plan is a roadmap to fix internal controls and correct processes necessary for financial statement audit readiness. Through participation in the FIAR governance board and various other meetings, the OIG serves in an advisory role to the FIAR Directorate in updating and executing the FIAR plan and FIAR guidance. In FY 2011, auditors reviewed at least nine assertion packages from DoD Components.

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IV. Performance Criteria and Evaluation Summary:

In FY 2012, the auditors will issue disclaimers of opinion on the DoD Agency-wide FY 2011 financial statements and seven of the components' statements that support the Agency-wide statements. The auditors will endorse independent public accounting firms' unqualified opinion on the U.S. Army Corps of Engineers (CoE), the Military Retirement Fund (MRF), and the TRICARE Management Activity's Contract Resource Management financial statements and a qualified opinion on the DoD Medicare Eligible Retiree Health Care Fund (MERHCF). In addition, the auditors will perform audits or provide contractor oversight on 23 on-going or planned financial systems audits and perform approximately 81 other on-going or planned audits on internal controls, compliance with laws and regulations, and other financial-related issues. Because we previously identified challenges in DoD system implementation efforts, we plan to conduct audits on additional DoD Business Systems Modernization efforts that include the Enterprise Transition Plan (ETP), Defense Agencies Initiative (DAI), and Enterprise Resource Planning (ERP) systems. Additionally, we plan on conducting an audit to determine how efficient and effective the DoD Financial Improvement and Audit Readiness (FIAR) Plan has been since FY 2007. Also, in response to a congressional request, we are conducting an audit that focuses on cost changes, schedule delays, and DoD's compliance with business process reengineering requirements and oversight of the ERP systems identified as being necessary for the DoD to produce auditable financial statements. As OSD and Components identify segments of financial statements that are ready for review, DoD OIG audit staff will announce audits or attestation engagements, as appropriate. For example, the OIG continues to oversee an audit of the U.S. Marine Corps Statement of Budgetary Resources (SBR). Audit work will continue to determine whether audit evidence is sufficient to enable the DoD OIG to render an opinion as to whether the financial statement is prepared in accordance with Generally Accepted Accounting Principles (GAAP). The ODIG-AUD also continues to perform

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IV. Performance Criteria and Evaluation Summary:

internal control and compliance reviews over systems and property and attestation reviews of the DoD Counterdrug program.

In FY 2012 and 2013, in addition to its OCO 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 systems acquisition, contract oversight to include overseas contingency contracting, contract pricing and invoicing, financial management and systems, improper payments, health care, critical infrastructure, cyber security, readiness, and OCO within the limits of available resources. ODIG-AUD will continue its presence in Southwest Asia (SWA) in FY 2012, focusing on associated challenges with force restructuring, and asset accountability, acquisition, logistics, and military construction financial management including Afghan National Security Forces (ANSF) Fund and the Commander's Emergency Response Program (CERP). Specifically, those planned projects include accountability over pharmaceuticals in the Afghan National Security Force (ANSF) medical system, contingency contracting oversight, and tactical vehicle maintenance. Auditors will increase emphasis on preventing and detecting fraud and on procurement related internal controls in both CONUS and overseas operations.

In FY 2012, the ODIG-AUD will continue to staff the Hawaii field office. The Hawaii field office 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 Central Command (CENTCOM) for its efforts in Southwest Asia (SWA) as well as providing oversight of Special Operations Command (SOCOM's) increased funding to support an expanded mission and increased size of forces.

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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 has ongoing audits of the Department of the Interior, U.S. Department of Veteran Affairs, and the National Institutes of Health. 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 2012 and 2013, the OIG will continue oversight of improper payments to include identifying systems or payment processes that may be vulnerable to making improper payment transactions, information technology acquisition, and cyber security. Unless financial management procedures and systems contain appropriate internal controls, sustaining the auditability of financial statements will become unaffordable in DoD. The weaknesses that affect the auditability of the financial statements also affect 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 DoD in improving its overall financial management operations and, as a result prepare auditable financial statements. As more components assert that their financial statements are audit-ready, in order to meet the requirement of the FY 2010 National Defense Authorization Act that DoD financial statements be validated as ready for audit not later than September 30, 2017 and DoD's accelerated goal to achieve SBR audit readiness by the end of calendar year 2014, more effort will be required to audit financial statements in FY 2012 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

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Payment Information Act as amended by the Improper Payments Elimination and Recovery Act of 2010, and Title 10 United States Code 2784, which requires periodic reviews of DoD management of the purchase card program).

Investigations: The Defense Criminal Investigative Service (DCIS) uses several methods to evaluate performance. The most significant are fraud and corruption impacting DoD operations throughout Southwest Asia (SWA), 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 prosecution to ensure consistency in effort and historical output and the resourceful use of assets.

In FY 2011, DCIS investigations have resulted in 273 criminal indictments and charges, 268 convictions, and approximately \$1.850 billion in criminal, civil, and administrative recoveries. Since its inception through September 30, 2011, DCIS has participated in cases that have resulted in over \$19.76 billion in criminal, civil, and administrative recoveries. Furthermore, DCIS provided effective support to crucial national defense priorities through the efficient use of limited investigative resources.

In FY 2012, DCIS will: (1) continue vigorous investigative support to Overseas Contingency Operations (OCO) as it affects DoD at home and abroad; (2) maintain a high

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priority on significant procurement/acquisition fraud investigations with emphasis on defective, substituted, and counterfeit products that impact the safety and mission-readiness of our warfighters; (3) continue focus on combating corruption by ferreting out and uncompromisingly investigating major DoD Procurement Fraud, including bribery, corruption, kickbacks, conflicts of interest, major thefts, and health care fraud; (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 restricted nations and persons; and(5) continue defense against Cyber Crimes and Computer intrusions that impact DoD.

Major fraud investigations, such as Allergan (\$561.2 million recovery), GlaxoSmithKline (\$494.9 million recovery), Capital Consortium Group (\$82 million recovery), Louis Berger Group (\$69.3 million recovery), and the Crowley Maritime Corp (\$45 million recovery) required extensive efforts by criminal investigative components. Fraud investigations often lead to additional undertakings initiated by the OIG or directed by Congress, the Office of the Secretary of Defense (OSD), and the Department of Justice (DoJ). The publicity of these major investigations also results in increased crime reporting.

ADMINISTRATIVE INVESTIGATIONS: The Office of the Deputy Inspector General for Administrative Investigations (ODIG-AI) promotes public confidence in the integrity and accountability of DoD leadership by investigating, and conducting oversight of investigations, into allegations of misconduct by senior DoD officials and whistleblower reprisal. The ODIG-AI is comprised of two directorates: Whistleblower Reprisal Investigations (WRI) and Investigations of Senior Officials (ISO). The WRI Directorate is an integral part of the DoD Whistleblower Protection Program, which encourages personnel to report fraud, waste, and abuse to appropriate authorities, provides

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mechanisms for addressing complaints of reprisal, and recommends remedies for whistleblowers who encounter reprisal, consistent with applicable laws, regulations, and policies. DoD IG has focused its commitment and emphasis in this important mission area in recent fiscal years and will further expand this focus in FY 12 and 13 by increasing investigative staff of ODIG-AI to ensure the expeditious resolution of allegations without compromise to independence or quality.

The WRI Directorate was recently created by merging the former Military and Civilian Reprisal Investigations directorates to achieve more efficient use of resources and unified whistleblower protection policy. WRI has statutory responsibility to investigate complaints of reprisal for making disclosures protected by three Federal Statutes under Title 10 of the United States Code: 10 U.S.C. 1034 for members of the Armed Services, 10 U.S.C. 1587 for DoD non-appropriated fund employees, 10 U.S.C. 2409 for DoD contractor employees, and Section 1533 of the American Recovery Act & Reinvestment Act of 2009 for nonfederal employees of recipients of Defense Recovery Act funds.

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

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highest priority to allegations of reprisal involving procurement fraud or the Defense Intelligence and Counterintelligence communities. WRI refers complainants for which it does not open investigations to other federal agencies, as appropriate.

Finally, under DoD Directive 6490.1, "Mental Health Evaluations of Members of the Armed Forces," WRI investigates or oversees the investigation by Service Inspectors General of allegations of improper referral of members of the Armed Forces for mental health evaluations.

WRI uses the number of reprisal complaints closed and the case cycle time to evaluate performance, and includes cases investigated in-house and those conducted by Military Department IGs forwarded to WRI for oversight review and final approval. In FY 2011, WRI received 682 reprisal and improper mental health evaluation complaints and closed 389. WRI provided oversight in 171 reprisal complaints and 27 mental health evaluation complaints that were closed by Military Department or Defense Agency IGs. On October 1, 2011, WRI and the Military Department/Defense Agency IGs had 329 open cases and continue to refine policies and procedures to improve the timeliness in resolving such allegations.

WRI will use additional staffing resources to: 1) improve responsiveness to complaints alleging reprisal through expanded and timely in-house investigations, 2) enhance strategic communications to expand outreach and training to the Military Departments, the Combatant Commands (COCOMs), and other Defense agencies through mobile training teams (MTT) and formal training workshops, and 3) ensure visibility of the prominence and effectiveness of the DoD whistleblower protection program to internal and external stakeholders.

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The ISO Directorate has the primary mission of investigating and conducting oversight of investigations by the Service IGs into allegations of misconduct against general/flag officers, members of the Senior Executive Service (SES), and Presidential Appointees. In FY2011, ISO and the Military IGs received 615 senior official complaints involving allegations of misconduct. Of the 615 complaints, 311 were investigated. Of the 311, 39 (13 percent) contained one or more substantiated allegation.

ISO performed oversight on 273 investigations conducted by DoD components and evaluated the impact of those investigations on public confidence in DoD leaders and ultimately on national security. Results of investigative impact may be evaluated by the overall number of investigations conducted/over sighted, cycle time to complete an investigation, the percentage of investigations of significance/interest to DoD or congressional leaders, and the percentage of cases with substantiated allegations. Multiple investigations conducted by ISO in FY 2011 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 such cases in FY11 included the alleged improper disclosure of a For Official Use Only (FOUO) draft report on the impact of the repeal of "Don't Ask, Don't Tell." In a second instance, ISO investigated comments and conduct attributed to U.S. Forces-Afghanistan staff by the *Rolling Stone* magazine article, "The Runaway General." In a third instance, a group of seven senators requested an investigation into the circumstances surrounding a possible violation of the Procurement Integrity Act (PIA) on the Air Force's \$35 billion procurement of 179 new KC-X aerial refueling tankers.

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

As part of its responsibility to inform the President and Senate of adverse information concerning senior officials nominated for promotion, reassignment, or other action, the office conducted over 11,000 name checks in FY11 on DoD senior officials. The Senate Armed Services Committee (SASC) relies exclusively on checks completed by ISO before confirming military officer promotions.

In FY2011, ISO used additional resources allocated to establish a new Oversight Branch dedicated to review of Service IG investigations into allegations of senior official misconduct. The Oversight Branch will collect data regarding identified deficiencies, provide timely feedback to Service IGs, as well as training to enhance investigative skills necessary to address allegations of senior official misconduct.

In FY 2012 thru FY 2013, ISO will use recently allocated and newly requested resources to improve trend analysis, policy development, and training for Defense Agency and Service IG senior official investigative groups. The continued development in these areas will positively influence the warfighter and reinforce the public's trust in DoD leadership through timely completion of investigations, enhanced oversight and accountability and effective outreach.

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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, and performing technical oversight of DoD programs and 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 all DoD policy issuances. ODIG P&O operations are evaluated based on reviews conducted, as measured by the significance and quality of audit, 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 2011, ODIG P&O issued 33 reports and six Notices of Concern. The Technical Assessment Directorate completed two independent technical assessment reports and provided technical support to 13 OIG audit and investigative projects. ODIG-P&O managed the OIG's policy coordination process for 350 draft DoD policy issuances. ODIG-P&O updated and published four DoD Issuances: (1) DoD Instruction (DoDI) 5505.03, "Initiation of Investigations by Defense Criminal Investigative Organizations," March 24, 2011; (2) DoDI 5525.12, "Implementation of the Law Enforcement Safety Act of 2004" August 2011; (3) Directive-Type Memorandum 11-007, "Delegation of Authority to Approve Consensual Interceptions for Law Enforcement" May 13, 2011; and (4) DoDI 5505.11, "Fingerprint Card and Final Disposition Report Submission Requirements." P&O also published OIG Instruction #7050.9, "Use of DoD IG Subpoenas in Support of Audits, Evaluations and Investigations," April 14, 2011.

In FY 2011, Audit Policy and Oversight (APO) issued seven Hotline reports, three external quality control reviews of a defense organizations audit operations, two single audit

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quality control reviews, completed reviews of fifteen additional hotlines, sixteen Notices of Concern, and eight Preliminary Results Memoranda. APO performed 289 single desk reviews and issued 255 memoranda for grant/contracting officer follow-up. APO commented on the Government Auditing Standards exposure draft, and reviewed 36 and commented on one Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulations (DFAR) changes. APO administered the peer review program for DoD audit organizations, encompassing oversight of peer reviews of seven DoD audit organizations, including the three Military Department Audit Organizations and their Special Access Program audit operations. Oversight was provided by APO on 1,906 open and closed contract audit reports with over \$5.7 billion in potential savings. Also, APO issued 69 recommendations with 99 percent agreement upon recommendations or stakeholder provision of acceptable alternatives. APO monitored the Defense Contract Audit Agency (DCAA) on the quality of audit work, completed review on 22 DCAA-related Hotline complaints, and started reviews on 14 other DoD Hotline complaints concerning DCAA audit operations.

APO participated on at least 14 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 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.

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In FY 2012 through 2013, APO will focus on oversight reviews of DCAA high-risk areas and monitor, review, and report on DCAA audit compliance with the Generally Accepted Government Auditing Standards (GAGAS). Additionally, APO will focus on at least 22 Defense Hotlines of DCAA audits, management, and personnel. APO will also perform administration of peer reviews of 21 DoD audit organizations. APO will continue to update its IG Fraud website, including adding additional contract audit fraud scenarios, and monitor DCAA fraud referrals and efforts on contractor disclosures. In the Single Audit area, APO will perform at least two single audit quality control reviews, three follow-up reviews and continue to review all single audit reports for audit findings that require grant/contracting officer follow-up actions. The Single Audit area encompasses \$7.8 billion in DoD research and development funds associated with 22 organizations. In the contract audit follow-up area, APO will review contracting officer actions on DCAA contract audit reports which currently number nearly 2,000 recommendations and include approximately \$5.7 billion in questionable costs.

In FY 2011, Investigative Policy and Oversight (IPO) updated and published the following four DoD Issuances: (1) DoD Instruction (DoDI) 5505.03, "Initiation of Investigations by Defense Criminal Investigative Organizations," March 24, 2011; (2) DoDI 5525.12, "Implementation of the Law Enforcement Safety Act of 2004" August 2011; (3) Directive-Type Memorandum 11-007, "Delegation of Authority to Approve Consensual Interceptions for Law Enforcement" May 13, 2011; and (4) DoDI 5505.11, "Fingerprint Card and Final Disposition Report Submission Requirements." IPO also published OIG Instruction #7050.9, "Use of DoD IG Subpoenas in Support of Audits, Evaluations and Investigations," April 14, 2011. The Contractor Disclosure Program received and effectively responded to 242 disclosures by Defense contractors and subcontractors of procurement-related crimes mandated by Federal Acquisition Regulations (FAR). The program coordinated the

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disclosures through the Department of Justice (DoJ and Defense investigative, audit, and suspension/debarment authorities. IPO has also worked diligently to resolve four voluntary disclosures under the previous program. In addition, the Contractor Disclosure Program took over the management of the DCAA Form 2000 (suspected fraud and irregularity reports) referral program. During this period, the Contractor Disclosure Program processed 145 DCAA Form 2000s and referred them to the DCIOs for investigation and follow-up. The OIG Subpoena Program coordinated and issued 562 and another 104 pending subpoenas to defense investigators and auditors this fiscal year. Beginning February 2011, IPO took over management of the DCIS Subpoena Program and now processes and coordinates all DCIS requests for subpoenas. The OIG Subpoena Program developed a capability to digitally process subpoenas in an effort to speed up the review and coordination time. The new DoD IG Subpoena Database Management system was fully implemented and has been essential in tracking the status of subpoenas and supporting the production of internal management reports. IPO has a robust subpoena training program. During FY2011 IPO trained 600 Defense Criminal Investigative Organization (DCIO) personnel, DoD auditors and investigators from other DoD agencies. IPO integrated subpoena training into the Military Criminal Investigative Organization (MCIO) basic and advanced criminal investigative training courses. IPO conducted training and provided subpoena program templates to the Intelligence Agency IGs in an effort to help them develop their own subpoena programs shortly after they were granted statutory authority. IPO also hosted the Federal Law Enforcement Training Center Continuing Legal Education Training Program Course for DoD investigators and attorneys.

For its oversight projects, IPO published a report on a review of the Naval Criminal Investigative Service (NCIS) and Camp Lejeune's response to a Marine's rape complaint who was subsequently murdered by the fellow Marine she had accused of the rape. The review detailed significant preventable criminal investigative and victim services failures.

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The victim's family and attorneys praised IPO's work for the government's ability to critically examine itself, and the mother uses the report during public presentations advocating improvements in the response to sexual assaults. Complementing its work on sex crimes, IPO created and staffed a new special office to evaluate DoD and military service criminal investigative policies, programs, and training focused on violent crimes including: murder, suicide, sexual assaults, robbery, criminal child abuse, and aggravated assault. (DoD policy requires investigations of non-combat deaths as potential homicides until evidence establishes otherwise). Initially, the division is concentrating on the department's criminal investigative response to sexual assaults. Its work includes evaluating a statistically valid random sample of worldwide DoD sexual assault investigations and used to estimate statistics for DoD and individual military services. Another evaluation will examine the training standards for DoD criminal investigators conducting sexual assault investigations. IPO views the training and investigating processes as continually informing each other and concurrent reviews should facilitate improvements. In that same vein, IPO completed a management review of the DoD's response to allegations that individual DoD personnel and contractors subscribed to child pornography web sites operated by a foreign criminal enterprise in the former Soviet Union. IPO's work identified system lapses where criminal investigators failed to brief the information to management and the chain of command, especially when the suspects held security clearances and recommended management and policy improvements to prevent future occurrences. IPO's recommendations were adopted. IPO also published a report and briefed interested House and Senate staff on its review of a public affairs outreach program highlighted in a Pulitzer Prize winning New York Times article. A previous IG report on the program was scorned by the Senate and subsequently disavowed by the OIG. In another matter, concerns by the chairman and ranking member of the Senate Committee on the Judiciary initiated a review of due process concerns about the Army crime lab's use of compromised DNA profiles in almost 500 criminal investigations.

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Additionally, IPO is complementing our work with an examination of the Army lab's remediation of compromised DNA profiles it provided to the National DNA index system operated by the FBI.

The Voluntary Disclosure Program was superseded by the new Contractor Disclosure in December 2008. There are not/and will not be any new voluntary disclosures. IPO is working to resolve the remaining 12 voluntary disclosures.

In FY 2012 through 2013, IPO will field revised investigative policy addressing (a) DoDI 5505.xx, "Investigation of Sexual Assault in the DoD" (b) DoDI 5505.LL "Collection, Maintenance, Use and Dissemination of Personally Identifiable Information (PII) and Criminal Intelligence Concerning U.S. Persons by DoD Law Enforcement Agencies." and (c) DoDI 5505.KK, Criminal Investigations by Non-Law Enforcement Agencies." The Subpoena Program will seek to continuously improve the subpoena processing time while marketing subpoenas as a viable investigative tool within the DoD Law Enforcement and Audit communities. The Contractor Disclosure Program will continue to work with the DoJ, Defense Criminal Investigation Organizations (DCIO), and the Defense Acquisition Community to refine the Contractor Disclosure process. They will also work with DCAA to improve and manage the process of DCAA fraud referrals (DCAA Form 2000) to DCIOs for potential criminal investigations. While IPO expects the war to significantly influence its mission in ways difficult to predict, IPO expects the continued receipt of complaints about the thoroughness of death investigations and incidents where Congress raises concerns about the actions leaders took before or after a death.

IPO will continue its aggressive involvement in the development of policy and oversight of activities to help prevent sexual assaults involving DoD personnel. The ongoing

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evaluation of investigative thoroughness and the quality of investigative training will highlight areas of improvement with management or in training. The training evaluation will include basic, specialized, and proficiency training. To highlight and celebrate best practices, the IG proposed and the criminal investigative organizations accepted the creation of peer review teams composed of representatives from the DoD criminal investigative constituent community. The peer review team's initial focus will concern sexual assaults. The work of three initiatives, case reviews, training evaluations and peer reviews will enable DoD to improve performance standards for responding to violent crimes. If resources allow, IPO plans an evaluation of the DoD multi-disciplinary response to sexual assaults in contingency environments, specifically Afghanistan. The overarching concern would focus on whether the criminal investigators and advocates for the accused and victims are able to effectively perform.

In FY 2011, the Technical Assessment Directorate (TAD) initiated several assessments that focused on life, health and safety issues, and issued a report on BRAC 133 emergency generator fuel tank safety and security during fueling operations and issued three classified recommendations to mitigate safety vulnerabilities. To ensure eight thousand Marines and their families are safely moved from Okinawa base to Guam during realignment, TAD conducted a technical review on Guam infrastructure requirements for the military realignment focusing on seven areas of infrastructure requirement and will issue findings and recommendations. TAD provided an independent Assessment of BRAC 133 Mark Center Transportation Management Plan and Environmental Assessment. The final report was issued with three recommendations to mitigate the traffic congestion around the Mark Center area. The assessment focused on validating the engineering assumptions, information, and data provided in these documents, along with compliance with applicable criteria and standards.

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In addition, TAD also provided technical support to 13 OIG audit and investigative projects such as the audit of a detention facility in Parwan, Afghanistan, information assurance requirement for DODIG at BRAC 133, Audit of the Acquisition of the Organic Airborne and Surface Influence Sweep, and Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System. TAD also supported several ARRA projects such as the audit of the renovation of the Fire Station at Naval Station Great Lake, and Army Child Development Centers (CDC). TAD initiated Memorandum of Agreements (MOA) with other governmental agencies to expand its technical foot print by allowing them to use subject matter expertise not available within the DoDIG.

In FY 2012 and 2013, TAD will perform technical assessments that address issues of concern to Congress, DoD, and the public, and give priority to those that affect life, health and safety. For example, TAD will complete on-going technical assessment projects on the BRAC-133 Transportation Plan, and the 40mm Cartridge Grenade. Additionally, TAD will be conducting a technical assessment on quality assurance of F-35 program and will be conducting technical assessments of MILCON buildings electrical systems and fire protection systems at three sites in Afghanistan. TAD will also be supporting OIG Audit on their audit of Cyber Red Teams.

TAD will provide oversight of the independent Assessment of BRAC 133 Army Transportation Plan, which will evaluate the adequacy of the Transportation Plan's method of facilitating the entrance and exit of all personnel to and from the BRAC-133 project site as imposed by the 2011 National Defense Authorization Act (NDAA).

Due to allegations of the defective fuses in 40mm Cartridge Grenades which could potentially affect the safety of military personnel, TAD is accessing the overall quality

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assurance program and processes, reliability verification process, lot inspection, acceptance criteria, and procedures at the contractor site.

TAD will continue to support projects such as the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System, Organic Airborne and Surface Influence Sweep to determine whether a schedule driven vs. event driven acquisition approach is increasing the risk of fielding unreliable and nonconforming systems.

TAD will conduct a technical assessment on the F-35 program which will focus how the quality assurance requirements flow down from the program office to the contractor and the contractor's implementation of those requirements. The assessment at the contractor sites will be performed to the quality management system for aerospace (AS9100) to ensure programmatic risks are being addressed appropriately.

TAD will also be conducting a technical assessment on both the electrical system and fire suppression systems on MILCON building at three sites in Afghanistan. The technical assessment of electrical systems project will perform an electrical inspection to the National Electrical Code (NEC) to ensure proper installation and grounding. The technical assessment of fire suppression systems project will perform an inspection on fire suppression systems to the National Fire Protection Association (NFPA) codes to ensure proper installation, design, and maintenance of the system. Both of these assessments will help ensure the life, health, and safety of our troops is protected while stationed in Afghanistan.

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TAD will develop additional technical assessment methods which will allow them to perform focused assessments on specific objectives to increase reaction time, and thereby release reports in a timely and relevant manner where life, health and safety are a concern.

TAD will be supporting OIG Audit on their audit of Cyber Red Teams to determine if system security controls have been implemented or if there are effective mitigating controls in place that reduce the risk of vulnerabilities, exploitations or cyber incidences. TAD will continue to provide engineering support functions for the OIG audit, investigative, and evaluation organization and to other DoD organizations as needed.

Intelligence: The Office of the Deputy Inspector General for Intelligence and Special Program Assessments (ODIG-ISPA) 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-ISPA also provides oversight of the DoD Nuclear Enterprise and special access programs. In FY 2011, the ODIG-ISPA provided DoD leadership and Congress with 13 intelligence evaluation and audit reports on topics such as "U.S. Cyber Command Authorities Pertaining to the Use of National Security Agency Personnel," "Reports on National Security Agency Cryptologic Center Construction Project," "Assessment of the Defense Intelligence Operations Coordination Center," and "Improvements Needed in Sharing Tactical Intelligence with the International Security Force-Afghanistan." Nuclear security concerns, previously identified by this office also continue to require our attention. We have two ongoing projects related to the Nuclear Enterprise. One is examining the physical security of the weapons located within CONUS. The second will report on DoD progress in implementing a series of recommendations related to the Nuclear Enterprise. Our project planning process remains a critical

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process for focusing our limited resources in the oversight of intelligence community programs and the FY 2012 plan will highlight our efforts. Our focus is on identifying relevant projects that can be accomplished in shorter periods and thereby meeting our second goal of making reporting of our projects more timely.

In FY 2012, the ODIG-ISPA Annual Plan shows continued work on ongoing projects that were implemented through the FY 2011 plan or responded to emergent external requirements from the SecDef, IG management, and Congress. In support of the SecDef's Efficiencies Initiative we are developing a strategy to maintain situational awareness of the DoD's implementation. Our focus will be with OUSD (Intelligence) identified programs that are their responsibilities to implement as well as programmatic updates on their progress in implementing the initiatives. In the cyber security area, we will expand on the research conducted in FY2011 to announce our efforts to protect cyberspace, with an emphasis on supply chain risk management and the insider threat. As these projects are completed, the FY 2013 Annual Plan will be executed that supports focus areas through new projects to begin in 2012 and in 2013. In total, all projects support one or more priorities delineated by SecDef and IG as mission priorities or management challenges. The ODIG-ISPA will also continue to refine project scope and objectives to improve cycle time. The ODIG-ISPA 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 jointly with DoD Intelligence Agency Inspectors General and Intelligence Community Inspector General Forum members.

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In FY 2013, besides executing the projects remaining from the FY 2011 and 2012 plan, ODIG-ISPA 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 New Dawn (OND) and Operation Enduring Freedom (OEF). The ODIG-ISPA will also focus reviews on issues such as cyber security, special access programs, acquisition and contracting within the DoD Intelligence community, intelligence and counter-intelligence programs and systems. The ODIG-ISPA will continue to reduce the number of open recommendations in a number of key areas and follow up on recommendations made concerning the nuclear enterprise with the goal of maintaining a critical presence in evaluating and monitoring the activities within DoD in this high visibility area.

Special Plans and Operations:

FY 2011

SPO is developing a logistics sustainment capability that supports the enduring security operations of the Iraqi Security Forces (ISF) by the time U.S. forces withdraw at the end of 2011 remains a key goal of the Commander, United States Forces-Iraq (USF-I). While considerable progress had been made since SPO's previous report (SPO-2009-002 - "Assessment of Arms, Ammunition, and Explosives Accountability and Control, Security Assistance, and Logistics Sustainment for the Iraqi Security Forces"), a significant gap remained between the Minimum Essential Capabilities defined as constituting the crucial foundation of a sustainable ISF logistical system and current ISF logistics capability. The result was the report, "Assessment of U.S. Government Efforts to Develop the

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Logistics Sustainment Capability of the Iraq Security Forces" (Report No. SPO-2011-001) published in November 2010.

SPO's work in Iraq also included an Assessment of Planning for Transitioning the Security Assistance Mission in Iraq from the DoD to the DoS. Despite determining that detailed planning to accomplish transitioning the security assistance function was sufficiently developed and operative, we identified general shortcomings in joint doctrine. Also, an up to date U.S. Central Command (CENTCOM) Theater Security Cooperation Plan (TSCP) as it applied to Iraq could have enlighten the planning process. The resulting report SPO-2011-008 was published in August 2011. In an on-going effort, a SPO team is performing an assessment of DoD's establishment of the Office of Security Assistance-Iraq. The objective is to assess progress made by the DoD toward establishing a fully functional Office of Security Assistance-Iraq. Field work occurred during July 2011.

Public Law 110-457 and the DoD Instruction 2200.01, "Combating Trafficking in Persons," dated February 16, 2007, requires the DoD IG to conduct periodic evaluations of the DoD Combating Trafficking in Persons (CTIP) program. During the month of October 2010, a SPO Assessment Team of three personnel conducted field work at U.S. Installations in Kuwait, Qatar, and Bahrain. The resulting report, "Evaluation of DoD Contracts Regarding Combating Trafficking in Persons: U.S. Central Command (CENTCOM)" (Report No. SPO-2011-002) was published in January 2011.

A second report on CTIP is currently being drafted. This report will assess DoD's programmatic efforts in complying with established laws and directives. This assessment's fieldwork was ongoing during FY2011. A third report to address Public Law (PL) 110-457

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requirements was initiated in FY2011 with field work by a four member team to sites in European Command (EUCOM) and Africa Command (AFRICOM).

During the 2nd Quarter FY2011, SPO published the tenth in a series of reports that focus on the training and equipping missions in Iraq, Afghanistan, and Pakistan. The objective of this assessment was to determine whether U.S. government, International Security Assistance Force (ISAF), coalition, and Government of Afghanistan goals, objectives, plans, guidance, and resources to train, equip, and mentor the Afghan National Police (ANP) are prepared, issued, operative, and relevant. This assessment also determined the status of corrective actions taken in response to previous SPO Reports (SPO-2009-006 and SPO-2009-007), as they pertain to the Afghan National Police (ANP). The team visited Regional Commands East, North, and West, including ANP regional training/logistics centers, provincial/district headquarters, their partnered U.S./ISAF units, and multiple Afghan police sites. The results were published in the report, "Assessment of U.S. Government Efforts to Train, Equip, and Mentor the Expanded Afghan National Police" (Report No. SPO-2011-003) in March 2011.

During February 2011, SPO announced an Assessment of U.S. Government and Coalition Efforts to Develop the Logistics Sustainment Capability of the Afghan National Army (ANA). The objectives of the assessment were to determine whether planning and operational implementation of efforts by U.S./Coalition forces to train, advise, and assist in the development of an enduring logistics sustainability capability for the ANA is effective. This includes evaluating output/outcome in ANA logistical and operational organizations resulting from U.S./Coalition involvement in developing the Afghan Ministry of Defense/ANA logistics support processes. Fieldwork occurred during April and May 2011. The draft report was completed during FY2011.

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Due to a congressional request for assistance, SPO announced the "Wounded Warriors Matters" project in the Spring of 2010. This assessment determines whether the DoD programs for the care, management, and transition of recovering service members wounded during deployment in Operation Iraqi Freedom or Iraqi Enduring Freedom are managed effectively and efficiently. Field work has been completed with visits to the Wounded Warrior Battalions of Ft. Sam Houston, Texas, Ft. Drum, New York, Camp Lejeune, North Carolina, Camp Pendleton, California, Fort Riley, Kansas and Joint Base Lewis-McChord, Washington. The report, "Assessment of DoD Wounded Warrior Matters - Fort Sam Houston" (Project No. SPO-2011-004) was published in March 2011. A second report, "Assessment of DoD Wounded Warrior Matters - Fort Drum" was published in September 2011. The remaining reports pertaining to these visits are expected in the 4th Quarter, FY2011, and 1st and 2nd Quarters of FY2012. This series of assessments will result in a report reviewing systemic problems identified in DoD Wounded Warrior Programs.

10 U.S.C. § 1566, "Voting assistance: compliance assessments; assistance," requires that the IGs of the Army, the Navy, the Air Force, and the Marine Corps conduct an annual review of the effectiveness of their voting assistance programs and an annual review of the compliance of the voting assistance program for each Service. Upon the completion of their annual reviews, each Service IG is required to submit, to the DoD IG, a report on the results. The statute requires that the DoD IG then submit, to Congress, a report on the effectiveness during the preceding calendar year of DoD voting assistance programs, and the level of compliance during the preceding calendar year with voting assistance programs as reported by each of the Service IGs. SPO complied with these directives and published, "Evaluation of DoD Federal Voting Assistance Program (FVAP)" (SPO-2011-006) in March 2011.

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As a follow-on to the FVAP assessment, SPO is conducting, "Assessment of the Federal Voting Assistance Program Office Implementation of the Military and Overseas Voter Empowerment Act" (Project No. D2011-D00SPO-0197.000). The objective of this assessment is to evaluate the Federal Voting Assistance Program (FVAP) Office implementation of the Military and Overseas Voter Empowerment (MOVE) Act, which was signed into law on October 28, 2009, as part of the National Defense Authorization Act (NDAA) for Fiscal Year 2010. SPO expects to publish this report during the first Quarter of FY2012.

Responding to a request from the Senior Scientific Advisor to the Chairman of the Joint Chiefs of Staff (CJCS), SPO completed an assessment titled, "Defense Hotline Allegation concerning Traumatic Brain Injury (TBI) Research Integrity in Iraq." A five-person team has conducted the assessment in coordination with U.S. Navy investigators and the Bureau of Medicine and Surgery (BUMED). The result was a published report, "Assessment of Allegations Concerning Traumatic Brain Injury (TBI) Research Integrity in Iraq" (Report No. SPO-2011-005), dated March 2011.

In response to a request from LTG William B. Caldwell, IV, Commander, NATO Training Mission-Afghanistan / Combined Security Transition Command-Afghanistan, a SPO medical assessment team consisting of eight personnel, traveled to Afghanistan in November/December 2010. This assessment visit examined the systems in place for U.S. procurement, distribution, storage, accountability and use of pharmaceuticals for the Afghan National Army (ANA). A further objective of the mission was to assess the United States Government's (USG) efforts to develop, in partnership with the Afghan Ministry of Defense, an effective medical logistics system. The assessment was to determine whether the system of accountability and control over funding, acquisition, receipt, storage and

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distribution of Class VIII supplies (primarily pharmaceuticals) funded by, or provided to the Afghan Ministry of Defense by the USG, were adequate. The resulting report, "Assessment of the U.S. Department of Defense Efforts to Develop an Effective Medical Logistics System within the Afghan National Security Forces (ANSF)" (Report No. SPO-2011-007) was published in June 2011.

As a documented appendix to the above report, the IG directed a "Quick Look" assessment of conditions at the Afghan National Military Hospital. In-country resources from both the SPO and Audit community participated in this effort to review current healthcare and sanitation conditions and to review ANA and CSTC-A/NTM-A Action Plan to correct deficiencies. Reporting on this effort is included in "Assessment of the U.S. Department of Defense Efforts to Develop an Effective Medical Logistics System within the Afghan National Security Forces (ANSF)" (Report No. SPO-2011-007) published in June 2011.

During May 2011, SPO announced an Assessment of U.S. and Coalition Plans to Train, Equip, and Field the Afghan Air Force (AAF). The objective of this assessment is to determine whether U.S. Government and Coalition Forces' goals, objectives, plans, and guidance to train, equip, and field a viable and sustainable AAF are prepared, issued, operative, and relevant. Field work for this assessment was initiated in July 2011.

SPO is also engaged in preparing a monthly summary of progress in the development of the National Police and National Army of the Islamic Republic of Afghanistan. The product is directed to senior leaders within the OSD, the Joint Staff, and the U.S. Congress responsible for and engaged in training, mentoring, equipping, and other aspects of the development of the Afghan Security Forces. The Afghan government and international community set the goal of having the Afghan army and police take the lead in their security operations in all Afghan provinces by the end of 2014. We have identified and summarized indicators (metrics) that indicate the status of progress towards achieving

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that goal in three key areas of Afghan security force development: Growth, Quality, and Transition to the intended result of Afghan Lead.

In response to requests from the Senate Armed Services and Democratic Policy Committees, a SPO assessment team reviewed DoD actions regarding the exposure of approximately 1,000 U.S. Army soldiers and U.S. Army civilian employees to sodium dichromate at the Qarmat Ali water treatment plant in 2003. This report discusses U.S. Army, U.S. Army Corps of Engineers, Combined Force Land Component Command (CFLCC), and contractor actions from April 2003 to January 2004 specific to the exposure at the Qarmat Ali facility. An earlier report addressed U.S. Army and National Guard Bureau (NGB) actions to identify, notify, and provide access to care for exposed personnel that took place from 2008 to 2010. The Part II report "Exposure to Sodium Dichromate at Qarmat Ali Iraq in 2003: Part II - Evaluation of Army and Contractor Actions Related to Hazardous Industrial Exposure" (Report No. SPO-2011-009) was published in September 2011.

In a self-initiated assessment, a SPO Team is in the final stages of evaluating DoD's interaction with State Defense Forces (SDF). SDF are statutorily authorized military forces to the states in addition to the National Guard (NG) as established in "Maintenance of Other Troops," section 109(c), Title 32, United States Code (USC). These forces, along with the NG, are the constitutionally authorized and recognized militia of the several states. The focus and scope of the assessment is limited to addressing Congressional concerns and identifying impediments of effective DoD monitoring and support to the SDF program. The scope also includes identifying the relevance and appropriateness of the SDF program in a post 9/11 domestic national security environment and whether the SDF program has potential for service given domestic threats to national security. A draft report is expected during the first quarter FY-2012.

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FYs 2012 / 2013

In response to a growing need to assess priority national security objectives globally, SPO will continue to explore expanding its scope to include a variety of non-SWA topics in FY 2012 thru FY 2013.

Areas of interest include, but are not limited to:

- a. Assignment of a team of 8-10 personnel to assess National defense infrastructure and policies - such as readiness to support operations led by the Department of Homeland Security (DHS).
- b. A research project to assess DoD Programs for military suicide prevention.
- c. Security Assistance - training and equipping foreign military forces with "Section 1206" Funding
- d. Assessment of handling and security of biological agents.

- e. SPO will also continue to assign teams for each of its CONUS-based and statutorily mandated subject areas pertaining to:
 1. The Federal Voting Assistance Program (FVAP) (4 personnel team).
 2. Review of DoD compliance with Section 847 of the National Defense Authorization Act (Post-Employment Ethics) (4 personnel team).
 3. The DoD Combating Trafficking in Persons (CTIP) program (6 personnel team).

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4. The Armed Forces Retirement Home (AFRH) (6-8 personnel team).
5. A newly proposed requirement to inspect military cemeteries.

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 Managers' Internal Control Program, the DoD OIG web team, Whistle blowing & Transparency Directorate, 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 in a complete and timely manner. During FY 2011, the OIG opened 1,664 cases based on inquiries received from congressional offices; the Freedom of Information/Public Affairs (FOIA/PA) office received 434 requests for information and completed 315 requests; the DoD Hotline received 20,400 contacts (composed of telephone calls, letters, and email) and initiated 2,849 action/information cases; General Accounting Office (GAO) affairs processed 364 GAO Draft and final reports and 220 GAO review announcements. During FY 2011, the OCCL initiated a review of the Defense Contract Audit Agency (DCAA) Hotline and internal review program. To promote the reporting of fraud, waste, and abuse within the intelligence community, OCCL established classified Hotline websites on the Secret Internet Protocol Router Network (SIPRNET) and Joint Worldwide Intelligence Communications Systems (JWICS).

FY 2011	FY 2012	FY 2013
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>

AUDIT

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	FY 2011	FY 2012	FY 2013
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Reports issued	128	120	120
Potential monetary benefits (\$ millions)	734M	*	*
(* Monetary benefits cannot be estimated)			
Achieved monetary benefits (\$ millions)	736M	*	*
(*Monetary benefits cannot be estimated at this time)			
 <u>CRIMINAL INVESTIGATIONS</u>			
Indictments and Charges	273	334	344
Convictions	268	286	300
Fines/penalties/restitutions, etc. (\$ millions)	\$1,849.6	\$2,168.7	\$2,277.2
 <u>ADMINISTRATIVE INVESTIGATIONS</u>			
Investigations of Senior Officials-Complaints Received	615	620	625
Investigations of Senior Officials-Complaints Closed	527	535	545
Investigations of Senior Officials-Complaints Closed by ISO	254	260	265
Investigations of Senior Officials-Complaints Closed by Service/Defense Agency IGs with Oversight by ISO	273	275	280
Whistleblower Reprisal Investigations-Complaints Received	655	700	700
Whistleblower Reprisal Investigations-Complaints Closed by WRI	389	500	500
Whistleblower Reprisal Investigations-Complaints Closed by Service/Defense Agency IGs with Oversight by WRI	27	40	40
Whistleblower Reprisal Investigations-Complaints of Improper Mental Health Evaluation (MHE) Referral	38	30	30

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	FY 2011	FY 2012	FY 2013
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Received			
Whistleblower Reprisal Investigations-Complaints of Improper MHE Referral Closed by WRI	4	10	10
Whistleblower Reprisal Investigations-Complaints of Improper MHE Completed by Service/Defense Agency IGs with Oversight by WRI	38	30	30
 <u>POLICY and OVERSIGHT</u>			
Audit oversight reports	12	14	14
Hotline completion reports	15	16	16
Investigative Policy and Oversight reports	4	6	7
Contractor Disclosures Submitted	242	250	275
MCIO Peer Reviews	0	3	3
Subpoenas issued	562	575	590
Technical Assessment reports	2	7	8
Engineering support to other Components' final reports	13	8	8
 <u>INTELLIGENCE</u>			
Reports issued	14	12	12
 <u>SPECIAL PLANS and OPERATIONS</u>			
SPO reports	10	12	14
 <u>COMMUNICATIONS & CONGRESSIONAL LIAISON</u>			
Hotline calls/letters received	20,400	21,300	21,300
Substantive cases generated	2,849	3,000	3,000
Opened congressional inquiries	1,664	2,000	2,000

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	FY 2011	FY 2012	FY 2013
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Closed congressional inquiries	325	310	310
FOIA requests received	434	450	475
FOIA requests processed	315	400	400
FOIA appeals received			
GAO Draft/Final Reports Reviewed			
GAO Announcement Received			

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<u>V. Personnel Summary</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Change FY 2011/ FY 2012</u>	<u>Change FY 2012/ FY 2013</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>	<u>0</u>
Officer	27	27	27	0	0
Enlisted	1	1	1	0	0
<u>Civilian End Strength (Total)</u>	<u>1,573</u>	<u>1,614</u>	<u>1,614</u>	<u>41</u>	<u>0</u>
U.S. Direct Hire	1,572	1,613	1,613	41	0
Total Direct Hire	1,572	1,613	1,613	41	0
Foreign National Indirect Hire	1	1	1	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>	<u>0</u>
Officer	27	27	27	0	0
Enlisted	1	1	1	0	0
<u>Civilian FTEs (Total)</u>	<u>1,539</u>	<u>1,614</u>	<u>1,614</u>	<u>75</u>	<u>0</u>
U.S. Direct Hire	1,538	1,613	1,613	75	0
Total Direct Hire	1,538	1,613	1,613	75	0
Foreign National Indirect Hire	1	1	1	0	0
Average Annual Civilian Salary (\$ in thousands)	151.8	147.3	133.1	-4.5	-14.2
<u>Contractor FTEs (Total)</u>	<u>65</u>	<u>106</u>	<u>106</u>	<u>41</u>	<u>0</u>

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

<u>OP 32 Line</u>	FY 2011 <u>Actuals</u>	Change		FY 2012 <u>Estimate</u>	Change		FY 2013 <u>Estimate</u>
		FY 2011/FY 2012 <u>Price</u>	<u>Program</u>		FY 2012/FY 2013 <u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	232,006	0	-3,785	228,221	822	-15,551	213,492
111 Disability Compensation	1,004	0	0	1,004	0	4	1,008
121 Perm Change of Station	724	0	-450	274	0	8	282
199 Total Civ Compensation	233,734	0	-4,235	229,499	822	-15,539	214,782
308 Travel of Persons	7,356	133	-1,255	6,234	106	-322	6,018
399 Total Travel	7,356	133	-1,255	6,234	106	-322	6,018
633 DLA Document Services	300	18	-18	300	19	-19	300
647 DISA Info Svcs	3,642	-473	1,099	4,268	73	-904	3,437
699 Total DWCF Purchases	3,942	-455	1,081	4,568	92	-923	3,737
771 Commercial Transport	508	9	-25	492	8	-2	498
799 Total Transportation	508	9	-25	492	8	-2	498
912 GSA Leases (SLUC)	20,049	361	13,940	34,350	584	-14,542	20,392
913 Purch Util (non fund)	128	2	-3	127	2	0	129
915 Rents, Leases (non GSA)	65	2	-36	31	1	0	32
917 Postal Svc (USPS)	63	1	0	64	1	0	65
920 Supplies/Matl (non fund)	1,832	33	-64	1,801	31	-259	1,573
922 Eqt Maint Contract	1,400	25	-218	1,207	21	1	1,229
923 Facilities Maint by Contr	103	2	-10	95	2	9	106
925 Eqt Purch (Non-Fund)	4,226	76	1,198	5,500	94	-3,612	1,982
932 Mgt Prof Support Svcs	35	1	6	42	1	-23	20
934 Engineering & Tech Svcs	8,842	159	-565	8,436	143	-5,075	3,504
960 Interest and Dividends	4	0	0	4	0	-4	0
961 E&EE/ORF	300	0	5	305	0	5	310
986 Medical Care Contracts	9	1	-10	0	0	0	0
987 Other IntraGovt Purch	12,471	224	5,712	18,407	313	-13,449	5,271
989 Other Services	25,612	461	11,219	37,292	634	-23,753	14,173

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<u>OP 32 Line</u>	FY 2011	Change		FY 2012	Change		FY 2013
	<u>Actuals</u>	<u>FY 2011/FY 2012</u>		<u>Estimate</u>	<u>FY 2012/FY 2013</u>		<u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
999 Total Other Purchases	75,139	1,348	31,174	107,661	1,827	-60,702	48,786
Total	320,679	1,035	26,740	348,454	2,855	-77,488	273,821

* The FY 2011 Actual column includes \$11,311 thousand of FY 2011 Overseas Contingency Operations (OCO) Appropriations funding (PL 112-10).

* The FY 2012 Estimate column excludes \$11,055 thousand of FY 2012 OCO Appropriations funding (PL 112-74).

* The FY 2013 Estimate column excludes \$10,766 thousand requested in the FY 2013 Defense-Wide Overseas Contingency Operations Budget Request.

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