Fiscal Year 2014 Budget Estimates

Office of Inspector General (OIG)

April 2013

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

	FY 2012 Actual	Price Change	Program Change	FY 2013 Estimate	Price Change	Program Change	FY 2014 Estimate
OIG	332,292	2,575	-61,046	273,821	3,026	35,284	312,131

* The FY 2012 Actual column **includes** $11,055 thousand of FY 2012 OCO Appropriations funding (PL 112-74).
* The FY 2013 Estimate column **excludes** $10,766 thousand of FY 2013 Overseas Contingency Operations Appropriations funding (PL 112-74).
* The FY 2014 Estimate column excludes FY 2014 Defense-Wide OCO 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. In FY 2012 the OIG achieved $85 million in savings and $3.55 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
4) develops policy, monitors, and evaluates program performance, and provides guidance with respect to all Department activities relating to criminal investigation programs;

I.   Description of Operations Financed (cont.)

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 $312.1 million. The portion of this amount needed for OIG training is $2.805 million, and the amount needed to support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is $.779 million, which satisfies the OIG requirements for FY 2014.

Narrative Explanation of Changes:

FY 2013 to FY 2014: The current Fiscal Guidance for FY 2014 ($312.1 million) reflects an increase from FY 2013 ($273.8 million) of $38.3 million.

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

I. <u>Description of Operations Financed (cont.)</u>

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. Audits topics 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.

- <u>Acquisition and Contract Management (ACM) Directorate</u> plans and performs audits in the areas of Weapons System Acquisition; Contract Administration; Contract Pricing and Competitive Sourcing; Research, Development, Test, and Evaluation and Systems; Constructions and Sustainment.

- <u>Readiness and Operations Support (ROS) Directorate</u> plans and performs audits in the areas of Defense Critical Infrastructure, Information Technology Management, Cyber Operations, Global Logistics, Military Health System, Forces Management, Readiness, and Operations in the Pacific Command and European Command Area of Responsibility.

- <u>Financial Management and Reporting (FMR) Directorate</u> 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.

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I.   Description of Operations Financed (cont.)

- <u>Defense Payments and Accounting Operations (DPAO) Directorate</u> 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.

- <u>Joint and Southwest Asia Operations (JSAO) Directorate</u> plans and performs audits and evaluations in support of combined, joint, interagency, and Southwest Asia operations. These audits and evaluations focus on personnel and materiel readiness, force protection, logistics, communications, contractor support operations, contract administration, acquisition, and finance. Additionally, specific divisions address 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.

I.   <u>Description of Operations Financed (cont.)</u>

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.

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.

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I.   Description of Operations Financed (cont.)

ADMINISTRATIVE INVESTIGATIONS: The Office of the Deputy Inspector General for
Administrative Investigations (ODIG-AI) promotes public confidence in the integrity and
accountability of DoD leadership by investigating, and performing oversight reviews of
investigations conducted by the Service Inspectors General, into allegations of senior
official misconduct and whistleblower reprisal. The ODIG-AI is committed to being the
model oversight agency for administrative investigations in the Federal Government.

The ODIG-AI is comprised of two directorates: Whistleblower Reprisal Investigations (WRI)
and Investigations of Senior Officials (ISO).

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

The ISO Directorate has the primary mission of investigating, and performing oversight
reviews of investigations conducted by the Service IGs, into allegations of misconduct
against general/flag officers, members of the Senior Executive Service, and Presidential
Appointees. ISO evaluates the impact of these investigations on public confidence in DoD
leaders and ultimately on national security.

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, and conducts

I.   <u>**Description of Operations Financed (cont.)**</u>
technical assessments of DoD programs and provides engineering support for other OIG assessments.

- <u>Audit Policy and Oversight Directorate (APO)</u> 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. APO provides guidance and oversight for more than 6,700 DoD auditors in 22 DoD audit organizations and 22 single audit cognizant organizations, which comprises approximately 40 percent of all federal auditors.

- <u>Investigative Policy and Oversight Directorate (IPO)</u> evaluates the performance of and develops policy for the DoD criminal investigative and law enforcement community, as well as the noncriminal 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 2012, up from 525, and administers the DoD Contractor Disclosure Program. The disclosure program requires 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.   IPO recently established the Violent Crime Division to oversee the adequacy of the military criminal investigative organizations' (MCIOs) violent crime investigations. This includes evaluation of MCIO violent crime investigative policies, programs, and training to determine compliance with federal law, DoD and Military Service investigative standards, Council of Inspectors General on Integrity and Efficiency (CIGIE) – Quality Standards of Investigations, and law enforcement industry best practices, such as the International Association of Chiefs of Police (IACP).

I.   <u>**Description of Operations Financed (cont.)**</u>

- <u>Technical Assessment Directorate (TAD)</u> 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, TAD 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.

<u>**Intelligence and Special Program Assessments**</u>: The Office of the Deputy Inspector General for Intelligence and Special Program Assessments (ODIG-ISPA) 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-ISPA is the primary advisor to the DoD IG on intelligence audit and evaluation matters. The ODIG-ISPA 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-ISPA 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 Justice (DOJ), coordinating and collaborating on projects to ensure proper operation, performance and results for national intelligence activities.

The ODIG-ISPA 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

I.   Description of Operations Financed (cont.)

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.

For more information regarding SPO, visit the public website at www.dodig.mil/spo/index.html.

I.   Description of Operations Financed (cont.)
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.

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

I. <u>Description of Operations Financed (cont.)</u>

throughout the world to include Germany and Korea. The OA&M also supports Combatant Command and Joint Inspector General Training and Doctrine development.

II. <u>Force Structure Summary</u>:

N/A

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III. Financial Summary ($ in thousands)

A. BA Subactivities	FY 2012 Actual	Budget Request	Congressional Action			Current Estimate	FY 2014 Estimate
			Amount	Percent	Appropriated		
Administrative Investigations	9,181	7,126				7,126	11,051
Auditing	87,524	80,298				80,298	88,735
CIGIE	475	475				717	779
Intelligence	6,600	5,982				5,982	7,395
Investigations	76,340	74,446				74,446	82,876
OCO Funding	10,894	0				0	0
Other OIG	114,470	86,233				85,991	91,342
Policy and Oversight	16,978	11,801				11,801	18,755
Procurement	1,085	1,000				1,000	1,000
RDT&E Supplemental	0	0				0	0
Special Plans and Operations	5,788	5,002				5,002	7,393
Training	2,957	1,458				1,458	2,805
Total	**332,292**	**273,821**				**273,821**	**312,131**

* The FY 2012 Actual column **includes** $11,055 thousand of FY 2012 OCO Appropriations funding (PL 112-74).
* The FY 2013 Estimate column **excludes** $10,766 thousand of FY 2013 Overseas Contingency Operations Appropriations funding (PL 112-74).
* The FY 2014 Estimate column excludes FY 2014 Defense-Wide OCO Budget Request.

III. <u>Financial Summary</u> ($ in thousands)

B. **Reconciliation Summary**	Change FY 2013/FY 2013	Change FY 2013/FY 2014
Baseline Funding	273,821	273,821
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	273,821	
Fact-of-Life Changes (2013 to 2013 Only)		
Subtotal Baseline Funding	273,821	
Supplemental	10,766	
Reprogrammings		
Price Changes		3,026
Functional Transfers		
Program Changes		35,284
Current Estimate	284,587	312,131
Less: Wartime Supplemental	-10,766	
Normalized Current Estimate	273,821	

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III. <u>Financial Summary</u> ($ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2013 President's Budget Request (Amended, if applicable)		**273,821**
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2013 Appropriated Amount		**273,821**
2. War-Related and Disaster Supplemental Appropriations		10,766
a. OCO Supplemental Funding		
1) FY 2013 Supplemental Budget Request	10,766	
3. Fact-of-Life Changes		
FY 2013 Baseline Funding		**284,587**
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2013 Estimate		**284,587**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		-10,766
FY 2013 Normalized Current Estimate		**273,821**
6. Price Change		3,026
7. Functional Transfers		
8. Program Increases		35,284
a. Annualization of New FY 2013 Program		
b. One-Time FY 2014 Increases		
c. Program Growth in FY 2014		
1) Civilian Personnel Support - Increase funds the OIG to the authorized civilian full-time equivalent (FTE) levels in FY 2014. (FY 2013 Baseline $0; +0 FTEs)	35,284	
9. Program Decreases		
a. Annualization of FY 2013 Program Decreases		
b. One-Time FY 2013 Increases		

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III. <u>Financial Summary</u> ($ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
c. Program Decreases in FY 2014		
FY 2014 Budget Request		**312,131**

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.   Numerous 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.

DoD continues to face challenges in the areas of weapon system acquisition. In 2012, DoD OIG audited an acquisition program which identified that the Navy did not finish defining capability requirements for an Acquisition Category II system and planned to enter the next milestone phase without completing all the required system testing which could

IV. <u>Performance Criteria and Evaluation Summary</u>:

result in the Navy acquiring four units costing $15 million which may not meet testing needs.

In FY 2012, 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. In FY 2012, DOD OIG auditors prepared high visibility reports which included an audit identifying $47.5 million to $58.7 million of excess DoD inventory, an audit of the Afghan National Police Contract, which identified inadequately defined contract requirements, and an audit identifying a lack of accountability of night vision devises for the Afghan National Security Forces.

In FY 2013 and 2014, the DoD OIG for Audit will continue to focus oversight efforts on the complexities associated with acquisition and contract administration to include such areas as weapon system acquisition, requirements duplication, program management evaluation, contract pricing, supply chain management, contracts for services, and equipping and supplying the Afghan National Security Forces (ANSF).

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

IV. <u>Performance Criteria and Evaluation Summary</u>:

over systems and property. The OIG will continue this approach to financial statement audits in FY 2012.

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 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 2012, the auditors issued 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 endorsed 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).

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

In addition, the auditors performed audits or provide contractor oversight on 23 on-going or planned financial systems audits and performed approximately 81 other on-going or planned audits on internal controls, compliance with laws and regulations, and other financial-related issues. Because of previously identified challenges in DoD system implementation efforts, we conducted audits on additional DoD Business Systems Modernization efforts that included 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 conducted an audit that focused 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 internal control and compliance reviews over systems and property and attestation reviews of the DoD Counterdrug program.

In FY 2013 and 2014, 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

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

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 continued to staff the Hawaii field office. The Hawaii field office provides oversight of Pacific Command Operations. The Tampa staff continued 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.

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 U.S. Department of Veteran Affairs and the Department of Engery. 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 2013, the OIG will continue oversight of improper payments to include identifying systems or payment processes that may be vulnerable to making improper payment

IV. <u>Performance Criteria and Evaluation Summary</u>:

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 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).

IV. <u>Performance Criteria and Evaluation Summary</u>:

	FY 2012 <u>Actual</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Estimate</u>
<u>AUDIT</u>			
Reports issued	128	120	120
Potential monetary benefits ($ millions)	85M	*	*
(* Monetary benefits cannot be estimated)			
Achieved monetary benefits ($ millions)	85M	*	*
(*Monetary benefits cannot be estimated at this time)			

<u>Investigations</u>: 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, , 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 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 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

IV. <u>Performance Criteria and Evaluation Summary</u>:

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 Abbott Laboratories ($476.7 million government recovery), Scios, Inc. ($85 million government recovery), United Technology Corporation ($55.7 million government recovery), LHC Corporation ($52.65 million government recovery), and Accenture LLP, ($49.7 million government 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.

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	FY 2012 <u>To Date</u> <u>Through 06-30-2012</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Estimate</u>
<u>**CRIMINAL INVESTIGATIONS**</u>			
Indictments and Charges	279	317	327
Convictions	243	281	295
Fines/penalties/restitutions, etc. ($ millions)	$3,550.0	$2,049.4	$2,151.9

Administrative Investigations

WRI has statutory responsibility to investigate complaints of reprisal for making disclosures protected by three Federal Statutes under Title 10 of the United States Code: 1) 10 U.S.C. 1034 for members of the Armed Services, 2) 10 U.S.C. 1587 for DoD non-appropriated fund employees, 3) 10 U.S.C. 2409 for DoD contractor employees; as well as 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 provisions under 5 U.S.C. 2302 which identifies reprisal as a prohibited personnel practice. Although the Office of Special Counsel (OSC) is the primary government agency protecting appropriated fund federal employees and applicants from prohibited personnel practices, especially reprisal for whistleblowing, through WRI, DoD IG provides parallel -- and sometimes crucially greater -- protections to DoD civilian appropriated-fund employees. That is, because members of the intelligence community cannot avail themselves of OSC and MSPB protection, WRI has been the only recourse for members of the Defense intelligence community who believe they have been retaliated against, especially if retaliation takes the form of suspension, revocation, or denial of security clearance.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Finally, under DoD Directive 6490.1, "Mental Health Evaluations of Members of the Armed Forces," WRI investigates, or performs oversight reviews of investigations conducted by Service Inspectors General, into allegations of improper referrals of members of the Armed Forces for involuntary mental health evaluations.

WRI uses the number of reprisal complaints closed and the investigation cycle time to evaluate performance of WRI and the Service Inspectors General.

ODIG-AI is proactively transforming the WRI Directorate by increasing staffing, improving the organization and grade structure, streamlining investigative processes, and updating policies and procedures. The ODIG AI is also currently in the development phase of the next generation information system that will enable the office to monitor investigation total life cycle time, compile metrics and measure performance, improve ongoing monitoring and oversight of Service investigations, follow-up of corrective actions in substantiated cases, and improve statistical reporting and trend analysis.

WRI has used additional staffing resources allocated in FY 2012 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, and other Defense agencies through mobile training teams and formal training workshops, 3) ensure visibility of the prominence and effectiveness of the DoD whistleblower protection program to internal and external stakeholders, and 4) establish a team dedicated to oversight and follow-up of Service IG reprisal investigations.

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ISO Investigative performance is measured by the overall number of investigations conducted and oversight reviews of Service IG investigations, the cycle time to complete an investigation, and the percentage of investigations of high interest investigations (those investigations that have the interest of the Secretary of Defense, Members of Congress and the news media or that involve warfighter safety).. ISO investigations routinely garner significant media, SECDEF, or congressional interest, with results provided directly to the SECDEF or Members of Congress and involve complicated issues of public interest.

ISO investigations involve allegations ethics violations, conflicts of interest on the part of senior DoD officials, misuse of position and resources, mismanagement of major Defense programs, and travel/contracting irregularities. The severity of corrective actions in cases with substantiated findings -- immediate removal from command, reprimand, reduction in rank, and reimbursement to the Government --demonstrates that the Department holds senior leaders accountable for their actions. Examples of such cases include substantiated allegations of misconduct involving official and unofficial travel (including MilAir) by 4-star general officers; and recoupment of over $10,000 from a general officer who improperly received federal pay and benefits.

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

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ISO used additional resources to establish a new Oversight Branch dedicated to review of Service IG investigations into allegations of senior official misconduct. The Oversight Branch collects data regarding identified deficiencies, provides timely feedback to Service IGs, as well as training to enhance investigative skills necessary to address allegations of senior official misconduct. Additional resources are also being used 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 impact the war fighter 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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ADMINISTRATIVE INVESTIGATIONS (ESTIMATES BASED ON PRIOR YEAR ACTUALS)			
	FY12	**FY13**	**FY14**
INVESTIGATIONS OF SENIOR OFFICIALS (ISO)			
Complaints Received	786	796	806
Complaints Closed	632	642	652
Complaints Closed by ISO	284	294	304
Complaints Closed by Service/Defense Agency IGs with Oversight by ISO	348	358	368
WHISTLEBLOWER REPRISAL INVESTIGATIONS (WRI)	**FY12**	**FY13**	**FY14**
Reprisal Complaints Received	636	646	656
Reprisal Complaints Closed by WRI	282	292	302
Reprisal Complaints Closed by Service/Defense Agency IGs with Oversight by WRI	252	262	272
Complaints of Improper Mental Health Evaluation (MHE) Referral Received	40	50	60
Complaints of Improper MHE Referral Closed by WRI	0	10	20
Complaints of Improper MHE Completed by Service/Defense Agency IGs with Oversight by WRI	34	44	54

IV. <u>Performance Criteria and Evaluation Summary</u>:

<u>Policy and Oversight</u>: 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, in accordance with 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 2012, ODIG P&O issued 27 reports and one Notice of Concern. The Technical Assessment Directorate completed three independent technical assessment reports and provided technical support to 7 OIG audit and investigative projects. ODIG-P&O managed the OIG's policy coordination process for 276 draft DoD policy issuances. ODIG-P&O updated and published five DoD Issuances:

1) DoDI 5505.07, "Titling and Indexing of Subjects of Criminal Investigations in the Department of Defense," January 27, 2012
2) Change 1 to DoDI 5505.14, "Deoxyribonucleic Acid (DNA) Collection Requirements for Criminal Investigators" April 24, 2012
3) Change 1 to DTM 11-007, "Delegation of Authority to Approve Consensual Interceptions for Law Enforcement" October 20, 2011
4) Co-Authored w/ SAPRO DTM 11-062, "Document Retention in Cases of Restricted and Unrestricted Reports of Sexual Assault" December 16, 2011
5) DoDI 5505.16, "Criminal Investigations by Personnel Who Are Not Assigned to a Defense Criminal Investigative Organization" May 7, 2012

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

In FY 2012, APO issued two Hotline reports, two external quality control reviews of Defense organizations' audit operations; two single audit quality control reviews. APO also completed reviews of 11 additional hotline complaints, one Notice of Concern, and four Preliminary Results Memoranda. APO performed 103 single desk reviews and issued 111 memoranda for grant/contracting officer follow-up. APO commented on the Federal Accounting Standards Advisory Board Exposure Draft – Property, Plant & Equipment Impairment, and reviewed 25 and commented on two Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulations (DFARs) changes. APO administered the peer review program for DoD audit organizations, encompassing oversight of peer reviews of nine DoD audit organizations (five completed and four ongoing), including the Army Audit Agency and their Special Access Program audit operation, Missile Defense Agency, National Geospatial Intelligence Agency, and Naval Exchange Command. APO provided oversight for 2,099 open and closed contract audit reports with more than $6.1 billion in potential savings. Also, APO issued 37 recommendations and achieved a 92 percent agreement rate for recommendations or stakeholder provision of acceptable alternatives. APO monitored the quality of Defense Contract Audit Agency's (DCAA's) audit work, reviewed 13 DCAA-related Hotline complaints and 11 other in-process DoD Hotline complaints concerning DCAA audit operations.

APO participated in 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 and 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, Office of Management and Budget/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

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Committee, Single Audit Compliance Supplement Core Team, and Federal Audit Liaison Council.

From FY 2013 through FY 2014, APO will focus on oversight reviews of DCAA high-risk areas and will monitor, review, and report on DCAA audit compliance with the Generally Accepted Government Auditing Standards (GAGAS). Additionally, APO will focus on at least 11 Defense Hotlines of DCAA audits, management, and personnel. APO will also administer 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 four single audit quality control reviews, two 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 contain nearly 2,000 recommendations and include approximately $6.1 billion in questionable costs.

In FY 2012, IPO issued seven reports: Review of Matters Related to the Office of the Assistant Secretary of Defense Public Affairs Retired Military Analyst Outreach Program, Review of Matters Related to the Sexual Assault of Lance Corporal Maria Lauterbach, U.S. Marine Corps, Review of DoD Response to Noncompliant Crime Laboratory Analyses, Response to Congressional Concerns about Targeting of Military Personnel by Gangs, Review of Alleged Mishandling NCIS Sexual Assault Investigation and Victim Mistreatment (U.S. Marine Lance Corporal), Review of Alleged Mishandling of AFOSI Sexual Assault Investigations (U.S. AF Master Sergeant), and Review of Allegations of Sexual Harassment,

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Intimidation, and Other Abuses Under Contracts Held by L3 and Global Linguist Solutions in Iraq (Letter report to Senator Claire McCaskill). May 7, 2012

The Contractor Disclosure Program received and effectively responded to 173 disclosures. IPO closed 83 disclosures by Defense contractors and subcontractors of procurement-related crimes as mandated by Federal Acquisition Regulations (FAR). IPO personnel coordinated the disclosures through the Department of Justice (DoJ) and Defense investigative, audit, and suspension/debarment authorities. The Voluntary Disclosure Program was superseded by the Contractor Disclosure Program in December 2008. IPO has also worked diligently to resolve three voluntary disclosures under the previous program. There are not/and will not be any new voluntary disclosures. IPO is working to resolve the remaining nine voluntary disclosures. 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 79 DCAA Forms 2000 and referred them to the DCIOs for investigation and follow-up.

The OIG Subpoena Program coordinated and issued 400 subpoenas to Defense investigators and auditors this fiscal year. Another 65 subpoenas are under review and pending issuance. The number of subpoenas issues is up 43 percent over FY 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 decrease 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 FY 2012 IPO trained 350 Defense Criminal Investigative Organization (DCIO) personnel and investigators from other DoD agencies. IPO integrated subpoena training into MCIO basic and advanced criminal

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

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's Continuing Legal Education Training Program Course for DoD investigators and attorneys.

For its oversight projects, IPO organized and staffed the Violent Crime Division to evaluate DoD and MCIO policies, programs, and training focused on violent crime including: murder, suicide (DoD policy requires investigations of non-combat deaths as potential homicides until evidence establishes otherwise), sexual assaults, robbery, criminal child abuse, and aggravated assault. In FY 2012, IPO initiated an evaluation of MCIO closed sexual assault investigations with adult victims per DoD Directive 6495.01, "Sexual Assault and Prevention and Response (SAPR) Program,". Oversight encompasses a review of MCIO policies and procedures in order to ensure MCIO compliance with federal law, DoD and Service investigative standards, and accepted industry best practices as it relates to adult sexual assault investigations.

Additionally, in FY 2012, IPO initiated an evaluation of MCIO sexual assault investigative training to determine what the MCIOs train regarding sexual assault investigations and why; how the MCIOs ensure training is effective; and whether MCIOs leverage resources and expertise with one another for more effective training and more efficient use of resources. We view training and investigating processes as continually informing each other and concurrent reviews should facilitate improvements. In FY 2012, IPO also responded to sexual assault victims' complaints made through the DoD Safe Helpline, the Defense Hotline, and other sources regarding MCIO personnel either mishandling an investigation or treating a sexual assault victim with less than dignity

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and respect. During FY 2012, IPO initiated two such evaluations, which resulted in corrective actions.

IPO is addressing concerns by the chairman and ranking member of the Senate Committee on the Judiciary about due process concerns the Army crime lab used compromised DNA profiles in almost 500 criminal investigations. 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. After a recurring series of lawsuits against Secretaries of Defense, IPO initiated research on methodologies to capture victim impressions of DoD support to victims of sexual assault from those involved in the process, e.g. criminal investigators, victim advocates, mental health providers, command and unit members.

From FY 2013 through FY 2014, IPO will field revised investigative policy addressing (a) DoDI 5505.mm, "Investigation of Adult 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 7050.03 "Access to Records and Information by the Inspector General, Department of Defense."
The Subpoena Program will seek to continuously decrease 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 DoJ, the DCIOs, 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 the war significantly influences IPO's mission in ways difficult to predict, IPO expects the

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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 resolve sexual assaults involving DoD personnel. The ongoing evaluation of investigative thoroughness and the quality of investigative training will highlight areas for improvement in managing training. The sexual assault investigative training evaluation includes basic, specialized, and proficiency training. In FY 2013, IPO will evaluate the Department's compliance with the Sexual Offender Registration and Notification Act (SORNA). IPO will evaluate the requirements and current status of training within DoD including the Military Services.

IPO will also evaluate a statistical sampling of closed MCIO child sexual assault investigations. Time and resources permitting, IPO will evaluate DoD investigative activities to detect, prevent, and investigate sexual trafficking in persons offenses. In FY 2014, IPO will continue its focus on violent crime impacting DoD using established protocols and methodology to oversee and ensure MCIO policy compliance. Future projects will include more recent closed sexual assault investigations as well as closed homicide investigations. If resources allow, IPO plans an evaluation of undercover operations conducted by DCIOs. IPO will evaluate the planning, resources and results of undercover operations. IPO will also benchmark the undercover management standards of DoD and other Federal agencies to assess the effectiveness of operations. IPO also plans an evaluation of investigative thoroughness in unsolved, serious crimes conducted by our constituent community. Using DoD, MCIO, CIGIE Quality Standards for Investigation, and law enforcement industry best practices or standards (e.g., IACP and National District Attorney Association); IPO will determine whether investigators exhausted logical

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investigative activities. In FY 2013 and   FY 2014, IPO will continue to respond to sexual assault victims' complaints made through the DoD Safe Helpline, the Defense Hotline, and other sources regarding MCIO personnel either mishandling an investigation or treating a sexual assault victim with less than dignity and respect.

In FY 2012, TAD issued three reports: Independent Engineering Assessment of the Army's Transportation Plan for the BRAC Recommendation #133 Project Fort Belvoir - Mark Center, Virginia, the Report on the Program and Contract Infrastructure Technical Requirements for the Guam Realignment Program, and the ISO 9001 quality management system technical assessment of the 40mm Cartridge Grenade. The final BRAC Recommendation #133 report discusses an assessment focused on validating the engineering assumptions, information, and data provided in the Army's Transportation Plan and compliance with applicable criteria and standards. The report was issued with four findings and recommendations, stating that the conclusions presented in the Army's Transportation Plan are unreliable. The final Guam infrastructure requirements report discusses a technical review on Guam infrastructure requirements for the military realignment focusing on seven areas of infrastructure requirement. The report was issued with three findings with recommendations and one observation. The assessment of the 40mm Cartridge Grenade focused on the reliability and quality control procedures for the 40mm grenades procured by Department of Defense. Specifically, TAD assessed the overall quality assurance program and processes, and lot inspection and acceptance criteria and procedures.

Additionally, TAD initiated four assessments in FY 2012: F-35 AS9100 Quality Assurance Assessment, Afghanistan Electrical and Fire Suppression Systems Assessment, F-22 Mishap Assessment, and ISO 9001 Quality Assurance Assessment of selected Defense Acquisition University processes.

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In addition, TAD also provided technical support to five OIG audit and investigative projects to include the Audit of Cyber Red Teams' Goals, Activities, and Performance; Audit of the Army Portable Electronic Devices; Audit of Data Loss Prevention Controls for the Case Adjudication Tracking System (CATS); Audit of U.S. Army Corps of Engineers Programmable Logic Controllers; and the Investigation of the Armed Forces Retirement Home.

In FY 2013 and FY 2014, TAD plans to 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 ongoing technical assessment projects on the F-35 Joint Strike Fighter AS9100 Quality Assurance Assessment, Afghanistan Electrical and Fire Suppression Systems Assessment, F-22 Mishap Assessment, and ISO 9001 Quality Assurance Assessment of selected Defense Acquisition University processes. TAD will also be supporting OIG Audit on their audit assist requests. TAD has submitted about a dozen projects to the P&O FO for approval. All of the submitted projects are major projects ranging across DoD. Examples of projects submitted are:

<u>Overall DoD Quality</u>
   1) Defense Contract Management Agency (DCMA) surveillance of DoD ACAT 1 Programs
Conduct an assessment of DCMA's method of surveillance of DoD's ACAT 1 Programs. Select one or two programs from each of the Services and conduct an in-depth analysis of the Program Office's delegation to DCMA, covering the prime contractors with the tier one suppliers. Perform the analysis at each of the prime contractors and selected tier one suppliers based on risk, quality, history, or criticality to the program.

   2) Counterfeit Parts – Microchips Procured by DoD

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Industry has a counterfeit part prevention program that is outlined in SAE AS5553; however, DoD does not have a similar standard. We would assess how the Defense Logistics Agency and the Services identify and track their mission-critical parts, such as microchips, and how they identify counterfeit parts. We would verify that the systems used are dependable and provide DoD authentic mission-critical parts.

<u>ACAT I Quality, Safety and Mission Assurance Assessments</u>
   1) Littoral Combatant Ship (LCS) and Mission Modules
Prime Contractor - Lockheed Martin (Marinette, WI) & General Dynamics (Mobile, AL)
Each contractor is building a separate design for the ship under a fixed-price-plus-incentive contract. Both ships have issues, as reported by the Congressional Research Service and POGO, with combat survivability and integration of mission modules. Other issues include hull cracking along the welds, corrosion, and engine problems.
Conduct a quality and reliability assessment of each of the variants, focusing on combat survivability testing, requirement flow down, and workmanship.

   2) San Antonio Class Amphibious Transport Dock
Prime Contractor - Northrup Grumman (Pascagoula, Miss.)
The ship is designed to embark, transport, and deploy ground troops and equipment. Ship-to-shore movement is provided by Landing Craft Air Cushion (LCAC), Landing Craft Utility (LCU), Amphibious Assault Vehicles (AAVs), MV-22 tilt rotor aircraft, and/or helicopters. The ship is not operationally effective, suitable, or survivable in hostile environments. The ship also has chronic reliability problems associated with critical systems that affect the overall performance of the system.

IV. **Performance Criteria and Evaluation Summary**:

Conduct a reliability assessment of each ship, focusing on system and combat survivability testing.

3) WGS –International Wideband Global STACOM (ACAT1)
   Prime – The Boeing Company, Defense, Space, and Security
   WGS satellites will augment and replace existing Defense Service Communications Satellites (DSCSs) supporting tactical C4ISR, battle management, and combat support needs of DoD. A 2008 Government Accountability Office report highlighted manufacturing and supplier quality issues, such as failed subcomponent testing, which resulted in a 6-month schedule delay for the program. In addition, an issue with incorrectly installed fasteners caused by a supplier not testing the installed fasteners as required resulted in a 15-month schedule delay. In 2011, the Air Force approved a proposal from the prime contractor to build three additional satellites. The proposal featured less Government oversight, fewer reporting requirements, and less testing in order to save the Government about $80 million per satellite.
   Conduct a quality assessment, focusing on testing procedures to ensure that less rigorous testing requirements do not lead to mission failures.

4) MQ-9 Reaper Unmanned Aircraft System (UAS)
Prime Contractor – General Atomics
The MQ-9 Reaper UAS is a remotely piloted, armed, air vehicle that uses optical, infrared, and radar sensors to locate, identify, target, and attack ground targets. The program has made insufficient progress in resolving MQ-9 UAS issues in hardware and software development. For example, the lack of software testing that would protect

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

against unauthorized access to the system controls, which could result in enemy forces taking over control of the system.

Conduct a quality assessment, focusing on testing and standards used to verify software reliability and protection techniques.

   5) GPS III Satellite System

Prime Contractor – Lockheed Martin

The modernized GPS signals to be achieved by GPS III are intended to be more resistant to hostile jamming. The first modernized IIR (IIR-M) rose in December 2005 and is now fully operational. A second is due to go up in late September. The third and fourth IIR-M spacecraft have been delivered to storage. The company is contracted to deliver eight IIR-Ms to the Navstar GPS Joint Program Office (JPO), which has reported a schedule slip of 4 years.   The Air Force believes GPS III will be deployed in 2013.

Conduct an assessment, focusing on quality control, mission assurance, and testing processes implemented by the program office and prime contractor.

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POLICY and OVERSIGHT	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Audit Oversight Reports	6	14	14
Hotline Completion Reports	11	6	0
Investigative Policy and Oversight Reports	7	11	12
Contractor Disclosures Submitted	173	250	275
MCIO Peer Reviews	0	3	3
Subpoenas Issued	400	575	590
Technical Assessment Reports	3	4	9
Engineering Support to Other Components' Final Reports	7	8	10

<u>**Intelligence and Special Program Assessments**</u>

<u>**Overview**</u>: 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 personnel, systems and resources with emphasis on support to the warfighter and national command authority. ODIG-ISPA provides oversight of intelligence programs, the DoD Nuclear Enterprise and special access programs.

<u>**Intelligence**</u>: Our project planning process remains critical for focusing our limited resources in the oversight of intelligence community programs and the FY 2014 plan will highlight our efforts. Our goal is to identify relevant projects that can be completed ahead of schedule and thereby ensure our secondary goal of issuing more timely reports.

The FY2012 ODIG-ISPA Annual Plan included ongoing projects as well as emergent external requirements from the SecDef, IG management, and Congress. In support of the SecDef's

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Efficiencies Initiative, we have developed a strategy to maintain situational awareness of the DoD's implementation.

In FY2013 our main effort is 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 are expanding on the research to announce our efforts to protect cyberspace, with an emphasis on supply chain risk management and the insider threat. As these legacy projects are completed, the FY 2014 Annual Plan will support focus areas through new FY2014 projects.

In FY 2014, besides executing the projects remaining from the FY 2013 plan, ODIG-ISPA personnel will continue to reassess oversight of defense priorities and congressional perspectives to ensure resources provide the best coverage. This will include projects that support both Operation New Dawn (OND) and Operation Enduring Freedom (OEF). The ODIG-ISPA will also focus reviews on issues such as cyber security, acquisition and contracting within the DoD Intelligence community, intelligence and counter-intelligence programs and systems.

<u>Nuclear Enterprise</u>:
The Nuclear Enterprise, previously identified by ODIG as one of DoD's management challenges, continues to hold our attention. We have two ongoing projects related to the Nuclear Enterprise. One is the nuclear command and control crypto modernization effort. The second examined the organizational roles and responsibilities of the new Air Force Global Strike Command and its subordinate units which serve U.S. Strategic Command in multiple roles.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

The ODIG-ISPA will continue to look at issues throughout the nuclear enterprise which are identified through our annual planning process. Input for the planning process have come from USSTRATCOM, the Joint Staff, DoD CIO office, DASD(Nuclear Matters), DISA, and the Services. Numerous vital areas need attention throughout the nuclear enterprise to ensure the recent revitalization efforts stay on track to meet Presidential direction.

<u>**Special Access Programs**</u>:
DoD Directive 5205.07, "Special Access Program (SAP) Policy," July 1, 2010, requires the Office of the Inspector General, Department of Defense, "maintain a sufficient dedicated cadre of SAP-trained personnel to perform inspection, investigation,evaluation and audit functions for DoD SAPs and SAP-related activities." Within the OIG DoD, the cadre is assigned to the Office of the Deputy Inspector General for Intelligence and Special Program Assessments (ODIG-ISPA).

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

In total, all projects support SecDef or IG mission priorities or management challenges. The ODIG-ISPA will further 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

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

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.

	FY 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate
INTELLIGENCE AND SPECIAL PROGRAM ASSESSMENTS			
Reports issued	12	12	12

<u>**Special Plans and Operations (SPO)**</u>:

<u>**FY 2012**</u>

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. 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 Afghan National Army (ANA) was effective. This included evaluating output/outcome in ANA logistical and operational organizations resulting from U.S./Coalition involvement in developing Ministry of Defense (MoD)/ANA logistics support processes. Fieldwork occurred during April and May 2011. The final report, "Assessment of U.S. Government and Coalition Efforts to Develop the Logistics Sustainment Capability of the Afghan National Army" (Report No. DODIG-2012-028) was published in December 2011.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

The "William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008" required the IGs of DoD, State Department and USAID to conduct three annual assessments of a "sample of contracts for which there is a heightened risk that a contractor may engage in acts related to trafficking in persons." During FY 2012 for the third of the series of reports, SPO reviewed contracts in the U.S. European Command and U.S. Africa Command geographic areas of responsibility (Report No. DODIG-2012-041, released January 17, 2012).

During a Congressional hearing in November 2011, the OIG was asked to provide recommendations for improving CTIP compliance and enforcement. Our January 31, 2012 response included legislative, policy, and oversight-related suggestions. In January 2012, SPO representatives met with staff from the Senate Judiciary, Senate Foreign Relations, and House Oversight and Government Reform Committees, at their request, and provided input to the draft Trafficking Victims Protection Reauthorization Act. DIG-SPO testified as a witness at the HOGR Subcommittee on Technology, Information Policy, Intergovernmental Relations and Procurement Reform hearing on March 27, 2012.

A report evaluating DoD CTIP in Afghanistan completed fieldwork in February 2012 and the final report was release in May 2012 (Report No. DODIG-2012-086). An additional report reviewing CTIP program implementation in DoD components is scheduled for final report release in July 2012.

Work in Iraq included performing an assessment of the DoD Establishment of the Office of Security Assistance – Iraq. The objective was to assess progress made by the DoD toward establishing a fully functional Office of Security Assistance-Iraq. Fieldwork occurred

IV. <u>Performance Criteria and Evaluation Summary</u>:

during July 2011 and the final report was published in March 2012 (Report No. DODIG-2012-063)

As a result of 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. Reports on Ft. Sam Houston and Ft. Drum were completed during FY 2011. The report, "Assessment of DoD Wounded Warrior Matters – Camp Pendleton" (Report No. DODIG-2012-067) was published in March 2012. A second report, "Assessment of DoD Wounded Warrior Matters – Camp Pendleton" is slated for publication in July 2012. The remaining reports pertaining to the final two visits are expected in the 4th Quarter, FY-2012, and 1st Quarter of FY-2013. This series of assessments will result in capping reports reviewing systemic problems identified in the DoD Wounded Warrior Programs.

10 U.S.C. § 1566, "Voting assistance: compliance assessments; assistance," requires that the Inspectors General 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 Inspector General is required to submit, to the DoD Inspector General, a report on the results. The statute requires that the DoD Inspector General then submit, to Congress, a report on the effectiveness during the preceding calendar year of DoD voting assistance programs, and the level of compliance

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

during the preceding calendar year with voting assistance programs as reported by each of the Service Inspectors General. SPO complied with these directives and published, "Assessment of Voting Assistance Programs for Calendar Year 2011" (Report No. DODIG-2012-068) in March 2012.

As a follow-on to the FVAP assessment, SPO has announced 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 Empoerment (MOVE) Act, which was signed into law on October 28, 2009, as part of the National Defense Authorization Act for Fiscal Year 2010. SPO expects to publish this report during the 3rd Quarter of FY-2012.

Responding to a request from the Senior Scientific Advisor to the Chairman of the Joint Chiefs of Staff, SPO completed an assessment titled, "Defense Hotline Allegation concerning Traumatic Brain Injury 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 Research Integrity in Iraq" (Report No. SPO-2011-005), dated March 2011. Follow-up work on this report has continued during FY 2012 in coordinating the application of appropriate remedies to the report's recommendations.

Following his visit to Afghanistan in November 2011, the Inspector General informed the Commander, Combined Security Transition Command-Afghanistan that "We will periodically conduct walk-throughs at NMH and continue oversight of the development of a sustainable

IV. <u>Performance Criteria and Evaluation Summary</u>:

ANSF medical logistics and healthcare capability." In response to this direction, SPO conducted a site visit at the Afghan Army National Military Hospital in February 2012. The purpose was to provide DoDIG and the Command with information regarding the progress being made by the Medical Advisory Group (MTAG), the Medical Embedded Training Team (METT), and more importantly, the ANA Staff at the NMH to improve health care standards, force protection, and investigation of allegations regarding corruption. A second site visit will be conducted in June/July 2012 which will result in a report on the team's findings from both the February and June/July assessments. The report is expected to be published in 1st quarter 2013.

During May 2011, SPO announced an Assessment of U.S. and Coalition Plans to Train, Equip, and Field the Afghan Air Force. 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 Afghan Air Force (AAF) are prepared, issued, operative, and relevant. Field work for this assessment was initiated in July 2011. During report preparation, additional information and allegations were forthcoming that resulted in additional assessment, coordination and reporting from in-country SPO personnel. The final report is scheduled for issue in July 2012.

Special Plans and Operations is also engaged in preparing a quarterly 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 Office of the Secretary of Defense, 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

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

provinces by the end of 2014. We have identified and summarized indicators (metrics) that indicate the status of progress towards achieving that goal in three key areas of Afghan security force development: Growth, Quality, and Transition to the intended result of Afghan Lead. Two reports have been produced in FY 2012: For the police, "Assessment of Afghan National Security Forces Metrics—Quarterly" (Classified) Report No. DODIG-2012-034 and "Afghan National Army: Assessment of U.S. Government Efforts to Train, Equip, and Mentor the Expanded Afghan National Army – Metrics" (Classified) Report No. DoDIG-2012-034.2

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 as established in "Maintenance of Other Troops," section 109(c), Title 32, USC. These forces, along with the National Guard, 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 fourth quarter FY-2012.

In a continuing series of reports that focus on the train and equip missions in Afghanistan, SPO conducted an assessment of the Afghan Local Police. The assessment objective was to determine the effectiveness of planning and operational implementation of efforts by U.S. and Coalition forces to train, advise, and assist in the development of the Afghan Local Police. The draft report produced in April 2012 provides 30

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

recommendations to ISAF, IJC, CFSOCC-A, NTM-A/CSTC-A, and USFOR-A in the areas of planning and coordination, training, logistics system process/procedure, and Coalition/U.S. resourcing. The final report is forecast to be published in July 2012.

During April and May of 2012 field work was conducted on assessing U.S. and Coalition efforts to develop the Afghan National Security Forces Command and Control Structure. The objective of the assessment is to determine whether the Department of Defense will complete the development of the ANSF Command and Control System by established end-state dates. Additionally, the project will determine whether USG and Coalition strategy, guidance, plans, and resources are adequate for the development and operational implementation of an effective ANSF Command and Control System. The final report is projected for release in September 2012.

In a self-initiated assessment selected in coordination with the NATO Training Mission-Afghanistan / Combined Security Transition Command – Afghanistan (NTM-A/CSTC-A) Inspector General and in support of the NTM-A / CSTC-A Commander's priority to develop Afghan leaders, field work was conducted in June 2012 to assess U.S. and Coalition Efforts to Develop Leaders in the Afghan National Army. The specific objectives are to assess: the sufficiency of the Coalition's leader development programs for developing ANA officers and NCOs in support of the goal of enabling accountable Afghan-led security by the end of 2014; the level to which ANA leaders demonstrate practical application of leadership qualities taught in the leader development programs; and ANA leader selection, career development processes, and the likelihood of the sustainment of effective leader development post-2014. Publication of this report is anticipated in November 2012.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

In accordance with the NDAA for FY 2012, the DoDIG was directed to assess cemeteries under the jurisdiction of the military departments. The objective is to determine the adequacy of and adherence to the statutes, policies, and regulations governing the management, oversight, operations, and interments or inurnments (or both) by those cemeteries, less the military academies, under the jurisdiction of the military departments. Field work on this initiative was initiated in March 2012. Completion of this project is expected in the 2nd quarter of FY 2013.

An assessment research project was announced in March 2012 on suicide in the military services. Data regarding suicide rates in the military services indicates a steady increase since 2001. The U.S. Army and Marine Corps report the highest suicide rates, which are slightly above the latest available civilian rate. The objective of this assessment is to determine whether future assessments of the DoD Suicide Prevention Programs by the DoD IG are warranted. Information obtained from this thorough research and document review will determine whether an announced project will be necessary.

A second assessment research project was announced in May 2012 on equipping the Afghan National Security Forces. The overall objective is to research: equipping requirements for the ANSF and how these requirements have been validated; obligation of funding for the procurement of ANSF equipment and associated procurement actions; the status of acquisitions of equipment for ANSF based on and in relation to requirements; and planning to dispose of equipment that exceeds requirements. Information obtained from this thorough research and document review will determine whether an announced project will be necessary.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

A third assessment research project was announced in May 2012 on the DoD Security Cooperation Mission for Taiwan executed through the American Institute in Taiwan. The objective is to research the plans, procedures, and actions taken to execute the DoD security cooperation mission for Taiwan, performed by the Defense Security Cooperation Agency in coordination with and through the American Institute in Taiwan-Washington and the American Institute in Taiwan-Taipei. Information obtained from this thorough research and document review will determine whether an announced project will be necessary.

<u>**FY 2013**</u>

Current project work discussed in the preceding FY 2012 section that is expected to carry over into FY 2013 are as follows:

Wounded Warrior Matters. The final individual installation report on Wounded Warrior Matters will be completed in 4th quarter FY 2013. Capping reports on systemic problems identified in the individual installation reports will be completed during FY 2013. Currently, two problem areas have been identified to report on: Leadership regarding the selection and training of Commanders and Cadre to fill positions within the Warrior Transition Battalions; and Pharmacy (medication management).

The annual requirement of 10 U.S.C. § 1566 requires that the DoD Inspector General 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 Inspectors General. SPO complied with these directives and published, "Evaluation of DoD Federal

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Assessment of Voting Assistance Programs for Calendar Year 2012" will be published in March 2013.

Reporting on the periodic assessments of the Afghan National Military Hospital conducted during FY 2012 is expected during the 1st quarter of FY 2013.

Quarterly metric reporting on U.S. Government efforts to train, equip, and mentor the Afghan National Security Forces are expected to continue throughout FY 2013.

Reporting on assessment of U.S. and Coalition Efforts to Develop Leaders in the Afghan National Army is expected in the 1st quarter of 2013.

Reporting on the adequacy of and adherence to the statutes, policies, and regulations governing the management, oversight, operations, and interments or inurnments (or both) by those cemeteries, less the military academies, under the jurisdiction of the military departments.

Depending on the results of the three research projects discussed in the FY 2012 section, reporting may be required on: Suicide in the military services; equipping the Afghan National Security Forces; and the DoD Security Cooperation Mission for Taiwan executed through the American Institute in Taiwan.

Additional assessments being programmed for FY 2013 include the following:

- Development of a Sustainable ANSF Healthcare System

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

- Office of Security Cooperation-Iraq
- Office of Security Cooperation-Afghanistan
- Federal Voting Assistance Program (Statutory)
- The Armed Forces Retirement Home (Statutory)
- DoD compliance with Section 847 of the National Defense Authorization Act (Statutory)
- Inspection of the Arlington National Cemetery (Statutory)
- Inspection of the United States Soldiers' and Airman's Home National Cemetery (Statutory)
- Security Assistance – training and equipping foreign military forces with "Section 1206" Funding
- Afghan Border Police
- Planning for the Drawdown of the ANSF

<u>**FY 2014**</u>

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 2014.

Areas of interest include, but are not limited to:
- Assessing National defense infrastructure and policies – such as readiness to support operations led by the Department of Homeland Security.
- Assessment of handling and Security of biological agents.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

- Training and equipping foreign military forces with "Section 1208" Funding
- Civilian Expeditionary Workforce (CEW) and the Ministry of Defense Advisors (MODA) programs
- Continuation of work: Security Assistance – training and equipping foreign military forces with "Section 1206" Funding
- Office of Security Assistance - Afghanistan

SPO will also continue to assign teams for each of its CONUS-based and statutorily mandated subject areas. Areas include, but are not limited to:

- The Federal Voting Assistance Program
- Wounded Warrior Matters
- Combatting Trafficking in Persons

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
SPECIAL PLANS and OPERATIONS			
SPO reports	12	14	14

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. OCCL responsibilities include

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Congressional Liaison, Public Affairs, Strategic Planning, Strategic Communications, the Freedom of Information Division, 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 FY2012, the OIG opened 297 cases based on inquiries received from congressional offices; the Freedom of Information Act/Privacy Act (FOIA/PA) office received 334 requests for information and completed 286 requests; the DoD Hotline received 14,732 contacts (composed of telephone calls, letters, and email) and initiated 2,324 action/information cases; General Accounting Office (GAO) affairs processed 366 GAO Draft and final reports and 249 GAO review announcements.

In line with the DoD IG commitment to transform the Department's whistleblower protection program, the DoD Hotline has placed a renewed emphasis on the receipt of whistleblower reprisal allegations to improve the efficiency of operations and timeliness of referrals. The DoD Hotline has also begun an in-depth analysis of its work flow and case management system to improve efficiency.

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IV. <u>Performance Criteria and Evaluation Summary</u>:

	FY 2012 <u>Actual</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Estimate</u>
<u>COMMUNICATIONS & CONGRESSIONAL LIAISON</u>			
Hotline calls/letters received	14,732	19,000	19,000
Substantive cases generated	2,324	3,000	3,000
Opened congressional inquiries	297	300	300
Closed congressional inquiries	330	310	310
FOIA requests received	334	450	450
FOIA requests processed	286	400	400
FOIA appeals received	20	25	25
GAO Draft/Final Reports Reviewed	373	366	380
GAO Announcement Received	220	249	220

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IV. <u>**Performance Criteria and Evaluation Summary**</u>:

	FY 2012 <u>Actual</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Estimate</u>
<u>AUDIT</u>			
Reports issued	128	120	120
Potential monetary benefits ($ millions)		*	*
(* Monetary benefits cannot be estimated)			
Achieved monetary benefits ($ millions)	85M	*	*
(*Monetary benefits cannot be estimated at this time)			
<u>CRIMINAL INVESTIGATIONS</u>			
Indictments and Charges	279	317	327
Convictions	243	281	295
Fines/penalties/restitutions, etc. ($ millions)	$3,550.0	$2,049.4	$2,151.9
<u>ADMINISTRATIVE INVESTIGATIONS</u>			
Investigations of Senior Officials-Complaints Received	786	796	806
Investigations of Senior Officials-Complaints Closed	632	642	652
Investigations of Senior Officials-Complaints Closed by ISO	284	294	304
Investigations of Senior Officials-Complaints Closed by Service/Defense Agency IGs with Oversight by ISO	348	358	368
Whistleblower Reprisal Investigations-Complaints Received	636	646	656
Whistleblower Reprisal Investigations-Complaints Closed by WRI	282	292	302
Whistleblower Reprisal Investigations-Complaints Closed by Service/Defense Agency IGs with Oversight by WRI	252	262	272
Whistleblower Reprisal Investigations-Complaints of	40	50	60

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IV. <u>Performance Criteria and Evaluation Summary</u>:

	FY 2012 <u>Actual</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Estimate</u>
Improper Mental Health Evaluation (MHE) Referral Received			
Whistleblower Reprisal Investigations-Complaints of Improper MHE Referral Closed by WRI	0	10	20
Whistleblower Reprisal Investigations-Complaints of Improper MHE Completed by Service/Defense Agency IGs with Oversight by WRI	34	44	54
<u>POLICY and OVERSIGHT</u>			
Audit oversight reports	6	14	14
Hotline completion reports	11	6	0
Investigative Policy and Oversight reports	7	11	12
Contractor Disclosures Submitted	173	250	275
MCIO Peer Reviews	0	3	3
Subpoenas issued	400	575	590
Technical Assessment reports	3	4	9
Engineering support to other Components' final reports	7	8	10
<u>INTELLIGENCE</u>			
Reports issued	12	12	12
<u>SPECIAL PLANS and OPERATIONS</u>			
SPO reports	12	14	14
<u>COMMUNICATIONS & CONGRESSIONAL LIAISON</u>			
Hotline calls/letters received	14,732	19,000	19,000
Substantive cases generated	2,324	3,000	3,000

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IV. <u>Performance Criteria and Evaluation Summary</u>:

	FY 2012 <u>Actual</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Estimate</u>
Opened congressional inquiries	297	300	300
Closed congressional inquiries	330	310	310
FOIA requests received	286	400	400
FOIA requests processed	286	400	400
FOIA appeals received	20	25	25
GAO Draft / Final Reports Reviewed	373	366	380
GAO Announcement Received	220	249	220

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V. **Personnel Summary**	FY 2012	FY 2013	FY 2014	Change FY 2012/ FY 2013	Change FY 2013/ FY 2014
Active Military End Strength (E/S) (Total)	28	28	28	0	0
Officer	27	27	27	0	0
Enlisted	1	1	1	0	0
Civilian End Strength (Total)	1,533	1,614	1,614	81	0
U.S. Direct Hire	1,532	1,613	1,613	81	0
Total Direct Hire	1,532	1,613	1,613	81	0
Foreign National Indirect Hire	1	1	1	0	0
Active Military Average Strength (A/S) (Total)	28	28	28	0	0
Officer	27	27	27	0	0
Enlisted	1	1	1	0	0
Civilian FTEs (Total)	1,532	1,614	1,614	82	0
U.S. Direct Hire	1,531	1,613	1,613	82	0
Total Direct Hire	1,531	1,613	1,613	82	0
Foreign National Indirect Hire	1	1	1	0	0
Average Annual Civilian Salary ($ in thousands)	150.5	133.1	149.5	-17.4	16.4
Contractor FTEs (Total)	177	49	94	-128	45

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

OP 32 Line	FY 2012 Actual	Change FY 2012/FY 2013 Price	Program	FY 2013 Estimate	Change FY 2013/FY 2014 Price	Program	FY 2014 Estimate
101 Exec, Gen'l & Spec Scheds	229,451	553	-16,512	213,492	1,868	24,698	240,058
111 Disability Compensation	803	0	205	1,008	0	-37	971
121 PCS Benefits	304	0	-22	282	0	42	324
199 Total Civ Compensation	**230,558**	**553**	**-16,329**	**214,782**	**1,868**	**24,703**	**241,353**
308 Travel of Persons	7,006	141	-1,129	6,018	114	19	6,151
399 Total Travel	**7,006**	**141**	**-1,129**	**6,018**	**114**	**19**	**6,151**
633 DLA Document Services	0	0	300	300	0	-300	0
647 DISA Enterprise Computing Centers	3,497	60	-120	3,437	115	-4	3,548
699 Total DWCF Purchases	**3,497**	**60**	**180**	**3,737**	**115**	**-304**	**3,548**
771 Commercial Transport	379	8	111	498	9	-238	269
799 Total Transportation	**379**	**8**	**111**	**498**	**9**	**-238**	**269**
912 Rental Payments to GSA (SLUC)	20,709	414	-731	20,392	387	21	20,800
913 Purchased Utilities (Non-Fund)	136	3	-10	129	2	5	136
915 Rents (Non-GSA)	35	1	-4	32	1	-33	0
917 Postal Services (U.S.P.S)	27	1	37	65	1	-31	35
920 Supplies & Materials (Non-Fund)	1,710	34	-171	1,573	30	-80	1,523
921 Printing & Reproduction	300	6	-306	0	0	240	240
922 Equipment Maintenance By Contract	2,082	42	-895	1,229	23	693	1,945
923 Facilities Sust, Rest, & Mod by Contract	8	0	98	106	2	-100	8
925 Equipment Purchases (Non-Fund)	8,336	167	-6,521	1,982	38	1,810	3,830
932 Mgt Prof Support Svcs	33,840	677	-34,497	20	0	18,346	18,366
934 Engineering & Tech Svcs	6,022	120	-2,638	3,504	67	-3,509	62
960 Other Costs (Interest and Dividends)	2	0	-2	0	0	0	0
961 Other Costs (Unvouchered)	249	0	61	310	0	-142	168
987 Other Intra-Govt Purch	9,552	191	-4,472	5,271	100	2,271	7,642
989 Other Services	7,844	157	6,172	14,173	269	-8,387	6,055

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	FY 2012	Change FY 2012/FY 2013		FY 2013	Change FY 2013/FY 2014		FY 2014
OP 32 Line	Actual	Price	Program	Estimate	Price	Program	Estimate
999 Total Other Purchases	90,852	1,813	-43,879	48,786	920	11,104	60,810
Total	332,292	2,575	-61,046	273,821	3,026	35,284	312,131

* The FY 2012 Actual column **includes** $11,055 thousand of FY 2012 OCO Appropriations funding (PL 112-74).
* The FY 2013 Estimate column **excludes** $10,766 thousand of FY 2013 Overseas Contingency Operations Appropriations funding (PL 112-74).
* The FY 2014 Estimate column excludes FY 2014 Defense-Wide OCO Budget Request.