

Fiscal Year 2015 Budget Estimates
Office of Inspector General (OIG)



March 2014

(This page intentionally left blank)

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

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

	FY 2013 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2014 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2015 <u>Estimate</u>
OIG	318,871	3,391	-6,262	316,000	3,675	-7,845	311,830

* The FY 2013 Actual column **includes** \$8,097 thousand of FY 2013 OCO Appropriations funding (PL 113-6).

* The FY 2014 Estimate column **excludes** \$10,766 thousand of FY 2014 Overseas Contingency Operations Appropriations funding (PL 113-76).

* The FY 2015 Estimate **excludes** OCO.

I. Description of Operations Financed: The Office of Inspector General (OIG) audits, investigates, inspects, and evaluates the programs and operations of the Department of Defense (DoD) and, as a result, recommends policies and process improvements that promote economy, efficiency, and effectiveness in DoD programs and operations. The Inspector General is the only DoD official authorized to issue opinions on the financial statements of the DoD. In FY 2013 the OIG achieved \$2.768 billion in savings and \$2.073 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;

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

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 \$311.8 million. The portion of this amount needed for OIG training is \$3.516 million, and the amount needed to support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is \$423 thousand.

Narrative Explanation of Changes:

FY 2014 to FY 2015: The FY 2015 request (\$311.8 million) reflects a decrease from FY 2014 (\$316.0 million) of \$4.2 million in Management and Professional Services.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

Auditing: ODIG-AUD, by conducting independent, objective audits on all facets of DoD operations, assists DoD in supporting the fundamental imperatives of the DoD as identified in the Quadrennial Defense Review (QDR). These imperatives are to continue to transform the Department's war fighting 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 benefit DoD by addressing critical life and safety issues; improving operations, financial accountability, strengthening internal controls; identifying fraud, waste and abuse, assuring compliance with statute or regulations; improving national security, and identifying potential monetary benefits.

ODIG-AUD is composed of four directorates: Acquisition, Parts and Inventory; Contract Management and Payment; Readiness and Cyber Operations; and Financial Management and Reporting. Audit topics are determined by law, requests from the SECDEF and other DoD leadership, Defense Hotline allegations, congressional requests, and DOD IG risk analyses of DoD programs. Audits topics include contract management, including contract pricing of spare parts, services contracts, improper payments, and contractor overhead costs; management and execution of Afghanistan National Security Forces (ANSF) funds; major weapons systems acquisitions; financial management; business systems modernization; cyber operations; health care; and joint warfighting and readiness.

- The Acquisition, Parts, and Inventory (API) Directorate plans and performs audits in the areas of weapons system acquisition; information technology acquisition; performance based logistics contracting; procurement for spare parts; and competitive

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

sourcing; research, development, test and evaluation systems; and construction and sustainment.

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

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 cybercrimes.

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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

investigative effort and awareness training that includes tailored briefings designed to encourage DoD and contractor employees to report crimes affecting DoD programs. Part of

DCIS' criminal investigative effort includes the use of undercover operations. The scope of these undercover operations continues to target crimes with significant impact on the DoD's war fighting capabilities, which include the theft of critical technology, unlawful access to sensitive computer networks, and the substitution of counterfeit, substandard or defective material for use on major DoD weapons systems. The use of undercover operations to address these types of crimes have proven to be very productive and are in direct support of protecting DoD's technological edge over its adversaries as well as the Global Information Grid.

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.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

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

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.

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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

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

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

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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

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

- Audit Policy and Oversight Directorate (APO) provides audit policy direction, guidance, and oversight for the Office of the Deputy Inspector General for Audit, 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 8,200 DoD auditors in 21 DoD audit organizations and 22 single audit cognizant organizations. APO is also responsible for conducting or overseeing the peer reviews of 19 DoD audit organizations. DoD auditors comprises approximately 60 percent of all federal auditors.
- Investigative Policy and Oversight Directorate (IPO) evaluates the performance of and develops policy for the DoD criminal investigative and law enforcement community (48,000 law enforcement and security personnel/3,600 special agents), manages the DoD Subpoena program and the DoD Contractor Disclosure program. The Contractor Disclosure program requires DoD contractors to notify the DoD IG when a Federal criminal law was violated or a violation of the False Claims Act occurred, and will include newly required reporting of electronic counterfeit parts when the Federal Acquisition Regulation Final Rule is published. Over the past few years, IPO evaluated systemic processes including data collection and analysis to determine the effectiveness of management control systems related to sexual assault and other violent crime investigations. This includes reviewing sexual assault and other violent crime investigative policies and related programs, and to determine compliance with federal law, DoD, and Military Service investigative standards.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

- Technical Assessment Directorate (TAD) conducts expert, independent technical engineering assessments to affect improvements in defense system acquisition, operation, and sustainment by proactively addressing issues of concern to Congress, DoD, and the public. Additionally, TAD provides a variety of engineering support functions for the DOD IG audit, investigative, and evaluation organization and to other DoD organizations, as needed.

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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

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

Due to the importance of ODIG-ISPA's mission areas, ODIG-ISPA frequently receives Congressional requests and taskings for audits and evaluations. These requests are balanced against other stakeholder priorities and ODIG-ISPA resource constraints. Conducting these requests often require adjustments to the annual plan, resulting in some projects being moved to later periods in the fiscal year or pushed into the next fiscal year. As legacy projects are completed, the FY 2014 annual plan will support focus areas through new FY 2015 projects.

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

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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

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

Specific areas of OCCL's responsibility include the DoD Hotline, Freedom of Information and Privacy Act office, congressional liaison, Government Accountability Office (GAO) Liaison, public affairs, strategic communications, website management, digital and social media, and production of the Semiannual Report to Congress.

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

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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

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

In addition, OCCL maintains the DOD IG's program to promote whistleblowing and encourage personnel to report fraud, waste, and abuse to appropriate authorities.

The Office of Administration and Management (OA&M) provides mission essential services for Human Capital Management (HCM) and Operational Support. Human Capital Management provides Human Capital Advisory Services, Learning Management, Strategic Workforce Management, and Senior Leader Management. Operational Support includes the Office of Security (OSEC), Administration and Logistics Support Directorate (ALSD), Overseas Contingency Operations (OCO), and Information Systems Directorate (ISD). OA&M supervises and provides mission critical functions in support of the DOD IG's day-to-day operations at the DOD IG headquarters and 74 field offices located throughout the world to include

Hawaii, Germany, Korea, and Southwest Asia (SWA). The OA&M also supports the Warfighter (COCOM's) Inspector General training through the Combatant Command and Joint Inspector General Training and Doctrine development.

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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

I. Description of Operations Financed (cont.)

contingency operations, whistleblower protections, and intelligence matters. The OIG General Counsel serves as the OIG Designated Agency Ethics Official (DAEO) and oversees the OIG Ethics Program.

II. Force Structure Summary:

N/A

Office of Inspector General
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2015 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2014						
	FY 2013	Budget	Congressional Action			Current	FY 2015
			<u>Actual</u>	<u>Request</u>	<u>Amount</u>		
A. BA Subactivities							
Administrative Investigations	11,272	11,051	1,321	11.9	12,372	12,372	12,438
Auditing	80,342	88,735	-6,652	-7.5	82,083	82,083	82,495
CIGIE	225	779	-10	-1.3	769	468	423
Intelligence Investigations	7,155	7,395	514	6.0	7,909	7,909	7,949
OCO Funding	80,478	82,876	1,916	2.3	84,792	84,792	85,211
Other OIG	8,097	0	0	n/a	0	0	0
Policy and Oversight	100,619	91,342	9,849	10.8	101,191	101,492	96,284
Procurement	17,640	18,755	-2,295	-12.2	16,460	16,460	16,541
RDT&E Supplemental	1,761	1,000	0	0.0	1,000	1,000	1,000
Special Plans and Operations	3,112	0	0	n/a	0	0	0
Training	6,756	7,393	334	4.5	7,727	7,727	7,766
Total	318,871	312,131	3,869	1.2	316,000	316,000	311,830

* The FY 2013 Actual column includes \$8,097 thousand of FY 2013 OCO Appropriations funding (PL 113-6).

* The FY 2014 Estimate column excludes \$10,766 thousand of FY 2014 Overseas Contingency Operations Appropriations funding (PL 113-76).

* The FY 2015 Estimate excludes OCO.

Office of Inspector General
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2015 Budget Estimates

III. Financial Summary (\$ in thousands)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2014/FY 2014</u>	<u>FY 2014/FY 2015</u>
Baseline Funding	312,131	316,000
Congressional Adjustments (Distributed)	3,869	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
Subtotal Appropriated Amount	316,000	
Fact-of-Life Changes (2014 to 2014 Only)		
Subtotal Baseline Funding	316,000	
Supplemental	10,766	
Reprogrammings		
Price Changes		3,675
Functional Transfers		
Program Changes		-7,845
Current Estimate	326,766	311,830
Less: Wartime Supplemental	-10,766	
Normalized Current Estimate	316,000	

Office of Inspector General
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2015 Budget Estimates

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2014 President's Budget Request (Amended, if applicable)		312,131
1. Congressional Adjustments		3,869
a. Distributed Adjustments		
1) Increased Audit & Investigation Oversight	3,869	
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
FY 2014 Appropriated Amount		316,000
2. War-Related and Disaster Supplemental Appropriations		10,766
a. OCO Supplemental Funding		
1) FY 2014 Supplemental Budget Request	10,766	
3. Fact-of-Life Changes		
FY 2014 Baseline Funding		326,766
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2014 Estimate		326,766
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		-10,766
FY 2014 Normalized Current Estimate		316,000
6. Price Change		3,675
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2014 Program		
b. One-Time FY 2015 Increases		
c. Program Growth in FY 2015		
9. Program Decreases		-7,845
a. Annualization of FY 2014 Program Decreases		
b. One-Time FY 2014 Increases		
c. Program Decreases in FY 2015		
1) Reduced Advisory & Assistance Contract Costs due to Change in Scope	-5,955	

Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
2) Reduced Civ Pay due to Change in FTE Mix	-1,194	
3) Other Non Labor Expenses including Travel and GSA Rental Payments	-696	
FY 2015 Budget Request		311,830

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Auditing:

A prime objective of the DOD IG Strategic Plan and the Audit Strategic Plan is to assess the risks and weaknesses in the Department and recommend the development or strengthening of management practices and controls to ensure the efficient use of resources and promote effective operations. Two key measurements of Audit success are the identification of potential monetary benefits and the concurrence rate on audit recommendations that correct deficiencies. In FY 2013 to date, ODIG-AUD oversight has identified over \$23 billion in potential monetary benefits. Audits provided value to the DoD but do not always lend themselves to the identification of specific monetary benefits. Rather, these audits address 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 the ANSF.

In FY 2013, the Acquisition, Parts and Inventory Directorate (API) oversight identified challenges in contract management, inadequate contractor oversight, inadequate management of spare parts, and improper acquisition weapon systems. Oversight in these areas generally identifies significant monetary benefits. For example, DoD IG identified that DoD may spend about \$200 million in Afghanistan Security Forces Funds for spare parts for the G222 medium airlift aircraft which did not meet operational requirements. As a result, DoD canceled the program and saved an additional \$830 million in sustainment costs throughout the aircraft's lifecycle. DoD IG also identified improper procurement activities for the CH-53 aircraft which would result in an estimated \$22.2 billion to sustain additional planned aircraft. Also, DoD IG identified improvements necessary in Defense Logistics Agency's procurement of spare parts.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

In FY 2014, API is currently focusing oversight efforts on the complexities associated with acquisition and contract administration, including such areas as weapon system acquisition, requirements duplication, program management evaluation, contract pricing, supply chain management, contracts for services, and equipping and supplying the ANSF.

In FY 2015, API will continue to focus on acquisition and contract administration, including 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).

In FY 2013, the Contract Management and Payment Directorate (CMP) identified issues with facilities construction and real property maintenance as well as contract payments, improper payments and military health care for active duty. For example, Air Force construction officials did not provide effective oversight of military construction projects in Afghanistan by not developing a formal process to monitor, assess, and document the quality of work performed by contractor personnel for projects valued at \$36.9 million. This occurred because they relied completely on the technical expertise of their contractor personnel that resulted in conflicting electrical and fire prevention standards in the contract's Statement of Work and Statement of Requirement used during construction. The deficiencies led to serious increased hazards to the life and safety of coalition forces who occupy two of the four facilities reviewed and contributed to over a 6-month delay in government acceptance of one facility. In another example, the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD (USD[C]/CFO) published the FY 2012 Agency Financial Report (AFR) showing that DoD met five of the six requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA). However, DoD did not meet the established reduction target for one of its eight payment programs, the

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Defense Finance and Accounting Service (DFAS) Travel Pay. The USD(C)/CFO set the FY 2012 reduction target at 3.27 percent in the DoD FY 2011 AFR. However, the actual improper payments reported in the DoD FY 2012 AFR for DFAS Travel Pay were 5 percent of total outlays, or \$419.3 million. This occurred because authorizing officials' reviews of travel vouchers were not adequate to prevent improper payments. As a result, improper payments increased in travel, and the DoD did not achieve the improper payment reductions intended in IPERA for DFAS Travel Pay or fully comply with IPERA in FY 2012. It was also identified that other challenges remained, including \$12.3 billion in outlays that were not reviewed for improper payments but should have been. As a result, the USD(C)/CFO did not provide accurate improper payment estimates.

In FY 2014, CMP continues to focus on audits of contract administration policies, systems, and practices, management of the competitive sourcing (A-76) program, and facilities construction and real property maintenance. Additionally, audits on DoD payments to include contract payments, improper payments, and the Government Purchase Card Program and the military health care for active duty, reserves, retirees, and dependent personnel are planned.

In FY 2015 CMP will focus on contract administration policies, systems, and practices, management of the competitive sourcing (A-76) program, and facilities construction and real property maintenance. Additionally, audits on DoD payments to include contract payments, improper payments, and the Government Purchase Card Program and the military health care for active duty, reserves, retirees, and dependent personnel are planned.

In FY 2013, the Readiness and Cyber Operations (RCO) directorate identified challenges in contract management, inadequate contractor oversight, inadequate management of spare parts, and improper acquisition weapon systems. Oversight in these areas generally

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

identifies significant monetary benefits. For example, DoD IG identified that Defense Logistics Agency may not be able to collect \$282 million in overpayments on premium transportation for subsistence items support operations in Afghanistan. DoD IG also identified that the Army had not implemented an effective cyber security program for commercial mobile devices which left the Army networks more vulnerable to cyber security attacks and leakage of sensitive data.

In FY 2014, RCO is focusing on its Overseas Contingency Operations (OCO) efforts, the ODIG-AUD will place particular emphasis on SECDEF and congressional interest items, dedicating resources to high-risk/high impact areas. The DOD IG will focus its audit efforts on high-risk areas including large scale, complex logistics, systems, readiness, training, health care systems, cyber security, and cyber operation auditing programs. RCO will also continue its presence in Southwest Asia, focusing on the drawdown of troops and equipment.

In FY 2015 RCO will continue to focus on high-risk areas including large scale, complex logistics, systems, readiness, training, health care systems, cyber security, and cyber operation auditing programs. RCO will also continue its presence in Southwest Asia, focusing on the drawdown of troops and equipment. Specifically, those planned projects include disposition of equipment, and processing equipment from Afghanistan at multi modal transfer locations.

In FY 2013, the Financial Management and Reporting Directorate (FMR) again limited its financial statement audit work based on management representations concerning financial statement reliability and reorganized the workload of its two directorates that focused on financial reporting. The reorganization aimed to place more emphasis on audits related to Department's plan to achieve audit readiness of the General Fund Statement

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

of Budgetary Resources (SBR) by the end of FY 2014 and all DoD financial statements by the end of FY 2017. Coordination with the OSD Financial Improvement and Audit Readiness (FIAR) Office was also conducted on an Audit Services Acquisition Strategy, designed to prepare the Department to undergo a full financial statement audit by congressionally mandated timelines.

The auditors issued disclaimers of opinion on the DoD Agency-wide and Special Purpose FY 2012 financial statements and six of the components' statements that support the Agency-wide statements. The auditors transmitted the independent public accounting firms' unqualified opinion on the Army Corps of Engineers, the Military Retirement Fund, the TRICARE Management Activity's Contract Resource Management financial statements, and a qualified opinion on the DoD Medicare Eligible Retiree Health Care Fund. 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, Defense Agencies Initiative, and enterprise resource planning systems. 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 enterprise resource planning systems identified as being necessary for the DoD to produce auditable financial statements.

In FY 2014, FMR is currently working on requirements outlined in P.L. 112-239 and P.L. 111-84, that DoD must validate the DoD SBR and the DoD financial statements as audit ready by September 30, 2014 and September 30, 2017, respectively. DoD had already reported in the November 2011 FIAR Plan update and continued to report in the May 2013 FIAR Plan update that DoD had significantly changed its audit goals to include achieving audit readiness of the General Fund SBR by the end of FY 2014, in addition to

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

achieving audit readiness of all DoD financial statements by the end of FY 2017. However, in the November 2012 FIAR Plan update, DoD reported that it would limit the scope of first year SBR audits in FY 2015 to audits of schedules containing only current-year appropriation activity (i.e., a Schedule of Budgetary Activity). Additionally, in the May 2013 FIAR Plan update, DoD reported that the initial audits of the General Fund Schedule of Budgetary Activity will not include balances from prior-year activity. Furthermore, DoD will begin audits of the complete SBR only after achieving successful audits of current year appropriation activity. 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 DOD IG serves in an advisory role to the FIAR Directorate in updating and executing the FIAR plan and FIAR guidance.

In FY 2015 FMR 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. OSD and Service components identify segments of financial statements that are ready for review, ODIG-AUD will announce audits or attestation engagements, as appropriate.

**Office of Inspector General
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>AUDIT</u>			
Reports issued	102	105	105
Potential monetary benefits (\$ millions)	*	*	*
(* Monetary benefits cannot be estimated)			
Achieved monetary benefits (\$ millions)	*	*	*
(*Monetary benefits cannot be estimated at this time)			

Investigations:

The Defense Criminal Investigative Service (DCIS) uses several methods to evaluate performance. The most significant are fraud and corruption impacting DoD operations throughout Southwest Asia (SWA), significant procurement and acquisitions fraud, investigations of fraud, waste, and abuse, 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 2013 the following major fraud investigations requiring extensive efforts by criminal investigative components were conducted; Amgen, Inc. (\$751.6 million government recovery), Abbott Laboratories (\$500 million government recovery), United Technology Corporation (\$466 million government recovery), BAE Systems LLC (\$62.2

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

million government recovery), and Boehringer Ingelheim, (\$61.5 million government recovery). Fraud investigations often lead to additional undertakings initiated by the DOD IG or directed by Congress, the Office of the Secretary of Defense (OSD), and the Department of Justice (DoJ). The publicity of these major investigations also results in increased crime reporting.

In FY 2014 & FY 2015, 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 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.

	FY 2013 <u>To Date</u> <u>Through 06-30-2013</u>	FY 2014 <u>Estimate</u>	FY 2015 <u>Estimate</u>
Criminal Indictments and Charges	164	309	318
Criminal Convictions	158	271	285
Fines/penalties/restitutions, etc.* (\$ millions)	\$2,073.45	\$2,594.73	\$2,724.47

*Monetary recoveries includes government recoveries only and excludes asset forfeiture

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Administrative Investigations:

In FY 2013, ODIG-AI has implemented an organizational transformation that has included improvements in the organizational structure, functional alignments, business processes and technology. These improvements included: 1) establishing separate teams dedicated to performing oversight; 2) establishing positions dedicated to training, policy, outreach and statistical reporting and analysis; 3) streamlining and standardizing investigation and oversight processes; and 4) developing the next generation case action tracking system (D-CATS).

These improvements have yielded immediate tangible results in improving ODIG-AI as measured by processing a significant increase in complaints received, by retaining more investigations to be conducted by ODIG-AI, and by improving turn-around time for oversight reviews of investigations conducted by the Military Services.

The increase in staffing enabled ODIG-AI to immediately respond to senior official and whistleblower investigations that had the interest of the Secretary of Defense, Members of Congress and the news media. Examples include two investigations that substantiated the misuse of military aircraft and government resources by Combatant Commanders, an investigation that cleared a 4-star general officer of being involved in an improper relationship, and an investigation that substantiated that a contractor employee was terminated in reprisal for making protected disclosures to government personnel.

In FY 2014 and FY 2015 the ODIG-AI will continue to expand its outreach and training efforts. This will be accomplished through additional symposiums and training initiatives aligned with the DoD IG strategic focus areas of senior official accountability and whistleblower protection. Specific areas will include: senior official investigations trends and training efforts aligned with the Secretary of

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Defense and Chairman, JCS review recommendations; and implementation of expanded whistleblower protections directed by: 1) Presidential Policy Directive 19, "Protecting Whistleblowers with Access to Classified Information"; 2) the Whistleblower Protection Enhancement Act of 2012; and 3) the National Defense Authorization Act for FY13, amendment to Title 10, U.S.C. 2409, "Contractor Employees."

ADMINISTRATIVE INVESTIGATIONS (ESTIMATES BASED ON PRIOR YEAR ACTUALS)			
	FY13	FY14	FY15
INVESTIGATIONS OF SENIOR OFFICIALS (ISO)			
Complaints Received	900	1000	1100
Complaints Closed	700	800	880
Complaints Closed by ISO	400	450	495
Complaints Closed by Service/Defense Agency IGs with Oversight by ISO	300	350	385
WHISTLEBLOWER REPRISAL INVESTIGATIONS (WRI)			
Reprisal & Restriction Complaints Received	1100	1300	1430
Reprisal & Restriction Complaints Closed by WRI	400	600	660
Reprisal & Restriction Complaints Closed by Service/Defense Agency IGs with Oversight by WRI	150	200	220
Complaints of Improper Mental Health Evaluation (MHE) Referral Received	50	20	22
Complaints of Improper MHE Referral Closed by WRI	6	0	0
Complaints of Improper MHE Closed by Service/Defense Agency IGs with Oversight by WRI	20	40	44

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Policy and Oversight:

ODIG-P&O operations are evaluated based on outcomes from evaluating significant DoD programs and operations, significance and quality of audit and investigative policies provided, contractor disclosures processed, subpoenas processed, timeliness and quality of technical support provided, positive impact on draft DoD policy issuance coordinations, and follow-up of Defense Contract Audit Agency (DCAA) report recommendations. In FY 2013, ODIG-P&O issued 23 reports, 11 DCAA high-risk review memos, 3 Notices of Concern, processed 600 subpoenas, and provided technical support to 3 DOD IG audit and investigative projects. ODIG-P&O managed the DOD IG's policy coordination process for 350 draft DoD policy issuances in Fiscal Year 13. ODIG-P&O updated and published the following six DoD Issuances:

1. DoDI 7600.06 - Audit of Non-appropriated Fund Instrumentalities and Related Activities, 5 November 2012;
2. DoDI 5505.17 - Collection, Maintenance, Use & Dissemination of Personally Identifiable Information & Criminal Intelligence Concerning US Personas by LE Agencies, 17 December 2012;
3. DoDI 5505.18 - Investigation of Adult Sexual Assault in the Department of Defense, 25 January 2013;
4. DoDI 7050.03 - IG DoD Access to Records & Information, 22 March, 2013;
5. DoDI 5505.08 - Military Criminal Investigative Organizations and Other DoD Law Enforcement Organizations Investigations of Adult, Private, Consensual Sexual Misconduct, 17 April 2013;
6. DoDI 5505.06 - Investigations of Allegations against Senior Officials in the Department of Defense; 6 June 2013.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

In FY 2013, Audit, Policy and Oversight Directorate (APO) issued five Hotline reports, two external quality control reviews of Defense organizations' audit operations; one monitoring report on DCAA, three single audit quality control reviews and two oversight reviews. APO also issued 3 Notices of Concern and 11 DCAA High Risk Review Memos. APO performed 135 desk reviews of single audit reports covering \$3.8 billion in DoD funds and issued 104 memorandums that identified 115 findings and \$14.6 million in questioned costs. APO commented on the Directive-Type Memorandum and proposed DoD Instruction on Operation of the DoD Financial Certification Program. APO also provided comments on proposed reforms to cost principles, administrative, and audit requirements for grants and cooperative agreements (OMB-2013-0001). APO administered the peer review program for DoD audit organizations, encompassing oversight of peer reviews of DoD audit organizations (four completed at Defense Contract Management Agency (DCMA), Defense Finance and Accounting Services (DFAS), Marine Corp Non-appropriated Fund Audit Service, National Security Office and three planned). APO provided oversight for 2,318 open and closed contract audit reports with more than \$8.2 billion in potential savings. Also, APO issued 80 report recommendations to date and achieved a 90 percent agreement rate for those recommendations. APO participated in 8 working groups, including but not limited to the Procurement Fraud Working Group, Council on the Inspectors General on Efficiency and Integrity Grant Reform Working Group; and National Single Audit Coordinators (NSAC).

In FY 2014, APO is focusing on monitoring and evaluating DCAA audit quality and compliance with Generally Accepted Government Auditing Standards. APO is also focusing on monitoring and evaluating DCMA, including the DCMA eTool system and contracting officers' use of DCAA audit reports; updating the DoD Audit Manual and DoD Instruction 7640.2, "Policy for Follow-up on Contract Audit Reports." APO is focusing on policy and oversight of DoD audit organizations efforts in identifying and detecting fraud,

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

waste, and abuse including in the Contractor Disclosure Program; and internal control and fraud assessments, guidance, and training. APO is performing or overseeing performance of peer reviews of National Reconnaissance Office, Defense Logistics Agency (DLA, and United States Special Operations Command. Additionally, APO is also focusing on performing or overseeing the conduct of at least eight peer reviews, including follow-up work (the Service Audit Agencies including their Special Access Programs, Army National Guard Bureau, **DFAS**, DLA, Defense Information Systems Agency, and Army Internal Review). APO will also focus on at least three Defense Hotlines of DCAA and DCMA audits, reviews, management, and personnel. APO continues 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 is performing at least four single audit quality control reviews, two follow-up reviews, and continues to review all single audit reports for audit findings that require grant/contracting officer follow-up actions. The Single Audit area encompasses \$7.7 billion in DoD research and development funds associated with 22 organizations. In the contract audit follow-up area, APO is reviewing contracting officer actions on DCAA contract audit reports. In FY 2012, DCAA issued approximately 4,300 reports, which contained over \$13 billion in costs questioned and over \$800 million in disallowed costs.

In FY 2015, APO will focus on DCAA and DCMA oversight, peer reviews of DoD audit organizations, fraud related guidance and scenarios to update our fraud website and liaison on the Contractor Disclosure Program including related policy and oversight of DCAA and quality control reviews on 3 or 4 of the 22 single audit cognizant organizations.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

In FY 2013, Investigative Policy and Oversight Directorate (IPO) produced: DoDI 5505.17 "Collection, Maintenance, Use and Dissemination of Personally Identifiable Information and Law Enforcement Information by DoD Law Enforcement Activities;" DoDI 5505.18, "Investigation of Adult Sexual Assault in the Department of Defense;" DoDI 7050.03, "Office of the Inspector General of the Department of Defense Access to Records and Information;" DoDI 5505.08, "Military Criminal Investigative Organizations and Other DoD Law Enforcement Organizations Investigations of Adult, Private, Consensual Sexual Misconduct."

IPO also collaborated with the Military Criminal Investigative Organizations to address National Defense Authorization Act requirements for evidence retention on sexual assault investigations and the development of special victim capability units. In addition, they participated with various DoD and other government agencies such as the Defense Enterprise-wide Working Group and the DoD Sexual Assault Prevention and Response Office to facilitate the development of criminal investigative policy. The Contractor Disclosure Program processed 225 disclosures submitted by Defense contractors and subcontractors concerning procurement-related crimes with the Department of Justice and Defense investigative, audit, and suspension/debarment authorities and processed 82 Forms 2000 (suspected fraud and irregularity reports) and referred to Defense criminal investigators for additional work. Additionally, IPO completed an evaluation of sexual assault investigation training for military criminal investigators.

The DOD IG Subpoena Program issued 600 subpoenas in FY 2013, a 14% increase over FY 2012 and a 43% increase over FY 2011. IPO also trained 550 criminal investigators and attorneys from other DoD agencies contributing to a 25% increase in subpoenas processed in FY 2012. IPO training was integrated into DoD and military service basic and

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

advanced criminal investigative training courses which allows students to use the subpoena as an investigative tool with good success. IPO hosted the Federal Law Enforcement Training Center's Continuing Legal Education Training Program Course for DoD and other federal agency investigators and attorneys. IPO conducted, initiated or completed projects evaluating DoD adult sexual assault investigations; sexual assault training for criminal investigators; DoD compliance with Sexual Offender Registration and Notification Act; and a project to collect feedback from sexual assault victims on the DoD services provided following their assault. IPO also completed a project concerning the compromised Deoxyribonucleic acid (DNA) lab tests and DNA profiles in almost 500 criminal investigations. IPO also conducted preliminary work on a review of a death investigation entangled with a rape and perjury investigation.

In FY 2014, IPO is fielding revised investigative policies addressing: (a) DoDI 5525.12, "Implementation of the Law Enforcement Officers Safety Act of 2004," (b) DoDI 7050.05, "Coordination of Remedies for Fraud and Corruption related to Procurement Activities," and (c) DoDD 5505.09, "Interception of Wire, Electronic, and Oral Communications for Law Enforcement." The Subpoena Program is seeking a decrease in subpoena processing time, and is working within our constituent community to improve and manage the process of DCAA fraud referrals (DCAA Form 2000). IPO expects continued Congressional interest in complaints about the thoroughness of death investigations and increased oversight of investigative resources against procurement fraud. To enhance our work in this area of fraud work, 41% of our investigative workforce has completed certification as fraud examiners by the Association of Certified Fraud Examiners.

In FY 2015, IPO's work will involve issues as varied as the interviews of sex crime victims, both children and adults; undercover operations; the impact of victim advocacy on criminal investigative work, e.g., emergency transfers of sexual assault

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

complainants, etc.; the investigative thoroughness of unsolved serious crimes; child abuse in DoD home based and government daycare in DoD communities, etc.

In FY 2013, Technical Assessment Directorate (TAD) issued five reports (two congressionally required): 1) Assessment of the USAF Aircraft Accident Investigation Board (AIB) Report on the F-22A Mishap of November 16, 2010, dated February 6, 2013; 2) Advanced Combat Helmet Technical Assessment, dated May 29, 2013; 3) Assessment of the DSE Inc. 40mm Grenades; 4) Inspection of Military Construction Compliance with Electrical & Fire Protection Standards in Afghanistan; and 5) Quality Assurance Assessment of the F-35 Lightning II Program.

In addition, TAD provided technical support to three DOD IG projects: 1) Special Plans and Operations (SPO) Armed Forces Retirement Home Inspection; 2) Audit of the Acquisition of the Navy P-8A Poseidon Aircraft; and 3) Navy Enterprise Resource Planning audit.

TAD also initiated three assessments: 1) Assessment of DoD Quality Assurance Oversight for DoD Programs; 2) Assurance Policy Review - Spacecraft and Strategic Systems; and 3) the Military Housing Inspections in Japan and Korea.

In FY 2014, TAD is performing technical assessments that address issues of concern to Congress, DoD, and the public, and will give priority to those that affect life, health and safety. TAD is completing ongoing technical assessment projects on the Defense quality oversight for DoD programs, Spacecraft and Strategic systems assurance policy review, and will continue with the inspection of military housing in Japan. In the later part of the year, TAD plans to initiate a follow-on project in Korea once the Military Housing inspection in Japan is completed. TAD is also supporting DOD IG

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

components on their audit/evaluation assist requests. TAD is also conducting analysis of several ACAT I programs for other potential FY 2014 projects.

FY 2015, 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. In addition, TAD plans to perform annually one major military housing inspection in CONUS or OCONUS as follow-on inspections to the ones in Japan and Korea conducted FY14. TAD will also be supporting DOD IG components on their audit/evaluation assist requests.

	FY 2013	FY 2014	FY 2015
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>POLICY and OVERSIGHT</u>			
Audit Oversight Reports	13	14	14
Hotline Completion Reports	1	0	0
DCAA High Risk Memos	11	0	0
Notices of Concern	3	0	0
Investigative Policy and Oversight Reports	4	8	10
Contractor Disclosures Received	225	250	275
Subpoenas Issued	600	691	700
Technical Assessment Reports	5	5	5
Engineering Support to Other Component Projects	3	5	5

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Intelligence and Special Program Assessments:

Our project planning process remains critical for focusing our limited resources on the oversight of DoD Intelligence Community programs. The ODIG-ISPA FY 2015 Annual Plan highlights our efforts to identify relevant projects that can be completed ahead of schedule and thereby ensure our secondary goal of issuing more timely reports.

The FY 2013 ODIG-ISPA Annual Plan included ongoing projects as well as emergent external requirements from the SecDef, IG management, and Congress. Throughout our annual planning, and in recognition of impending fiscal constraints as a result of sequestration, we have maintained emphasis on support of the SecDef's Efficiencies Initiative. We developed a strategy that ensures continual situational awareness of the DoD's implementation of this initiative.

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

In FY 2014 and 2015, besides executing the projects remaining from the previous annual 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 continue to support Operation Enduring Freedom. The ODIG-ISPA will have to focus reviews on issues that showcase our oversight strength in areas such as cyber security, acquisition, and contracting within the DoD Intelligence community, and intelligence and counterintelligence programs and systems.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Intelligence:

In FY 2013, our office continued to follow-up on the effectiveness of suspension and debarment programs at the defense intelligence agencies. At the operational level, we evaluated the impact of the Defense Intelligence Enterprise's current intelligence focus on long-term analytic capabilities, along with the protection of sensitive information and operations.

In FY 2014, our main effort is focused on OUSD (Intelligence) programs that the intelligence agencies have responsibility to implement as well as programmatic updates on their progress in implementing various initiatives. FY 2014 areas of emphasis include the following: evaluation of DoD Intelligence Training and Education programs to identify core competencies and best practices; and an evaluation of DoD Unmanned Aerial Vehicle operations.

In FY 2015 the ODIG-ISPA will continue to look at issues throughout the intelligence enterprise, which are identified through our annual planning process. Key issues include increased awareness and utilization of the Intelligence Community Whistleblower Protection Act.

Counterintelligence:

In FY 2013, we assessed DoD Processes in Support of the Committee on Foreign Investment in the United States Determinations and Foreign Ownership, Control, or Influence Mitigation. We also launched an assessment of counterintelligence support to in-transit force protection by evaluating the Force Protection Detachment and Force Protection Response Group programs.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

In FY 2014, we are assessing Counterintelligence Support to the Defense Critical Infrastructure Program. We are also assessing counterintelligence support to the protection of DoD research, development, and acquisition.

In FY 2015 the ODIG-ISPA will continue to look at issues throughout the counterintelligence enterprise, which are identified through our annual planning process. Key issues include counterintelligence support to cyberspace.

Security:

In FY 2013, ODIG-ISPA led efforts on Public Law 111-258, "The Reducing Over-Classification Act." ODIG-ISPA was asked by the Council of Inspectors General on Integrity and Efficiency to lead the federal government effort on this congressionally mandated project.

In FY 2014, ODIG-ISPA is leading a Council of Inspectors General on Integrity and Efficiency project to develop a government-wide common framework to determine the level of protection provided to our most sensitive and cutting-edge technologies, where billions of dollars are invested. We are developing a standard assessment guide and associated inspection checklist, with the intent of ensuring that future assessments follow a consistent methodology to allow for cross-agency comparisons. We are conducting assessments, with each participant assessing their own department, to determine the reliability of the evaluation guide and corresponding inspection guidelines. We are also assessing the future use of the Militarily Critical Technologies/Developing Scientific Technologies lists.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

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

Nuclear Enterprise:

The Nuclear Enterprise continues to be identified by ODIG as one of DoD's management challenges. In FY 2013, we issued reports on the nuclear command and control crypto modernization effort, accountability of the Air Force's classified inventory of nuclear weapons related material, and a hotline report on a proposal to eliminate the U.S. Nuclear Command and Control System Support Staff. We have ongoing projects related to DoD requirements for nuclear gravity weapon delivery and nuclear weapon accident/incident response task force capability.

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

In FY 2015 the ODIG-ISPA 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

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

throughout the nuclear enterprise to ensure the recent revitalization efforts stay on track to meet Presidential direction.

Special Access Programs:

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

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

In 2013, we performed 3 classified program and acquisition audits and reported on issues including contracting, procurement, testing, security, and program management. All projects supported SecDef or IG mission priorities or management challenges. In FY 2014 and FY 2015 our plan is to continue to conduct audits related to SAP program management.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Summary:

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 chairing the JIOCG and participating in quarterly meetings of the Intelligence Community IG Forum to prevent duplication and overlap between the DOD IG, Service audit and Inspectors General agencies; or jointly with JIOCG and Intelligence Community IG Forum members.

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<u>INTELLIGENCE AND SPECIAL PROGRAM ASSESSMENTS</u>			
Reports issued	14	16	18

Special Plans and Operations (SPO):

FY 2013

Southwest Asia:

To fill a perceived information gap among senior leaders in the Office of the Secretary of Defense and relevant Congressional Committees, SPO selects, summarizes, and concisely presents six months of quantitative and qualitative metrics deemed indicative of progress toward the goal of developing a sustainable Afghan National Security Force (ANSF) for transition to Afghan control by 2014. We produce separate, periodic reports for the Afghan National Police and the Afghan National Army, alternating the reports with each issue. In February 2013, we released a report focused on the Afghan National

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Army. This report is classified CONFIDENTIAL RELEASABLE TO NATO/ISAF in accordance with U.S. policy.

In July 2013, SPO released a metrics report tracking the development of the Afghan National Police. This report is classified CONFIDENTIAL RELEASABLE TO NATO/ISAF in accordance with U.S. policy.

In September 2013, SPO released the second semi-annual metrics report tracking the development of the Afghan National Army. This report is classified CONFIDENTIAL RELEASABLE TO NATO/ISAF in accordance with U.S. policy.

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 the Dawood National Military Hospital (Dawood) and continue oversight of the development of a sustainable ANSF medical logistics and healthcare capability." In response to this direction, SPO conducted a site visit at Dawood in February 2012, to assess the progress being made by the Command and more importantly, the ANA, to improve health care standards. SPO conducted a second site visit in July 2012 to review the status of U.S. and Coalition efforts to improve the healthcare management and treatment of patients, and the related sanitation conditions and medical logistics processes. SPO released the final report in March 2013.

In a continuing series of assessments that focus on the train and equip missions in Afghanistan, during April and May of 2012, SPO conducted field work on U.S. and Coalition efforts to develop the ANSF command and control system. The assessment determined whether the DoD will complete the development of an operational ANSF command

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

and control system by the end-of-2014 date for transition of security responsibility to Afghan control. SPO released the final report in March 2013.

In a continuing series of assessments focusing on the train and equip missions in Afghanistan, SPO released a final report in May 2013 on U.S. and Coalition efforts to develop the Afghan Border Police. The Afghan Border Police provide security along the 5,529 kilometers of international border, as well as at border crossings and ports of entry, such as airports and rail crossings. The Afghan Border Police have a critical mission in safeguarding the national boundaries against external aggression, taking immediate action against border incursions, and deterring insurgency and criminal activities between established border crossing points.

In a self-initiated assessment selected in coordination with the NATO Training Mission-Afghanistan / Combined Security Transition Command - Afghanistan Inspector General, SPO conducted field work in June 2012 to assess U.S. and Coalition efforts to develop leaders in the Afghan National Army. Objectives included assessing the sufficiency of the Coalition's leader development programs for developing officers and non-commission officers in support of the goal of establishing self-sustaining, Afghan-led security by the end of 2014. SPO released the final report in June 2013.

In the continuing series of projects focusing on the train and equip missions in Afghanistan, SPO conducted an assessment of U.S. and Coalition efforts to develop and transition critical operational enablers to ANSF. Enablers are those capabilities essential to supporting a successful outcome on the battlefield, including aviation, Counter-Improvised Explosive Device, medical, intelligence, engineering, special operations forces, fires, mobile strike forces, and operational coordination centers. The majority of ANSF operational units have been organized, equipped, and fielded, but

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

their success is currently dependent on U.S.-provided enablers for sustainment and operational effectiveness. SPO conducted field work in Afghanistan during March 2013 and released the first enabler report, a high-level overview of the key issues specifically for Congress, in August 2013.

A second report on enablers in Afghanistan, with detailed cross cutting observations and recommendations, was released in September 2013.

Work in Iraq included performing an assessment of the Office of Security Cooperation - Iraq to determine whether the OSC-I was adequately structured and resourced to accomplish its mission, and to identify impediments to mission accomplishment. SPO conducted fieldwork in November 2012 and released the final report in August 2013.

Medical:

As a result of a congressional request for assistance, SPO announced the "Wounded Warriors Matters" project in the June 2010. This assessment determined whether the DoD programs for the care, management, and transition of recovering service members wounded during deployment to Iraq or Afghanistan are managed effectively and efficiently. SPO published reports on the warrior transition programs at Ft. Sam Houston, Ft. Drum, Camp Pendleton, and Camp Lejeune in 2011 and 2012, and the final report on the warrior transition unit at Joint Base Lewis-McChord in May 2013.

Continuing the series of assessments of DoD programs for the care, management, and transition of recovering service members wounded during deployment to Iraq or Afghanistan, SPO released a final report on the warrior transition unit at Ft Riley in July 2013.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Congressional / Statute:

Section 1566 of 10 United States Code requires that the Inspectors General of the Army, Navy, Air Force, and Marine Corps conduct an annual review of their voting assistance programs. Upon completion of their annual reviews, each Service Inspector General is required to submit a report to the DoD Inspector General, who in turn, submits a summary report to Congress. SPO complied with these directives and published, "Assessment of Voting Assistance Programs for Calendar Year 2012" in April 2013.

Section 592 of the FY12 National Defense Authorization Act required DoD IG to conduct an inspection of a statistically valid sample of US military cemeteries at current or former installations under the jurisdiction of military departments. During field work conducted March - September 2012, SPO visited 34 cemeteries: 22 Army, 5 Navy, 6 Air Force and 1 Marine. SPO released the final report in June 2013.

In accordance with Section 847 of Public Law 110-181, which establishes ethics requirements for senior DoD officials seeking employment with defense contractors, SPO conducted an assessment to determine whether DoD officials, ethics counselors, contractors and systems are in compliance with the provisions of the law. SPO released the final report in August 2013.

In response to the "William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008," SPO released assessments reviewing CTIP clause inclusion in contracts in the U.S. Pacific, Central, European, and Africa Commands areas of responsibility. SPO released a report evaluating DoD CTIP in Afghanistan in May 2012 and a report reviewing CTIP program implementation in DoD components in August 2013.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

As required by Public Law 112-81, SPO inspected the Armed Forces Retirement Home (AFRH) in Washington, DC and and Gulfport, MS, conducting field work from August - September 2012. During the inspection, multiple whistleblowers made allegations of misconduct and patient neglect by AFRH healthcare staff, and misconduct and mismanagement by AFRH management. As resident health and safety is a matter of primary concern and the timely identification of any related risk factors is critical, SPO engaged the Acting USD (P&R) by management letter and personal briefing on March 21, 2013 outlining our concerns with medical care at the AFRH and related management issues. SPO released the final report in September 2013.

In response to the National Defense Authorization Act for Fiscal Year 2013, SPO conducted an assessment to determine the execution of, and compliance with, the Army Directive for Arlington National Cemetery (ANC), including: the sufficiency of contract management and oversight procedures; current and planned information and technology systems, applications, and contracts; current organizational structure and manpower; and compliance with, and execution of, all plans, reviews, studies, evaluations, and requirements specified in the Army Directive; and the adequacy of current practices at ANC to provide information, outreach, and support to families of those individuals buried at ANC regarding procedures to detect and correct any current errors in burials at ANC. SPO released the final report in September 2013.

FY 2014

Southwest Asia:

Continuing its series of periodic reporting of quantitative and qualitative metrics deemed indicative of progress toward the goal of developing a sustainable Afghan National Security Force, SPO is planning to release a report on the Afghan National Police the 1st quarter of FY14.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Continuing its series of periodic reporting of quantitative and qualitative metrics deemed indicative of progress toward the goal of developing a sustainable Afghan National Security Force, SPO is planning to release a report on the Afghan National Army the 1st quarter of FY14.

In the latest in the series of assessments evaluating the development of the Afghan military healthcare system, SPO initiated a project to assess U.S. and Coalition efforts to develop effective and sustainable healthcare capability in support of the Afghan National Police. Field work is ongoing. SPO is planning to release the final report in January 2014.

In a self-initiated assessment, SPO is evaluating plans and activities that have been accomplished or implemented thus far to transfer the security cooperation and assistance activities in Afghanistan from DoD to an Office of Security Cooperation - Afghanistan (OSC-A) under Department of State and Chief of Mission authority, and to make recommendations to facilitate or improve the transition of these functions to the OSC-A in accordance with existing security cooperation guidance and security assistance regulations. SPO plans to release a final report in the 2nd quarter of FY14.

In a self-initiated assessment suggested by the ISAF Joint Command Inspector General, SPO intends to assess the effectiveness and sufficiency of the planning for, and execution of, the transfer of DoD tasks to the Department of State in preparation for the withdraw of U.S. combat troops by the end of 2014.

In another of a continuing series of assessments focusing on the train and equip missions in Afghanistan, SPO plans to evaluate key logistical areas critical to the

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

development of ANSF ability to sustain itself after the 2014 transition date. SPO projects the final report will be released the beginning of the 3rd quarter of FY14.

Global Security Issues:

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

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

SPO plans to announce in FY 14 an assessment on the DoD Security Cooperation Mission for Taiwan executed through the American Institute in Taiwan. The objective is to review 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.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Medical:

As follow-on to the six site reports assessing warrior transition programs at Ft. Sam Houston, Ft. Drum, Camp Pendleton, Camp Lejeune, Ft Riley and Joint Base Lewis-McChord, SPO is preparing capping reports which will review systemic problems identified across all six warrior transition programs. SPO plans to release a capping report about medication management in September 2013.

SPO plans to release a second capping report, focused on the adequacy of planning, selection, and training of permanent staff in the transition programs, also in September 2013.

SPO will assess the DoD Suicide Event Report (DoDSER), a standardized database used by the military services as the "system of record" for reporting suicide behavior, to determine the extent that incomplete or inaccurate data from the DoDSER may have been used when making program or policy decisions on suicide prevention efforts.

A second project about DoD suicide prevention programs will 1) evaluate DoD oversight of all Suicide Prevention policies and programs that have been accomplished or implemented in support of suicide prevention efforts, and 2) determine whether the DoD has effectively implemented suicide prevention efforts in accordance with the recommendations made by the 2010 DoD Task Force on the Prevention of Suicides by Members of the Armed Forces.

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Congressional / Other:

Section 1566 of 10 United States Code requires that the Inspectors General of the Army, Navy, Air Force, and Marine Corps conduct an annual review of their voting assistance programs. Upon completion of their annual reviews, each Service Inspector General is required to submit a report to the DoD Inspector General, who in turn, submits a summary report to Congress. SPO plans to release a final report the 2nd quarter of 2014.

In a self-initiated assessment, SPO is evaluating DoD's interaction with State Defense Forces which are statutorily authorized military forces to the states. These forces, along with the National Guard, are the constitutionally authorized and recognized militia of the states. The assessment is reviewing relevant DoD regulations, compliance with these regulations and will determine impediments to effective DoD/State Defense Forces interaction. SPO plans to release the final report in the 1st quarter of 2014.

FY 2015

Depending on the shape and size of post-2014 U.S. mission in Afghanistan SPO will continue assessing the development of the Afghan National Security Forces.

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:

- Training and equipping foreign military forces
- Security Cooperation / Assistance programs worldwide
- Counter-terrorism operations

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

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:

- Military healthcare
- The Federal Voting Assistance Program

	FY 2013 <u>Actual</u>	FY 2014 <u>Estimate</u>	FY 2015 <u>Estimate</u>
<u>SPECIAL PLANS and OPERATIONS</u>			
SPO reports	18	15	15

Office of Inspector General
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2015 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2013</u> <u>Actual</u>	<u>FY 2014</u> <u>Estimate</u>	<u>FY 2015</u> <u>Estimate</u>
<u>AUDIT</u>			
Reports issued	102	105	105
Potential monetary benefits (\$ millions) (* Monetary benefits cannot be estimated)		*	*
Achieved monetary benefits (\$ millions) (*Monetary benefits cannot be estimated at this time)	*	*	*
<u>CRIMINAL INVESTIGATIONS</u>			
Indictments and Charges	164	309	318
Convictions	158	271	285
Fines/penalties/restitutions, etc. (\$ millions)	\$2,073.4	\$2,594.7	\$2,724.5
<u>ADMINISTRATIVE INVESTIGATIONS</u>			
Complaints Received	900	1000	1100
Complaints Closed	700	800	880
Complaints Closed by ISO	400	450	495
Complaints Closed by Service/Defense Agency IGs with Oversight by ISO	300	350	385
Whistleblower Reprisal Investigations-	1100	1300	1430

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2013 Actual</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>
Complaints Received			
Whistleblower Reprisal Investigations- Complaints Closed by WRI	400	600	660
Whistleblower Reprisal Investigations- Complaints Closed by Service/Defense Agency IGs with Oversight by WRI	150	200	220
Whistleblower Reprisal Investigations- Complaints of Improper Mental Health Evaluation (MHE) Referral Received	50	20	22
Whistleblower Reprisal Investigations- Complaints of Improper MHE Referral Closed by WRI	6	0	0
Whistleblower Reprisal Investigations- Complaints of Improper MHE Completed by Service/Defense Agency IGs with Oversight by WRI	20	40	44
<u>POLICY and OVERSIGHT</u>			
Audit oversight reports	13	14	14
Hotline completion reports	1	0	0
Investigative Policy and Oversight reports	4	8	10
Contractor Disclosures Submitted	225	250	275
DCAA High Risk Memos	0	3	3

Office of Inspector General
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2015 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2013</u> <u>Actual</u>	<u>FY 2014</u> <u>Estimate</u>	<u>FY 2015</u> <u>Estimate</u>
Subpoenas issued	600	691	700
Notices of Concern	3	0	0
Technical Assessment reports	5	5	5
Engineering support to other Components' final reports	3	5	5
 <u>INTELLIGENCE</u>			
Reports issued	14	16	18
 <u>SPECIAL PLANS and OPERATIONS</u>			
SPO reports	18	15	15
 <u>COMMUNICATIONS & CONGRESSIONAL LIAISON</u>			
Hotline calls/letters received	32,000	42,000	50,000
Substantive cases generated	4,000	6,000	8,000
Opened congressional inquiries	145	200	200
Closed congressional inquiries	180	225	225
FOIA requests received	700	750	800
FOIA requests processed	450	450	450
FOIA appeals received	25	25	25
GAO Draft / Final Reports Reviewed	328	341	358
GAO Announcement Received	217	223	210

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

V. <u>Personnel Summary</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Change FY 2013/ FY 2014</u>	<u>Change FY 2014/ FY 2015</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>	<u>0</u>
Officer	27	27	27	0	0
Enlisted	1	1	1	0	0
<u>Civilian End Strength (Total)</u>	<u>1,549</u>	<u>1,685</u>	<u>1,693</u>	<u>136</u>	<u>8</u>
U.S. Direct Hire	1,548	1,684	1,692	136	8
Total Direct Hire	1,548	1,684	1,692	136	8
Foreign National Indirect Hire	1	1	1	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>0</u>	<u>0</u>
Officer	27	27	27	0	0
Enlisted	1	1	1	0	0
<u>Civilian FTEs (Total)</u>	<u>1,568</u>	<u>1,614</u>	<u>1,614</u>	<u>46</u>	<u>0</u>
U.S. Direct Hire	1,567	1,613	1,613	46	0
Total Direct Hire	1,567	1,613	1,613	46	0
Foreign National Indirect Hire	1	1	1	0	0
Average Annual Civilian Salary (\$ in thousands)	151.0	147.9	148.7	-3.1	.8
<u>Contractor FTEs (Total)</u>	<u>109</u>	<u>107</u>	<u>102</u>	<u>-2</u>	<u>-5</u>

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

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

<u>OP 32 Line</u>	<u>FY 2013</u> <u>Actual</u>	<u>Change</u> <u>FY 2013/FY 2014</u>		<u>FY 2014</u> <u>Estimate</u>	<u>Change</u> <u>FY 2014/FY 2015</u>		<u>FY 2015</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	235,374	1,765	409	237,548	2,375	-1,199	238,724
111 Disability Compensation	913	0	58	971	0	5	976
121 PCS Benefits	516	0	-292	224	0	0	224
199 Total Civ Compensation	236,803	1,765	175	238,743	2,375	-1,194	239,924
308 Travel of Persons	5,062	97	831	5,990	108	-108	5,990
399 Total Travel	5,062	97	831	5,990	108	-108	5,990
647 DISA Enterprise Computing Centers	4,766	160	-1,564	3,362	-25	86	3,423
699 Total DWCF Purchases	4,766	160	-1,564	3,362	-25	86	3,423
771 Commercial Transport	458	9	-129	338	6	0	344
799 Total Transportation	458	9	-129	338	6	0	344
912 Rental Payments to GSA (SLUC)	22,071	419	-141	22,349	402	-402	22,349
913 Purchased Utilities (Non-Fund)	82	2	11	95	2	0	97
915 Rents (Non-GSA)	36	1	-37	0	0	0	0
917 Postal Services (U.S.P.S)	24	0	11	35	1	0	36
920 Supplies & Materials (Non-Fund)	1,643	32	56	1,731	31	-8	1,754
921 Printing & Reproduction	160	3	77	240	4	-4	240
922 Equipment Maintenance By Contract	1,556	30	-173	1,413	25	0	1,438
923 Facilities Sust, Rest, & Mod by Contract	2	0	6	8	0	0	8
925 Equipment Purchases (Non-Fund)	4,289	81	-360	4,010	72	-18	4,064
932 Mgt Prof Support Svcs	26,223	498	-4,042	22,679	408	-5,955	17,132
934 Engineering & Tech Svcs	4,769	91	-1,142	3,718	67	-67	3,718
961 Other Costs (Unvouchered)	257	0	-7	250	0	0	250
986 Medical Care Contracts	3	0	-3	0	0	0	0
987 Other Intra-Govt Purch	6,818	130	-1,284	5,664	102	-102	5,664
989 Other Services	3,849	73	1,453	5,375	97	-73	5,399
999 Total Other Purchases	71,782	1,360	-5,575	67,567	1,211	-6,629	62,149
Total	318,871	3,391	-6,262	316,000	3,675	-7,845	311,830

**Office of Inspector General
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates**

- * The FY 2013 Actual column **includes** \$8,097 thousand of FY 2013 OCO Appropriations funding (PL 113-6).
- * The FY 2014 Estimate column **excludes** \$10,766 thousand of FY 2014 Overseas Contingency Operations Appropriations funding (PL 113-76).
- * The FY 2015 Estimate **excludes** OCO.