

**Fiscal Year (FY) 2019 President's Budget**

**Operation and Maintenance, Defense-Wide**

**Office of Inspector General**



**February 2018**

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

	FY 2017 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2018 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2019 <u>Estimate</u>
OIG	326,054	6,060	4,773	336,887	2,614	-10,228	329,273

\* The FY 2017 Actual column includes \$16,639.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

\* The FY 2018 Estimate column excludes \$24,692.0 thousand of FY 2018 OCO Appropriations Funding.

\* The FY 2019 Estimate column excludes \$24,692.0 thousand of FY 2019 OCO Appropriations funding.

**I. Description of Operations Financed:** The Department of Defense (DoD) Inspector General (IG) is the principal adviser to the Secretary of Defense (SecDef) for matters relating to the prevention and detection of fraud, waste, and abuse in DoD programs and operations. The DoD Office of Inspector General (OIG) audits, investigates, inspects, and evaluates the programs and operations of the DoD and, as a result, recommends policies and process improvements that promote economy, efficiency, effectiveness, and ethical conduct in DoD programs and operations. The DoD OIG executes its mission and responsibilities through the activities of six oversight Components, plus the Office of General Counsel and mission support functions. Audit, Defense Criminal Investigative Service, Administrative Investigations, Policy and Oversight, Intelligence and Special Program Assessments, and Special Plans and Operations. Specifically:

1. **Audit:** Conducts independent, relevant, and timely audits that promote economy, efficiency, and effectiveness with sound actionable recommendations that, when effectively implemented, improve the Department's programs, operations, and stewardship of its resources.
2. **Defense Criminal Investigative Service (DCIS):** Conducts criminal investigations of matters related to DoD programs and operations, focusing on procurement fraud and

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I. **Description of Operations Financed (cont.)**

public corruption, product substitution, health care fraud, illegal technology transfer, and cybercrimes and computer intrusions.

3. **Administrative Investigations (AI)**: Investigates allegations of misconduct by senior DoD officials and allegations of whistleblower reprisal and restriction from communication with an IG or Member of Congress. AI also provides a confidential DoD Hotline for reporting fraud, waste, and abuse, and for detecting and preventing threats and danger to the public health and safety of DoD. The director of the DoD Hotline is also the DoD Whistleblower Protection Ombudsman.
4. **Special Plans and Operations (SPO)**: Conducts evaluations that address priority national security objectives and congressionally mandated projects in order to enable timely decision making by DoD and congressional leaders.
5. **Policy and Oversight (P&O)**: Provides oversight and policy for DoD audit and investigative activities, conducts engineering assessments of DoD programs, provides technical advice and support to DoD OIG projects, and operates the DoD OIG subpoena and contractor disclosure programs.
6. **Intelligence and Special Program Assessments (ISPA)**: Provides oversight across the full spectrum of programs, policies, procedures, and functions of the intelligence and counterintelligence enterprises, special access programs, the nuclear enterprise, and related security issues within DoD.
7. **Office of General Counsel (OGC)**: Provides legal advice and counsel on all matters relating to the missions, functions, responsibilities, and duties of the DoD OIG.
8. **Mission Support**: Provides essential mission support services to the operational components, both at the DoD OIG headquarters and at field offices located throughout the world.

The aggregate FY 2019 budget request for the operations of the DoD OIG is \$329.3 million:

DoD OIG OP-5 Exhibit

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**I. Description of Operations Financed (cont.)**

\$327.6 million Operation and Maintenance, \$1.6 million RDT&E, \$0.06 million Procurement, and \$8.6 million Reimbursable Authority. The portion of Operation and Maintenance funding needed for DoD OIG training is \$3.7 million, and the amount needed to support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is \$0.9 million.

**Audit:** Audit conducts independent audits of all facets of DoD operations, focused particularly on areas identified in statutory requirements, the DoD Management Challenges, congressional and DoD management interest areas, and various DoD strategy documents. Audit also conducts oversight that benefits DoD by addressing critical life and safety issues; improving operations and financial accountability; strengthening internal controls; identifying fraud, waste, and abuse; ensuring compliance with statutes and regulations; improving national security; and identifying potential savings. Audit determines project topics by law, requests from the Secretary of Defense and other DoD leaders; Defense Hotline allegations; congressional requests; and risk analyses of DoD programs. Audit topics encompass contract management, including contract pricing of spare parts, services contracts, improper payments, and contractor overhead costs; major and non-major weapons and information technology systems acquisitions; financial management and audit readiness; business systems modernization; cyber operations; health care; and joint warfighting and readiness. Audit is comprised of four directorates:

1. The Acquisition and Sustainment Management (ASM) Directorate performs audits of weapons systems and information technology acquisitions, spare parts procurement and pricing, and management of Government-owned inventory. ASM audits determine best value, fair and reasonable cost, and the adequacy of program planning and execution. Their audits also determine if program management determination in program costs, scheduling, and performance during the acquisition planning process is valid for major and non-major weapons and information technology systems.

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**I. Description of Operations Financed (cont.)**

2. The Contract Management and Payment (CMP) Directorate performs audits of contract awards and administration; energy contracts; fair and reasonable pricing; Government purchase and travel cards; improper payments; transportation, contract, and health care payments; Overseas Contingency Operations (OCOs); and construction and sustainment.
3. The Financial Management and Reporting (FMR) Directorate performs audits of finance and accounting systems, and of DoD functions and activities established to carry out DoD's fiscal responsibilities. FMR audits also focus on DoD audit readiness efforts and DoD financial statements.
4. The Readiness and Cyber Operations (RCO) Directorate performs audits of cyber operations, joint operations, force management, and readiness. RCO audits identify deficiencies that span all combatant commands to ensure that the warfighter is equipped and trained for the mission.

**Defense Criminal Investigative Service:** The Office of the Deputy Inspector General for Investigations is also known as the Defense Criminal Investigative Service. DCIS focuses on fraud investigations in areas, including health care, procurement, defective pricing, and substituted and counterfeit products; investigations of public corruption, including bribery, kickbacks, and theft; technology protection investigations, including illegal transfer, theft, or diversion of DoD technologies and U.S. Munitions List items to forbidden nations and persons; and cybercrime investigations. Procurement fraud investigations comprise a major portion of DCIS's case inventory. Procurement fraud includes cost or labor mischarging, defective pricing, price fixing, bid rigging, and defective and counterfeit parts. Fraud poses a serious threat to DoD's ability to achieve its operational objectives, and it can negatively impact program implementation. DCIS places the highest priority on investigations impacting safety and operational readiness to protect the welfare of warfighters. Public official corruption poses a fundamental

DoD OIG OP-5 Exhibit

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threat to U.S. national security and undermines the public's trust in the Government. DCIS uses undercover operations, court authorized electronic surveillance, and forensic audit techniques to investigate those whose actions undermine the integrity of the DoD acquisition system.

DCIS conducts investigations of counterfeit, defective or substandard products, and substituted products that do not conform with contract specifications. Nonconforming products disrupt readiness, waste resources, and threaten military and end-user safety. Defective products can negatively impact critical processes and capabilities. DCIS works with Federal law enforcement partners, supply centers, and the defense industrial base to ensure that DoD contractors provide contractually agreed-upon components. DCIS actively participates in the Defense Supply Center-Columbus Counterfeit Material/Unauthorized Products Substitution Team and partners at the national level with the Intellectual Property Rights Coordination Center to prevent the proliferation of counterfeit parts. DCIS investigates allegations of theft and illegal export or diversion of strategic technologies and U.S. Munitions List items to banned nations, criminal enterprises, and terrorist organizations. These investigations include the illegal transfer or theft of sensitive defense technologies and weapon systems. DCIS coordinates with the U.S. Immigration and Customs Enforcement's Homeland Security Investigations, Department of Commerce's Office of Export Enforcement and the Federal Bureau of Investigation to stem the illegal diversion of DoD technologies and weapon systems through criminal investigations and awareness training, which includes briefings to encourage DoD and contractor employees to report crimes. DCIS' criminal investigative effort includes undercover operations that target theft of critical technology; unlawful access to sensitive computer networks; and the substitution of counterfeit, substandard, or defective material. Undercover operations have proven to be effective, and directly support protecting DoD's technological edge and the Global Information Grid.

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**I. Description of Operations Financed (cont.)**

DCIS's investigations in health care have increased, and health care fraud is a significant investigative priority, particularly as it relates to military families. Investigations scrutinize corruption and kickback schemes involving health care providers, overcharging, marketing drugs for uses not approved by the Federal Drug Administration, and approving unauthorized individuals to receive TRICARE benefits. DCIS proactively targets health care fraud through coordination with other Federal agencies and participation in Federal and state task forces.

**Administrative Investigations:** Administrative Investigations performs oversight reviews of investigations conducted by the Military Services, Combatant Commands, and Defense Agency Inspectors General of allegations on senior official misconduct, whistleblower reprisal, and restriction of military members from contacting an Inspector General or Member of Congress. Three directorates comprise AI:

1. Whistleblower Reprisal Investigations,
2. Investigations of Senior Officials, and
3. DoD Hotline.

Whistleblower Reprisal Investigations (WRI) is responsible for the DoD Whistleblower Protection Program, which encourages personnel to report fraud, waste, and abuse to appropriate authorities. The DoD Whistleblower Protection Program provides methods to address complaints of reprisal and recommends remedies for whistleblowers who encounter reprisal, consistent with applicable laws, regulations, and policies. WRI conducts and provides oversight of investigations of allegations of whistleblower reprisal that involve military members, DoD contractor employees, non-appropriated fund employees, Intelligence Community personnel, and civilian employees. Investigations of Senior Officials (ISO) investigates allegations of misconduct against general and flag officers,

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**I. Description of Operations Financed (cont.)**

members of the Senior Executive Service, and Presidential Appointees. Additionally, ISO conducts over 12,000 security background checks annually on senior DoD officials whose career actions are pending nomination by the President, and confirmation by the Senate. The DoD Hotline provides a confidential, reliable means to report violations of law, rule, or regulation; fraud, waste, and abuse; mismanagement; trafficking in persons, and serious security incidents that involve the DoD. The detection and prevention of threats and dangers to the health and safety of DoD personnel and the United States are also an essential element of the DoD Hotline mission.

**Special Plans and Operations:** Special Plans and Operations conducts assessments supporting national security objectives and in response to congressional requirements, including projects assessing operations in Southwest Asia (SWA), global security issues, and medical and health care issues. For example, SPO assesses DoD's efforts to support counterterrorism and stability operations by foreign national security forces under programs such as Section 1206 and 2282 of recent National Defense Authorization Acts. In addition, SPO has conducted assessments of the Wounded Warrior Transition Program, the DoD Federal Voting Assistance Program, the DoD Prisoner of War/Missing in Action Accounting Community, Rights of Conscience Protections for Armed Forces Services Members and their Chaplains, and the Armed Forces Retirement Home.

**Policy and Oversight:** Policy and Oversight provides policy, guidance, and oversight for the audit and criminal investigative functions within the DoD. 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 OIG audits and assessments. P&O is comprised of three directorates:

1. The Audit Policy and Oversight Directorate (APO) provides audit policy direction, guidance, and oversight for Audit, the Military Departments' audit organizations, DoD OIG OP-5 Exhibit

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the Defense Contract Audit Agency (DCAA), other Defense audit organizations, and for public accounting firms auditing DoD activities under the Single Audit Act. APO also conducts and oversees peer reviews of 21 DoD audit organizations. In addition, APO develops policy, evaluates program performance, and monitors actions taken by all DoD Components in response to DCAA audits. APO assumed responsibility for DoD-wide policy on performing inspections and evaluations (I&E). APO provides guidance for the I&E functions performed by 17 Defense agencies, the joint and combatant commands, and the Military Departments.

2. The Investigative Policy and Oversight Directorate (IPO) evaluates the performance of and develops policy for the DoD criminal investigative and law enforcement community, which consists of 63,000 law enforcement and security personnel and special agents. IPO also manages the DoD Subpoena and Contractor Disclosure programs. The Contractor Disclosure program requires DoD contractors to notify the DoD OIG when a Federal criminal law is violated or a violation of the False Claims Act occurs, including the reporting of electronic counterfeit parts. IPO evaluates sexual assault and other violent crime investigations, which includes reviewing related criminal investigative policies and related programs, and determining compliance with Federal law and investigative standards for the DoD and Military Services.
3. The Technical Assessment Directorate (TAD) conducts independent technical engineering assessments to improve Defense system acquisitions, operations, 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 OIG's other components and other organizations in DoD as needed.

**Intelligence and Special Program Assessments:** Intelligence and Special Program Assessments conducts evaluations, inspections and assessments, including monitoring and DoD OIG OP-5 Exhibit

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**I. Description of Operations Financed (cont.)**

reviewing various programs, policies, procedures, and functions of the DoD Intelligence, Counterintelligence, Security, Nuclear Enterprise, and Special Access Programs. ISPA reviews and evaluates topics determined by law, requests from the Secretary of Defense and other DoD leadership, DoD Hotline allegations, congressional requests, and ISPA's risk analysis. The Deputy Inspector General for ISPA chairs the Defense Intelligence and Special Programs Oversight Committee (DISPOC), which promotes and improves information sharing among DoD Auditors and Inspectors General. The DISPOC facilitates effective coordination and cooperation to minimize duplication.

**The Office of General Counsel:** The Office of General Counsel provides independent, objective and comprehensive advice, and legal counsel to the DoD OIG on all matters related to the agency mission. The scope of advice and legal opinions from the OGC includes criminal and administrative investigations, procurement and fiscal law, personnel and equal employment advice and agency representation, ethics, international law and contingency operations, whistleblower protections, and intelligence matters. The OGC serves as the Designated Agency Ethics Official for the OIG and oversees the OIG Ethics Program. The OGC also has responsibility for the Freedom of Information Act, Privacy, and Civil Liberties Office.

**Mission Support:** Mission Support functions provide mission essential services to the OIG operational Components, both at the DoD OIG headquarters and at 63 field offices located throughout the world. These support services include financial management, human capital management, security program management, logistics management, information technology services, strategic planning, equal employment opportunity programs, legislative affairs and communications, and quality assurance and standards oversight.

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II. Force Structure Summary:

N/A

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A. BA Subactivities	FY 2017 Actuals	Budget Request	FY 2018			Current Estimate	FY 2019 Estimate
			Congressional Action				
			Amount	Percent	Appropriated		
1. Audit	81,717	92,477	0	0.0	0	92,477	93,542
2. Defense Criminal Investigative Service/ Investigations	80,440	85,384	0	0.0	0	85,384	72,502
3. Administrative Investigations	19,708	23,893	0	0.0	0	23,893	25,699
4. Policy and Oversight	15,003	19,558	0	0.0	0	19,558	17,452
5. Intelligence and Special Program Assessments	6,774	8,939	0	0.0	0	8,939	7,887
6. Special Plans and Operations	7,089	8,502	0	0.0	0	8,502	8,256
7. Oversight and Review Division	0	3,336	0	0.0	0	3,336	0
8. Mission Support	94,069	94,798	0	0.0	0	94,798	102,273
9. Overseas Contingency Operations	16,639	0	0	0.0	0	0	0
10. RDT&E: DCATSe & CRMIS	4,615	0	0	0.0	0	0	1,602
11. Procurement: DMEN	0	0	0	0.0	0	0	60
<b>Total</b>	<b>326,054</b>	<b>336,887</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>336,887</b>	<b>329,273</b>

\* The FY 2017 Actual column includes \$16,639.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

\* The FY 2018 Estimate column excludes \$24,692.0 thousand of FY 2018 OCO Appropriations Funding.

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<b>B. <u>Reconciliation Summary</u></b>	<b>Change</b>	<b>Change</b>
	<b><u>FY 2018/FY 2018</u></b>	<b><u>FY 2018/FY 2019</u></b>
<b>Baseline Funding</b>	<b>336,887</b>	<b>336,887</b>
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)		
<b>Subtotal Appropriated Amount</b>	<b>336,887</b>	
Fact-of-Life Changes (2018 to 2018 Only)		
<b>Subtotal Baseline Funding</b>	<b>336,887</b>	
Supplemental	24,692	
Reprogrammings		
Price Changes		2,614
Functional Transfers		-5,000
Program Changes		-5,228
<b>Current Estimate</b>	<b>361,579</b>	<b>329,273</b>
Less: Wartime Supplemental	-24,692	
<b>Normalized Current Estimate</b>	<b>336,887</b>	

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**III. Financial Summary (\$ in thousands)**

<b><u>C. Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
<b>FY 2018 President's Budget Request (Amended, if applicable)</b>		<b>336,887</b>
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
<b>FY 2018 Appropriated Amount</b>		<b>336,887</b>
2. War-Related and Disaster Supplemental Appropriations		24,692
a. OCO Supplemental Funding		
1) FY 2018 Supplemental Budget Estimate for OCO	24,692	
3. Fact-of-Life Changes		
<b>FY 2018 Baseline Funding</b>		<b>361,579</b>
4. Reprogrammings (Requiring 1415 Actions)		
<b>Revised FY 2018 Estimate</b>		<b>361,579</b>
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		-24,692
<b>FY 2018 Normalized Current Estimate</b>		<b>336,887</b>
6. Price Change		2,614
7. Functional Transfers		-5,000
a. Transfers In		
b. Transfers Out		
1) O&M IG Department of Defense Consolidated Financial Statement Audit Support	-5,000	
-\$5,000 thousand is attributed to the IG DoD Consolidated Financial Statement Audit Support. The DoDIG transferred these funds to the Office of the Secretary of Defense for the Office of the Under Secretary of Defense (Comptroller) to fund this effort in future years. (FY 2018 Baseline: \$5,000		

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
thousand; +0 FTEs)		
8. Program Increases		30,567
a. Annualization of New FY 2018 Program		
b. One-Time FY 2019 Increases		
c. Program Growth in FY 2019		
1) O&M IG Realignment to support Rents (Non-GSA)	12,672	
+\$9,948 thousand is attributed to the IG realignment efforts in separating the rental cost requirements between GSA and Non-GSA leases, OP32 lines Rental Payments to GSA (912) and Rent (Non-GSA) (915).		
+\$2,724 thousand is attributed to the IG realignment efforts from O&M manpower resources (CIV Compensation) to Rents (Non-GSA) (915), to accurately account for the total IG rent cost requirement for Non-GSA leases. (FY 2018 Baseline: \$0 thousand; +0 FTEs)		
2) O&M IG Realignment to support Facilities Sustainment, Restoration and Modernization by Contract	5,905	
+\$5,905 thousand is attributed to the IG realignment from O&M manpower resources (CIV Compensation) to Facilities Sustainment, Restoration, and Modernization by Contract (923), to support planned and approved facilities maintenance and alteration projects at the IG Headquarters and Field Offices. (FY 2018 Baseline: \$3 thousand; +0 FTEs)		
3) O&M IG Realignment to support Equipment Maintenance by Contract	3,626	
+\$3,626 thousand is attributed to the IG realignment from O&M manpower resources (CIV Compensation) to		

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Equipment Maintenance by Contract (922), to support the IG IT lifecycle maintenance cost associated with hardware and software, and Defense Media Examination Network (DMEN) system. (FY 2018 Baseline: \$1,662 thousand; +0 FTEs)		
4) O&M IG Realignment to support Equipment Purchases +\$3,369 thousand is attributed to the IG realignment from O&M manpower resources (Civ Compensation) to Equipment Purchases (925), to support IT lifecycle equipment purchases associated with the IG network and Defense Media Examination Network (DMEN) system for servers, laptops, routers and switches, storage, and emerging hardware and software purchases. (FY 2018 Baseline: \$2,736 thousand; +0 FTEs)	3,369	
5) O&M IG Realignment to support Research and Development, Contracts		
+ \$2,367 thousand is attributed to the IG line item realignment for Defense Case Activity Tracking System (DCATSe) System development, help desk and operation support, software licensing, and cloud infrastructure from Engineering & Tech Svcs (934) to Research & Development, Contract (985) to accurately report costs.		
+ \$90 thousand is attributed to the IG realignment from O&M manpower resources (Civ Compensation) to Case Reporting and Information Management System (CRMIS) operational support (985) to fully fund that support.		
+ \$11 thousand is attributed to the IG realignment from Studies, Analysis and Evaluation (933) to fund		
	2,468	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
DCATSe System training. (FY 2018 Baseline: \$2,169 thousand; +0 FTEs)		
6) O&M IG Realignment to support Other Intra-Governmental Purchases	1,715	
This was an IG consolidated realignment to Intra-Government Purchase (987) for Support Agreements with DoD-wide Activities in support of required Subject Matter Experts and Services for Policy and Oversight, and maintain a highly skilled workforce with training initiatives for personnel with other Federal Agencies. Funds were Realigned from:		
+\$629 thousand from Management Professional Support Services (932),		
+\$140 thousand from Studies, Analysis and Evaluation (933),		
+\$882 thousand from Supplies and Materials (920),		
+\$64 thousand from Disability Compensation (111) final bill adjustment. (FY 2018 Baseline: \$7,757 thousand; +0 FTEs)		
7) O&M IG Realignment to support Commercial Transportation	663	
+\$303 thousand is attributed to the IG realignment from Travel (308) to Commercial Transportation (771), to support the IG's Audit Component transportation requirements for statutory and self-initiated Financial Statement Audits.		
+\$360 thousand is attributed to the IG realignment from O&M manpower resources (Civ Compensation) to Commercial Transportation (771), to support the		

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
DCIS/Investigations Domicile-to-Duty vehicles for all IG Agents. (FY 2018 Baseline: \$103 thousand; +0 FTEs)		
8) O&M IG Realignment to support Purchased Utilities +\$49 thousand is attributed to the sustainment of increased utility costs associated with the IG field locations where the purchased utilities are not a part of the monthly Rental Payments to GSA. The funding increase is supported by the IG realignment from the Disability Compensation (111) final bill adjustment. (FY 2018 Baseline: \$72 thousand; +0 FTEs)	49	
9) O&M IG Realignment to support DISA Telecomm Services-Reimbursable +\$43 thousand is attributed to the stabilization of rates associated with the DISN Infrastructure Services, IG end-user services, remote access of lease connections, and network operations and management to the IG. Funding increase is supported by the IG realignment from the Disability Compensation (111) final bill adjustment. (FY 2018 Baseline: \$1,144 thousand; +0 FTEs)	43	
10) O&M IG Realignment to support Printing and Reproduction +\$30 thousand is attributed to the IG's increasing printing/re-production requirements to produce annual and semi-annual reports to Congress, audit reports and findings, engineering assessments, subpoenas and contractor disclosures, and special reviews internally. Funding increase is supported by the IG realignment from the Disability Compensation (111)	30	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
final bill adjustment. (FY 2018 Baseline: \$123 thousand; +0 FTEs)		
11) O&M IG Realignment to support Permanent Change of Station (PCS) Benefits +\$19 thousand is attributed to the increase in PCS costs for new Auditors and Investigators, and existing personnel with return rights. Funding increase is supported by the IG realignment from the Disability Compensation (111) final bill adjustment. (FY 2018 Baseline: \$931 thousand; +0 FTEs)	19	
12) O&M IG Realignment to support Other Costs (Interest) +\$6 thousand is attributed to the need to establish a line to catch occasional occurred interest cost. Funding increase is supported by the IG realignment from the Disability Compensation (111) final bill adjustment. (FY 2018 Baseline: \$0 thousand; +0 FTEs)	6	
13) O&M IG Realignment to support Foreign National Indirect Hire +\$1 thousand is attributed to the support of Defense Criminal Investigative Services Agents with investigative contracts, travel, and training. Funding increase is supported by the IG realignment from the Disability Compensation (111) final bill adjustment. (FY 2018 Baseline: \$113 thousand; +0 FTEs)	1	
14) O&M IG Realignment to support Postal Services (USPS) +\$1 thousand is attributed to the increased requirements for postal services. Funding increase is supported by the IG realignment from the Disability	1	

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<b>C. <u>Reconciliation of Increases and Decreases</u></b>	<b><u>Amount</u></b>	<b><u>Totals</u></b>
Compensation (111) final bill adjustment. (FY 2018 Baseline: \$19 thousand; +0 FTEs)		
9. Program Decreases		-35,795
a. Annualization of FY 2018 Program Decreases		
b. One-Time FY 2018 Increases		
c. Program Decreases in FY 2019		
1) O&M IG Realignment from Manpower FTEs (CIV Compensation)	-16,074	
-\$16,074 thousand is attributed to the IG's consolidated realignment of Civilian FTEs by (-102 FTEs) to fund IG Rents (Non-GSA) (915), Facilities Sustainment, Restoration and Modernization by Contract (923), Equipment Maintenance by Contract (922), Equipment Purchases (925), Research and Development, Contract (985), and Commercial Transportation (771), to accurately reflect the IG's non-pay requirements. (FY 2018 Baseline: \$261,271 thousand; -102 FTEs)		
2) O&M IG Realignment from Rental Payments to GSA	-9,948	
-\$9,948 thousand is attributed to the IG realignment between lines 912 and 915 to accurately report cost effectively for Rental Payments to GSA and Rents (Non-GSA). (FY 2018 Baseline: \$15,890 thousand; +0 FTEs)		
3) O&M IG Realignment from IT Contract Support Services	-5,427	
-\$5,427 thousand is attributed to the IG contract review and assessments to consolidate services, maximize value and improve efficiency in IT acquisition requirements for planned efforts in IT		

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
lifecycle plans, modernization, expansion and improvements. (FY 2018 Baseline: \$14,664 thousand; +0 FTEs)		
4) O&M IG Realignment from Engineering & Tech Services -\$2,367 thousand is attributed to the IG realignment between OP-32 lines 934 and 985 to support the DCATSe System development, help desk and operation support, software licensing, and cloud infrastructure. (FY 2018 Baseline: \$2,381 thousand; +0 FTEs)	-2,367	
5) O&M IG Realignment from Supplies & Materials -\$882 thousand is attributed to IG's realignment between OP32 lines 920 and 987 to accurately report cost effectively and support the IG minor construction cost for approved projects, IT hardware and software lifecycle recurring cost, and equipment maintenance for IG-wide operations. (FY 2018 Baseline: \$1,852 thousand; +0 FTEs)	-882	
6) O&M IG Realignment from Management Professional Support Services -\$629 thousand is attributed to the IG realignment between OP-32 lines 932 and 987 Other Intra-Government purchases in support of required Subject Matter Experts and Services for Policy and Oversight. (FY 2018 Baseline: \$6,538 thousand; +0 FTEs)	-629	
7) O&M IG Realignment from Travel of Persons -\$303 thousand is attributed to the IG realignment between lines 308 and 771 Commercial Transportation to support IG's Audit Component transportation requirements for statutory and self-initiated	-303	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Financial Statement Audits. (FY 2018 Baseline: \$5,760 thousand; +0 FTEs)		
8) O&M IG Realignment from Studies, Analysis & Evaluation	-151	
-\$151 thousand is attributed to the IG realignment between lines 933 and 985 Research & Development by Contract, and 987 Other Intra-Govt Purch in support of DCATSe System training and workforce training initiatives. (FY 2018 Baseline: \$148 thousand; +0 FTEs)		
9) O&M IG Disability Compensation Adjustment	-14	
-\$14 thousand is due to the final receipt of the Department of Labor's Federal Employees' Compensation Act (FECA) bill for the IG, and the IG's ability to actively manage its injury compensation program. Decrease supports lines 121 PCS Benefits, 960 Other Costs (Interest and Dividends), 901 Foreign National Indirect Hire, and 917 Postal Services. (FY 2018 Baseline: \$1,329 thousand; +0 FTEs)		
<b>FY 2019 Budget Request</b>		<b>329,273</b>

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**Audit:** Audit conducts independent oversight to assess risks and weaknesses in the DoD, identify potential cost savings, and recommend actions to develop or strengthen management practices and internal controls. Audit measures its performance by ensuring compliance with professional standards and projects are relevant and performed in a timely manner. In FY 2017, Audit issued 83 reports identifying \$805 million in funds that could be put to better use and \$333 million in questioned costs. Additionally, these reports addressed non-financial benefits with critical areas such as the acquisition of major weapon systems; contract management; price reasonableness determinations; quality assurance and testing of the equipment and parts; financial reporting and audit readiness; identifying protections needed against cyber threats; monitoring the redistribution and accountability of assets returned from the field; determining improvements needed in contingency contracting to reduce the potential for fraud, waste, and abuse; and addressing force readiness issues. Additionally, Audit issued the first Compendium of Open Office of Inspector General Recommendations to the DoD on July 11, 2017. The Compendium summarized all recommendations, issued by the DoD OIG to DoD Components, that remained open as of March 31, 2017. There were a total of 1,298 open recommendations that were issued to 46 DoD Components in 288 DoD OIG audit and evaluation reports. DoD management agreed to take corrective action on 1,251 of those recommendations. For the remaining 47 open recommendations, the DoD OIG and DoD Components had not agreed on an acceptable corrective action that met the intent of the DoD OIG recommendation. Of the 1,298 open recommendations, 58 had associated potential monetary benefits, which, if implemented, could save the DoD \$33.6 billion. For the 83 reports issued, the average days from project announcement to final report issuance was 316 Days.

1. In FY 2017, the **Acquisition and Sustainment Management Directorate (ASM)** identified inefficiencies in managing weapon and information system acquisitions; determining

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fair and reasonable prices for spare parts; managing and using excess Government-owned inventory to offset procurement actions; implementing policies to mitigate supply chain risks; and the funding and training for helicopter pilots. Oversight in these areas identified approximately \$819 million in potential monetary benefits for the DoD. For example, ASM identified that the Navy did not effectively establish capability requirements and execute testing to procure the Surface Mine Countermeasure Unmanned Undersea Vehicle (Knifefish). Specifically, the Knifefish requirements developer did not fully define requirements to support the communication interface and launch and recovery operations between the Knifefish system and the Littoral Combat Ship, a fast, agile ship designed for operations in environments near the shoreline. This resulted in the Knifefish program office issuing engineering change proposals to redesign Knifefish to correct communication interface and launch and recovery problems, which increased program costs by \$2.3 million. Additionally, the Knifefish program office did not effectively plan and execute testing because of funding shortfalls, which resulted in a 14-month delay in meeting program milestones. The DoD OIG concluded that the Navy could spend an estimated \$58.2 million procuring three Knifefish engineering developmental models and up to five initial production systems without having demonstrated the system's ability to perform the primary requirement. These initial production systems could require costly retrofits of existing structural design if problems are not corrected and may not satisfy test requirements in support of the full-rate production decision planned for the fourth quarter of FY 2018. ASM identified that the DoD needed to improve its management of cost, schedule, and performance for major and non-major acquisition programs. For example, in an audit of the H-60 twin helicopter, ASM identified that DoD did not consolidate its purchase of 2.9 million H-60 spare parts to maximize its market leverage. The H-60 is a twin-engine helicopter that has been

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in service since 1979. The Army, Navy, Air Force, and U.S. Special Operations Command (USSOCOM) all fly different versions of the H-60. Military Activities and the Defense Logistics Agency used at least 2,136 different contracts and purchase orders from February 2015 through January 2016 to purchase H-60 spare parts valued at \$394.9 million. These contracts and purchase orders were awarded to at least 590 different contractors. Where practicable, agencies should procure supplies in quantities that will result in the most advantageous total and unit cost. However, DoD procured the same H-60 spare parts on different contracts, often at different prices. As a result, DoD missed the opportunity to use quantity discounts to lower spare parts prices and its administrative costs. Audit work in the area of spare parts and inventory identified inadequate processes for determining fair and reasonable prices and ineffective management of spare-part inventories. For example, in an audit of the Navy's management of excess materiel, ASM found that officials did not effectively manage excess material stored in 10 of the 12 Real-Time Reutilization Asset Management (RRAM) facilities. Specifically, the Navy retained excess material that had no demand for more than 4 ½ years without adequate justification. As a result, the Navy potentially incurred unnecessary costs to store and manage 51,039 unique item numbers, valued at more than \$99.6 million, in the RRAM facilities. In addition, ASM determined the Navy did not maximize the use of existing consumable material at one RRAM facility. Specifically, the Navy held consumable material rather than use the material to fill requisitions or offset purchases. In addition, the consumable material that the Navy held in at least three other RRAM facilities could have filled requisitions or offset purchases. As a result, the Navy missed opportunities at the FLC Norfolk RRAM facility to offset or reduce procurements for 617 unique item numbers valued at \$306,454. The audits also emphasized ongoing problems related to risks associated with supply chain

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management. For example, ASM found that although the Missile Defense Agency established several initiatives to manage supply chain risk for the Ground-based Midcourse Defense System and was piloting a DoD software assurance program to improve the supply chain security for its critical software, the Missile Defense Agency did not fully implement DoD supply chain risk management policy for the Ground-based Midcourse Defense System. As a result, the Missile Defense Agency faces an increased risk that an adversary could infiltrate the supply chain and sabotage, maliciously introduce an unwanted function, or otherwise compromise the design or integrity of the Ground-based Midcourse Defense System critical hardware, software, and firmware. In FY 2018, ASM will continue to perform audits to improve how the DoD buys weapons and Information technology systems and purchases and manages spare parts and inventory. ASM will remain focused on acquisition areas, such as determining requirements to include procurement quantities, program cost and schedule, and test planning and performance. ASM will engage in efforts to identify fair and reasonable prices for spare parts and reduce the amount of excess on-hand inventories. In addition, ASM will perform audits to assess the security of DoD supply chains and the effectiveness of purchase processes and civilian pay budget processes. In FY 2019, ASM plans to continue its weapons and information technology acquisition work and ensure the effective use and accountability of Government-owned inventory. ASM will remain focused to address concerns regarding spare-part pricing; management and use of performance-based logistics contracts; and the efficient and effective management of the DoD supply chain.

2. In FY 2017, the **Contract Management and Payment Directorate (CMP)** identified significant problems with military healthcare, management of requirements for contracts in the Middle East, and controls over communication service authorizations. For example, Defense Health Agency (DHA) made improper payments for

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Applied Behavior Analysis (ABA) services to five ABA companies in the TRICARE South Region. Specifically, the ABA companies billed, and the DHA improperly paid for, ABA services under the following conditions: lack of documentation to support ABA services; misrepresentation of the provider who performed the ABA services; billing for ABA services provided while the beneficiary was napping; billing for two services at the same time; unreliable supporting documentation; billing for services while the beneficiary was not present; and billing for services performed by providers who were not authorized by TRICARE. DHA personnel made improper payments because when DHA and contractor personnel selected ABA companies for review, they did not consider potential indicators of improper payments, such as a high percentage of claims billed at the ABA supervisor rate, the highest rate. As a result, the audit projected that the DHA improperly paid \$1.9 million of the total \$3.1 million paid to the five companies for ABA services performed in CY 2015. In another audit, CMP identified that the Army did not adequately manage the Heavy Lift VII (HL7) contract requirements. Specifically, the Army ordered an average of 39 percent more transportation assets than it needed throughout the life of the HL7 contracts. This occurred because the 1st Sustainment Command (Theater) did not analyze HL7 asset usage for intra-Kuwait movements and did not continuously evaluate HL7 requirements and increase or decrease orders based on operational need; or identify and correct inefficiencies in the Army's planning and execution of theater transportation missions. In addition, Army requirement review boards did not require adequate information in order to properly validate the number of HL7 assets requested. Also, the Army over ordered HL7 services because it did not properly plan the Trans-Arabian Network task order and did not take appropriate measures to ensure its full operational use. Furthermore, Army Contracting Command Rock Island included excessive guaranteed minimum payments to each of the HL7 contractors, which prompted

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the Army to order services to meet the guaranteed minimums rather than what was actually required within that period of performance. As a result, the Army wasted \$53.6 million throughout the life of the HL7 contracts on services that it did not require. CMP determined in another audit that the Defense Information Technology Contracting Organization (DITCO) contracting personnel did not have adequate controls to effectively oversee 29 communication service authorizations (CSAs) with a value of at least \$212.2 million. Specifically, DITCO contracting personnel: did not properly re-award 11 expired CSAs; did not discontinue, in a timely manner, 3 expired CSAs that were no longer needed by the customer; could not determine whether there was still a valid need for 13 expired CSAs; improperly extended the performance period of 1 expired CSA; and did not discontinue 2 expired CSAs when the services were transferred to another contract. For 16 CSAs, DITCO contracting personnel did not maintain adequate contract files. In addition, for 19 CSAs, Defense Information Systems Agency's charges to the customer exceeded disbursements to the vendor and DITCO personnel did not return excess funds to the customers or remedy vendor underpayments in a timely manner. These problems occurred because DITCO contracting personnel did not follow Federal and DoD regulations and internal guidance for awarding and administering contracts. Additionally, DITCO contracting personnel focused on awarding new service contracts and not managing and overseeing existing CSAs. By allowing expired CSAs to continue after the performance period ended, DITCO contracting personnel did not ensure that a valid need still existed for the services provided by the CSA or that the DoD received the best value through competition. For example, the DoD continued to pay for services on one expired CSA for nearly five years after the military base closed. CSA customers were also left vulnerable to cost fluctuation, substantial price increases, and possible loss of services because a valid contract no longer existed. Consequently, the DoD made at

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least \$80.9 million in improper payments on expired CSAs, and \$3.3 million could have better supported the warfighter if funds were returned prior to expiration. For FY 2018, CMP will continue to focus on audits of contract award and administration of service contracts, Berry Amendment and Buy American purchases, energy contracts and facilities construction, and real property maintenance. Additionally, audits are planned on DoD payments, including contract payments; improper payments; the Government Travel and Purchase Card Programs; Overseas Contingency Operations; and military health care for active duty, reserve, and retired personnel and their families. For FY 2019, CMP will focus on contract award and administration, facilities construction, and real property maintenance. Additionally, CMP plans to audit DoD payments, including energy contracts; improper payments; the Government Purchase Card Program; and military health care for active duty, reserve, and retired personnel and their families.

3. In FY 2017, **Financial Management and Reporting Directorate (FMR)** focused its audit work on DoD's material weaknesses for financial management as the DoD prepares for auditability in FY 2018. In FY 2017, FMR also conducted audits related to Army's inventory transactions and DLA's Statistical Sample Inventory Program. Specifically, FMR determined how the Army managed the documentation supporting the inventory values entered into the Logistics Modernization Program system in the second quarter FY 2016 and whether Defense Logistics Agency's (DLA) DoD Chief Financial Officer's (CFO) Statistical Sample Inventory Program was adequately designed and the inventory results reported to the Military Services provided useful information to maintain accurate accountable property systems of record. Army did not provide sufficient, accurate, and appropriate documentation to support the costs recorded for Army Working Capital Fund inventory transactions and DLA did not adequately design and implement the sampling methodology for DLA's DoD CFO Statistical Sample Inventory

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Program. Corrective actions are needed to support DoD audit readiness. In FY 2017, FMR began a review of the processes, systems, and controls that the DoD has implemented, or plans to implement, to report financial and payment data in accordance with Public Law 113-101, Digital Accountability and Transparency Act of 2014. The review was in response to a congressional request to assess the DoD plans to comply with the Act. FMR will issue the required reports in FY 2018. In FY 2017 FMR transmitted disclaimers of opinion on the FY 2016 Schedules of Budgetary Activity for the Army, Navy, and Air Force. FMR also issued disclaimers of opinion on the DoD agency-wide and Special Purpose FY 2016 financial statements and six of the DoD Components' statements supporting the agency-wide statements. FMR transmitted the unmodified opinion from the independent public accounting firms on the financial statements of the Army Corps of Engineers, the Military Retirement Fund, TRICARE Management Activity's Contract Resource Management, and a qualified opinion on the DoD Medicare Eligible Retiree Health Care Fund. In FY 2018, FMR is expanding its focus to the full financial statement audits planned for DoD that will include the DoD Agency Wide consolidated audit and the Other Defense Organization's consolidated audit. FMR is providing contract oversight of the independent public accounting firms conducting the full financial statement audits of the Army, Navy, Air Force, and Marine Corps, the Defense Information Systems Agency, and DLA. In addition, FMR is providing contract oversight of the firms performing audits of the U.S. Special Operations Command, the U.S. Transportation Command, and the Defense Health Program. In FY 2019 FMR will continue to provide contract oversight of the independent public accounting firms conducting the full financial statement audits of the Army, Navy, Air Force, and Marine Corps, the Defense Information Systems Agency, and DLA. FMR will also continue to perform the DoD Agency Wide consolidated audit and systems audit work necessary to support the financial statements. In

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addition, FMR will provide contract oversight of the firms performing audits of the U.S. Special Operations Command, the U.S. Transportation Command, and the Defense Health Program. FMR will continue to work with the DoD Components to identify deficiencies and recommend corrective actions in order for DoD to develop sustainable and repeatable processes that provide decision makers and stakeholders reliable financial information.

4. In FY 2017, the **Readiness and Cyber Operations Directorate (RCO)** focused on cybersecurity and operations, personnel readiness reporting and aviation unit readiness, equipment accountability, foreign military sales, and munitions storage. For example, RCO identified systemic weaknesses in the Defense Health Agency and the Army's efforts to protect their networks and systems that process, store, and transmit patient health information. The DoD OIG recommended that the Defense Health Agency and the Army identify all systems used to process, store, and transmit patient health information; configure those systems to use Common Access Cards and passwords to meet DoD complexity requirements; take appropriate and timely steps to mitigate known network vulnerabilities; and implement procedures to grant system and network access based on user roles and responsibilities. In another audit, RCO identified that the Air Force did not implement basic cybersecurity controls to protect, detect, counter, and mitigate potential cyberattacks on industrial control systems that provide essential services to DoD assets. The loss, incapacitation, or disruption of those industrial control systems would result in the failure of strategic- or theater-level missions or functional capabilities. RCO also audited controls over chemical and biological agents and defense equipment. These audit reports identified that Army and Marine Corps units in Korea did not have sufficient and properly maintained chemical/biological personal protective equipment and that the units were not conducting training under appropriate threat conditions. In

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response to the report recommendations, the Eighth Army and Marine Forces Korea began to integrate additional chemical-biological training into exercises, resolve chemical/biological-related deficiencies identified in command inspections, and conduct annual inspections of chemical/biological training. RCO also conducted an audit of controls over chemical surety materials and concluded that the Army could improve controls over chemical agents. RCO recommended that the DoD and the Army clarify guidance on acceptable methods of conducting inventories of the chemical agents and that the Army conduct refresher training for those with access to the chemical materials. In FY 2018, RCO is focusing on critical and high-priority DoD cybersecurity and readiness issues. Ongoing and planned cybersecurity projects include review of network and security controls at the National Security Agency; DoD's actions to implement the Cybersecurity Information Sharing Act; DoD intelligence community actions to secure access to its networks and systems; and Combatant Command efforts to integrate offensive and defensive cyberspace operations into their operation plans. Ongoing and planned readiness-related projects include review of military readiness reporting and aviation unit readiness; training; equipment accountability; foreign military sales; the rebalance of forces to the Asia-Pacific. In FY 2019, RCO will continue to focus on cybersecurity and cyber operations, to include securing and monitoring classified networks and enclaves within the DoD intelligence community; maintaining a skilled cyber workforce; developing and using cyber capabilities, implementing Joint Information Environment initiatives; and emerging technology within the cyber domain that is critical to DoD operations. RCO will also continue its focus on military readiness as the DoD continues to support operations around the world.

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**Defense Criminal Investigative Service:** DCIS uses several methods to evaluate performance. DCIS established a performance metric that 90 percent of investigations be within its priority areas of fraud, public corruption, technology protection, health care, and cybercrimes. DCIS also monitors arrests, indictments and criminal charges, convictions, fines, recoveries, restitution, suspensions and debarments, to ensure consistency in effort and historical output and the effective use of its investigative resources. In FY 2017, DCIS investigations resulted in investigative receivables and recoveries of \$1.1 billion for the U.S. Government (which includes recovered Government property, civil judgments and settlements, criminal fines, penalties, and restitution ordered and administrative recoveries); 101 arrests, 201 criminal charges, 170 criminal convictions; and contributed to 83 suspensions and 154 contractor debarments. In FY 2017, major DCIS investigations were as follows: Public Warehousing Company, K.S.C. (\$344 million Government recovery), Advanced Biohealing, Inc. (\$259.6 million Government recovery), Skilled Healthcare Group, Inc. (\$53 million Government recovery), Maersk Line Limited (\$40 million Government recovery), and Cisco Systems (\$36.7 million Government recovery).

**Administrative Investigations:** AI uses various performance measures to focus on the timeliness of investigations and DoD Hotline referrals. The goal is to close ISO investigations within 210 days; WRI investigations within 180 days for military and contractor cases and 240 days for civilian and NAFI employees; make priority 1 Hotline referrals in 1 business day; and review DoD Hotline completion reports in 45 business days. In FY 2017, ISO closed three investigations, none of which were closed in 210 days or less after receipt of case; WRI closed 16 military and contractor reprisal investigations of which 2 (13%) were closed in 180 days or less; and closed 11 civilian and NAFI investigations of which three (27%) were closed in 240 days or less after

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receipt of case; Hotline made 359 Priority 1 referrals related to life, death, safety concerns, 190 (53%) in one business day or less. Hotline reviewed 694 Hotline Completion Reports, of which 614 (88%) were reviewed in 45 business days or less. In FY 2017, AI developed and provided training to DoD OIG, Military Service IG, and Federal IG investigators; participated extensively in DoD and Federal IG working groups to identify and standardize best practices in investigative processes; implemented Government Accountability Office and DoD Timeliness Task Force recommendations; and planned for the deployment of the Defense-Case Activity Tracking System Enterprise (D-CATSe) across the DoD. During FY 2017, AI training and outreach initiatives included a semiannual training symposium, and the DoD Hotline Worldwide Outreach and Observance of National Whistleblower Appreciation Day which were attended by over 400 attendees from across the DoD and Federal government, and news media. In addition, AI conducted 20 external outreach and training events reaching 1,284 attendees, and AI employees received 4,560 hours of training. In FY 2017, WRI streamlined the oversight review process for whistleblower reprisal investigations conducted by the Military Services and Defense Agencies. As a result, WRI improved the timeliness to perform the reviews by reducing the average days to complete a review from 70 to 10 days. In FY 2017, the DoD OIG established a Program Management Office and awarded a contract to deploy the Defense Case Activity Tracking System throughout the Department. Deployment of D-CATSe will: (1) improve the efficiency and timeliness of the transmittal of investigative documents to offices located at posts, camps, and stations around the world; (2) standardize business and investigative processes, resulting in improved efficiencies and timeliness; (3) standardize data, resulting in enhanced data integrity and facilitating reporting in semiannual reports to the Congress;(4) provide a common operational picture of the DoD-wide universe of complains and investigations, resulting in enhanced oversight and communications; and (5) create a paperless environment for the entire IG community in the

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DoD. It will also achieve savings by avoiding the unnecessary and duplicate investments by the Military Services and Defense agencies in information technology modernization of the legacy systems. In FY 2018, AI intends to dedicate additional resources to the DoD OIG Whistleblower Protection Program by allocating an additional 25 full-time equivalents to the program. These resources will be used to:

- establish an alternative dispute resolution program to resolve reprisal complaints in an expeditious manner without opening an investigation;
- add two more teams to perform reprisal complaint intakes and investigations; and
- add an Investigative Support Specialist to provide administrative support to the new teams.

**Special Plans and Operations:** In FY17, SPO issued seven reports. The Southwest Asia report in December 2016 published the "Assessment of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip the Kurdish Security Forces in Iraq". The report determined that U.S. and Coalition train, advise, assist, and equip activities have helped the Kurdish Security Forces (KSF) to further develop their capability to conduct combat operations against ISIS. However, U.S. officials did not have a comprehensive written plan to sustain the two brigade-equipment sets that the U.S. intended to provide to the KSF, U.S. units lacked visibility of U.S. transported equipment within the U.S.-managed supply chain to be supplied to the KSF, and the U.S. needed to formalize advise-and-assist activities with the KSF in the areas of training development, logistics, and security ministry professionalization. In April 2017, SPO published "Assessment of U.S. and Coalition Plans and Efforts to Train, Advise, Assist, and Equip Iraqi Counterterrorism Service and the Iraqi Special Operations Forces." SPO determined that U.S. Forces were able to execute the ITEF procurement process to equip the Iraqi

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Counterterrorism Service (CTS) for combat operations and to maintain accountability over the equipment while under U.S. control. However, the evaluation also identified that U.S. and Coalition advisers had difficulty drawing equipment from CTS warehouses to provide adequate training to CTS recruits. Training courses developed by the U.S. and the Coalition did not contain well defined standards of evaluation for CTS trainees. CTS trainees also did not receive live-fire training on all weapon systems they were expected to use in combat. In August, 2017, SPO published the report, "Evaluation of U.S./Coalition Efforts to Enable the Afghan Ministry of Defense to Develop its Oversight and Internal Control Capability (MoD OICC). This report is classified NATO/RS SECRET. SPO is currently working on four Southwest Asia reports that will be completed in FY18:

- "Evaluation of Allegations of Child Sexual Abuse by Members of the Afghan National Defense and Security Forces."
- "Evaluation of U.S./Coalition Efforts to Train, Advise, and Assist the Afghan Air Force."
- "Evaluation of DoD Efforts to Combat Trafficking in Persons at DoD Facilities in Kuwait."
- "Evaluation of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip an Iraqi Police Hold Force in Support of Stability Operations."

As part of its FY 2018 Oversight Plan, SPO will begin performing a series of command-requested evaluations that focus on the train and equip mission in Southwest Asia:

- "Evaluation of U.S. and Coalition Efforts to Train, Advise, and Assist the Afghan Ministry of Interior to Develop its Oversight and Internal Control Capability."
- "Evaluation of the DoD's End-Use Monitoring of Equipment Provided to the Iraqi Army Through the Iraq Train and Equip Fund (ITEF)."

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Global Security Concerns: In July 2017, SPO published, "Evaluation of Department of Defense Efforts to Build Counterterrorism and Stability Operations Capacity of Foreign Military Forces with Section 1206/2282 Funding." This report determined whether the DoD Global Train and Equip Program resulted in improved partner-nation capability to conduct counterterrorism operations or to participate in stability operations with U.S. Armed Forces. The funds provided by this authorization allows the COCOM Commander to provide training and equipment to build the capacity of a foreign country's national military forces to conduct counterterrorism operations and participate in or support on-going Allied or Coalition military or stability operations that benefit the national-security interests of the United States. In, SPO published the "Evaluation of the European Reassurance Initiative (ERI)" report, found that United States European Command (USEUCOM) used ERI funding to support and expand exercises, training, allied and partner-nation capacity building, and improvements to military infrastructure. USEUCOM's ERI efforts enhanced interoperability and responsiveness of OAR country militaries and those of other European allies and partner-nations, and supported infrastructure projects to deploy, train, and sustain U.S., allied, and partner-nation forces in response to military threats in Eastern Europe.

In FY18, SPO will conduct an "Assessment of Operations and Management of DoD Aspects of the Security Cooperation Program in the Philippines" to determine whether the DoD provision of military equipment and training supports the objectives in the Enhanced Defense Cooperation Agreement and whether DoD and Office of Security Cooperation oversight complies with all end-use monitoring requirements for security assistance to the Philippines' Armed Forces.

Medical: During FY17, SPO published the report, Assessment of Warriors in Transition Program Oversight. The main purpose of this assessment was to determine whether the

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Warrior Care Policy assessed and monitored the performance of the DoD Disability Evaluation System. SPO is currently working on two medial related projects that will carry over into FY18:

- "Evaluation of DoD's Response to August 2014 Military Health System Review (MHS), Patient Safety."
- "Evaluation of DoD's Response to August 2014 Military Health System Review (MHS), Quality of Care."

In FY18, SPO plans to start work on the report: "Evaluation of the DoD Military Health System's Participation on External Data Bases - National Medical Registries."

Congressional/Other: In FY17, as required by Congress, SPO published the assessment of the Federal Voting Assistance Program for calendar year 2016. SPO is continuing its work on one other Congressional report that was initiated in 2016, "Assessment of the Tactical Explosive Detection Dog Program Adoption Process." In FY 2018, SPO will continue its statutory requirement of conducting its evaluation of the DoD Voting Assistance Program for the Calendar Year of 2016. In addition, SPO will publish its FY17 inspection of the Armed Forces Retirement Home (AFRH) and will conclude its inspection of AFRH support functions. Also in FY18, SPO is initiating the "Evaluation of Operations and Management of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery." In FY 2019, SPO will continue its oversight missions to include a variety of Southwest Asia topics and other global areas of interest to include, but are not limited to:

- readiness of U.S. forces in Africa, the Pacific, and the Middle East;
- training and equipping foreign military forces;
- security cooperation and assistance programs worldwide;
- counter-terrorism operations; and

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- emerging security threats

In FY 2019, SPO will also continue to assess critical health care topics, such as the transition of wounded service members to the Department of Veterans Affairs, military mental health programs, and medical research activities. SPO will also continue the mandated annual report of "The Federal Voting Assistance Program."

**Policy and Oversight:** P&O measures its performance through the outcome of evaluating significant DoD programs and operations, number of subpoenas and contractor disclosures processed, timeliness and quality of oversight/support provided, and timeliness of draft DoD policy coordination's and currency of DoD audit/investigative policies issued. In FY 2017, P&O issued a total of 15 final oversight reports covering significant DoD programs and operations containing 76 recommendations; issued two Notices of Concern that required immediate corrective actions; processed 1,095 subpoenas within the required 72 hour timeframe; processed 380 contractor disclosures with \$23.4 million in potentially recoverable funds; provided technical support to six DoD OIG audit or investigative projects; and managed the DoD OIG coordination process for 325 draft DoD policy issuances with 100 percent processed within the requested timeframe. P&O also updated and published nine DoD Issuances addressing audit or investigative policy.

1. **Audit Policy and Oversight:** In FY 2017, APO issued seven oversight reports; five external quality control reviews of Defense organizations' audit operations; and two single audit quality control reviews. These reports contained 48 recommendations. APO performed 133 reviews of single audit reports covering \$9.5 billion in DoD funds and issued 123 memorandums that identified 203 findings and \$12.1 million in questioned costs. APO also administered peer reviews of six DoD audit organizations and provided oversight on contracting officers' actions related to 2,283 open and closed contract audit reports with more than \$20 billion in potential savings. In FY

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2018, APO will focus on completing the Defense Contract Management Agency Peer review and continue monitoring DCAA, including contracting officers' use of DCAA audit reports. APO will also focus on policy and oversight of DoD audit organizations' efforts to identify and detect fraud, waste, and abuse, including support to the Contractor Disclosure Program, and internal control and fraud assessments, guidance, and training. In FY 2018, APO will continue updating its DoD OIG fraud website, including adding more contract audit and other fraud scenarios, monitoring DCAA fraud referrals and efforts on contractor disclosures, and providing input to DCAA revisions to its fraud-related audit guidance. APO is also performing or overseeing the performance of peer reviews by DCAA, the Army Internal Review Office, DLA, Defense Finance and Accounting Service, Defense Information Systems Agency, Naval Exchange Command, Army and Air Force Exchange Service, National Reconnaissance Office, Defense Intelligence Agency, and the Military Department Audit Agencies Round Robin peer reviews. During FY 2018, APO is performing three single audit quality-control reviews and continues to review all single audit reports for audit findings that require follow-up actions from grant and contracting officers. APO will continue to review contracting officers' actions on DCAA contract audit reports by evaluating contracting officer actions on DCAA audits of incurred costs, Cost Accounting Standards, and forward pricing. For the contract audit monitoring area, APO will monitor the quality of contract audits within DoD and perform the Quality Control Review of DCAA. Additionally, APO will continue to refine the DoD-wide policy for performing Inspections and Evaluations (I&Es) through the Defense Council on Integrity and Efficiency and working with other IG components to increase coordination of I&Es, including increasing awareness of and best practices for I&Es. In FY 2018, APO will continue its focus on oversight of DCAA; DoD Components' contracting officers' actions on DCAA audit report recommendations;

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peer reviews of DoD audit organizations; fraud related training, guidance, scenarios, and other tools to update APO's fraud website; liaison on the Contractor Disclosure Program, including related policy and oversight of DCAA; and quality control reviews on three or four single audit cognizant and oversight organizations.

For I&E policy, APO will continue efforts to increase the quality of DoD I&Es; coordination of I&E activities among IG organizations in the DoD; and increase training opportunities specific to I&Es and external review processes for I&E activities.

2. **Investigative Policy and Oversight Directorate:** In FY 2017, IPO completed four evaluation reports on non-defense criminal investigative organization components' compliance with DoD Instruction 5505.16, "Investigation by DoD Components;" investigating assertions made by a former United Launch Alliance executive; evaluation of military criminal investigative organizations adult sexual assault investigations; and, an evaluation of closed death investigations concluding in suicide as the manner of death. During FY 2017, IPO also collaborated with the MCIOs to address evidence retention requirements for sexual assault investigations and the development of special victim capability units. In addition, IPO participated in the Defense Enterprise-wide Working Group and the DoD Sexual Assault Prevention and Response Office, to develop criminal investigative policy. During FY 2017, The Contractor Disclosure Program (CDP) office evaluated 380 disclosures with \$23.4 million in potentially recoverable funds submitted by Defense contractors and subcontractors, concerning violations of law and suspected counterfeit or non-conforming parts discovered during contractor self-policing activities. The CDP office oversaw and coordinated administrative, civil, and criminal actions for the disclosures with the DoJ Commercial Litigation Branch (Fraud Section), Defense Criminal Investigative Organizations (DCIOs), Defense and Service audit agencies,

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and the Services' Offices of Procurement Fraud Remedies and Acquisition Integrity.

In addition, the CDP office evaluated 48 fraud referrals and consulted with the DoJ Commercial Litigation Branch (Fraud Section) and DCAA auditors to refer potential fraud cases to the DCIOs for criminal investigation determinations. During FY 2017, IPO issued 1,095 subpoenas through the DoD OIG Subpoena Program. IPO also provided subpoena processing training to 81 DoD criminal investigators and attorneys through 4 classes. The IPO training was integrated into DoD and military service basic and advanced criminal investigative training courses, which instructs students on how to effectively use the subpoena as an investigative tool. IPO also hosted the Federal Law Enforcement Training Center's Continuing Legal Education Training Program Course for DoD and other Federal agency investigators and attorneys. In FY 2018, IPO will complete an investigation into the accuracy of information provided to Congress by the Department of Defense pertaining to RAF Croughton, UK, selection site for the Joint Intelligence Analyses Complex; evaluations of criminal investigations conducted by the Pentagon Force Protection Agency; fingerprint collection requirements for military service's law enforcement organization; and an evaluation of DoD law enforcement responses to domestic assaults. IPO will also focus on military service academy sexual assault investigations; military services law enforcement organizations' response to active shooter and workplace violence incidents; and, DoD law enforcement efforts to Combat Trafficking in Persons. Additionally, IPO will continue to expedite subpoena processing time, and the CDP is working within the investigative constituent community to improve and manage the process of DCAA fraud referrals. In FY 2018, IPO expects continued congressional interest concerning complaints about thoroughness of death investigations and oversight of sex crime investigations. IPO will continue oversight of MCIO criminal investigative programs and operations in both the general investigative and violent

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crime areas. Additionally, IPO will continue to provide oversight of the DoD law enforcement community's programs and operations. IPO also plans to evaluate aspects of closed adult or child sexual assault investigations due to continued DoD senior leadership and Congressional interest concerning sexual assault investigative quality.

3. **Technical Assessment Directorate:** In FY 2017, TAD issued four oversight reports addressing a summary of military housing and audits of off-base operation and support services contracts; US controlled and occupied military facilities inspection - Camp Lemonnier, Djibouti; and follow-up evaluations of two 2014 military housing inspections in Japan and the Republic of Korea. TAD also issued two Notices of Concern that addressed immediate safety and environmental issues for military housing at Al Udied, Qatar, and Camp Lemonnier, Djibouti. The Notices of Concern required immediate attention by the Services responsible for environmental, safety, and occupational health of housing used by military personnel. In addition, TAD provided engineering support to seven DoD OIG projects. In FY 2018, TAD will perform technical assessments of safety concerns related to the F/A 18 oxygen systems and DoD implementation to counterfeit prevention policy. In support of the Lead IG for Overseas Contingency Operations, TAD will conduct two more facility inspections at Bagram Air Field, Afghanistan and Ahmad Al Jaber Air Base, Kuwait. TAD is also supporting other DoD OIG audits and evaluations and analyzing several ACAT I programs for other potential FY 2018 projects. In addition, TAD will perform military housing inspections in the United States and overseas as new or follow-on inspections of previously conducted projects. TAD will also support DoD OIG components on their audit and evaluations and continue to provide engineering support to the Lead IG for Overseas Contingency Operations.

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**Intelligence and Special Program Assessments:** The FY 2017 ISPA Annual Plan included ongoing projects to assess key aspects of the intelligence, counterintelligence, security enterprise, and nuclear enterprise. The plan also focused on emerging external requirements from the Secretary of Defense, Congress and the DoD's Management Challenges. In FY 2018, ISPA will continue to focus on reviews of cyber security, acquisition, and contracting within the DoD Intelligence community, and intelligence and counterintelligence programs, systems, training, analysis and funding.

1. **Intelligence:** In FY 2017, ISPA evaluated the National Security Agency Counterterrorism Tasking Process Involving Second Party Partners. The focus of the evaluation was to ensure Australia, Canada, New Zealand, and the United Kingdom complied with applicable DoD and NSA. In FY 2018, ISPA will continue to assess issues throughout the intelligence enterprise including increased awareness and utilization of the Intelligence Community Whistleblower Protection Act.
2. **Counterintelligence:** In FY 2017, ISPA completed the evaluation of the Military Services' compliance with counterintelligence screening requirements as well as the Evaluation of Oversight of Privileged Users Within the Military Service's Intelligence Community. In FY 2018, ISPA will continue its oversight efforts related to changes in critical technologies that impact counterintelligence support to deter foreign intelligence adversaries. Key issues include counterintelligence support to cyberspace/forensics, changes in counterintelligence funding and technical surveillance countermeasures, supporting counterterrorism efforts related to Lead-IG intelligence oversight requirements.
3. **Security Enterprise:** For FY 2017, ISPA evaluated the intelligence support to foreign military sales determinations and conducted an ongoing follow-up evaluation of over-classification of national security information as well as an assessment of the effectiveness of the Defense Critical Infrastructure Program. In FY 2018, ISPA will

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continue to look at critical issues throughout the security enterprise. ISPA will assess implementation efforts from the Defense Security Enterprise related to Insider Threat initiatives including Continuous Monitoring and Continuous Evaluation. ISPA also plans to evaluate the Combatant Command Insider Threat Programs' compliance with DoD Directives.

4. **Nuclear Enterprise:** The Nuclear Enterprise continues to be a DoD management challenge. Congressional committees continue to show interest in DoD OIG's nuclear enterprise oversight, resulting in several discussions with Congressional staff and with DoD leadership focusing on nuclear governance and readiness. In FY 2017, ISPA issued reports on evaluations of the National Airborne Operations Center and Explosive Ordnance Disposal capabilities in the nuclear enterprise. ISPA also worked on evaluations of the U.S. Nuclear Detonation Detection System and the sustainment of the Navy's Ohio-class ballistic submarines. In FY 2018 and FY 2019, ISPA will continue to assess issues throughout the nuclear enterprise based on inputs from OSD leadership, U.S. Strategic Command, the Joint Staff, and the Office of the Secretary of Defense. Other oversight efforts will include a review of the U.S. European Command's ability to conduct nuclear operations, and a review of airborne refueling support to the nuclear enterprise.
5. **Space Enterprise:** In FY 2017, ISPA established a team to focus on space-based DoD assets, threats, and capabilities. ISPA began efforts to identify high-risk areas to review in FY 2018 and FY 2019. ISPA is finalizing details to evaluate aspects of the Space-Based Infrared Sensor system and the Global Positioning System constellation.
6. **Special Access Programs:** In FY 2017, ISPA performed evaluations that were self-initiated, requested by Congress, and requested by the Director, DoD Special Access Programs Central Office. These evaluations provided oversight of major acquisition programs, information technology systems, intelligence, security, systemic issues

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and organizational reviews to ensure compliance with DoD directives, policies and guidance. In FY 2018 and FY 2019 ISPA plans to continue conducting evaluations related to the oversight of the SAP enterprise.

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
<b><u>AUDIT</u></b>			
Reports issued	83	110	110
Potential monetary benefits (in billions)	\$1.1		
Achieved monetary benefits (in millions)	\$16.2		
<b><u>DEFENSE CRIMINAL INVESTIGATIVE SERVICE</u></b>			
Indictments and Charges	221	255	261
Convictions	186	231	236
Fines, penalties, and restitutions (in millions)	\$1,199	\$1,299	\$1,344
<b><u>ADMINISTRATIVE INVESTIGATIONS</u></b>			
Investigations of Senior Officials Complaints Received	749	749	749
Investigations of Senior Officials Complaints Closed	752	752	752
Whistleblower Reprisal Investigations Complaints	1,707	1,827	1,954
Whistleblower Reprisal Investigations Complaints Closed	1,682	1,893	2,120
DOD Hotline Contacts Received	13,361	13,361	13,361
DOD Hotline Cases Referred	6,684	7,018	7,368

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SPECIAL PLANS AND OPERATIONS

SPO Reports	7	10	12
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POLICY AND OVERSIGHT

Audit Policy and oversight reports	8	10	10
Hotline completion reports	0	4	4
Notices of concern	2	2	2
Investigative policy and oversight reports	4	6	6
Contractor disclosures submitted	380	400	420
Subpoenas issued	1,095	1,150	1,200
Technical assessment reports	4	5	4
Engineering support to other component projects	7	7	8

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<u>V. Personnel Summary</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Change FY 2017/ FY 2018</u>	<u>Change FY 2018/ FY 2019</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>25</u>	<u>21</u>	<u>25</u>	<u>-4</u>	<u>4</u>
Officer	24	20	24	-4	4
Enlisted	1	1	1	0	0
<u>Reserve Drill Strength (E/S) (Total)</u>	<u>9</u>	<u>0</u>	<u>9</u>	<u>-9</u>	<u>9</u>
Officer	9	0	9	-9	9
<u>Civilian End Strength (Total)</u>	<u>1,486</u>	<u>1,719</u>	<u>1,545</u>	<u>233</u>	<u>-174</u>
U.S. Direct Hire	1,485	1,718	1,544	233	-174
Total Direct Hire	1,485	1,718	1,544	233	-174
Foreign National Indirect Hire	1	1	1	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>21</u>	<u>21</u>	<u>25</u>	<u>0</u>	<u>4</u>
Officer	20	20	24	0	4
Enlisted	1	1	1	0	0
<u>Reserve Drill Strength (A/S) (Total)</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>0</u>	<u>9</u>
Officer	0	0	9	0	9
<u>Civilian FTEs (Total)</u>	<u>1,464</u>	<u>1,617</u>	<u>1,515</u>	<u>153</u>	<u>-102</u>
U.S. Direct Hire	1,463	1,616	1,514	153	-102
Total Direct Hire	1,463	1,616	1,514	153	-102
Foreign National Indirect Hire	1	1	1	0	0
Average Annual Civilian Salary (\$ in thousands)	157.4	163.0	164.1	5.6	1.1
<u>Contractor FTEs (Total)</u>	<u>125</u>	<u>102</u>	<u>111</u>	<u>-23</u>	<u>9</u>

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- 1) Civilian Compensation per OMB A-11 Compensable Days and Hours for FY 2018 at 260 days and 2,080 hours.
- 2) Civilian Compensation per OMB A-11 Compensable Days and Hours for FY 2019 at 261 days and 2,088 hours.
- 3) O&M Civilian FTEs for US Direct Hire include 300 Law Enforcement Officer (LEO) FTEs eligible for available pay under Office of Personnel Management (OPM) standards who receive additional civilian pay compensation benefits on top of their basic pay (5 U.S.C. 5545a - Availability pay for criminal investigators).
- 4) Average Annual Civilian Salary computation includes the average of all FTEs (including the LEO FTEs plus their available pay under OPM standards).

For the FY 2018 - FY 2019 changes of (-102) FTEs is contributed to the following:

1) O&M IG Realignment of FTEs: The IG FY 2018 FTE change reflects the realignment of pay resources to non-pay support cost in the OP32 lines: Travel, DWCF Purchases, Transportation, and Other Purchases, achieved through agency efficiencies to meet critical and emerging IG priorities and requirements, from the previous PB 2018 FTE submission.

O&M Increase of (+9) Contractor FTEs in IT Contract Support Services is attributable to the IG's focus on the transformation process and leveraging of IT solutions across the various platforms to improve efficiency, and establish a self-sufficient reliable IT infrastructure due to the Joint Service Provider (JSP) support reduction.

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

<u>OP 32 Line</u>	<u>FY 2017</u>	<u>Change</u>		<u>FY 2018</u>	<u>Change</u>		<u>FY 2019</u>
		<u>FY 2017/FY 2018</u>			<u>FY 2018/FY 2019</u>		
	<u>Actuals</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
101 Exec, Gen'l & Spec Scheds	227,994	4,455	28,822	261,271	1,332	-16,074	246,529
111 Disability Compensation	931	0	398	1,329	0	-371	958
121 PCS Benefits	1,432	0	-501	931	0	19	950
<b>199 Total Civ Compensation</b>	<b>230,357</b>	<b>4,455</b>	<b>28,719</b>	<b>263,531</b>	<b>1,332</b>	<b>-16,426</b>	<b>248,437</b>
308 Travel of Persons	5,914	100	-254	5,760	104	-303	5,561
<b>399 Total Travel</b>	<b>5,914</b>	<b>100</b>	<b>-254</b>	<b>5,760</b>	<b>104</b>	<b>-303</b>	<b>5,561</b>
677 DISA Telecomm Svcs - Reimbursable	1,479	28	-363	1,144	22	43	1,209
<b>699 Total DWCF Purchases</b>	<b>1,479</b>	<b>28</b>	<b>-363</b>	<b>1,144</b>	<b>22</b>	<b>43</b>	<b>1,209</b>
771 Commercial Transport	309	5	-211	103	2	663	768
<b>799 Total Transportation</b>	<b>309</b>	<b>5</b>	<b>-211</b>	<b>103</b>	<b>2</b>	<b>663</b>	<b>768</b>
901 Foreign National Indirect Hire (FNIH)	107	2	4	113	1	1	115
912 Rental Payments to GSA (SLUC)	6,759	115	10,016	16,890	304	-9,948	7,246
913 Purchased Utilities (Non-Fund)	36	1	35	72	1	49	122
914 Purchased Communications (Non-Fund)	1,974	34	13	2,021	36	-202	1,855
915 Rents (Non-GSA)	15,175	257	-15,432	0	0	12,672	12,672
917 Postal Services (U.S.P.S)	19	0	0	19	0	1	20
920 Supplies & Materials (Non-Fund)	731	12	1,109	1,852	33	-882	1,003
921 Printing & Reproduction	132	2	-11	123	2	30	155
922 Equipment Maintenance By Contract	4,827	82	-3,247	1,662	30	3,626	5,318
923 Facilities Sust, Rest, & Mod by Contract	56	1	-54	3	0	5,905	5,908
925 Equipment Purchases (Non-Fund)	20,202	343	-17,809	2,736	49	3,369	6,154
932 Mgt Prof Support Svcs	14,699	250	-8,411	6,538	118	-629	6,027
933 Studies, Analysis & Eval	0	0	148	148	3	-151	0
934 Engineering & Tech Svcs	515	9	1,857	2,381	43	-2,367	57
937 Locally Purchased Fuel (Non-Fund)	458	53	-511	0	0	0	0

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<u>OP 32 Line</u>	FY 2017 <u>Actuals</u>	Change FY 2017/FY 2018		FY 2018 <u>Estimate</u>	Change FY 2018/FY 2019		FY 2019 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
957 Other Costs (Land and Structures)	0	0	985	985	18	-1,003	0
960 Other Costs (Interest and Dividends)	2	0	-2	0	0	6	6
985 Research & Development, Contracts	4,088	0	-1,919	2,169	0	2,468	4,637
987 Other Intra-Govt Purch	7,834	134	-211	7,757	140	1,715	9,612
989 Other Services	4,107	70	2,039	6,216	112	-3,438	2,890
990 IT Contract Support Services	6,274	107	8,283	14,664	264	-5,427	9,501
<b>999 Total Other Purchases</b>	<b>87,995</b>	<b>1,472</b>	<b>-23,118</b>	<b>66,349</b>	<b>1,154</b>	<b>5,795</b>	<b>73,298</b>
<b>Total</b>	<b>326,054</b>	<b>6,060</b>	<b>4,773</b>	<b>336,887</b>	<b>2,614</b>	<b>-10,228</b>	<b>329,273</b>

\* The FY 2017 Actual column includes \$16,639.0 thousand of FY 2017 Overseas Contingency Operations (OCO) Appropriations Funding (PL 115-31).

\* The FY 2018 Estimate column excludes \$24,692.0 thousand of FY 2018 OCO Appropriations Funding.

\* The FY 2019 Estimate column excludes \$24,692.0 thousand of FY 2019 OCO Appropriations funding.