

**OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE**

**SUMMARY OF
REPORTS ISSUED AND
PARTICIPATION ON MANAGEMENT ADVISORY TEAMS
AND SPECIAL AUDIT/EVALUATION EFFORTS**

APRIL, MAY, AND JUNE 2001



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Abstract <p>The objective was to evaluate the overall management of the Joint Helmet Mounted Cueing System. Specifically, the audit determined whether the Air Force is cost-effectively readying the system for the production phase of the acquisition process. This report addresses testing and evaluation and contracting. The Joint Helmet Mounted Cueing System operational tests, as planned, would not provide the objective test results necessary to support the full-rate production decision in April 2002. As a result, the Air Force may spend about \$6 million for operational testing without adequately determining whether the system will be operationally effective, suitable, and will provide the warfighter with a first look, first shot advantage within visual range in the air-to-air combat arena. In addition, the acquisition approach of the joint program needed improvement to recognize the risks associated with the rebaseline and the contracting structure of the Joint Helmet Mounted Cueing System program, and to explore component breakout opportunities for full-rate production. As a result, the evaluation, identification, and management of contractor performance is at risk, and the joint program office would miss the opportunity to put approximately \$17 million of funds to better use through purchasing five components directly from manufacturers and eliminating the non-value-added overhead of 25 percent from intermediate tiers of contractors.</p>		
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PART I

REPORT SUMMARIES

ACQUISITION PROGRAM

[REPORT NO. D-2001-103. Acquisition of the Joint Helmet Mounted Cueing System.](#) The objective was to evaluate the overall management of the Joint Helmet Mounted Cueing System. Specifically, the audit determined whether the Air Force is cost-effectively readying the system for the production phase of the acquisition process. This report addresses testing and evaluation and contracting.

The Joint Helmet Mounted Cueing System operational tests, as planned, would not provide the objective test results necessary to support the full-rate production decision in April 2002. As a result, the Air Force may spend about \$6 million for operational testing without adequately determining whether the system will be operationally effective, suitable, and will provide the warfighter with a first look, first shot advantage within visual range in the air-to-air combat arena. In addition, the acquisition approach of the joint program needed improvement to recognize the risks associated with the rebaseline and the contracting structure of the Joint Helmet Mounted Cueing System program, and to explore component breakout opportunities for full-rate production. As a result, the evaluation, identification, and management of contractor performance is at risk, and the joint program office would miss the opportunity to put approximately \$17 million of funds to better use through purchasing five components directly from manufacturers and eliminating the non-value-added overhead of 25 percent from intermediate tiers of contractors.

[REPORT NO. D-2001-106. Powered-Low Cost Autonomous Attack System Advanced Technology Demonstrator.](#) The objectives were to evaluate the Powered-Low Cost Autonomous Attack System (P-LOCAAS) development, operational and system requirements, planned testing for the program, and the use of the prototype other transaction authority.

The Air Force Research Laboratory plans to continue refining the P-LOCAAS technology beyond satisfying the system requirements (exit criteria) identified in the technology transition plan. As a result, the Air Force Research Laboratory will spend an additional \$24 million in FYs 2002 and 2003 to refine the system capability although no assessment has been made to support this continued expenditure.

[REPORT NO. D-2001-111. Acquisition of the Airborne Laser Mine Detection System.](#) The objective was to evaluate the overall management of the System. Because the program was in the engineering and manufacturing development phase, we determined whether management was cost-effectively developing and readying the System for the full-rate production phase of the acquisition process.

Overall, the System program office was cost-effectively developing and readying the program for the full-rate production phase. However, one area warrants management attention before the program enters full-rate production. The Deputy Chief of Naval Operations (Resources, Warfare Requirements and Assessments) had to use assumptions concerning related acquisition programs to determine the number of System units needed to satisfy Navy requirements. Until the Navy firms up requirements and tactics for related acquisition programs and assesses the feasibility of transferring Systems between deployed and nondeployed ships, the Navy will not be able to ensure, through programming and budgeting, that System production requirements remain fully funded in the Future Years Defense Program.

[REPORT NO. D-2001-115. Reconnaissance, Surveillance, and Targeting Vehicle Program.](#) The objective was to evaluate the Navy's acquisition planning and development for the Reconnaissance, Surveillance, and Targeting vehicle technology demonstrator program. We reviewed system requirements, program coordination, and the use of the other transaction authority. This is a vehicle specially designed to fit in a V-22 aircraft.

Office of Naval Research and Marine Corps Systems Command officials did not establish exit criteria and a technology transition plan for the program. In addition, the potential exercising of options in the other transaction agreement would result in an unauthorized initial production decision. As a result, the Office of Naval Research and Marine Corps officials did not properly plan for the potential introduction of the RST vehicle or emerging technology(ies) into existing systems. Also, the possibility exists that the Navy would exceed its authority for other transaction agreements by exercising options for production of 39 more vehicles.

[REPORT NO. D-2001-132. Funding and Logistics for the Joint Helmet Mounted Cueing System.](#) This is the second of two audit reports addressing the Joint Helmet Mounted Cueing System. The objective was to evaluate the overall management of the System. This report addresses core depot activation and budgeting for System requirements.

The activation of a depot maintenance capability to support core capability requirements for the System was delayed and at risk. As a result, the System may not efficiently transition from an interim contractor support capability to an organic depot maintenance capability, and future costs may increase. Also, the Air Force F-15, F-16, and F-22 system program offices were not provided reliable cost information to budget for System requirements. As a result, there is a \$29.7 million shortfall to acquire 205 System units within the FY 2002 to FY 2007 Budget Estimate Submission.

[REPORT NO. D-2001-138. Acquisition of the Joint Biological Point Detection System.](#) This report is the second and last in a series that discuss the acquisition of the System. The objective was to evaluate the overall management of the Joint Biological Point Detection System Program.

The product manager for the System implemented an evolutionary acquisition strategy and was working diligently to develop and field the system. However, the following areas required additional management attention:

- o The Director, Joint Services Integration Group Secretariat, released for coordination the draft operational requirements document for the system that did not include required key performance parameters; clearly define performance objectives for biological and chemical contamination survivability; and fully address system affordability and quantity requirements. As a result, the Army may develop and approve a system for production that does not fully meet user requirements and that the Army, Navy, and Marine Corps may not be able to afford.

- o The Director, Joint Services Integration Group Secretariat, was coordinating, for approval, draft operational requirements documents for the Army Point Detection System and the Marine Corps Joint Biological Tactical Detection System that included similar requirements for developing a lightweight tactical biological point detector. As a result, the Joint Program Manager could unnecessarily approve the development of two systems having similar tactical detection capabilities.

- o The Deputy Assistant to the Secretary of Defense for Chemical and Biological Defense did not notify the Under Secretary of Defense (Comptroller) of the need to realign procurement funding when the production schedule for the System was restructured in October 2000. As a result, the Under Secretary had withdrawn only \$14 million in FY 2001 and FY 2002 procurement funding for the System in December 2000, instead of up to \$84.6 million because the program restructure delayed the planned full-rate production decision from FY 2001 to late fourth Quarter FY 2002 or early FY 2003.

CONSTRUCTION AND INSTALLATION SUPPORT

[REPORT NO. D-2001-104. Bulk Fuel Related Projects at Naval Station Rota and Moron Air Base, Spain.](#) This report is one in a series that addresses the accuracy and reliability of maintenance, repair, and environmental and military construction (MILCON) requirements for bulk fuel storage and delivery systems infrastructure. This audit evaluated requirements for projects at two locations in Spain.

Maintenance, repair, and environmental projects valued at \$21.2 million at Naval Station Rota and Moron Air Base, Spain, were adequately supported. Military construction projects at Naval Station Rota for \$92 million were supported as strategic en route

requirements. However, fuel-related military construction project requirements for Moron Air Base were inaccurate. DLA approved and funded a \$14 million fuel-related military construction project at Moron Air Base that was not necessary to support strategic en route requirements. In addition, unless the U.S. European Command establishes and implements procedures to review, validate, and prioritize project requirements, DLA cannot maximize the use of available funds to ensure that the highest priority DoD projects successfully compete for funding.

[REPORT NO. D-2001-134. Bulk Fuel Infrastructure Military Construction Project Review Process: Pacific.](#) This report is one in a series that addresses the accuracy and reliability of maintenance, repair, and environmental and military construction (MILCON) requirements for bulk fuel storage and delivery systems infrastructure. This audit evaluated maintenance, repair, and environmental and MILCON project requirements at Hickam Air Force Base, Hawaii; and Eielson and Elmendorf Air Force Bases, Alaska.

Major command personnel approved requirements for 40 maintenance, repair, and environmental projects, valued at \$16.1 million, but could not demonstrate that the projects were properly validated in accordance with DoD guidance. IG, DoD, Report No. D-2001-040, addressed that issue and recommended corrective actions. The implementation of those corrective actions will ensure proper validation of future maintenance, repair, and environmental project requirements. Headquarters, Pacific Air Forces personnel approved and validated four bulk fuel-related MILCON projects at Hickam, Eielson, and Elmendorf Air Force Bases. However, requirements for a \$26 million bulk fuel storage MILCON project at Elmendorf Air Force Base were inaccurate and unnecessary. As a result, the Installation Planning and Review Board, Defense Energy Support Center, considered a \$26 million MILCON project that was not necessary to support operational requirements. In June 2000, the Elmendorf Air Force Base project was categorized as a high priority for the FY 2004 DLA MILCON Program. Although the project was deferred, it was not cancelled. During the audit, the \$26 million project was cancelled. The Joint Petroleum Office, U.S. Pacific Command, needed to initiate action to improve the MILCON project requirements review and validation process to prevent misuse of future funds.

CONTRACTING OVERSIGHT

[REPORT NO. D-2001-094. Management of Contracts for F110 Engine Procurements.](#) This audit was performed in response to an allegation to the Defense Hotline that the Wright-Patterson Air Force Base Procurement Contracting Office made poor procurement decisions on F110 aircraft engine contracts valued at \$7.5 billion. The allegation also stated that as a result of the Procurement Contracting Office failure to monitor the contract clauses, approximately \$50 million of Government funds were not collected in a timely manner. Our overall objective was to determine whether the allegation had merit.

We partially substantiated three of the five issues in the allegation. The procurement and administrative contracting office personnel did not adequately manage and monitor certain clauses in the contracts. As a result, the contracting officials were unaware of events that impacted contract performance, and funds owed to the Government were not collected in a timely manner. The Government lost the use of more than \$50 million for other priorities and also lost the opportunity costs associated with this money, which we calculated at approximately \$5.5 million. All \$50 million was collected by the end of the audit.

[REPORT NO. D-2001-125. Procurement Actions Related to the 3.0 Managed Care Support Services Request for Proposal.](#) This audit is in response to allegations to the Defense Hotline regarding the TRICARE 3.0 Managed Care Support Services Request for Proposal (RFP). The complainant alleged that the contract to review the RFP was improper; and that the findings from the consultant's review of the RFP were unfounded and incorrect, and there was little rebuttal presented to the Defense Medical Oversight Committee by the TRICARE Management Activity. The objective was to determine whether procurement actions and decisions regarding the RFP were proper.

The allegation that the contract was improper was not substantiated. We determined that there were no improprieties in the award of the contract or in the contract itself. The allegation that there was little rebuttal presented to the Defense Medical Oversight Committee by the TRICARE Management Activity on the results of the consultant's review of TRICARE 3.0 was partially substantiated. The TRICARE Management Activity provided the Assistant Secretary of Defense (Health Affairs) a written response on the results of the review. The Assistant Secretary decided not to provide the response to the Defense Medical Oversight Committee because the Under Secretary of Defense (Personnel and Readiness) decision to cancel the RFP had already been made. We did not review the alleged unfounded and incorrect findings of the consultant because the June 13, 2001, Defense Medical Oversight Committee's recommendation to cancel TRICARE 3.0 was not based solely on the review.

[REPORT NO. D-2001-129. Contracting Officer Determinations of Price Reasonableness When Cost or Pricing Data Were Not Obtained.](#) The audit was initiated as a result of issues identified in other recent IG, DoD, audits related to price reasonableness. Our objective was to determine whether contracting officers obtained information, in accordance with the FAR, to determine price reasonableness when certified cost or pricing data were not required, and whether these reasonableness determinations were adequate.

Contracting officials lacked valid exceptions from obtaining certified cost or pricing data, and failed to obtain required data in 46 (32 percent) of the 145 contracting actions. In addition, price analysis documentation did not adequately support price reasonableness in 124 (86 percent) of those 145 actions. Also, contracting officials did not challenge items categorized as commercial, and they accepted prices based on contractor catalogs and price lists without analyses. Contracting officials used questionable competition as a basis for accepting contractor prices and relied on unverified prices from prior contracts as the basis for determining that current prices were reasonable. Problems contributing to poor price analysis included an atmosphere of urgency caused by a lack of planning, staffing shortages, the need for additional senior leadership oversight, and a generally perceived lack of emphasis on

obtaining cost or pricing data. As a result, we calculated that 52 of the 124 contract actions in which price reasonableness was not adequately supported were overpriced by about \$23.1 million (22.7 percent). Of the other 72 contract actions, data were inadequate to determine whether overpricing existed.

[REPORT NO. D-2001-150. DoD Review of Flight Safety Critical Threaded Fasteners and Components.](#) This audit was conducted in response to allegations to USD(AT&L) and the Defense Hotline, that DoD acquisition and quality assurance procedures allowed significant amounts of dimensionally nonconforming flight safety critical threaded fasteners and components into the DoD inventory. The overall objective was to determine whether the DoD “Joint Aerospace Threaded Fasteners/Components Review,” February 15, 2000, adequately examined flight safety critical threaded fasteners and components used by the Services.

The DoD Review was not comprehensive enough to support the conclusion that no flight safety problem existed with nonconforming fasteners and components in the DoD inventory. DoD only tested a sample of 19 different flight safety critical threaded fastener NSNs available in the Air Force inventory out of the 350 used by the Air Force, and tested none of the flight safety critical threaded components used by the Air Force. The Air Force sample showed that 10 of the 19 NSNs tested, or 53 percent, had nonconforming flight safety critical threaded fasteners. Further, the review report did not disclose that the chief engineers responses to the Air Force letter on form, fit, and function on nonconforming fasteners showed that three of the six weapons systems chief engineers would not recommend accepting the nonconforming fasteners for use on their weapon system. DoD did not test any of the flight safety critical threaded fastener NSNs or any flight safety critical components in DLA, Army, and Navy inventories. In addition, although the quality assurance procedures used by DLA and the Services were reviewed, the implementation and results of those procedures were not verified to determine if they operated as intended.

ENVIRONMENT

[REPORT NO. D-2001-105. Implementation of National Defense Center for Environmental Excellence.](#) This evaluation was initiated in response to a request from the DUSD (Environmental Security). This report is the third and final to be issued by IG, DoD, in accordance with the request. The overall objective was to determine the effectiveness of the National Defense Center for Environmental Excellence (NDCEE) in developing and disseminating advanced environmental technologies for DoD. Specifically, we evaluated the NDCEE program's effectiveness in successfully demonstrating and validating advanced technologies, transferring those technologies to appropriate DoD sites, and realizing significant benefits and return on investment to the DoD.

Although NDCEE has realized successes, program implementation can be improved. Our survey of NDCEE customers found that 83 percent reported that they were either satisfied

or very satisfied with services received. However, DoD did not maximize dissemination of advanced environmental technologies from the NDCEE. Only 20 of the 63 demonstrated technologies (32 percent) were subsequently transferred to DoD sites. Demonstrated technologies were not disseminated because the DoD installations requiring the technologies did not receive sufficient funding. Also, NDCEE did not consistently provide cost/benefit analyses of technologies that it demonstrated and validated. In addition, Army and NDCEE program managers lacked meaningful performance and benefits measurement criteria to report mission results. As a result, DoD was missing opportunities to reduce the costs and risks associated with environmental pollution and improved direction of NDCEE operations as needed.

FINANCE AND ACCOUNTING

[REPORT NO. D-2001-097. Preparing Financial Reports for Marine Corps Appropriations.](#)

The overall objective was to determine the reliability and effectiveness of processes and procedures used to prepare Navy General Fund financial statements. Specifically, for this part of the audit, we audited the processes and procedures that DFAS Kansas City used to prepare monthly and year-end financial reports for Marine Corps appropriations.

DFAS Kansas City has spent more than \$21 million on the Standard Accounting, Budgeting and Reporting System (SABRS) modifications, redesign, and enhancements from FY 1997 through FY 2000 to provide full accounting support for the Marine Corps general funds. However, DFAS Kansas City did not use SABRS general ledger account balances to prepare monthly and year-end financial reports or utilize other enhancements built into SABRS. DFAS Kansas City used a complex, manual process which increased the potential for errors and did not further the objective of moving toward transaction-based, general ledger driven accounting systems to produce financial reports and statements. Also, not relying on general ledger account balances resulted in missed opportunities to capitalize on the inherent efficiencies of using a single system.

[REPORT NO. D-2001-099. Use of Contract Authority for Distribution Depots by the Defense Logistics Agency.](#)

The objective was to determine whether DFAS Columbus consistently and accurately compiled financial data from field activities and other sources for the financial statements of DLA. This part of the audit determined whether the contract authority DLA used for its business activity groups was properly posted to the accounting records. Additionally, we determined whether the contract authority was recorded on the distribution depot accounting records and whether DLA established distribution depot billing rates sufficient to liquidate the contract authority allocated to the DLA distribution depot activity group.

From FY 1992 through FY 2000, DLA used \$1.8 billion of contract authority to fund the operations of the DLA distribution depot activity group. However, accounting information

documenting the use of the authority was not posted to the accounting records of the distribution depot activity group. Additionally, the distribution depot activity group did not collect enough revenue to cover \$1.1 billion of its prior year disbursements. To offset the shortfall in revenue, USD(C) used funds collected by the DLA supply management activity group to liquidate \$1.1 billion in outstanding contract authority that was provided to the distribution depot activity group. Because the cash deficits at the distribution depots were eliminated using cash from the supply management activity group, the occurrence of deficits was not reflected on financial statements or budget estimates and did not require management to make further adjustments, including cutting costs or raising rates at the distribution depots. Additionally, operating results for the distribution depot and supply management activity groups were distorted.

[REPORT NO. D-2001-100. Promptness and Completeness of FYs 2000 and 2001 DoD Payments to the U.S. Treasury for Water and Sewer Services Provided by the District of Columbia.](#) This is the second in a series of quarterly reports. The objective was to determine the promptness of quarterly DoD payments to the U.S. Treasury for water and sewer services provided by the District of Columbia. This report focuses on the promptness and completeness of DoD payments for FY 2000 through the third quarter of FY 2001.

DoD Components improved the promptness and completeness of their payments between FY 2000 and the third quarter of FY 2001. Based on the due dates stated in the U.S. Treasury bills, the DoD Components' water and sewer payments were on average 92 days late in FY 2000. However, in FY 2001, the payments were only an average of 10 days late. For the payments that were late and not complete, the reasons are: DoD Components did not make payments for water and sewer services until bills were received and services verified; DoD Components did not agree with the U.S. Treasury's estimated water and sewer bills or that complete payment should be made on these estimated amounts; the U.S. Treasury did not provide the FYs 2000 and 2001 billing letters until after the required payment date; and DoD has not established an effective process for paying water and sewer bills promptly and completely. DoD Components paid \$12.7 million (42 percent) of the \$30.3 million billed in FY 2000 and \$4.1 million (66 percent) of the \$6.2 million billed through the third quarter of FY 2001 by the U.S. Treasury for water and sewer services provided by the District of Columbia. In addition, DoD Components were not consistent in their payment methods.

[REPORT NO. D-2001-107. Accounting Entries Made by the Defense Finance and Accounting Service Omaha to U.S. Transportation Command Data Reported in DoD Agency-Wide Financial Statements.](#) This is one of a series of reports on the preparation and use of journal voucher and other accounting entries by DFAS field sites. The overall objective was to determine whether adequate procedures were used by DFAS field sites in processing and reporting USTRANSCOM data in the FY 2000 DoD Agency-wide financial statements. Specifically, we identified and evaluated journal vouchers and other accounting entries made by DFAS Omaha to USTRANSCOM financial data.

DFAS Omaha made \$11.6 billion in unsupported accounting entries out of the \$12.6 billion total accounting entries made in March 2000 by journal voucher to USTRANSCOM Working Capital Fund records. Further, of the unsupported entries,

\$0.2 billion were also not properly approved. Our results for March 2000 suggest the potential exists for additional unsupported accounting entries among the \$173.6 billion in total journal vouchers processed by Omaha for the command during FY 2000. The administrative documentation problems identified have resulted in material control weaknesses that affect the accuracy of the accounting records and the FY 2000 DoD Agency-wide financial statements. After alerting management to this condition, local guidance and additional headquarters guidance on journal vouchers was issued, which should improve the accuracy and reliability of reporting on the FY 2001 financial statements.

[REPORT NO. D-2001-108. Recognition of Revenues and Expenses in the Defense Business Management System.](#) This is the third in a series of reports on reliability of information supporting the Navy Working Capital Fund (WCF) Financial Statements and related internal controls. The objectives of this phase were to review procedures and controls over the recognition of revenue and expenses for the Navy WCF within the Defense Business Management System (DBMS), and to evaluate the reliability of that financial information provided to DFAS Cleveland for inclusion in the statements.

The recording of revenues, accounts receivable, expenses and accounts payable in DBMS did not comply with DoD accounting policy. Specifically,

- o DFAS Columbus prematurely recorded revenue and accounts receivable in general ledger accounts based on obligations rather than actual earnings. Approximately \$3.6 million (90 percent) of the \$4 million in revenue transactions reviewed was recognized prematurely.

- o The Fleet Industrial Supply Center Puget Sound and Naval Inventory Control Point Mechanicsburg did not always record expenses and accounts payable when material or services were received. In some cases, expenses were recognized when the related disbursement was recorded in the DBMS and in other cases, the expense was recorded when funds were initially obligated. Approximately \$1.5 million (48 percent) of the \$3.1 million of expense transactions reviewed was not recognized during the month that the expense was incurred.

We reviewed sample transactions at 2 of the 12 Navy WCF organizations using DBMS. However, with such large percentages of revenue and expenses not recognized in the proper accounting period, we are concerned about the reliability of \$304 million in revenue and \$760 million in expenses (excluding payroll-related costs) reported from the DBMS for the FY 2000 financial statements of the Supply Management activity group of the Navy WCF.

[REPORT NO. D-2001-109. DoD Payroll Withholding Data for FY 2000.](#) Our objective was to determine whether the retirement, health, and life insurance withholdings and employee data submitted by DoD to the Office of Personnel Management (OPM) for FY 2000 were accurate and supported. We also assessed compliance with laws, regulations, and procedures relative to payroll withholding data submitted by DoD.

The DFAS and DoD personnel offices did not have adequate controls to ensure the accuracy of the payroll amounts withheld and remitted to OPM. For the three payroll periods tested, the \$247.5 million payroll withholding amount DFAS reported to OPM exceeded the

DFAS database by \$2.7 million. The overall difference was 1.09 percent. Although this is a small percentage difference, it represents a significantly higher error rate than the \$0.3 million, or 0.13 percent, that we identified for FY 1999. As a result, DFAS could not assure the accuracy of the DoD payroll withholding data transferred to OPM.

[REPORT NO. D-2001-110. Defense Health Program Funds Administered as Part of the TRICARE Program.](#) Our objective was to evaluate the fund control practices of the TRICARE program related to the unanticipated increases covered by Public Law No. 106-246, sections 105 and 106.

We could not fully evaluate the fund control practices of the TRICARE program related to the unanticipated increases covered by Public Law No. 106-246, sections 105 and 106. TRICARE obligated \$569.7 million of the \$615.6 million appropriated by Congress to settle numerous claims as of January 31, 2001. Many claims were settled under a global settlement; therefore, a clear audit trail was not available to determine whether TRICARE maintained effective fund controls and accountability over the obligations related to the unfunded requirements. The following are the obligations that we could identify by specific purpose, amount, and line(s) of accounting made against sections 105 and 106. About \$4.6 million of the \$20.8 million obligated against the \$90.3 million authorized in section 106(a)(1) could be traced to specific purposes (a bid price adjustment) as of January 31, 2001. About \$475.6 million of the \$525.3 million authorized in section 106(a)(2) could be traced to specific purposes as of January 31, 2001. Even then, those purposes were not as originally identified for funding and were not, in some cases, unanticipated.

Regarding section 106(b), we determined that DoD notified the congressional Defense committees by October 30, 2000, of its intent to obligate \$540 million to cover managed care support contract costs. However, as of April 5, 2001, DoD had not submitted its report on the amounts obligated, as required by section 106(c). In addition, as of April 5, 2001, DoD had not provided its report to Congress on whether TRICARE had violated fiscal law or departmental regulations related to the critical shortfalls in funding. The absence of those two DoD reports affected our ability to determine what DoD had established as its baseline for evaluating any potential violations of fiscal law and departmental regulations.

[REPORT NO. D-2001-114. DoD Contractor Debt Collection Process.](#) This is the first in a series of reports related to the DoD debt collection process. The overall objective was to review the DoD contractor debt collection process and the controls associated with the List of Contractors Indebted to the United States (List).

DFAS did an inadequate job on debt collection from 37 large DoD contractors in the cases examined. DoD had 204 open debts valued at \$39.4 million with 37 large DoD contractors, some of which remained open from the mid-1980s. On review, we found that 29 cases for \$8.6 million were apparently invalid and 9 cases for \$0.4 million where the collection period had apparently lapsed. We also identified one debt case for \$17.8 million that had been collected by the Department of the Treasury but was not subsequently forwarded to DoD. The net result was that DoD had not collected \$12.6 million in contractor debt. The amounts due ranged from \$25 to \$6.4 million. Implementing the recommendations would

allow DoD to collect \$12.6 million. We identified 148 cases to DFAS during the audit and DoD took some actions to resolve those debts. The List, prepared by DFAS, did not include sufficient data to ensure that disbursing officers could identify payments to administratively offset contractor debt, did not include all eligible contractor debts, included apparently invalid debts, and did not include sufficient data to ensure debts were removed in a timely manner. As a result, the List was not an effective tool to collect contractor debts and potential administrative offsets were not made against payments to collect contractor debts.

[REPORT NO. D-2001-116. Compilation of the FY 2000 Financial Statements for Other Defense Organizations-General Funds.](#) Our primary objective was to determine whether DFAS Indianapolis consistently and accurately consolidated and compiled financial data from supporting accounting offices and other sources for the FY 2000 Financial Statements for Other Defense Organizations-General Funds. Specifically, we evaluated whether the compilation of the financial information for the Statements was complete, and whether the footnotes fully disclosed material discrepancies and additional information relevant to the financial statements.

DFAS Indianapolis included unexplained abnormal and inconsistent balances in the Statements. Problematic data elements continue to compromise the integrity and accuracy of the Statements. At least \$3.9 billion of unexplained net abnormal balances and an absolute amount of \$89.5 billion of account balances that were not consistent with corresponding Reports on Budget Execution were included in trial balances used to prepare the Statements. However, the accounting offices that support the Other Defense Organizations made commendable efforts in improving the timeliness of trial balance submissions to DFAS Indianapolis. At least \$150.5 billion of unsupported year-end departmental accounting entries were posted to force multiple accounting records to agree, to eliminate the effects of intragovernmental transactions, and to force the financial statements to agree. At least seven material lines of the Statements were not reliable and not auditable. Also, the footnotes to the financial statements did not adequately disclose the limited reliability of the financial statements. Further, the financial statements that were presented to us for audit differed by \$390.2 billion from the final version of the financial statements used to compile the DoD Agency-Wide Financial Statements. As a result, the Statements were materially misstated.

[REPORT NO. D-2001-117. Management Controls Over the FY 2000 National Drug Control Program Funds Managed Through the DoD Central Transfer Account.](#) This audit was performed to support the attestation review of the annual DoD Drug Control Obligation Report required by the Office of National Drug Control Policy (ONDCP) Reauthorization Act of 1998 (Public Law 105-277). Our objective was to evaluate the management controls over obligations and unliquidated obligations of DoD National Drug Control Program funds to determine whether the controls ensure that the funds are used for the purpose intended by Congress.

Management controls over distribution of the FY 2000 National Drug Control Program funds managed through the DoD Central Transfer Account were initially reasonable, however, procedures were changed during the year that lessened the effectiveness of the controls. During execution of the FY 2000 budget, the Office of the Deputy Assistant Secretary of

Defense (Drug Enforcement Policy and Support) stopped reprogramming funds by project code from the DoD Central Transfer Account to the Defense Components. As a result, a documented audit trail for adequate control and oversight over the DoD counterdrug budget was eliminated.

During both this audit and our prior audit, we noted that management controls over obligations of DoD counterdrug funds were reasonable to ensure that the funds were used for their intended purpose. However, the budget execution data used to prepare the DoD annual report to ONDCP came from a multitude of sources and were processed on a number of different financial systems, which were not in compliance with Federal and DoD reporting requirements. Management is working with OUSD(C) to make sure that when the DoD financial systems become compliant with Federal and DoD reporting requirements, the systems will be able to provide the detailed data necessary to produce the DoD report to ONDCP. In addition, the tabulation of and reporting on unliquidated obligations at the organizations we visited was in compliance with the DoD Financial Management Regulation.

[REPORT NO. D-2001-122. Journal Vouchers for FY 2000 Department of the Navy General Fund Financial Reporting.](#) The objective was to determine the reliability and effectiveness of processes and procedures used to prepare the FY 2000 Navy General Fund financial statements. We also reviewed internal controls and compliance with laws and regulations related to the objective.

DFAS Cleveland recorded 13,813 departmental-level journal vouchers, valued at \$1 trillion, for FY 2000 financial data. Our review of 4,473 journal vouchers, valued at \$614.8 billion, showed that 1,103 journal vouchers, valued at \$453.2 billion, were adequately supported or proper. Our review of 66 journal vouchers, valued at \$295 billion, in the Standard Accounting and Reporting System – Financial Departmental Reporting for supporting documentation showed that 28 of the journal vouchers, valued at \$81.7 billion, did not have adequate supporting documentation. Also, of the 13,813 journal vouchers, 3,342 journal vouchers, valued at \$79.9 billion, were recorded to invalid general ledger accounts and considered improper. As a result, financial data reported in the FY 2000 Navy General Fund financial statements were subject to increased risk and were unreliable. The problem of improper journal vouchers was identified, and recommendations were made, in two previous IG, DoD, reports.

DFAS issued journal voucher guidance at the end of FY 2000 as a result of the IG, DoD, FY 1999 audit reports regarding journal vouchers. DFAS Cleveland did not effectively implement the journal voucher guidance for FY 2000. However, in February 2001, DFAS Cleveland conducted training on the journal voucher guidance, emphasizing the requirement to maintain adequate support for journal vouchers. DFAS Cleveland has followed up on that training with supplemental guidance on journal voucher preparation and established

a requirement for continuing on-the-job training by supervisors. In addition, DFAS concurred with the recommendations in the FY 1999 report regarding improper journal vouchers; however, all corrective actions were not complete.

[REPORT NO. D-2001-123. Hotline Allegations Regarding Accounting for the Defense Information Systems Agency Working Capital Fund.](#) We performed this audit in response to a complaint made to the Defense Hotline. The complainant alleged that DFAS improperly accounted for funds in the Defense Information Systems Agency (DISA) Working Capital Fund. The complainant alleged that more than \$400 million in cross-disbursements (those made by organizations that did not perform accounting for DISA) could not be matched with liabilities, a substantial amount of expenses may not have been recorded, and that both DFAS and DISA delayed in resolving these problems to manipulate the DISA financial statements making the operating results and reimbursable rates more favorable. The overall objective was to determine the validity of the allegations.

We partially substantiated the allegation that a substantial amount of cross-disbursements could not be matched to liabilities. Also, we partially substantiated the allegation that efforts to resolve and disclose undistributed disbursements were slow. However, we did not substantiate the allegation that supportable expenditures were not recorded in the accounting records for DISA or that DISA and DFAS were trying to manipulate the financial statements. DFAS Cleveland reported \$198.1 million of net undistributed disbursements in the September 2000 DISA Defense Enterprise Computing Centers business area statement of financial position. Of the \$198.1 million, \$190.8 million (96 percent) was related to undistributed disbursements that occurred prior to FY 1997. However, DFAS and DISA have not been able to agree on how these undistributed disbursements should be resolved. As a result, the FY 2000 financial statements prepared by DFAS Cleveland for the DISA Defense Enterprise Computing Centers business area could not be relied on to be a complete and accurate presentation of financial reporting. The problem, if not corrected, will hinder DISA efforts to obtain a favorable audit opinion in future years.

[REPORT NO. D-2001-126. Financial Reporting of DLA-Owned Bulk Petroleum Products.](#) The overall objective was to evaluate management assertions pertaining to existence, completeness, and valuation of DoD inventory accounts, and to determine whether those accounts are presented fairly on the financial statements. For this part of the audit we evaluated the existence and completeness of DLA-owned bulk petroleum products and whether the inventory account is represented fairly on the DLA financial statements.

The inventory process used by DLA to capture and report the cost of its \$2.3 billion bulk petroleum product (fuel) inventory for the FY 2000 financial statements was not adequate. DLA did not complete inventories of its fuel storage sites, reconcile inventory balances, process fuel transactions in a timely manner, or account for all financial transactions related to fuel in the proper accounting period. Approximately \$1.4 billion (61 percent) of the \$2.3 billion of the bulk petroleum stored at approximately 511 sites was either not inventoried or was inventoried but not reconciled prior to preparation of the financial statements. Additionally, inadequate processing and accounting for fuel transactions caused six million gallons of negative inventory to be reported and at least \$6.4 million of DLA-owned fuel not to

be included on the DLA balance sheet. As a result, until the above mentioned deficiencies are corrected, the \$2.3 billion fuel portion of the DLA inventory line cannot be relied upon to support the inventory amounts reported in the DLA Financial Statements.

[REPORT NO. D-2001-135. Prevalidation of Intergovernmental Transactions.](#) The audit was performed in response to an allegation to the Defense Hotline. The complainant alleged that DFAS Norfolk stopped prevalidating payments for naval shipyards based on guidance from DFAS Headquarters. The objective was to evaluate the process for prevalidating payments for naval shipyards.

We did not substantiate the allegation. DFAS Norfolk prevalidated commercial payments for naval shipyards. However, DFAS Norfolk transferred the payment of certain intergovernmental transactions to the On-Line Payment and Collection system, which never had a program for prevalidating payments. The change occurred as follows. Prior to mid-1999, intergovernmental transactions were prevalidated similar to commercial payments. In mid-1999, the Department of the Treasury's On-Line Payment and Collection system was used to process most intergovernmental transactions. As part of that process, DFAS Norfolk performed detailed reviews of the support for charges to funds of the naval shipyards by other governmental organizations before posting them to accounting records, but after the payments were made. In June 2000, DFAS Norfolk discontinued performing detailed reviews of the support for On-Line Payment and Collection transactions before posting them to accounting records. DFAS Norfolk stopped performing the detailed reviews because the Department of the Treasury issued new reporting procedures for unprocessed transactions between Federal agencies and the process was time-consuming.

DFAS had not implemented a program to prevalidate On-Line Payment and Collection transactions and did not report amounts in account F3885, Undistributed Intergovernmental Payments, as unmatched disbursements. As of September 30, 2000, the dollar value of payments in suspense account F3885, over 90 days old, was \$471 million. As a result, On-Line Payment and Collection transactions were not properly reviewed before payment and the dollar value of unmatched disbursements for DoD was understated in Problem Disbursement Reports.

[REPORT NO. D-2001-139. Compiling and Reporting FY 2000 Navy Working Capital Fund Intragovernmental Transactions.](#) The objective was to determine the reliability and effectiveness of the processes and procedures used to compile and prepare intragovernmental transactions for the FY 2000 Navy WCF Financial Statements.

The Navy and DFAS identified \$18.3 billion in intragovernmental transactions, which included \$4.7 billion that was eliminated from the Statements. DFAS Cleveland also published a standard operating procedure providing guidance on how to gather, process, and report intragovernmental transactions. However, additional improvements were necessary. Review of 151 of the 173 department-level journal vouchers to record and adjust financial data related to FY 2000 intragovernmental transactions for the Navy WCF showed that 95 journal vouchers, valued at \$28.8 billion, were not adequately supported because DFAS forced buyer-side data to agree with seller-side data without reconciling the differences, as directed by

USD(C). Also, DFAS Cleveland did not disclose in a note to the financial statements that accounts receivable and revenue were increased by \$295 million each to remove abnormal balances caused by adjustments for undistributed collections. As a result, the financial statements were not reliable. Until accounting systems can capture trading partner data and reconciliations between buyers and sellers can be performed, financial statements will continue to be unreliable.

Intragovernmental eliminations in the Statements were overstated by \$1.8 billion plus a potential additional amount up to \$2.2 billion. Also, the financial statements did not disclose that complete information relating to intragovernmental transactions had not been received and that intragovernmental transactions submitted by Naval Shipyard Norfolk were not accurate. DFAS Cleveland did not receive seller-side information from 11 of 46 Navy WCF field organizations required to provide seller-side information, and DFAS Cleveland incorrectly compiled and allocated seller-side information, which resulted in the overstatement of intragovernmental eliminations. As a result, the Statements were materially misstated and could not be relied on as a complete and accurate presentation of financial reporting.

[REPORT NO. D-2001-144. Financial Management of the Weapons of Mass Destruction Consequence Management Program.](#) This is one in a series of reports on U.S. forces' management of chemical and biological defense resources. Our overall objective was to evaluate the management of chemical and biological defense resources in the National Guard and Reserve forces. For this segment of the audit, we evaluated the financial management of the WMD Program by the Consequence Management Program Integration Office (CoMPIO).

CoMPIO failed to maintain accountability for FY 1999 WMD Program funding. Specifically, resource managers at CoMPIO had not implemented effective accounting procedures and controls and lacked accurate financial records of funds committed, obligated, and spent for the WMD Program for FY 1999. As a result, senior management officials were presented with inconsistent financial data regarding the status of the WMD Program appropriations for FY 1999. As of March 1, 2001, CoMPIO reported funding of \$99.2 million for FY 1999 for the WMD Program, but had documentation for the disposition of about \$23.9 million. Using other records, we were able to identify documentation for approximately \$94.1 million for the WMD program. We also determined that the remaining \$5.1 million comprised funds that were reprogrammed, not obligated, or incorrectly reported. A number of changes have occurred to the financial management of the WMD Program, including the assignment of financial management personnel; centralization of O&M funding under the O&M, Army, appropriation; implementation of effective accounting procedures; and the institution of effective controls over the recording of funds. Although we identified material management control weaknesses for FY 1999 financial records, procedures implemented during the audit should correct those deficiencies.

[REPORT NO. D-2001-146. Inventory Valuation at the Defense Supply Center Philadelphia.](#) The objective was to determine whether the values the Defense Supply Center Philadelphia assigned to subsistence and non-subsistence inventories were accurately computed in accordance with generally accepted accounting principles and were supported by contract data.

For its non-subsistence items, the Center assertion that inventory valuation was both accurate and supported by contract data was not reliable. Of the 728 non-subsistence items statistically selected for review, the values assigned to 599 items (82.3 percent) were not accurately computed based on the latest representative obligations or were unsupported. Specifically, 194 items valued at \$10 million had acquisition costs that were inaccurate, 28 items valued at \$2.9 million had acquisition costs that were not supported by obligation history records, and 377 items valued at \$13.9 million had acquisition costs that were based on obligation history records that could not be verified to the originating contract files. For the subsistence commodity, the Center assertion that inventory valuation was both accurate and supported by contract data was not reliable. Of the 81 items selected for review with on-hand inventories valued at \$204 million, the values assigned to 49 items, valued at \$192 million, were not accurately computed based on the latest representative obligations or fully supported by the originating contract files. Until the deficiencies leading to the inaccurate and unsupported acquisition costs are corrected and fully disclosed, inventory valuation data from the Center for about \$2 billion of inventory cannot be relied upon to support the inventory amounts reported on the DLA financial statements.

[REPORT NO. D-2001-148. Automated Transportation Payments.](#) The audit objective was to determine whether controls over commercial freight transportation payments processed through PowerTrack® are effective. Specifically, the audit determined whether the lines of accounting and management information captured in PowerTrack® and the summarized data provided to DFAS are sufficient for payment and accounting purposes. We also determined the adequacy of controls over certification of PowerTrack® invoices for payment.

The DoD transportation community's automated transportation process is already a major improvement from the previous manual process, but additional measures are warranted to effectively reengineer transportation freight operations. Accounting procedures used to process commercial transportation freight payments through PowerTrack® needed reengineering. DoD did not optimally streamline its internal procedures to attain the objectives of Management Reform Memorandum No. 15 or to take advantage of the automated efficiencies offered by the PowerTrack® service. Instead, DoD was adapting streamlined automated capabilities to perpetuate less efficient business practices. DoD was unnecessarily incurring processing costs and late payment charges, and creating problem disbursements as it attempted to annually distribute \$1 billion of transportation costs to thousands of lines of accounting. If DoD revises current accounting procedures to use centrally managed open allotments to fund transportation freight payments, it would better achieve its reform objectives.

Controls over security and management of the automated transportation payment process were not adequate to safeguard sensitive information or produce reliable data. DoD risks exposing data to unauthorized parties and noncompliance with public laws and regulations, operating in a business environment with inadequate management controls, and allowing Transportation Officers to assume responsibilities and associated liabilities more appropriately belonging to the financial community.

HEALTH CARE AND MORALE

[REPORT NO. D-2001-142. The Gulf War Nuclear, Biological, and Chemical Lessons Learned.](#) This audit was requested by the Office of the Special Assistant for Gulf War Illnesses, Medical Readiness and Military Deployments (Office), which has the authority to coordinate all aspects of Gulf War investigations for DoD. The objective was to determine the implementation status of Campaign Plan USA and actions by the Army Training and Doctrine Command to incorporate the Gulf War nuclear, biological, and chemical lessons learned.

The Gulf War nuclear, biological, and chemical lessons learned identified by the Office were not fully incorporated into doctrine, training, organizational structure, leadership development, materiel, and policies, and the 2-year comprehensive review, Campaign Plan USA, had not been implemented. Instead, the Army Training and Doctrine Command established a Tiger Team to incorporate the Gulf War lessons learned. In a January 2000 meeting between the Tiger Team and the Office, the Tiger Team identified steps to incorporate the Gulf War lessons learned; however, no further meetings took place. Officials from the Army Training and Doctrine Command and the Office met in May 2001 to discuss the further incorporation of all the Gulf War lessons learned. Without full incorporation of the Gulf War lessons learned, the U.S. Forces' risk of exposure to nuclear, biological, and chemical hazards is not assured of being adequately mitigated.

[REPORT NO. D-2001-145. Overseas Absentee Ballot Handling in DoD.](#) The audit was requested by the Secretary of Defense. The primary evaluation objective was to assess the effectiveness of overseas absentee voting procedures and policies within DoD. Specifically, we evaluated pertinent procedures and policies, including standard cancellation and postmarking procedures, and determined whether discrepancies existed between the procedures required by DoD regulations and how those procedures were implemented.

The Federal Voting Assistance Program and the Services' voting assistance programs provided valuable information and assistance to many overseas active duty military personnel, DoD civilians, and their dependents for the November 2000 election. For the 1,267 respondents who completed our questionnaire on the overseas absentee balloting process, participation in the November 2000 election was higher than the Federal Voting Assistance Program-reported voting rate for overseas military absentee voters in the 1996 Federal election. However, the Services' implementation of the program could be improved, as one-third of the active duty respondents stated that they understood the absentee ballot process only to a small extent or not at all. Specifically, DoD should: ensure more effective oversight of its voting assistance program; improve consistency in Service implementation of voting assistance programs, to include voter encouragement and understanding of the absentee ballot process; ensure that unique issues related to Navy ship and remotely deployed unit operations are addressed in a timely manner, when possible; and continue to work with the States to resolve or focus attention on issues related to standardization and simplification of the absentee ballot process, voter residency issues, feedback to voters, and increased use of

technology. Improving the DoD voting assistance program and working with the States will help DoD ensure that potential overseas absentee voters are provided the information needed to exercise their right to vote if they choose to do so.

Several bills are being considered by Congress to improve the absentee voting process. We fully endorse any Federal or State actions that would lead to more uniform and simple voting procedures and requirements, thus reducing the burden on DoD voting assistance officers and absentee voters. Our review of policies and procedures for moving first-class mail at selected overseas locations uncovered no systemic Military Postal Service problems that would have unreasonably affected ballot handling. However, the timelines used by some States for mailing out voting materials could present problems for overseas voters, considering the reality of moving first-class mail to and from overseas locations.

[REPORT NO. D-2001-147. Disposition of Insurance Allotment Payments.](#) This audit was requested by the Under Secretary of Defense for Personnel and Readiness. The overall objective was to evaluate the procedures used by insurance companies for disposing of or returning to Service members allotment payments for canceled or non-existing insurance policies. In addition, we reviewed DFAS procedures for establishing, monitoring, and stopping insurance allotments.

The seven insurance companies included in our review had procedures in place to identify and return allotments for canceled or non-existing policies. The insurance companies attempted to return allotment funds either directly to the Service members or to DFAS. The four DFAS sites did not consistently process requests to stop insurance allotments. In addition, one DFAS site would not accept returned allotments from insurance companies. As a result, incorrect allotments may continue for canceled and non-existing insurance policies, Service members' insurance coverage may be adversely affected, and Service members may not receive refunds in a timely manner.

INFORMATION TECHNOLOGY RESOURCES

[REPORT NO. D-2001-095. Controls for the Electronic Data Interchange at the Defense Finance and Accounting Service Columbus.](#) The Director, DFAS Columbus, requested that we review the Electronic Document Access System and the Electronic Data Interchange (EDI) to determine whether sufficient safeguards are in place to verify the accuracy of electronically transmitted contractual data. The objective was to determine whether the security of EDI was adequate. The audit included reviews of selected security controls and compliance with CFO Act requirements. The report discusses DFAS implementation of EDI as it applies to the DFAS Columbus general controls.

The Joint Electronic Commerce Program Office security controls over EDI were not sufficient to provide reasonable assurance that DFAS Columbus contract payments were

accurate. Specifically, DISA performed security test and evaluations on EDI in 1999 and 2000 that resulted in 31 findings, which remain open. Further, the security test and evaluations were based on security agreements that did not include input from DFAS. Unless corrective actions are taken, data transmitted through EDI could be subject to undetected alteration and misuse. The lack of a complete security agreement and a security test and evaluation based on that agreement increased the risk of data inaccuracy because security controls were not sufficient.

[REPORT NO. D-2001-101. Controls Over Electronic Document Management.](#) The Director, DFAS Columbus, requested that we review Electronic Document Management (EDM) to determine whether sufficient safeguards are in place to ensure the security of electronic contract data. The objective was to determine whether the security of EDM at DFAS Columbus was adequate and included reviews of selected general controls and compliance with CFO Act requirements.

EDM access controls were not sufficient and could not provide reasonable assurance that data accumulated electronically and used by DFAS Columbus were secure. Specifically, DFAS security over EDM needed improvement in password management, audit log configuration, Document Capture Center accountability, and convenience scanner control to adequately safeguard the security of electronically stored contractual data. Further, unless corrective actions are taken, data maintained in EDM could be altered or misused without detection. The EDM deficiencies identified in this audit were also identified in an August 1998 EDM security test and evaluation performed by DFAS to accredit EDM. However, the DFAS EDM program office had the misconception that it did not need to correct all the identified findings after the DFAS Chief Information Officer granted accreditation to the program. Additionally, because of an administrative oversight, the DFAS Chief Information Officer did not follow up on the reported findings to ensure that they were corrected.

[REPORT NO. D-2001-112. Acquisition Management of the Joint Personnel Adjudication System.](#) This is one of a series of audit reports addressing personnel security clearance and access issues. The objective was to determine whether the System was being cost-effectively acquired, monitored, tested, and prepared for deployment and system life-cycle support in accordance with DoD Directive 5000.1, "Defense Acquisition," and DoD Directive 5200.28, "Security Requirements for Automated Information Systems (AISs)."

The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) (ASD[C³I]) and the Air Force did not manage the System as an information technology investment. As a result, acquisition planning for the System did not extend beyond the Future Years Defense Plan; funding for the system acquisition did not comply with DoD Regulation 7000.14-R, "Department of Defense Financial Management Regulation," and acquisition management oversight did not comply with the intent of the Clinger-Cohen Act of 1996. During the audit, ASD(C³I) and the Air Force agreed to work towards: implementing a project plan for developing life-cycle acquisition strategy costs; performing independent cost and economic analyses; transferring program funding for development and deployment from the Operations and Maintenance appropriation to the Research, Development, Test and

Evaluation appropriation; and transferring program funding and accounting responsibilities from the Air Force. However, despite the system's significance in support of DoD missions, action had not been initiated to provide the required level of acquisition oversight.

[REPORT NO. D-2001-121. Use of the DoD Joint Technical Architecture in the Acquisition Process.](#) This is the second in a series of reports and discusses the extent that DoD planned and implemented DoD Component use of the Joint Technical Architecture (JTA) to help in achieving weapon systems interoperability requirements and to support affordability and an open systems approach to weapon system design. The primary objective was to evaluate DoD progress in implementing the standards contained in the JTA. We also followed up on recommendations in Report No. 98-023 on implementing the standards contained in the JTA.

The Secretary of Defense Policy Offices have worked to promote program manager and DoD Component use of the JTA in the design and development of weapons systems and, in response to IG, DoD, Report No. 98-023, established a hierarchy of management councils and groups through which they exercise oversight and configuration management of the JTA. However, the Policy Offices have not yet established centralized tracking and controls to ensure that DoD Components effectively plan and execute implementation of JTA requirements in the acquisition process. Specifically:

- o Six of the 17 DoD Components that submitted JTA implementation plans to the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) for JTA Version 1.0 did not submit updated plans as requested to meet the expanded requirements of Versions 2.0 and 3.0. Also, 7 of the 10 DoD Components that submitted updated plans, along with 1 DoD Component making an initial submission, omitted one or more major planning topics from their implementation plans;

- o Thirty-nine of 43 program managers did not insert JTA or JTA-compliant DoD Component technical architecture requirements into one or more key acquisition planning documents. Also, 10 of the 43 program managers did not require contractors to use the JTA standards in supporting the design of their system or system upgrade; and

- o Thirteen of 15 program managers did not submit a waiver request as required for using alternative standards to JTA performance-based standards.

As a result, DoD will not fully realize the JTA objective of improving and facilitating the ability of its systems to support joint and combined operations in an overall investment strategy.

[REPORT NO. D-2001-127. Data Reliability Assessment Review of win.Compare2 Software.](#) The audit was requested by the Director, Competitive Sourcing and Privatization, Deputy Under Secretary of Defense for Installations. The overall objective was to perform a reliability assessment of the win.COMPARE² software. Specifically, we were to assess the

general and application controls, and, through software testing, determine whether computations were sufficiently reliable, accurate, and in accordance with OSD and OMB guidance. The audit also assessed the Government's data rights in the software.

General and application controls over the software were adequate. We determined, through software testing, that computations and reports generated by win.COMPARE² were sufficiently reliable, accurate, and in accordance with the OMB Circular A-76 Revised Supplemental Handbook and the DoD A-76 Costing Manual. We also determined that the Government's data rights in the software were sufficient.

[REPORT NO. D-2001-130. DoD Internet Practices and Policies.](#) This report is in response to Section 646 of the Treasury and General Government Appropriations Act, 2001, as contained in Public Law 106-554 Consolidated Appropriations Act. Section 646 requires the Inspector General to submit a report to Congress that discloses DoD activity on collecting, creating, sharing, and reviewing personally identifiable information about individuals and their viewing habits at Government web sites. Our objective was to evaluate the DoD practices and policies on personally identifiable information gathered on individuals who access DoD Internet web sites.

DoD issued privacy and data collection policy on DoD public web sites and took steps to validate compliance with OMB guidance on privacy. However, for 400 DoD Internet web sites reviewed, we identified: 128 persistent cookies, of which 38 were third-party commercial cookies, and 7 contained known web bugs; 100 sites that did not contain a privacy notice; and 61 of 80 sites that requested voluntary personal information did not contain a privacy notice. Further, DoD was unaware of how commercial companies store, protect, and market information collected from DoD web sites. As a result, DoD Components and commercial companies supporting the web sites knowingly and unknowingly collected information on individuals without providing adequate disclosures in a privacy statement and without the approval of the Secretary of Defense. We did not specifically identify the type of information collected. Also, previous DoD assurances to OMB that the requisite policies had been fully implemented were premature. All 36 web masters whose site contained collection devices agreed to remove the persistent cookies and web bugs, or remove the web site from the Internet. The web masters also agreed to verify that corrective actions were taken. In addition, on April 26, 2001, DoD updated the "DoD Web Site Administration Policies and Procedures," to incorporate changes in OMB policy on privacy, data collection, and the use of cookies at Federal web sites.

[REPORT NO. D-2001-136. Defense Clearance and Investigations Index Database.](#) The overall objective was to determine the accuracy, integrity, timeliness, and availability of information in the Defense Clearance and Investigations Index (DCII) database. The audit determined the impact of DCII information on the future Joint Personnel Adjudication System.

An estimated 1.4 million of the 24 million DoD personnel, contractors, and foreign nationals in the DCII had incomplete social security number-based investigative dossiers and clearance tracings. The Army Crime records Division and the Navy Criminal Investigative Service reported a cumulative estimate of over 107,000 obsolete investigative dossiers and

clearance tracings in the DCII. Data reliability affected the productivity of DoD adjudicators and security officers, and impeded reasonably estimating the number of periodic reinvestigations needed. The Defense Security Service Operation Center-Columbus assigned over 1,400 pseudo social security numbers of which 524 were inconsistent and did not conform to OPM guidance. In addition, no tracking process was established for foreign nationals with limited access authority and indexed in DCII. As a result, foreign nationals were inadequately identified in DCII, and multiple foreign nationals were assigned the same pseudo social security number.

[REPORT NO. D-2001-137. Certification of the Defense Civilian Personnel Data System.](#)

The objective was to determine whether DoD oversight processes and procedures provided the Chief Information Officer (CIO), DoD, sufficient basis to certify that the Defense Civilian Personnel Data System was managed in accordance with the Clinger-Cohen Act. This report is the first of a series.

The CIO, DoD, did not have sufficient basis to certify, without qualification, that the Defense Civilian Personnel Data System had been developed in accordance with the Clinger-Cohen Act. Specifically, the CIO, DoD, lacked sufficient basis for unconditional certification because previously identified Clinger-Cohen compliance issues were not fully resolved or recognized; relevant data were not adequately analyzed; and key acquisition documents either were not prepared or were not prepared and approved in a timely manner. Additionally, milestone exit criteria were not well defined or sufficiently tracked and enforced. Further, DoD oversight did not include specific criteria or a commonly defined approach for evaluating the basis for Clinger-Cohen certification. As a result, the certification requirement was not an effective means for ensuring compliance with the Clinger-Cohen Act. The DoD is continuing to refine its information technology acquisition review processes and needs to consider the lessons learned from its initial experiences in section 8121(b) implementation, which includes the need for better guidance and oversight.

[REPORT NO. D-2001-141. Allegations to the Defense Hotline on the Defense Security Assistance Management System.](#)

This audit was performed in response to nine allegations made to the Defense Hotline concerning management of the Defense Security Assistance Management System (DSAMS). The complainant alleged mismanagement, inappropriate use of Government funds, and questionable use of contracted foreign national employees. The objective was to review the nine allegations and to determine whether DSAMS was being managed to meet cost, schedule, performance, user, and security requirements.

Six of the nine allegations were not substantiated. Two of the three substantiated allegations involved poor program management and allowing access to the system by contractor employees, including foreign nationals, without appropriate security investigations. The remaining allegation substantiated that contractors and Government employees received training together; however, the allegation had no impact on the management of the system. As of February 2001, two of five DSAMS modules were operational and estimated costs of \$83.5 million exceeded the original cost goal by \$25.2 million. As originally designed, the system costs could range to \$196 million and scheduled completion could extend to 13 years beyond the original completion date of 1999. PricewaterhouseCoopers, under contract to

design and develop DSAMS, hired 174 employees since 1995, including at least 38 foreign nationals, to work on DSAMS without security investigations. As a result of not requiring security investigations until January 2000, contractor employees (foreign national and U.S. citizens) without security investigations have designed and developed the system. This increases the risk of the system, as well as other systems that interface with it, to compromise including penetration or damage that could result in a significant loss, misuse, or destruction of security assistance data. In 1997, the Air Force Office of Special Investigations conducted an investigation of foreign national employees working on DSAMS and cited similar concerns. However, no action was taken.

We identified seven task orders awarded under a DISA “Defense Enterprise Integration Services II” contract that required contractor work on unclassified sensitive systems. The contract did not require security investigations for contractor employees. As a result, DoD automated information systems could be vulnerable to penetration or damage that could result in high risk for loss, misuse, or destruction of data processed by the systems.

LOGISTICS

[REPORT NO. D-2001-096. Management of Information Technology Equipment, Office of the Secretary of Defense.](#) The objective was to evaluate the management of information technology (IT) equipment in the possession of the Office of the Secretary of Defense (OSD). Specifically, we tested the existence and completeness of IT equipment databases and other records used to control equipment within OSD. Existence tests measure the ability to physically locate the equipment recorded on the IT inventory databases. Completeness tests ascertained whether equipment located in OSD work spaces was recorded on the IT inventory databases.

The OSD IT equipment management practices and controls needed improvement. Although WHS has reported progress over the last several years in improving inventory records, more need to be done. Based on a physical inventory test of sample items, we statistically estimated that of about 34,000 items of IT equipment, 2,790 (8 percent) of the items would not be found after a reasonable search was performed, and that an estimated 7,859 (23 percent) of the inventory records would contain inaccurate information. Also, to test the completeness of the inventory records, we selected 635 pieces of equipment from OSD work spaces and determined that 51 items were not included on any inventory record. We also identified security vulnerabilities related to the disposal of OSD computers containing sensitive information, and the inappropriate use of personal digital devices in secure classified areas. As a result, OSD risked the loss of computer equipment and the disclosure of sensitive and classified information. During the audit, we provided two memorandums to the Deputy Secretary of Defense to advise of weaknesses in computer disposal operations and problems with inventory management of IT equipment. We also made six recommendations to improve inventory management. The Deputy Secretary of Defense responded to each memorandum and

directed ASD(C³I) to implement the audit recommendations and to take immediate action to correct the problems. Subsequently, the DoD Chief Information Officer Executive Board established a working group to review issues and refine the policy related to the Deputy Secretary of Defense direction to destroy DoD computers hard drives prior to disposal.

[REPORT NO. D-2001-119. Assessment of Inventory and Control of Department of Defense Military Equipment.](#) The overall objective was to review and comment on the DoD inventory and control report covering DoD military equipment submitted by the Secretary of Defense. Specifically, we addressed beginning balances, additions and deletions, and ending balances of military equipment. The report identified 643,254 military equipment assets having an estimated value of about \$700 billion.

Our physical inventories of 23,283 assets (3.6 percent of the total quantities reported) identified 87 errors (99.6 percent accuracy level) in the unit-level property books. At the unit level, 27 logistics systems were used to monitor and control military equipment. The quantities from the 27 systems were compiled into 13 systems and subsequently adjusted by Military Service item managers. The adjusted quantities were then submitted to the Under Secretary of Defense (Acquisition, Technology, & Logistics) (USD[AT&L]) for preparation of the DoD Military Equipment Report. Based on an analysis of the Report, DoD addressed the data elements and reconciliation requirements of the law. However, as stated in the letters accompanying the report, DoD chose not to include supporting schedules, some of which were classified, identifying the location of each item. The letters indicated that if Congress desired such information, it would be provided upon request.

The logistics systems used to compile the DoD report could not provide detailed information. For example, two of the Army systems did not track items down to the identification number for verification of equipment inventoried. In addition, choosing not to provide the detailed information hindered any reconciliation of our inventory results. We concluded that quantities listed in the Report were unsupported. Logistics systems used to perform the accountability function do not support military equipment beginning balances, additions, deletions, or ending balances. Also, assets listed in the different categories were inconsistent--each Military Service defined somewhat differently those assets that would be reported in the particular reporting categories. As a result, there was no direct relationship between the quantities reported and the quantities available in the logistics systems used to compile the report. Military Service and DoD personnel supplemented the systems with data calls, manual-tracking systems, and item manager reviews. Therefore, Congress and DoD cannot rely on the Report because it does not provide accurate or consistent information.

On December 6, 2000, USD(AT&L), and the Under Secretary of Defense (Comptroller) (USD[C]) established a Property, Plant, and Equipment (PP&E) Program Management Office to effectively coordinate and oversee DoD efforts to resolve existing PP&E accountability, accounting, and reporting problems such as the ones identified in this report. This office is composed of personnel from OUSD(AT&L) and OUSD(C).

[REPORT NO. D-2001-128. Government Performance and Results Act Goals: Surge Sealift and Forces Supported by Land- and Sea-Based Pre-Positioning.](#) This is one in a series of reports resulting from our audits of Government Performance and Results Act (GPRA) goals. The overall objective was to evaluate the strategic mobility goals of GPRA, as shown in the DoD GPRA Performance Report (the Report) for FY 2000. Specifically, for this report, we assessed the validity of the processes, data, and factors used to establish the performance measures goals related to surge sealift and pre-positioned equipment. We also evaluated the methods used to accumulate and report the data collected by DoD against those goals.

DoD reported 8.4 million square feet of capacity for the performance measure on Surge Sealift. The goal of 8.7 million square feet was not met because the delivery of a large, medium-speed, roll-on/roll-off ship was postponed until FY 2001. The Surge Sealift measure established performance goals for the sealift capacity needed at “the outset of a crisis.” However, the usefulness of that as a tool for assessing the ability of all sealift forces can be improved for the Report. The Surge Sealift performance measure can be revised to provide more complete information on the sealift forces’ ability to provide the transport capacity necessary to military forces during the spectrum of contingencies.

DoD reported seven Army heavy brigade sets (six land-based and one afloat), three Marine Expeditionary Forces afloat, and one partial Marine Expeditionary Force on land for the performance measure on Pre-Positioned Equipment. The goal was met for Performance Measure 1.3.3. The measure established performance goals for those forces required very early in a conflict. However, the usefulness of the Pre-Positioned Equipment measure as a tool for assessing the capability of all DoD pre-positioned equipment was not clearly explained in the Report. Further, the presentation of the performance data reported against the measure provided too vague a description of the employment capability of the pre-positioned equipment sets. The Pre-Positioned Equipment performance measure can be revised to provide more complete information on the ability of DoD to quickly respond to crises worldwide by using pre-positioned equipment.

[REPORT NO. D-2001-131. Items Excluded From the Defense Logistics Agency Defense Inactive Item Program.](#) This report, the third in a series on obsolete national stock number (NSN) items, discusses NSNs excluded from the DLA Defense Inactive Item Program. Our overall objective was to evaluate the processes that the Military Departments and DLA used to identify and delete items in weapon system files that had obsolete NSNs.

NSNs excluded from the Defense Inactive Item Program were not reviewed to determine whether the NSNs were either obsolete or erroneously inhibited from the program. Random statistical samples indicated that 78,078 (84 percent) of 93,258 NSNs with no registered users other than DLA were obsolete and should have been deleted from the supply system and that 8,742 (26 percent) of 33,132 NSNs were erroneously inhibited from the program. As a result, DLA was incurring unnecessary supply management costs and erroneously inhibited NSNs were not considered for inclusion in the program. Using a DLA cost study, we projected that DLA could avoid \$61.2 million of costs by eliminating unnecessary cataloging and supply system files and by reducing inventory for obsolete NSNs.

[REPORT NO. D-2001-149. Coordinating and Tracking of Commercial Containers in Korea.](#)

This is one in a series of reports being issued by IG, DoD, to address the effectiveness of the supply and distribution system. The DUSD (Supply Chain Integration) expressed concern about whether the supply and distribution system was effective in delivering cargo to customers overseas. Our overall objective was to assess the effectiveness of the DoD distribution and transportation system in supporting the DoD strategic goal of reducing logistics response time, as it relates to customers located outside the continental U.S. The specific objective for this portion of the review was to assess the movement of commercial containers in the theater.

U.S. Forces Korea did not adequately coordinate and track the movement of commercial containers in the theater. Instead, the 25th Transportation Battalion relied on the 837th Transportation Battalion to perform those duties, even though the 837th Transportation Battalion was not responsible for performing the duties. As a result, adequate controls did not exist to prevent DoD from incurring about \$742,000 in unnecessary detention charges for containers during a recent 2-year period.

OTHER

[REPORT NO. D-2001-151. Meteorological and Oceanographic Support in the Pacific Theater.](#)

This report is one in a series evaluating the effectiveness and efficiency of DoD meteorological and oceanographic support provided by the Military Departments to DoD and other governmental agencies. The overall objective was to determine whether the Military Departments were providing the most cost-effective and nonduplicative meteorological and oceanographic services and support to DoD and other governmental agencies. Specifically, this audit focused on evaluating the Military Departments' use of DoD infrastructure to determine whether meteorological and oceanographic services were provided in the most effective and efficient manner in the Pacific theater.

The Navy and the Air Force were not providing regional meteorological and oceanographic services from joint meteorological and oceanographic centers in the Pacific theater. In addition, other than aviation weather support, the Navy and the Air Force provide Service-unique meteorological and oceanographic support from separate facilities on opposite sides of the runways at Kadena Air Base and Misawa Air Base in Japan. There were opportunities for optimizing the use of meteorological and oceanographic resources through collocation and consolidation.

[REPORT NO. D-2001-152. Meteorological and Oceanographic Support in the European Theater.](#)

This is another in the series of reports evaluating the effectiveness and efficiency of DoD meteorological and oceanographic support provided by the Military Departments to DoD

and other governmental agencies. This audit focused on evaluating the Military Departments' use of DoD resources to determine whether meteorological and oceanographic services were provided in the most effective and efficient manner in the European theater.

The U.S. European Command did not have a dedicated functional manager for theater meteorological and oceanographic support. The addition of a dedicated functional manager would improve joint meteorological and oceanographic support provided by Navy and Air Force unilateral entities in the theater. As a result of not having a dedicated functional manager, joint meteorological and oceanographic support in the European theater was not fully coordinated and integrated.

AUDIT OVERSIGHT REVIEWS

[REPORT NO. D-2001-6-005. Report on Quality Control Review of Deloitte & Touche, LLP, and Defense Contract Audit Agency for Office of Management and Budget Circular A-133 Audit Report of Pennsylvania State University, Fiscal Year Ended June 30, 1999.](#) As the Federal cognizant agency for Penn State, we performed a quality control review to determine whether the FY 1999 report that Penn State submitted to the Single Audit Clearinghouse met the applicable reporting standards and whether Deloitte & Touche and DCAA conducted the audit as required by applicable standards and OMB Circular A-133. Deloitte & Touche and DCAA, performed the single audit for Penn State, a non-profit land grant university located in State College, Pennsylvania. Penn State expended approximately \$294 million against Federal awards, representing \$88 million for DoD and \$206 million for other Federal agencies in the fiscal year ended June 30, 1999.

Deloitte & Touche and DCAA complied with applicable standards and Circular A-133 in performing the audit of Penn State for the fiscal year ended June 30, 1999. Additionally, we determined that Penn State met applicable standards for its report submission to the Single Audit Clearinghouse.

PART II

PARTICIPATION ON MANAGEMENT ADVISORY TEAMS AND SPECIAL AUDIT/EVALUATION EFFORTS

Summary of the Office of Assistant Inspector General-Audit Participation on Management Advisory Teams

(Area Code 703 unless otherwise indicated)

Accounting and Auditing Policy Committee (PAUL GRANETTO, 604-9101)

Lead Component: Office of Management and Budget

Acquisition Deskbook Working Group (JOHN MELING, 604-9091)

Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Acquisition Reform Senior Steering Group (DAVE STEENSMA, 604-8900)

Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Acquisition of Services IPT (DICK JOLLIFFE, 604-9202)

Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Anti Terrorism Senior Steering Coordinating Committee (CMDR LOEL DYKES, 604-8860)

Lead Component: ASD SOLIC JCS J-3

Commercial Item Handbook Integrated Process Team (TERRY MCKINNEY, 604-9288)

Lead Component: Deputy Under Secretary of Defense (Acquisition Reform)

Coordination of Federal Accounting Standards Advisory Board and American Institute of
Certified Public Accountants Guidance (PAUL GRANETTO, 604-9101)

Lead Component: Under Secretary of Defense (Comptroller)

Defense Acquisition Pilot Programs Consulting Group (JOHN MELING, 604-9091)

Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Defense Chief Information Officer Executive Board (MARY UGONE, 604-9002)
Lead Component: Assistant Secretary of Defense (Command, Control, Communications and Intelligence)

Defense Environmental Safety and Occupational Health Policy Board
(BILL GALLAGHER, 604-9270)
Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Defense Working Capital Fund Policy Board (DAVE VINCENT, 604-9109)
Lead Component: Under Secretary of Defense (Comptroller)

DoD Electronic Business Fraud Vulnerability Assessment Group (KENT SHAW, 604-9228)
Lead Component: Defense Criminal Investigative Service

Environmental Security Technology Implementation Committee (BILL GALLAGHER, 604-9270)
Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Federal Financial Management Act Executive Working Group (PAUL GRANETTO, 604-9101)
Lead Component: Under Secretary of Defense (Comptroller)

Government Information Security Reform Act Information Assurance IPT
(WANDA HOPKINS, 604-9049)
Lead Component: Assistant Secretary of Defense (Command, Control, Communications and Intelligence)

Inherently Governmental Integrated Process Team (GERRY STEPHENSON, 604-9332)
DoD A-76 Overarching Policy IPT
Lead Components: Under Secretary of Defense for Acquisition, Technology, and Logistics and Under Secretary of Defense for Personnel and Readiness

Joint Contracting Pilot Program (TILGHMAN SCHRADEN, 604-9186)
Lead Component: Navy Inventory Control Point

Joint Service Strategic Supplier Initiative with Honeywell for Spares and Repairs Rapid Improvement Team (TILGHMAN SCHRADEN, 604-9186)
Lead Components: Deputy Under Secretary of Defense (Acquisition Reform) and AFMC

Past Performance Integrated Product Team (IPT) (BOBBIE SAU WAN, 604-9259)
Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Rapid Improvement Team to Develop DLA/Hamilton Sundstrand Strategic Alliance Relationship (HENRY KLEINKNECHT, 604-9324)
Lead Components: Deputy Under Secretary of Defense (Acquisition Reform) and DLA

Rapid Improvement Team to Develop a DLA/Honeywell Strategic Alliance Relationship (HENRY KLEINKNECHT, 604-9324)
Lead Components: Deputy Under Secretary of Defense (Acquisition Reform) and DLA

Reconciliation of Contracts in MOCAS Integrated Process Team (JIM KORNIDES, 614-751-1400(11))
Lead Components: Under Secretary of Defense for Acquisition, Technology, and Logistics and Under Secretary of Defense (Comptroller)

Reengineering Transportation Task Force Executive Committee: (SHEL YOUNG, 604-8866)
Lead Component: Under Secretary of Defense for Acquisition, Technology, and Logistics

Senior Financial Management Oversight Council (ROBERT LIEBERMAN, 604-8300)
Lead Component: Under Secretary of Defense (Comptroller)

Single Process Initiative Management Team (EUGENE KISSNER, 604-9323)
Lead Component: Defense Contract Management Agency

Systems Compliance Audit Working Group (CFO) (PAUL GRANETTO, 604-9101)
Lead Component: Under Secretary of Defense (Comptroller)

Task Force on International Agreements (HARLAN GEYER, 604-9174)
Lead Component: Assistant Secretary of Defense (International Security Affairs)

Weapons of Mass Destruction – Civil Support Teams Certification Working Group (SHEL YOUNG, 604-8866)
Lead Component: Deputy Assistant Secretary of Defense (Reserve Affairs)

Summary of the Office of Assistant Inspector General-Audit Participation in Special Audit/Evaluation Efforts

Audit Committees:

- Ballistic Missile Defense Organization (DAVE VINCENT, 604-9109)
- Defense Advanced Research Projects Agency (LEON PEEK, 604-9587)
- Defense Commissary Agency (DAVE VINCENT, 604-9109)
- Defense Contract Audit Agency (PAUL GRANETTO, 604-9101)
- Defense Finance and Accounting Service (PAUL GRANETTO, 604-9101)
- Defense Information Service Agency (RICHARD BIRD, 604-9157)
- Defense Logistics Agency (PAUL GRANETTO, 604-9101)
- Defense Security Service (BRIAN FLYNN, 604-9489)
- Defense Threat Reduction Agency (LEON PEEK, 604-9587)
- National Reconnaissance Office (LEON PEEK, 604-9587)
- Working Group for Air Force General Fund (BRIAN FLYNN, 604-9489)

Audit Oversight Workgroup Under the CFO Council Grants Management Committee (JANET STERN, 604-8752)

Federal Audit Clearinghouse User Group (JANET STERN, 604-8752)

Federal Audit Executive Council Multi-Agency Working Groups:

- Electronic Business (KENT SHAW, 604-9228)
- Government Wide Financial Statements (RICHARD BIRD, 604-9175)
- Peer Review Guidance Update (DENNIS PAYNE, 604-8907)

Joint Audit Planning Groups:

- Acquisition Program (MARY UGONE, 604-9002)
- Construction, and Installation Support (WAYNE MILLION, 604-9312)
- Contractor Oversight (RICHARD JOLLIFFE, 604-9202)
- Environment (RICHARD JOLLIFFE, 604-9202)
- Finance and Accounting (PAUL GRANETTO, 604-9101)
- Health Care and Morale (MIKE JOSEPH, 757-766-9108)
- Information Technology Resources (WANDA HOPKINS, 604-9049)
- Intelligence (KEITH WEST, 604-9804)
- Logistics (TILGHMAN SCHRADEN, 604-9186)

PCIE Information Technology Roundtable (KATHY TRUEX, 604-9045)

IT Workforce Issues for IGs Working Group

Information Assurance Working Group

Single Audit "Orange Book" Update Project Team (JANET STERN, 604-8752)