



June 2014

SURFACE SHIPS

Navy Needs to Revise Its Decommissioning Policy to Improve Future Decision Making

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE JUN 2014		2. REPORT TYPE		3. DATES COVERED 00-00-2014 to 00-00-2014	
4. TITLE AND SUBTITLE Surface Ships: Navy Needs to Revise Its Decommissioning Policy to Improve Future Decision Making				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Government Accountability Office, 441 G Street NW, Washington, DC, 20548				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 31	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Why GAO Did This Study

In today's fiscally constrained environment, the Navy must balance short- and long-term costs and risks. In February 2012, although it had concerns that its battle force was below the number of ships needed, the Navy announced plans to decommission nine ships.

Congress mandated that GAO review the Navy's methodology and analysis that supported its decommissioning decision. This report evaluates (1) the extent to which the Navy followed its policy when deciding to decommission nine ships before the end of their service lives, and (2) the extent to which the Navy's policy incorporates federal standards for internal control. To evaluate these issues, GAO obtained evidence and interviewed officials about the process the Navy used to develop its decommissioning decision. GAO also analyzed the Navy's decommissioning policy, and compared its requirements to federal standards for internal control.

What GAO Recommends

GAO recommends that the Navy follow its policy to document its early decommissioning decisions and also update its policy to incorporate key federal standards for internal control—including engaging external stakeholders and evaluating performance measures, such as risks. DOD partially agreed with both recommendations. DOD agreed that it should follow its policy but questioned the importance of updating the policy to incorporate certain internal control elements. GAO believes that these recommendations remain valid as discussed in the report.

View [GAO-14-412](#). For more information, contact John Pendleton at (404) 679-1816 or pendletonj@gao.gov.

June 2014

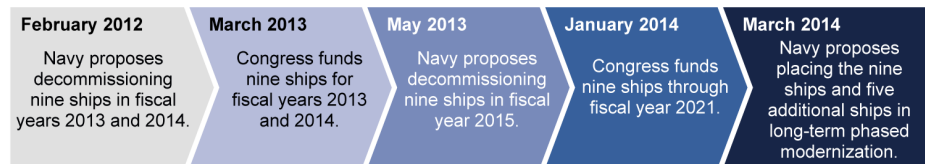
SURFACE SHIPS

Navy Needs to Revise Its Decommissioning Policy to Improve Future Decision Making

What GAO Found

The Navy did not follow its policy when deciding in 2012 to decommission seven cruisers and two dock-landing ships well prior to the end of their expected service lives. When ships are decommissioned early, the Navy's policy requires a decision memorandum to address why it is in the best interest of the Navy to decommission the ships and mitigation strategies for any resulting capability gaps. GAO found that the Navy did not prepare the required decision memorandum. According to Navy officials, they did discuss budget and cost issues, including maintenance and modernization costs, but they did not prepare the decision memorandum because they were under time pressure to identify budget savings. Congress did not support the Navy's decision and provided funds to maintain, operate, and sustain the nine ships in the fleet, and the Navy has since reversed its decision to decommission the ships. However, it now plans to take these ships and five others out of their normal deployment cycles, modernize them, and then place them back into service at a later time. The figure below shows the Navy's recent proposals and subsequent congressional actions.

Key Navy and Congressional Actions for Seven Cruisers and Two Dock-Landing Ships



Source: Navy information and U.S. law. | GAO-14-412

The Navy's decommissioning policy does not incorporate key federal standards for internal control such as engaging external stakeholders, comparing actual performance to planned or expected results, and evaluating performance measures to achieve goals. While the policy requires communication within the Department of the Navy, it does not require the Navy to engage with external stakeholders (e.g., Congress). In addition, the policy does not require the Navy to compare differences between actual and expected performance and then use the results to adjust future decisions or plans. Further, the Navy's decommissioning policy does not require officials to specifically evaluate performance measures, such as risks, readiness, or maintenance costs, when making an early decommissioning decision. Moreover, the Navy's policy requires that officials address some elements of risk in their decision memorandum but does not specifically require that they evaluate risks associated with shortfalls in the number of ships. In this case, the Navy recommended decommissioning large surface combatants and amphibious ships when it was simultaneously reporting shortfalls in those same ship types to support its shipbuilding plans. Specific policy direction requiring engagement with external stakeholders and evaluation of key performance measures can help ensure that the Navy successfully articulates and justifies any future decisions to decommission ships prior to reaching their expected service lives.

Contents

Letter		1
	Background	3
	Under Budget Pressures, the Navy Did Not Follow Its Policy before Deciding to Decommission Nine Ships	7
	The Navy's Early Decommissioning Policy Does Not Incorporate Key Aspects of Federal Standards for Internal Control	10
	Conclusions	15
	Recommendations for Executive Action	15
	Agency Comments and Our Evaluation	16
Appendix I	Scope and Methodology	20
Appendix II	Comments from the Department of Defense	23
Appendix III	GAO Contact and Staff Acknowledgments	26
Table		
	Table 1: Navy Surface Combatant and Amphibious Ships as of March 2014	5
Figures		
	Figure 1: Images of a Navy Cruiser and Dock-Landing Ship	4
	Figure 2: Key Navy and Congressional Actions for Seven Cruisers and Two Dock-Landing Ships	7
	Figure 3: Time Frames for Developing the Alternate Program Objective Memorandum (POM) 2013	9
	Figure 4: Total Number of Navy Cruisers by Year Based on Navy's 2012 Decommissioning Proposal	14
	Figure 5: Partial Organization of the Office of the Chief of Naval Operations	22

Abbreviations

DOD	Department of Defense
OSD	Office of the Secretary of Defense
POM	Program Objective Memorandum

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



June 11, 2014

Congressional Committees

In today's fiscally constrained environment, the high cost of Navy ships and the declining size of the Navy's fleet have complicated the Navy's attempts to balance its near-term support of the geographic combatant commanders with its preparations for uncertain future requirements. Within its battle force, the Navy currently has 84 large surface combatants—22 cruisers and 62 destroyers—and 31 amphibious ships, including 12 dock-landing ships. According to the Navy's long-term shipbuilding plan, the battle force is below the numbers of large surface combatants and amphibious ships needed to support the Defense Strategic Guidance.¹ However, in the President's fiscal year 2013 budget proposal, which was submitted to Congress in February 2012, the Navy decided to further reduce the size of its battle force by decommissioning seven *Ticonderoga*-class cruisers (large surface combatants) and 2 Whidbey Island-class dock-landing ships (amphibious ships). The Navy had identified all nine ships, which had expected service lives of 35 years (cruisers) or 40 years (dock-landing ships), to be decommissioned well before the end of their expected service lives. In the National Defense Authorization Act for Fiscal Year 2013, however, Congress prohibited the Navy from obligating or expending funds to retire or inactivate *Ticonderoga*-class cruisers or dock-landing ships.² In the Consolidated and Further Continuing Appropriations Act of 2013, Congress appropriated funding to operate and maintain the ships through September 2014.³ In March 2014, the Navy revised its decision. It now has decided to take 14 ships—including the 9 ships identified in the February 2012 decision—out of their normal deployment rotations and to place them in long-term phased modernization to preserve the lives of the

¹Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (Washington, D.C.: Jan. 5, 2012). In 2012, the Navy lowered its requirements for large surface combatants by 6 ships—from 94 to 88 ships—due to its plans to move 4 destroyers to Rota, Spain, as part of the "Forward Deployed Naval Force." To support Marine Corps requirements, the Navy requires 33 amphibious ships that are available 90 percent of the time.

²Pub. L. No. 112-239, § 354 (2012).

³Pub. L. No. 113-6, Div. C, Title VIII, § 8103 (2013).

ships.⁴ According to the Navy, the ships would be modernized at a later time and placed back into service.

The Fiscal Year 2013 Consolidated Appropriations Act conference report mandated that GAO review the Navy's methodology and analysis regarding its decision to decommission the seven cruisers and two dock-landing ships.⁵ This report evaluates (1) the extent to which the Navy followed its policy when it decided to decommission nine ships before the end of their service lives, and (2) the extent to which the Navy's policy incorporates federal standards for internal control.

To evaluate the extent to which the Navy followed its policy when it decided to decommission nine ships before the end of their service lives, we interviewed Navy headquarters and fleet officials and obtained evidence regarding the process the Navy followed. To the extent that documentation was available, we analyzed this documentary evidence and used it to either corroborate the testimonial evidence we had received or to serve as a basis for follow-up discussions or correspondence where we sought to resolve conflicting evidence. This documentation included e-mails, internal briefing slides, as well as long-range shipbuilding plans, and the minutes from Ship Inactivation Decision conferences that were held by the Navy before and after the Navy decided to decommission the nine ships. In addition, we obtained and analyzed applicable criteria, specifically the Navy's general policy for the inactivation, retirement, and disposition of naval vessels.

To evaluate the extent to which the Navy's policy incorporates federal standards for internal control, we analyzed the Navy's decommissioning policy and standards for internal control in the federal government.⁶ We

⁴According to the Navy, its 11 newest cruisers (CG 63 through CG 73) will be removed from active service in 2015, and, after undergoing modernization, their service lives will be extended by 5 years and they will be reactivated on a one-for-one basis as the Navy's 11 oldest cruisers (CG 52 through CG 62) reach the end of their expected service lives. Three dock-landing ships will also undergo a phased modernization program, beginning in 2016, but only one dock-landing ship will be removed from active service at a time.

⁵The GAO mandate appears in an explanatory statement accompanying the 2013 Consolidated Appropriations Act, which was enacted on March 26, 2013. Section 4 of the act provides that the statement shall have the same effect as if it were a joint explanatory statement of a committee of conference.

⁶GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

then compared the federal standards for internal control criteria to the Navy's decommissioning policy, as well as the process the Navy relied upon to arrive at its decommissioning decision. For both objectives, we interviewed officials from the Office of the Secretary of Defense (OSD), Cost Assessment and Program Evaluation directorate; Office of the Chief of Naval Operations: Integration of Capabilities and Resources, Surface Warfare, Expeditionary Warfare, and Warfare Integration; and Naval Sea Systems Command. The Navy's decision to take the 14 ships out of their normal deployment rotations and place them in long-term phased modernization to preserve the lives of the ships was outside the scope of this review and we did not evaluate the documentation that may have been prepared to support that decision.

We conducted this performance audit from May 2013 to June 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discuss our scope and methodology in more detail in appendix I.

Background

Military Strategy

The National Military Strategy⁷ is the Chairman of Joint Chiefs of Staff's plan to achieve military objectives in the near term, while maintaining a force capable of meeting long-term challenges. This strategy implements the National Defense Strategy, which outlines the Secretary of Defense's approach to implementing the President's National Security Strategy. Further, the Navy periodically conducts a force-structure assessment that justifies the specific number of ships required by the Navy, based on the requirements of the National Defense Strategy and the National Military Strategy.

⁷Chairman of the Joint Chiefs of Staff, *The National Military Strategy of the United States of America, 2011: Redefining America's Military Leadership* (Feb. 8, 2011).

The Navy's Battle Force

The Navy's battle force includes aircraft carriers, surface combatants, submarines, amphibious ships, mine warfare ships, combat logistics ships, and fleet support ships. Surface combatants and amphibious ships can be further divided into "large" and "small" ships. Cruisers and destroyers make up the Navy's large surface combatants and they support every core capability in the Navy's maritime strategy. Small surface combatants support more-limited capabilities in the maritime strategy. Likewise, amphibious ships are grouped into large-deck amphibious assault ships and smaller amphibious transport dock or dock-landing ships. Our review is focused on *Ticonderoga* (CG 47) class cruisers and Whidbey Island (LSD 41) class dock-landing ships. Examples of these types of ships are shown in figure 1.

Figure 1: Images of a Navy Cruiser and Dock-Landing Ship



***Ticonderoga*-class cruiser (CG 70)**

Source: Defense Video and Imagery Distribution System. | GAO-14-412



***Whidbey Island*-class dock-landing ship**

Table 1 shows the numbers, expected service lives, and average ages of the active ships in Navy's fleet of large surface combatant and amphibious ships as of March 2014. It shows that, on average, the Navy's cruisers were 24 years old and had 11 years of expected service life remaining in 2014, and the LSD 41 class dock-landing ships had, on average, 15 years of expected service life remaining.

Table 1: Navy Surface Combatant and Amphibious Ships as of March 2014

Ship type (class)	Number of ships	Expected service life (years)	Average age (years)
Large surface combatants	84	35-40	16
Cruisers (CG 47 class)	22	35	24
Destroyers (DDG 51 class)	62	35-40	13
Amphibious assault ships	31	35-40	17
Amphibious assault (LHA 1 class)	1	35	34
Amphibious assault (LHD 1 class)	8	40	17
Amphibious transport dock (LPD 4 class)	1	35	45
Amphibious transport dock (LPD 17 class)	9	40	4
Dock-landing (LSD 41 class)	8	40	25
Dock-landing (LSD 49 class)	4	40	18

Source: Navy.

Planning and Budgeting

More than halfway through the Navy's normal budget cycle, in August 2011, the Office of the Secretary of Defense (OSD) directed the Navy to plan for the budget reductions that were included in the Budget Control Act of 2011.⁸ In accordance with OSD's direction, the Navy planned to reduce the original 2013 budget proposal that it was in the process of preparing by nearly \$60 billion over 5 years. In its adjusted proposal, the Navy terminated or reduced funding in areas deemed to be manageable risks. About 10 percent of the budget reduction came from force-structure

⁸Pub. L. No. 112-25, 125 Stat. 240 (Aug. 2, 2011). We have previously reported that the fiscal year 2013 sequestration was triggered by the Budget Control Act of 2011, which amended the Balanced Budget and Emergency Deficit Control Act of 1985. The latter act established sequestration to enforce discretionary spending limits and control the deficit. See GAO, *2013 Sequestration: Agencies Reduced Some Services and Investments, While Taking Certain Actions to Mitigate Effects*, [GAO-14-244](#) (Washington, D.C.: Mar. 6, 2014).

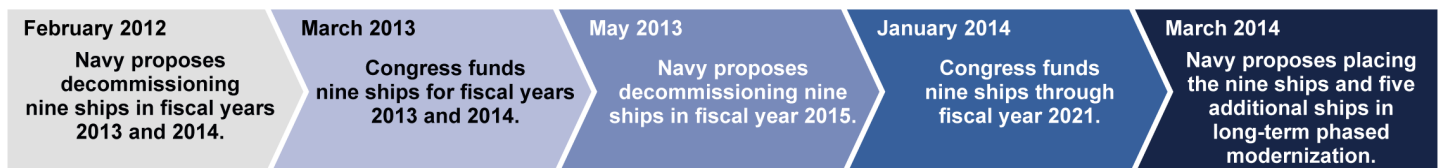
reductions. Specifically, the Navy decided to decommission the cruisers USS *Cowpens* (CG 63), USS *Gettysburg* (CG 64), USS *Chosin* (CG 65), USS *Hue City* (CG 66), USS *Anzio* (CG 68), USS *Vicksburg* (CG 69), USS *Port Royal* (CG 73); and the dock-landing ships USS *Whidbey Island* (LSD 41) and USS *Tortuga* (LSD 46). In a series of legislative actions, Congress expressed its concern over the Navy's decision to decommission nine ships early.⁹ For example, in the 2013 appropriations act, Congress provided \$2.4 billion for a Ship Modernization, Operation and Sustainment Fund for the seven cruisers and two dock-landing ships through fiscal year 2014. In the 2014 Appropriations Act, Congress provided funds for these ships through fiscal year 2021. However, according to Navy officials, the Navy did not fully utilize this fund and continued with plans to decommission the nine ships.¹⁰ In March 2014, in conjunction with its fiscal year 2015 budget proposal, Navy officials made a new decision to move 14 ships into long-term phased modernization. The decision included the nine ships that the Navy had been planning to decommission early to help address budget concerns, as well as four additional cruisers (USS *Shiloh* (CG 67), USS *Lake Erie* (CG 70), USS *Cape St. George* (CG 71), and USS *Vella Gulf* (CG 72)) and one additional dock-landing ship (USS *Germantown* (LSD 42)).

Figure 2 summarizes key Navy and congressional actions related to seven cruisers and two dock-landing ships from 2012 to 2014.

⁹These legislative actions include the national defense authorization acts for fiscal years 2013 and 2014 and the fiscal years 2013 and 2014 appropriations acts.

¹⁰Navy officials said they made limited use of this fund to operate and sustain the ships but they did not use the fund for any ship modernizations. They said that it would not make sense to use the fund to modernize the ships because law and policy bar major modernizations for ships nearing decommissioning. Specifically, law and policy restrict the Secretary of a military department from performing major modernizations on any weapon platforms, including ships that would be completed within 5 years of being retired, with some exceptions. Furthermore, Navy officials stated that the funds were not sufficient to modernize all nine ships, and modernizations can take more than 2 years to plan and complete.

Figure 2: Key Navy and Congressional Actions for Seven Cruisers and Two Dock-Landing Ships



Source: Navy information and U.S. law. | GAO-14-412

Under Budget Pressures, the Navy Did Not Follow Its Policy before Deciding to Decommission Nine Ships

The Navy did not follow its policy when deciding in February 2012 to decommission seven cruisers and two dock-landing ships prior to reaching their expected service lives in order to achieve reductions in the department's budget. Since 2009, the Navy has had a general policy,¹¹ OPNAV Instruction 4770.5G, to, among other things, guide decommissioning decisions. When the Navy decommissions a ship prior to the end of its estimated service life, the policy does not require any specific analysis or reports, but it does require a decision memorandum, which must at a minimum, address

- why it is in the best interest of the Navy to retire the vessel prior to the end of its estimated service life;
- any capability gaps that will occur upon decommissioning of the ship, including the duration of the capability gap; and
- recommended strategies to mitigate any gaps in capability.

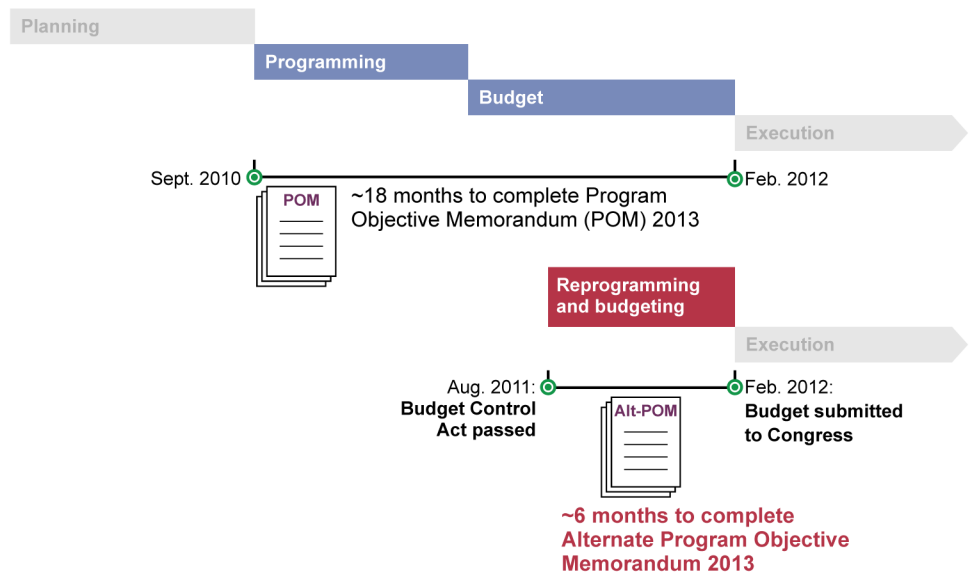
The Navy's policy states this decision memorandum must be prepared by the Office of the Chief of Naval Operations, Warfare Integration directorate (N9I)¹² and approved by the Chief of Naval Operations, Integration of Capabilities and Resources directorate (N8). However, officials within the Chief of Naval Operations offices did not adhere to the

¹¹Department of the Navy, OPNAVINST 4770.5G, *General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels* (Feb. 6, 2009).

¹²The Navy's decommissioning policy designates N8F as the directorate within the Office of the Chief of Naval Operations responsible for preparing the decision memorandum. However, after the policy was released, the Navy realigned its organizational structure and N8F became N9I (Office of the Chief of Naval Operations, Warfare Integration directorate), according to an N9I official. For the purposes of this report, we refer to N8F as N9I.

process required in the Navy's decommissioning policy. Specifically, the Office of the Chief of Naval Operations, Warfare Integration directorate, which is responsible for the Navy's decommissioning policy, did not prepare, and the Chief of Naval Operations, Integration of Capabilities and Resources directorate did not approve, a decision memorandum to support the Navy's decision to decommission the nine ships. Navy officials from the Office of the Chief of Naval Operations, Warfare Integration directorate acknowledge that they did not follow the decommissioning policy. However, according to Navy officials, they did discuss budget and cost issues, including maintenance and modernization costs. According to Navy officials, they did not prepare the decision memorandum for two reasons: (1) because they wrote the policy, they did not believe that they were required to follow all elements in the policy, and (2) they were under time pressures, which required that they identify significant budget savings over a relatively short period. Our review of the Navy's policy found that the policy does not list time constraints or any other situation that would allow officials to avoid the policy's requirements. Navy documentation shows that officials normally have approximately 18 months to develop a Program Objective Memorandum (POM) and submit a proposed budget, which provides a detailed description of the Navy's proposed programs projected 6 years into the future. However, they noted that they had about 6 months to resubmit their proposed fiscal year 2013 base budget and incorporate reductions of the alternate POM 2013, as directed by the Office of the Secretary of Defense, as shown in figure 3.

Figure 3: Time Frames for Developing the Alternate Program Objective Memorandum (POM) 2013



Source: GAO analysis of Navy information. | GAO-14-412

Without the required decision memorandum to explain the early decommissioning of the nine ships, the Navy did not employ a transparent process, and it is unclear why the early decommissioning of these nine ships, including some with nearly half of their expected service life remaining, was in the best interest of the Navy. Furthermore, the identification of potential capability gaps and any associated mitigation plans remain undocumented. Officials from the Office of the Secretary of Defense and the Navy stated that the decommissioning of the nine ships would not have caused capability gaps (having the right types of forces) because the Navy would still have maintained active cruisers and dock-landing ships in the battle force. According to Navy officials, the only reason it was in the best interest of the Navy to retire these ships prior to the end of their expected service lives was to achieve cost savings over the next 5 years. Specifically, the Navy could avoid costly midlife modernizations costs on these relatively new ships and this decision would, in turn, make room in its reduced budget for other priorities, such as buying new ships.

The Navy's Early Decommissioning Policy Does Not Incorporate Key Aspects of Federal Standards for Internal Control

The Navy's policy does not incorporate key federal standards for internal control that can help agencies to achieve their goals,¹³ and as a result, the Navy was unable to gain the support of Congress for its February 2012 decision to decommission nine ships. According to federal standards for internal control,¹⁴ agencies should communicate with and obtain information from external stakeholders (e.g., Congress), compare actual performance to planned or expected results, review performance measures and indicators, and compare and assess different sets of data to establish relationships and then take appropriate action. The Navy's decommissioning policy does not address the needs of external stakeholders in the Congress who can affect the Navy's ability to achieve its goals. Furthermore, the Navy did not evaluate the reasons why its original decommissioning decision was rejected by Congress before putting forth a similar proposal in 2013, nor did it evaluate all relevant performance indicators, such as the risk of decommissioning a ship with ballistic missile defense capabilities, before making its decision.

The Navy's Policy Does Not Require Engagement with External Stakeholders

The Navy's decommissioning policy identifies the need for internal stakeholders (e.g., Chief of Naval Operations) to develop, review, and approve the Navy's decommissioning decision memorandum, but it does not take into account the need to engage external stakeholders such as Congress, whose support is necessary for the Navy to implement its decommissioning decisions. Federal standards for internal control require that agencies communicate with, and obtain information from, external stakeholders who can have a significant effect on their abilities to achieve their goals. The Navy's policy states that it is the Secretary of the Navy who ultimately decides to decommission ships from the Navy's fleet. However, in practice, the Secretary of the Navy does not have final decommissioning authority because the Navy's request for decommissioning is subject to congressional oversight and funding. The funding is required for activities such as relocating the ship and removing equipment from the ship. According to Navy officials, the Navy did not engage with Congress as it developed its initial decommissioning decision, and Congress later requested that the Navy provide information to support its 2012 early decommissioning decision. However, Congress chose not to fund the decommissioning of these ships. In 2013, the Navy

¹³ [GAO/AIMD-00-21.3.1.](#)

¹⁴ [GAO/AIMD-00-21.3.1.](#)

continued to indicate that it intended to decommission the nine ships and again Congress prohibited the Navy from doing so. Without a policy that requires federal standards for internal control to engage external stakeholders, the Navy may continue to develop early decommissioning decisions that do not receive the congressional funding necessary for implementation.

The Navy's Decommissioning Policy Does Not Require the Consideration of Performance Measures and Indicators to Inform Future Decisions

The Navy's decommissioning policy does not require the consideration of performance measures and indicators, including differences between actual performance and planned or expected results, and then use the results of these evaluations to adjust future plans. Federal standards for internal control require that managers compare actual performance to planned or expected results and analyze significant differences. They also call for comparisons and assessments of performance measures and indicators that can establish relationships and lead agencies to take appropriate action. Here, the decision maker did not document the basis for his decision and thus we cannot determine whether appropriate performance measures and indicators were considered. After Congress did not support the Navy's 2012 decommissioning decision, Navy officials did not evaluate the reasons why Congress did not support it and continued to stand by the decision despite congressional disapproval. Had Navy officials evaluated the reasons why Congress prohibited the Navy for decommissioning the ships, they would have identified the needs of their external stakeholders and been able to better justify their decisions and adjust their future decisions appropriately. Navy officials stated that Congress has repeatedly requested information about performance measures and indicators such as readiness, cost, maintenance data, combatant commander requirements, naval fleet size, and associated risks.

The Navy collects information on all of these performance measures and indicators, but did not compare and assess all of this information when making its decision to decommission the nine ships. The Navy's decommissioning policy does not specifically require that the Navy evaluate many of the performance measures and indicators Congress has expressed interest in. However, federal standards for internal control call for the review of performance measures and indicators and note that comparisons and assessments of different sets of data can establish relationships and lead agencies to take appropriate action. For example, the Navy collects a wide variety of information associated with the capabilities and condition of its cruisers, including combatant commander demands for ballistic missile defense capabilities, but did not evaluate all

of this information before deciding to decommission the USS *Port Royal*. Although the need to provide protection against ballistic missiles is one of the Department of Defense's (DOD) highest priorities, the Navy did not analyze alternatives to minimize ballistic missile defense risks prior to submitting its plan to decommission the *Port Royal*. According to Navy officials, the geographic combatant commanders' aggregate demand for ships with ballistic missile defense capabilities currently exceeds supply. However, the Navy's decommissioning plan called for the decommissioning of the *Port Royal*, one of five cruisers with ballistic missile defense capabilities, and also the newest ship in the class. In an April 2014 report about the *Port Royal*, we found that this cruiser had some significant advantages compared to other cruisers that had not been scheduled for early decommissioning.¹⁵ Decommissioning a cruiser without ballistic missile defense capabilities rather than the *Port Royal* would have maintained additional ballistic missile defense capabilities in the Navy at a time when the Director of the Missile Defense Agency testified that the combatant commanders continue to increase their demand for missile defense capability. DOD concurred with the recommendation in our April 2014 report that the Navy reevaluate its decision to decommission the *Port Royal*, and the Navy has decided to retain the *Port Royal*.¹⁶ Without a policy that requires officials to review all relevant performance measures and indicators, the Navy may not consider all key information before making future decommissioning decisions. Although the Navy no longer plans to decommission ships, the Navy has now decided to place its 11 newest cruisers, including the *Port Royal* and three other cruisers with missile defense capabilities, in long-term phased modernization.¹⁷

Risk is a key indicator to consider when making a decommissioning decision; however, the Navy's policy only requires officials to partially address this indicator. As previously noted, the Navy's early

¹⁵GAO, *Military Capabilities: Navy Should Reevaluate Its Plan to Decommission the USS Port Royal*, [GAO-14-336](#) (Washington, D.C.: Apr. 8, 2014).

¹⁶[GAO-14-336](#).

¹⁷According to the Navy, its 11 newest cruisers (CG 63 through CG 73) will be removed from active service in 2015 and, after undergoing modernization, their service lives will be extended by 5 years, and they will be reactivated on a one-for-one basis as the Navy's 11 oldest cruisers (CG 52 through CG 62) reach the end of their expected service lives. Three dock-landing ships will also undergo a phased modernization program, beginning in 2016, but only one dock-landing ship will be removed from active service at a time.

decommissioning decision memorandum requires that, among other things, officials address any capability gaps that result from early decommissioning decisions. The policy does not specifically require that officials address any capacity gaps. According to Navy officials, risk can be caused by gaps in either “capability” (having the right types of forces, equipment, and personnel) or “capacity” (having the right quantity of forces, equipment, and personnel). Navy officials told us that the early decommissioning of the seven cruisers and two dock-landing ships would not cause any capability gaps. However, shortfalls in the number of ships—capacity gaps—can be present even when there are no capability gaps.

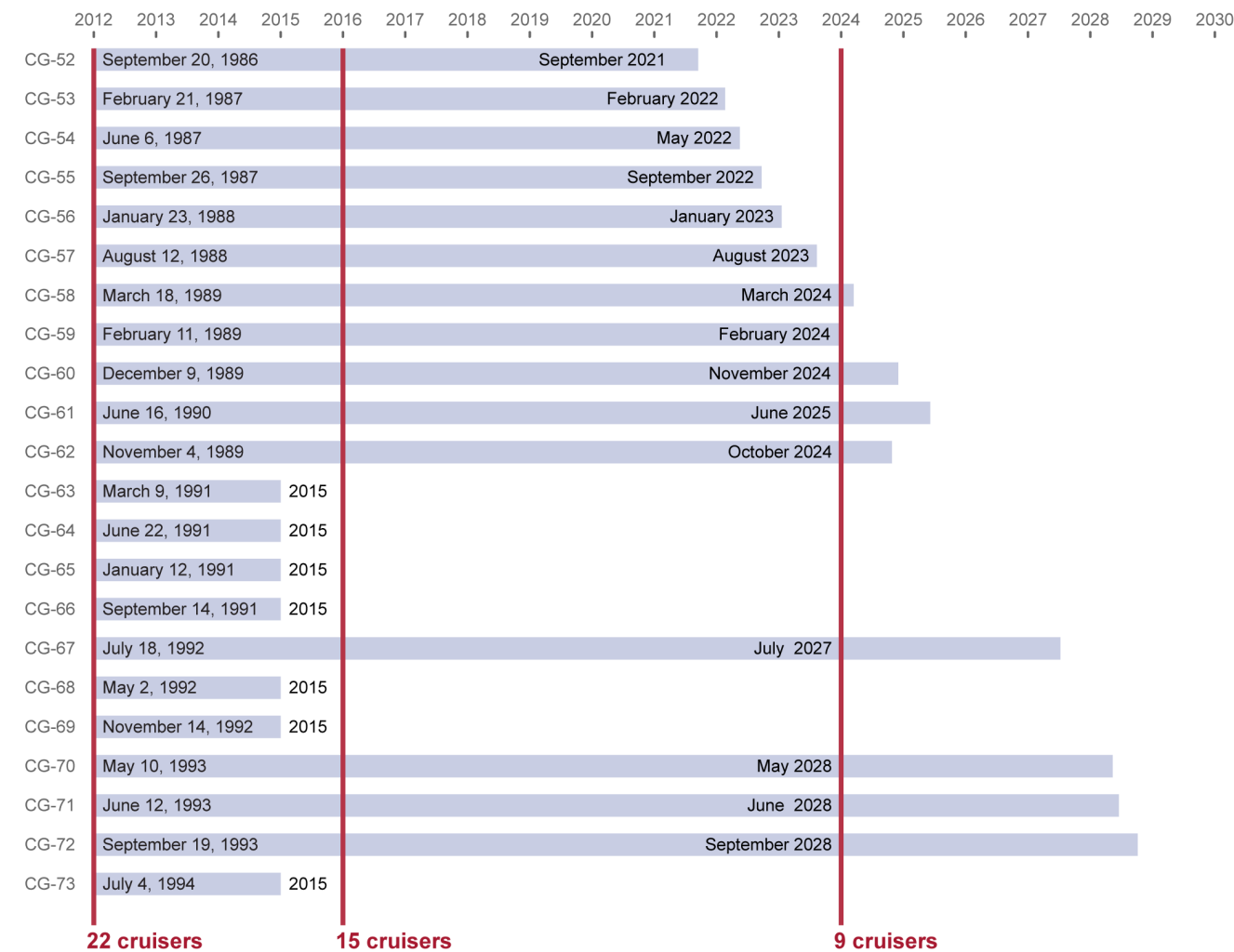
The Navy recommended decommissioning large surface combatants and amphibious ships when it was reporting shortfalls in those same ship types to support its shipbuilding plans. In a January 2013 report to Congress, the Navy noted that it required a total of 88 large surface combatants and 33 amphibious ships within a total battle force of 306 ships.¹⁸ According to the document, these 306 ships are needed “for the force to possess the requisite capability and capacity to deliver credible deterrence, sea control, and power projection to deter or contain conflict and, if called upon to win our nation’s wars.” According to the Navy’s 30-Year Shipbuilding Plan for Fiscal Year 2014,¹⁹ its fiscal year 2014 force structure of 85 large surface combatants and 31 amphibious ships currently falls short of the capacity required to execute these important missions. Had the Navy addressed capacity risks, it would have determined that the early decommissioning of seven cruisers would have increased both short-term and long-term risks. According to the 30-Year Shipbuilding Plan, the early decommissioning of seven cruisers would have increased short-term risks as it reduced the Navy’s inventory of large surface combatants to 78 in fiscal year 2015. However, we found that the Navy’s decision to decommission seven cruisers before the end of their expected service lives would also have increased long-term risks. Because the Navy’s older cruisers had already completed their costly midlife upgrades and the Navy still needed to fund the upgrades for its

¹⁸Department of the Navy, *Navy Combatant Vessel Force Structure Requirement* (Washington, D.C.: January 2013).

¹⁹Department of the Navy, *Report to Congress on the Annual Long-Range Plan for Construction of New Vessels for FY2014* (Washington, D.C.: May 2013). This report is also commonly referred to as the 30-Year Shipbuilding Plan for Fiscal Year 2014.

newer cruisers, the Navy sought to achieve greater budget savings by decommissioning its newer cruisers. However, we found that the Navy's decision to decommission its newer cruisers would have increased long-term risk because it would have caused the size of the Navy's cruiser fleet to diminish more rapidly than would have been the case if the decommissioning decision had included the Navy's older cruisers. Figure 4 shows that under the Navy's 2012 decommissioning proposal only nine cruisers would have remained in the fleet by 2024.

Figure 4: Total Number of Navy Cruisers by Year Based on Navy's 2012 Decommissioning Proposal



Source: GAO analysis of Navy information. | GAO-14-412

If the Navy's oldest seven cruisers had been selected for decommissioning instead, the Navy would have incurred modernization costs but would have had 15 cruisers in the fleet through February 2024, because none of the newer cruisers would have been decommissioned prior to that date. Until the Navy made its decision to decommission the seven cruisers early, CG 63, CG 64, CG 65, and CG 66 had expected service lives that ran through 2026; CG 68 and CG 69 had expected service lives through 2027; and CG 73 through 2029. Without specific policy direction to require engagement with external stakeholders and consideration of key performance measures, the Navy may be missing opportunities to successfully justify future decisions to decommission ships and may be unable to gain support for future decommissioning decisions.

Conclusions

Facing the need to identify billions of dollars in short-term savings, Navy officials decided to decommission seven cruisers and two dock-landing ships early. However, we found problems in the Navy's decision-making process, which likely contributed to the lack of congressional support for the Navy's decommissioning decisions. These problems, which involve a lack of underlying support to justify the Navy's decisions, offer important lessons for the future. First, Navy officials did not follow their own policy to develop and approve a decision memorandum that would have required the Navy to document, among other things, why the early decommissioning of nine ships was in the best interest of the Navy. Second, even if the Navy had completed a decision memorandum, the Navy's policy does not incorporate key elements of federal standards for internal control, such as engaging with external stakeholders, comparing actual performance to planned or expected results, reviewing performance measures and indicators, and comparing and assessing different sets of data to establish relationships and take appropriate action. Revising the policy to incorporate federal standards for internal control may help the Navy justify its future decisions to congressional stakeholders who provide the authorization and funding necessary for the Navy to implement its force structure decisions.

Recommendations for Executive Action

We recommend that the Secretary of Defense direct the Secretary of the Navy to take the following two actions.

To improve the quality of the Navy's future decommissioning decisions, direct the Chief of Naval Operations to document the Navy's early decommissioning in decision memorandums in accordance with the

General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels prior to approving any future recommendations for early decommissioning of Navy ships.

To enhance the likelihood that those decisions will be implemented, direct the Chief of Naval Operations to update the Navy's *General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels* to incorporate key elements of federal standards for internal control, such as communicating with and obtaining information from external stakeholders, comparing actual performance to planned or expected results, evaluating performance measures and indicators, such as risk, and comparing and assessing different sets of data to establish relationships and take appropriate action. In updating the policy, the Chief of Naval Operations should also consider requiring that its early decommissioning decision memorandums specifically address capacity as well as capability gaps.

Agency Comments and Our Evaluation

We provided a draft of this report to DOD for comment. In its written comments, which are reprinted in appendix II, DOD partially concurred with our two recommendations.

DOD partially concurred with our first recommendation that the Navy should complete a decision memorandum in accordance with the *General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels* for any future decommissioning decisions. DOD stated that the Navy should have followed the policy that requires the decision memorandum, but did not do so because of "compressed timelines," and would ensure the completion of decision memorandums for any future early decommissioning recommendations. In light of the Navy's large capital investment in its surface fleet, we continue to believe that any time the Navy recommends the early decommissioning of its ships it should follow its policy for completing decision memorandums—regardless of any time or workload challenges. In addition, our review of the Navy's policy requiring decision memorandums found no exception for time constraints. The Navy had about 6 months between when it made its decision to decommission 9 ships early and when it developed a revised fiscal year 2013 base budget that incorporated reductions that were directed by OSD. We believe that 6 months is adequate time to meet the requirement to prepare a decision memorandum.

DOD partially concurred with our second recommendation that the Secretary of Defense direct the Secretary of the Navy to incorporate key elements of federal standards for internal control into its policies to

enhance the likelihood that Navy decisions will be implemented. The department agreed that engaging external stakeholders, including Congress, is important. The Navy stated that until the Secretary of Defense and the President have approved the budget request, all actions are predecisional and internal, and therefore are not discussed with Congress. We recognize that the Navy's decision to decommission nine ships early was driven by budget concerns and therefore was closely aligned with the budget process; however, we believe that it is important for the Navy to continuously engage Congress on key matters related to the Navy's maritime strategy and core capabilities. This continual engagement with Congress regarding the Navy's capacity due to the early decommissioning of ships does not need to be linked only to budget discussions, and could address ongoing issues regarding core Navy capabilities such as power projection and its associated need for properly sized forces. Thus, discussions of major decisions such as the early decommissioning of ships should be ongoing as the Navy continues to refine its strategy and missions. As discussed in our report, the Navy chose not to engage with Congress as it developed its early decommissioning decision, on more than one occasion Congress asked the Navy to provide information to support its early decommissioning decision and in both 2013 and 2014 decided not to fund the early decommissioning of these ships. If the Navy does not periodically engage external stakeholders on capacity and capability issues prior to providing Congress with plans for the early decommissioning of ships, the Navy may continue to be unable to gain congressional approval and funding for its plans. Moreover, while the Navy's comments primarily focused on engaging with external stakeholders, our recommendation also noted the importance of incorporating other elements of internal controls into its policy, such as comparing actual performance to planned or expected results, evaluating performance measures and indicators, and comparing and assessing different sets of data to establish relationships and to take appropriate action. We continue to believe that the Navy should update its policy to reflect these critical internal controls.

DOD disagreed with a portion of our second recommendation to require future decision memorandums to address capacity as well as capability gaps. DOD stated that including a capacity discussion would provide minimal benefit since any retirement without replacement will, by definition, increase risk and reduce capacity. However, we continue to believe that a discussion of capability gaps that ignores capacity issues is incomplete, and believe there are benefits from specifically addressing capacity in early decommissioning decision memorandums. With the Navy's current force structure short of required capacity, it is critical to fully understand the nature and duration of additional risks caused by

early decommissioning plans and alternatives. As our report notes, the Navy's decision to decommission newer cruisers would have caused greater long-term capacity gaps and risks than alternative options because it would have caused the size of the Navy's cruiser fleet to diminish more rapidly than a possible alternative that would have decommissioned the Navy's older cruisers.

We are sending copies of this report to congressional defense committees and the Secretary of Defense. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff has any questions about this report, please contact me at (404) 679-1816 or pendletonj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.



John H. Pendleton
Director
Defense Capabilities and Management

List of Committees

The Honorable Carl Levin
Chairman
The Honorable James Inhofe
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Richard Durbin
Chairman
The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Howard P. McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Rodney Frelinghuysen
Chairman
The Honorable Pete Visclosky
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Appendix I: Scope and Methodology

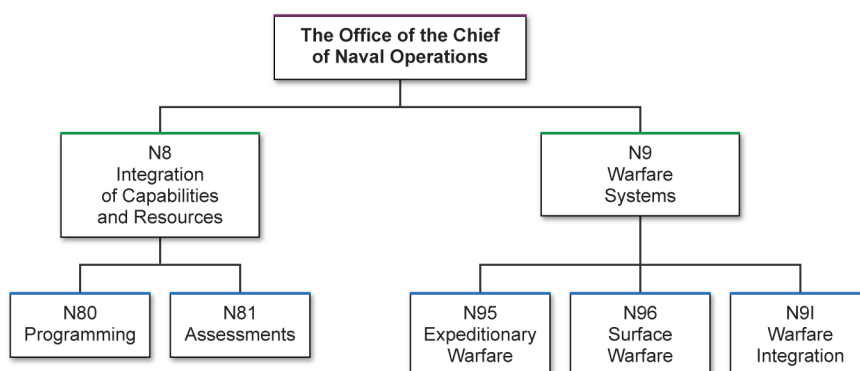
To evaluate the extent to which the Navy followed its policy when it decided to decommission nine ships before the end of their service lives, we reviewed relevant Navy policies and procedures on Navy decommissioning—including the policy entitled *General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels*—to identify Navy requirements for the administration of inactive Navy vessels. We obtained and analyzed information from the Office of the Chief of Naval Operations and sought to corroborate any testimonial evidence and conducted interviews to discuss any conflicting evidence. For example, we reviewed e-mails, internal briefing slides, and summary papers that Navy officials provided to us, as well as Ship Inactivation Decision conference minutes that were held before and after the decommissioning decisions were made. We obtained and analyzed the Navy's Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels, known as the 30-year shipbuilding plan, for fiscal years 2012, 2013, and 2014. To understand how the Navy's proposal and laws related to that proposal had changed over time, we analyzed Navy budget information included in the President's fiscal year 2013 and 2014 budget submissions and the relevant portions of the fiscal years 2013 and 2014 defense appropriations and authorization acts. We interviewed Navy officials from Naval Sea Systems Command, the Board of Inspection and Survey, the United States Fleet Forces Command, and United States Pacific Fleet to validate our analysis. Also, we interviewed Navy headquarters and fleet officials.

To evaluate the extent to which the Navy's policy incorporates federal standards for internal control, we analyzed the Navy's decommissioning guidance and standards for internal control in the federal government. We then compared the federal standards for internal control criteria to the Navy's decommissioning policy. We spoke with officials from the Office of the Chief of Naval Operations; Commander Naval Surface Force, U.S. Pacific Fleet; Commander Naval Surface Force, U.S. Atlantic Fleet; Naval Sea Systems Command; and the Navy Board of Inspection and Survey, whose offices were part of the Navy's Program Objective Memorandum (POM) 14 Ship Inactivation Decision Conference in December 2011. We discussed with Navy officials the information and data requested from and provided by their respective offices prior to the Navy's decision to decommission nine ships, as well as any challenges or risks that may occur due to the decommissioning of these ships. Additionally, we obtained written responses to our questions from the previously referenced officials and from officials of the Office of Warfare Integration (N9I), which is part of the Office of the Chief of Naval Operations; the N9I

office's officials administer the Ship Inactivation Decision Conferences and are responsible for the Navy's decommissioning policy.

For each of the objectives, we interviewed officials from the Office of the Secretary of Defense, Cost Assessment and Program Evaluation; and the Office of the Chief of Naval Operations, Integration of Capabilities and Resources, Surface Warfare, Expeditionary Warfare, and Warfare Integration; and Naval Sea Systems Command. Because of the focus of this report, we interviewed officials from the Office of the Chief of Naval Operations, which is responsible for overseeing the operating forces of the Navy. Specifically, we interviewed officials from offices under the Office of the Chief of Naval Operations, which are organized by "N" and associated numbers, including N8 (Integration of Capabilities and Resources), which is responsible for optimizing Navy investments and budget and resource programming, and N9 (Warfare Systems), which is responsible for the integration of manpower, training, sustainment, modernization, and procurement of the Navy's warfare systems. Within N9, N95 maintains oversight of the Navy's amphibious ships, and N96 oversees surface combatants. N9I oversees, and is responsible for, policies regarding the Navy's long-range plans for shipbuilding, as well as decommissioning, inactivation, and disposition of Navy ships.¹ Figure 5 shows the administrative chain of command within the Office of the Chief of Naval Operations.

¹According to Navy policy, decommissioning is the process of removal of a commissioned U.S. Navy ship from active status. Decommissioning normally occurs at the retirement of a U.S. Navy ship but could coincide with the transfer of the ship to another agency, such as the Military Sealift Command. Inactivation is the process by which a ship is prepared for decommissioning and eventual disposition. According to the Navy policy, some ships that are decommissioned may be retained in the inactive ship inventory for a period for future mobilization or while awaiting disposal. The Navy's methods to reduce the inactive ship inventory, or dispose of ships, include interagency transfers to the Maritime Administration, U.S. Coast Guard, or other U.S. federal agencies; donations for memorial or museum use as static public displays; foreign military sales transfers and leases; dismantling and recycling (also known as scrapping); fleet training exercises; experimental use, including weapons effectiveness testing; or transfers to U.S. states and territories for use as artificial reefs.

Figure 5: Partial Organization of the Office of the Chief of Naval Operations

Source: Navy. | GAO-14-412

Finally, in reviewing the Navy's process and practices, we analyzed how the Navy made its decommissioning decision and compared its process and practices to standards for internal control in the federal government. The Navy's decision to take the 14 ships out of their normal deployment rotations and place them in long-term phased modernization to preserve the lives of the ships was outside the scope of this review and we did not evaluate the documentation that may have been prepared to support that decision. Further, we reviewed prior GAO work on Navy surface ship readiness as well as Navy testimony on Navy readiness and the decommissioning of its ships, and Department of Defense (DOD) strategic guidance on the key military missions the department will prepare for, and reviewed DOD's budget priorities for fiscal years 2013 through 2017.

We conducted this performance audit from May 2013 through June 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Defense



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, DC 20350-2000

May 28, 2014

Mr. John Pendleton
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

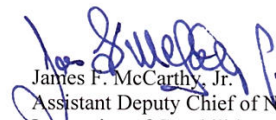
Dear Mr. Pendleton:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-14-412, "SURFACE SHIPS: Navy Needs to Revises Its Decommissioning Policy to Improve Future Decisionmaking," dated April 30, 2014 (GAO Code 351827).

Enclosed are the DoD responses to the GAO recommendations made in the draft report.

If you should need any further assistance regarding this GAO engagement, please contact Ms. Helen Kim, helen.kim@navy.mil, (703) 692-5434.

Sincerely,


James F. McCarthy, Jr.
Assistant Deputy Chief of Naval Operations
Integration of Capabilities and Resources

Enclosure:
As stated

**GAO DRAFT REPORT DATED APRIL 30, 2014
GAO-14-412 (GAO CODE 351827)**

**“SURFACE SHIPS: NAVY NEEDS TO REVISE ITS
DECOMMISSIONING POLICY TO IMPROVE FUTURE
DECISIONMAKING”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS**

RECOMMENDATION 1: GAO recommends that the Secretary of Defense direct the Secretary of the Navy to take the following action. To improve the quality of the Navy’s future decommissioning decisions, direct the Chief of Naval Operations to document its early decommissioning in a decision memorandum in accordance with the General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels prior to approving any future recommendations for early decommissioning of Navy ships.

DoD RESPONSE: Partially concur. The Department concurs that Navy should have completed a decision memorandum in accordance with the General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels. Although the decision memorandum in this case was not completed prior to submission of the FY13 President’s Budget (PB-13) due to compressed timelines after the passage of the Budget Control Act in August 2011, the Department concurs that Navy should have completed the decision memorandum soon after the PB-13 submission and will ensure compliance with the policy in any future early decommissioning recommendations. However, Navy complied with the spirit and intent of the policy, and the Fleet Commanders, Chief of Naval Operations and Secretary of the Navy were fully engaged in the early decommissioning decision and approved the decision as part of the ALT-POM 13 submission to the Office of the Secretary of Defense (OSD). OSD and ultimately, the Office of Management and Budget (OMB) approved this decision, as documented by inclusion of the early retirement of 7 CGs and 2 LSDs as part of the PB-13 budget submission.

RECOMMENDATION 2: GAO recommends that the Secretary of Defense direct the Secretary of the Navy to take the following action. To enhance the likelihood that those decisions will be implemented, direct the Chief of Naval Operations to update the Navy’s General Policy for the Inactivation, Retirement, and Disposition of U.S. Naval Vessels to incorporate key elements of federal standards for internal control, such as communicating with and obtaining information from external stakeholders, comparing actual performance to planned or expected results, evaluating performance measures and indicators, such as risk, and comparing and assessing different sets of data to establish relationships and take appropriate action. In updating the policy, the Chief of Naval Operations should also consider requiring that its early decommissioning decision memorandum specifically address capacity as well as capability gaps.

DoD RESPONSE: Partially concur. The Department concurs that engaging external stakeholders, including Congress, is important; however, until the Secretary of Defense and the President have approved the budget request, all actions are pre-decisional and internal. The release of the President's budget (PB) is the initiation of engagement via testimony, briefings and discussion with external stakeholders, providing at least 8 months for analysis and assessment to inform execution of all decisions in the PB. It would be inappropriate for the Navy to discuss tentative budget decisions outside of the Executive Branch prior to PB release because external deliberations imply a decision has been made by the President and the Secretary of Defense. The current budget process allows for external engagement and assessment from PB submission to Congress' final approval of the budget.

In addition, the inclusion of a capacity discussion in the early decommissioning decision memorandum would provide minimal benefit since any retirement without replacement will, by definition, increase risk and reduce capacity.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

John H. Pendleton, (404) 679-1816 or pendletonj@gao.gov

Staff Acknowledgments

In addition to the contact named above, key contributors to this report were Michael Ferren (Assistant Director), Richard Burkard, Sharon Pickup, Richard Powelson, Jillena Roberts, Michael Silver, Amie Steele, and Nicole Volchko.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<http://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <http://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548

