



Highlights of [GAO-07-671](#), a report to congressional committees

## Why GAO Did This Study

The Department of Defense (DOD) has been working to improve its personal property program since the mid-1990s to fix long-standing problems, such as excessive loss or damage to servicemembers' property and poor quality of service from moving companies. DOD plans to replace its current program with Families First, a program that promises to offer servicemembers an improved claims process and quality of service. GAO was mandated to (1) assess the steps DOD has taken to achieve the goals and benefits of the Families First program; (2) evaluate the growth in costs of the program, including the costs for a new information management system, since GAO's last assessment in 2003; and (3) assess the extent to which DOD faces management challenges—such as staffing—in implementing Families First. To address these objectives, GAO analyzed DOD's program, funding and staffing data, and interviewed personal property officials and stakeholders.

## What GAO Recommends

GAO recommends that DOD expedite an evaluation of its Families First program and employ comprehensive planning to implement Families First that includes specific steps to address staffing problems, gain stakeholders' agreement on Defense Personal Property System (DPS) requirements, and seek adequate funding to implement the program. DOD concurred with both of our recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-07-671](http://www.gao.gov/cgi-bin/getrpt?GAO-07-671).

To view the full product, including the scope and methodology, click on the link above. For more information, contact John Pendleton at (404) 679-1816 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov).

## DEFENSE TRANSPORTATION

# DOD Needs a Comprehensive Approach to Planning for Implementing Its New Personal Property Program

## What GAO Found

DOD has taken some initial steps to achieve the goals and benefits of Families First, but delays in developing a new information management system have put the overall goals of improving the quality of service from moving companies and streamlining the claims process at risk. The information management system, the Defense Personal Property System (DPS), is now more than 2 years behind schedule. DOD has missed DPS milestones because of software development issues and is now working to address issues identified in recent software testing. Since DPS has been delayed, DOD is in the process of implementing a backup plan to meet a statutory mandate to provide servicemembers with the full replacement value of goods lost or damaged during a move by March 1, 2008. However, there are risks and costs associated with DOD's backup plan because it relies on an increasingly unreliable legacy computer system; also, DOD's plan may not cover all moves by March 1, 2008.

The Families First program could increase costs to DOD by \$1.4 billion over current program costs through fiscal year 2011 for two main reasons: (1) DOD estimates the program will increase costs to the services' household goods budgets by 13 percent and (2) DOD has significantly increased the cost estimate for a new information management system since GAO's last assessment. While DOD's estimate that the Families First program will increase costs by 13 percent has not changed since 2005, all of the services have not yet fully budgeted for this cost increase, which GAO analysis shows could be about \$1.2 billion. Additionally, DOD has increased its estimate for an information management system for Families First because it decided to develop DPS rather than upgrade the legacy system. DOD estimated that the upgrade would cost \$4 million to \$6 million, and the program office estimated that DPS will cost about \$180 million through fiscal year 2011.

DOD's personal property program faces many management challenges—especially staffing, in addition to program requirements and funding problems—because it has not employed comprehensive planning. Sound management practices require a comprehensive approach that includes plans to assemble a qualified, trained, and well-led team; gain stakeholders' agreement about key program elements, such as business rules to define how the moving industry will serve military members; and estimate and plan for adequate resources. DOD has developed several draft plans to address individual portions of Families First and DPS, such as the draft transition plan for moving the DPS program office as part of a base realignment and closure move from Virginia to Illinois, but there is no overall plan that addresses how DOD will (1) fill significant staffing shortfalls in the newly formed DPS program office, (2) gain agreement from stakeholders, and (3) fund the significant and growing costs associated with the program. For example, DOD has not identified sources to fully fund DPS development and operations. Without a comprehensive plan, achieving the goals of the Families First program will likely remain difficult.