



Highlights of [GAO-04-413T](#), a testimony to the Chairman, House Committee on Government Reform

Why GAO Did This Study

In light of the recent mobilizations associated with the war on terrorism, GAO was asked to determine if controls used to pay mobilized Army Guard personnel provided assurance that such pays were accurate and timely. This testimony focuses on the pay experiences of Army Guard soldiers at selected case study units and deficiencies with respect to controls over processes, human capital, and automated systems.

What GAO Recommends

GAO's related report (GAO-04-89) made 24 recommendations to DOD including the following:

- ♦ Establish a unified set of policies and procedures as well as performance measures in the pay area.
- ♦ Evaluate staffing allocation, pay grades, and training at all 54 Army Guard offices.
- ♦ Identify options for improving customer service.
- ♦ Review and resolve GAO identified pay issues at the six case study units.
- ♦ Evaluate the feasibility of automating manual pays and redesigning the leave and earnings statements.
- ♦ In developing the new pay system, consider a complete reengineering effort to include process and human capital.

DOD concurred with GAO's recommendations and described actions recently completed, underway, and planned to correct the noted deficiencies.

www.gao.gov/cgi-bin/getrpt?GAO-04-413T.

To view the full product, click on the link above. For more information, contact Gregory D. Kutz at (202) 512-9095 or Kutzg@gao.gov.

MILITARY PAY

Army National Guard Personnel Mobilized to Active Duty Experienced Significant Pay Problems

What GAO Found

The existing processes and controls used to provide pay and allowances to mobilized Army Guard personnel are so cumbersome and complex that neither DOD nor, more importantly, the mobilized Army Guard soldiers could be reasonably assured of timely and accurate payroll payments. Weaknesses in these processes and controls resulted in over- and underpayments and late active duty payments and, in some cases, large erroneously assessed debts, to mobilized Army Guard personnel. The end result of these weaknesses is to severely constrain DOD's ability to provide active duty pay to these personnel, many of whom were risking their lives in combat in Iraq and Afghanistan. In addition, these pay problems have had a profound impact on individual soldiers and their families and may adversely impact on decisions to stay in the Army Guard. For example, many soldiers and their families were required to spend considerable time, sometimes while the soldiers were deployed in remote, hostile environments overseas, seeking corrections to active duty pays and allowances.

Pay Problems at Six Case Study Locations

Army Guard unit	Soldiers with pay problems	Comments
Colorado Special Forces	62 of 62	34 soldiers were erroneously assessed debts averaging \$48,000 each.
Virginia Special Forces	64 of 65	Injured soldiers experienced problems receiving entitled active duty pay and related medical benefits.
West Virginia Special Forces	86 of 94	Sergeant came under enemy fire during 4-day trip to deliver pay records to correct errors.
California Military Police	50 of 51	Majority of soldiers experienced delays in starting active duty pays.
Maryland Military Police	83 of 90	Pays for 13 soldiers continued for 6 weeks after early release from active duty.
Mississippi Military Police	105 of 119	88 soldiers were mistakenly paid for 2 types of hardship duty pay.
Total	450 of 481	94 percent of soldiers had pay problems

Source: GAO analysis.

The pay process, involving potentially hundreds of DOD, Army, and Army Guard organizations and thousands of personnel, was not well understood or consistently applied with respect to determining (1) the actions required to make timely, accurate pays to mobilized soldiers, and (2) the organization responsible for taking the required actions. With respect to human capital, we found weaknesses including (1) insufficient resources allocated to pay processing, (2) inadequate training related to existing policies and procedures, and (3) poor customer service. Several systems issues were also significant factors impeding accurate and timely payroll payments to mobilized Army Guard soldiers, including (1) nonintegrated systems, (2) limitations in system processing capabilities, and (3) ineffective system edits.