



Highlights of [GAO-04-990T](#), a testimony to the Chairman, Committee on Government Reform, Subcommittee on Government Efficiency and Financial Management, House of Representatives

## Why GAO Did This Study

In light of GAO's November 2003 report highlighting significant pay problems experienced by Army National Guard soldiers mobilized to active duty in support of the global war on terrorism and homeland security, GAO was asked to determine if controls used to pay mobilized Army Reserve soldiers provided assurance that such pays were accurate and timely. GAO's audit used a case study approach to focus on controls over three key areas: processes, people (human capital), and automated systems.

## What GAO Recommends

We provided a draft report detailing the results of our audit findings to DOD for review and comment on July 9, 2004. The draft report contains a series of 15 recommended actions. After receiving and considering DOD's comments, we plan to finalize and issue the report. To its credit, DOD has already taken a number of actions in response to our report on the Army National Guard.

[www.gao.gov/cgi-bin/getrpt?GAO-04-990T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-990T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory D. Kutz at (202) 512-9095 or [Kutzg@gao.gov](mailto:Kutzg@gao.gov).

# MILITARY PAY

## Army Reserve Soldiers Mobilized to Active Duty Experienced Significant Pay Problems

### What GAO Found

The processes and automated systems relied on to provide active duty pays, allowances, and tax benefits to mobilized Army Reserve soldiers are so error-prone, cumbersome, and complex that neither DOD nor, more importantly, Army Reserve soldiers themselves, could be reasonably assured of timely and accurate payments. Weaknesses in these areas resulted in pay problems, including overpayments, and to a lesser extent, late and underpayments of soldiers' active duty pays and allowances at eight Army Reserve case study units. Specifically, 332 of 348 soldiers (95 percent) we audited at eight case study units that were mobilized, deployed, and demobilized at some time during the 18-month period from August 2002 through January 2004 had at least one pay problem.

### Pay Experiences at Eight Army Reserve Case Study Units

Army Reserve unit	Number of soldiers with pay problems	Total
824th Quartermaster Company - N.C.	58 of 68	<p>95%</p> <p>332 of 348 soldiers experienced pay problems</p>
965th Dental Company - Tex.	89 of 93	
948th Forward Surgical Team - Mich.	20 of 20	
443rd Military Police Company - Md.	119 of 121	
FORSCOM Support Unit - Md.	1 of 1	
629th Transportation Detachment - Va.	24 of 24	
3423rd Military Intelligence Detachment - Conn.	11 of 11	
431st Chemical Detachment - Pa.	10 of 10	

Source: GAO.

Many of the soldiers had multiple problems associated with their active duty pays and allowances. Some of these problems lingered unresolved for considerable lengths of time, some for over 1 year. Further, nearly all soldiers began receiving their tax exemption benefit at least 1 month late. These pay problems often had a profound adverse impact on individual soldiers and their families. For example, soldiers were required to spend considerable time, sometimes while deployed in remote, hostile environments overseas, seeking help on pay inquiries or in correcting errors in their active duty pays, allowances, and related tax benefits.

The processes in place to pay mobilized Army Reserve soldiers, involving potentially hundreds of DOD, Army, and Army Reserve organizations and thousands of personnel, were deficient with respect to (1) tracking soldiers' pay status as they transition through their active duty tours, (2) carrying out soldier readiness reviews, (3) after-the-fact report reconciliation requirements, and (4) unclear procedures for applying certain pay entitlements. With respect to human capital, weaknesses identified at our case study units included (1) insufficient resources allocated to key unit-level pay administration responsibilities, (2) inadequate training related to existing policies and procedures, and (3) poor customer service. Several automated systems issues also contributed to the significant pay errors, including nonintegrated systems and limited processing capabilities.