



Highlights of [GAO-05-322T](#), a testimony before the Committee on Government Reform, House of Representatives

## Why GAO Did This Study

In light of the recent mobilizations associated with the Global War on Terrorism, GAO was asked to determine if the Army's overall environment and controls provided reasonable assurance that soldiers who were injured or became ill in the line of duty were receiving the pay and other benefits to which they were entitled in an accurate and timely manner. This testimony outlines pay deficiencies in the key areas of (1) overall environment and management controls, (2) processes, and (3) systems. It also focuses on whether recent actions the Army has taken to address these problems will offer effective and lasting solutions.

## What GAO Recommends

GAO's related report ([GAO-05-125](#)) makes 22 recommendations including (1) establishing comprehensive policies and procedures; (2) providing adequate infrastructure and resources; (3) making process improvements to compensate for inadequate, stovepiped systems; and (4) as part of longer term system improvement initiatives, to integrate the Army's order writing, pay, personnel, and medical eligibility systems. In its written response to GAO's recommendations, the Department of Defense briefly described its completed, ongoing, and planned actions for each of the recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-05-322T](http://www.gao.gov/cgi-bin/getrpt?GAO-05-322T).

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

## Gaps in Pay and Benefits Create Financial Hardships for Injured Army National Guard and Reserve Soldiers

### What GAO Found

Injured and ill reserve component soldiers—who are entitled to extend their active duty service to receive medical treatment—have been inappropriately removed from active duty status in the automated systems that control pay and access to medical care. The Army acknowledges the problem but does not know how many injured soldiers have been affected by it. GAO identified 38 reserve component soldiers who said they had experienced problems with the active duty medical extension order process and subsequently fell off their active duty orders. Of those, 24 experienced gaps in their pay and benefits due to delays in processing extended active duty orders. Many of the case study soldiers incurred severe, permanent injuries fighting for their country including loss of limb, hearing loss, and back injuries. Nonetheless, these soldiers had to navigate the convoluted and poorly defined process for extending active duty service.

### Examples of Injured Soldiers with Gaps in Pay and Benefits

Soldier	Injuries	Days without orders	Missed pay	Effect on soldier
Case Study #1 Enduring Freedom	Kidney problems, knee injury	92	\$11,924	Medical and financial stress requiring counseling
Case Study #2 Iraqi Freedom	Knee and cervical disc injuries	31	\$3,886	Living with in-laws, no way to show income to qualify for rental
Case Study #3 Enduring Freedom	Lost leg, burns, and shrapnel in face	34	\$4,780	Soldier paid bills late and had to borrow money
Case Study #4 Enduring Freedom	Back injuries	45	\$8,206	Soldier paid bills late and had to borrow money
Case Study #5 Enduring Freedom	Knee injury and cancer	122	\$4,238	Unable to work, soldier lived off savings and credit cards

Source: GAO.

The Army's process for extending active duty orders for injured soldiers lacks an adequate control environment and management controls—including (1) clear and comprehensive guidance, (2) a system to provide visibility over injured soldiers, and (3) adequate training and education programs. The Army has also not established user-friendly processes—including clear approval criteria and adequate infrastructure and support services. Many Army locations have used ad hoc procedures to keep soldiers in pay status; however, these procedures often circumvent key internal controls and put the Army at risk of making improper and potentially fraudulent payments. Finally, the Army's nonintegrated systems, which require extensive error-prone manual data entry, further delay access to pay and benefits.

The Army recently implemented the Medical Retention Processing (MRP) program, which takes the place of the previously existing process in most cases. MRP, which authorizes an automatic 179 days of pay and benefits, may resolve the timeliness of the front-end approval process. However, MRP has some of the same issues and may also result in overpayments to soldiers who are released early from their MRP orders. Out of 132 soldiers the Army identified as being released from active duty, 15 improperly received pay past their release date—totaling approximately \$62,000.