



Secretary of Defense Report

**to accompany the Inspector General Semiannual
Report for Transmission to Congress**

April 1, 2005 – September 30, 2005

**This report fulfills the requirements of the Inspector General Act of
1978, as amended, 5 U.S.C., Appendix 3, Section 5(b).**

FOREWORD

Section 5(b) of the Inspector General Act of 1978, as amended, requires that “Semiannual reports of each Inspector General shall be furnished to the head of the establishment involved not later than April 30 and October 31 of each year and shall be transmitted by such head to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the head of the establishment.”

Section 5(b) requires the report by the head of the establishment to report information in the following four general categories:

- (1) any comments such head determines appropriate;
- (2) statistical tables showing the total number of audit reports and the dollar value of disallowed costs, for audit reports;
- (3) statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for audit reports; and
- (4) a statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year.

This page left blank intentionally

FOLLOWUP STATUS REPORT*

STATUS OF ACTION ON CENTRAL INTERNAL AUDITS Period ending September 30, 2005 (\$ in thousands)		
Status	Number	Funds Put to Better Use ¹
OIG DoD		
Action in Progress - Beginning of Period	265	\$0
Action Initiated - During Period	68	0
Action Completed - During Period	81	171,981 ²
Action in Progress - End of Period	252	0 ³
Military Departments		
Action in Progress - Beginning of Period	522	2,140,226
Action Initiated - During Period	339	1,230,607
Action Completed - During Period	213	350,719
Action in Progress - End of Period	648	2,802,854
¹ There were no OIG DoD audit reports issued during the period involving "questioned costs." ² Included are recouped "questioned costs" of \$1.8 million. ³ On certain reports (from prior periods) with audit estimated monetary benefits of \$7,067 million, we agreed that the resulting monetary benefits can only be estimated after completion of management action, which is ongoing.		

* Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix 3, Section 5(b)(2) & (3).

**STATUS OF OIG DOD REPORTS MORE THAN 12 MONTHS OLD
WITH FINAL ACTION PENDING ^{1, 2}
(As of September 30, 2005)**

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principle Action Office
91-055 , Pricing and Billing of Stinger Missiles Sold to Foreign Military Sales (FMS) Customers, 2/27/1991	Revision to Volume 15 of the Financial Management Regulation on the calculation of packing, crating and handling costs for FMS.	Lack of management emphasis.	USD(C)
93-163 , Procurement Prices Paid on Aircraft Weapon Systems for Foreign Military Sales, 9/2/1993	Revise the Financial Management Regulation to clarify the special provisions for Research, Development, Test & Evaluation.	Lack of management emphasis.	USD(C)
94-062 , Financial Status of Air Force Expired Year Appropriations, 3/18/1994	Changes to policy guidance to include refunds receivable arising from matters in litigation.	Lack of management emphasis.	USD(C)
95-238 , Administrative Lead Time at DoD Inventory Control Points, 6/15/1995	Automate methodology for determining administrative lead time in the Purchase Request Process System.	Delays in decision to continue with development of new system and funding.	AF
96-156 , Implementation of the DoD Plan to Match Disbursement to Obligations Prior to Payment, 6/11/1996	Implement system changes to correct weaknesses in the automated prevalidation process.	Competing management priorities.	DFAS
97-014 , Controls Over the Return of Repairable Assets, 11/1/1996	Establishment of standard reporting procedures for contractors to report receipt transactions for repairable assets.	Actions protracted due to funding and complexity of task.	Army
97-100 , Asset Presentation on Military Department General Fund Financial Statements, 2/25/1997	Clarify accounting guidance for the reporting of progress payments to ensure consistent presentation by the DFAS Centers on Military Departments General Fund financial statements and future DoD consolidated statements.	Lack of management emphasis.	USD(C)

¹ Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix 3, Section 5(b)(4).

² For this reporting period, there are no disallowed costs on reports over 12 months old with final action pending.

97-112 , Air Mobility Command (AMC) Financial Reporting of Property, Plant, and Equipment (PP&E), 3/19/1997	AMC is to develop a methodology for keeping PP&E current and providing accurate and useful information to DFAS for preparation of financial statements.	Competing management priorities.	USTRANSCOM DFAS
97-134 , Disposal of Munitions List Items in the Possession of Defense Contractors, 4/22/1997	Change regulations to advance identification of munitions list items to the early stages of the acquisition process.	Delays in coordination.	USD(AT&L)
97-187 , Communications Capability Within the DoD to Support Two Major Regional Conflicts Nearly Simultaneously, 7/14/1997	Revise the Joint Operation and Planning and Execution System to include command and control and non-command and control communications requirements in Annex K.	Final coordination in process after completion of changes to overarching doctrine on the war planning process.	JS
97-227 , Foreign Military Sales Administrative Surcharge Fund, 9/30/1997	Revise the Financial Management Regulation, Volume 15 regarding allocation of administrative surcharges.	Lack of management emphasis.	USD(C)
98-022 , Reporting of Contract Holdbacks on the DoD Financial Statements, 11/17/1997	Develop guidance regarding presentation of holdbacks on interim progress payments in the financial statements and publish that guidance in the Financial Management Regulation.	Lack of management emphasis.	USD(C)
98-049 , DoD Sensitive Support Focal Point System (U), 1/20/1998	Report is classified.	Actions are continuing.	USD(I)
98-052 , Defense Logistics Agency Past Due Federal Accounts Receivable, 1/22/1998	Issue accounting and billing policy for requisitions under the Shelter for the Homeless Program.	Lack of management emphasis.	USD(C)
98-063 , Defense Logistics Agency Product Quality Deficiency Program, 2/5/1998	Revisions to DLA Instruction 4155.24, "Quality Assurance Program for DLA Inventory Control Points."	Delays in coordinating and issuing policy.	DLA

98-067 , Access Reciprocity Between DoD Special Access Programs, 2/10/1998	Standardize Special Access Program (SAP) eligibility implementing criteria and develop a centralized SAP database.	Competing management priorities; however, some corrective actions were outside DoD's span of control. Unprecedented transformation of the personnel security program has delayed implementation.	USD(I), Army, Navy, AF
98-100 , Fund Balance With Treasury Account in the FY 1996 Financial Statements of the Defense Business Operations Fund, 4/2/1998	Issue Standard Operating Procedures (SOPs) to the DFAS centers for reporting undistributed balances in the monthly Accounting Report 1307.	Awaiting OUSD(C) approval to implement a revised format for Accounting Report 1307 and to issue revised guidance.	DFAS
98-116 , Accounting for Defense Logistics Agency Supply Management Receivables, 4/20/1998	Revise procedures for handling accounts receivable. Implement standard general ledger in accounting systems.	Competing management priorities.	DFAS
98-124 , Department of Defense Adjudication Program, 4/27/1998	Implement peer review program and establish continuing education standards and a program for the professional certification for adjudicators.	Competing management priorities. Unprecedented transformation of the personnel security program is ongoing.	USD(I)
98-139 , Financial Statement Presentation of DoD Progress Payments, 5/27/1998	Clarify accounting guidance for the reporting of progress payments to ensure consistent presentation by the DFAS Centers on Military Departments General Fund financial statements and future DoD consolidated statements.	Lack of management emphasis.	USD(C)
98-170 , Army National Guard and U.S. Army Reserve Command Small Arms Indoor Firing Ranges, 6/30/1998	Revise and issue NGB Regulation 385-15 and NGB Pamphlet 385-15 that addresses identification and abatement of lead contamination for indoor ranges, including migration outside the immediate range area.	Lack of funding and personnel.	Army
99-075 , Acquisition of the SH-60R Light Airborne Multipurpose System Mark III Block II Upgrade, 2/2/1999	Develop and insert alternative plan for live fire test in the test and evaluation master plan, revise the operational requirements document and prepare the command, control, communications, computers, and intelligence support plan.	Normal time for approval process of a support plan.	Navy

99-078 , Outsourcing of Defense Commissary Agency Operations, 2/5/1999	Perform an outsourcing study for accounting positions.	Extensive time needed to conduct regional consolidation/reorganization, and schedule and conduct an outsourcing study.	DeCA
99-102 , Chemical and Biological Warfare Defense Resources in the U.S. European Command (U), 3/4/1999	Report is classified.	Extensive time needed to coordinate and issue policy and to develop and implement an automated system.	Army
99-159 , Interservice Availability of Multiservice Used Items, 5/14/1999	Revise Joint Service Regulation to require consistent item management wherever economical and safe. Services provide training on disposal authority for multi-service used items and requirements related to excess assets quantities.	Delays have been experienced in coordinating and issuing policy.	Army
99-186 , DoD Export Licensing Processes for Dual-Use Commodities and Munitions, 6/18/1999	Develop a process for identifying and establishing assessment priorities related to the cumulative effect of technology transfers.	Delays in coordinating and issuing policy.	USD(P)
99-191 , Compilation of the FY 1998 Financial Statements for Other Defense Organizations, 6/24/1999	Explain material abnormal balances reported on the financial statements and disclose and explain in the financial statement notes, material abnormal balances included in the normal balances.	Corrective actions have not been verified.	DFAS
99-237 , Internal Controls and Compliance with Laws and Regulations for the FY 1998 Financial Statements of the National Reconnaissance Office, 8/23/1999	Increase the accuracy and reliability of financial statement information.	Competing management priorities.	NRO
99-250 , Construction and Rehabilitation of Reserve Component, 9/13/1999	Revise and issue NGB Regulation 385-15 and NGB Pamphlet 385-15 that addresses identification and abatement of lead contamination for indoor ranges, including migration outside the immediate range area.	Lack of funding and personnel.	Army, NGB
00-005 , Information Assurances for the Joint Total Asset Visibility System, 10/8/1999	Implement improved information assurance controls for the Joint Total Asset Visibility System.	Delays in completing acquisition/life-cycle management documentation.	DLA

D-2000-075 , Administration and Management of Civil Air Patrol, 2/15/2000	Improve administration and management of the Civil Air Patrol Program nonexpendable equipment items. Update regulations and Statement of Work to establish roles, responsibilities, policies and procedures.	Extensive time needed to coordinate and issue policy, deliver computers to field and arrange local internet service providers as needed.	CAP, AF
D-2000-110 , Export Licensing at DoD Research Facilities, 3/24/2000	Improve guidance regarding the determination of the need for "deemed" export licenses in the event of foreign national visits to, or assignments to, DoD research facilities.	Delays in coordinating and issuing policy.	USD(P), USD(AT&L)
D-2000-111 , Security Clearance Investigative Priorities, 4/5/2000	Establishment of timeframes to expedite investigative priorities.	Corrective action delayed by the transfer of the personnel security investigative function from DSS to OPM. Unprecedented transformation of the personnel security program has delayed implementation.	USD(I), DSS
D-2000-130 , Foreign National Access to Automated Information Systems (AIS), 5/26/2000	Update existing guidance to provide adequate procedures for authorizing and controlling access by foreign nationals to information available on AISs and Local area networks.	Delays in coordinating and issuing policy.	Navy
D-2000-134 , Tracking Security Clearance Requests, 5/30/2000	The current database will be modified to retain all pertinent historical information (including dates/times for every occurrence -- e.g., deletions, case type, changes, cancellations, duplicates, conversions, reinstatements, etc.)	Extensive time/resources needed to modify an automated system. Unprecedented transformation of the personnel security program has delayed implementation.	DSS
D-2000-139 , Controls Over the Integrated Accounts Payable System, 6/5/2000	Awaiting revisions to the Financial Management Regulation, Volume 10, Chapters 3 and 12.	Delays in coordinating and issuing policy.	USD(C)

<p>D-2000-140, Compilation of the FY 1999 Department of the Navy Working Capital Fund Financial Statements, 6/7/2000</p>	<p>DFAS has initiated the Business Management Redesign to better integrate financial and business management data. DFAS is also working with the Navy to reconcile inventory-related general ledger account balances to supporting records. The USD(C) is to address the classification and policy for inventory and related assets in the Financial Management Regulation, Volume 11B.</p>	<p>Delays in coordinating and issuing policy, and system changes take considerable time to be implemented.</p>	<p>USD(C), DFAS</p>
<p>D-2000-153, Compilation of the FY 1999 Financial Statements for Other Defense Organizations (ODO) - General Funds, 6/23/2000</p>	<p>DFAS is implementing procedures to remove duplicate and abnormal balances. Any remaining abnormal balances are to be accompanied by footnotes that fully disclose the causes for these balances. DFAS is documenting the processes used to compile the ODO financial statements.</p>	<p>Corrective actions have not been verified.</p>	<p>DFAS</p>
<p>D-2000-177, Revaluation of Inventory for the FY 1999 Department of the Navy Working Capital Fund Financial Statements, 8/18/2000</p>	<p>USD(C) evaluating policy and systems changes to implement and support a latest acquisition cost valuation method and a direct cost historical valuation method. These would be long-term solutions for improving the financial presentation of net inventory.</p>	<p>Long-term corrective action on target.</p>	<p>USD(C)</p>
<p>D-2000-193, Administration and Management of the Civil Air Patrol-Phase II, 9/27/2000</p>	<p>Civil Air Patrol (CAP) is revising regulations, an internal audit plan, and internal policies and procedures to improve administration and management of the CAP. CAP is also developing a national database that shows currency of active pilots.</p>	<p>Delays in coordinating and issuing policy.</p>	<p>CAP</p>
<p>D-2001-016, Security Controls Over Contractor Support for Year 2000 Renovation, 12/12/2000</p>	<p>Navy and DISA will assess the potential risks to the security baseline requirements for renovated systems for which risk assessments are lacking and accredit or reaccredit renovated systems in accordance with DoD guidance.</p>	<p>Personnel reductions have delayed implementation of corrective actions.</p>	<p>Navy</p>
<p>D-2001-018, Management and Oversight of the DoD Weather Program, 12/14/2000</p>	<p>Army assumed responsibility to update Joint Instruction AR 115-10/ AFI 15-157, to require coordination of meteorological, oceanographic, and space weather requirements across all Military Departments to promote interoperability and avoid duplication.</p>	<p>Delays in coordinating and issuing policy.</p>	<p>Army</p>

D-2001-035, Management of Potentially Inactive Items at the Defense Logistics Agency, 1/24/2001	DLA examine viability of the Defense Inactive Item Program (DIIP) as a cost effective and beneficial program to DoD.	Original action is no longer the optimum solution, alternative action is being taken.	DLA
D-2001-037, Collection and Reporting of Patient Safety Data Within the Military Health System, 1/29/2001	Develop, test and deploy Patient Safety Reporting Program.	Additional time is required for testing of a new system and for training personnel in the use of the new software.	ASD(HA)
D-2001-044, Accreditation Policies and Information Technology Control at the Enterprise Center Mechanicsburg, 2/9/2001	Update DISA Instruction 630-230-19, "Automated Data Processing, Information Systems Security Program," July 1996 to establish and implement specific guidance related to the reaccreditations of sites.	Delays experienced in coordinating and issuing policy.	DISA
D-2001-059, Armed Service Blood Program Readiness, 2/23/2001	Actions are underway to improve the Defense Blood Standard System (DBSS) to ensure that the system meets all user and mission needs, ensures asset accountability and inventory accuracy. Also actions are underway to ensure consistent deployment and use of DBSS throughout DoD.	Extensive time needed to establish policy and implement other changes.	Army, Navy, AF
D-2001-065, DoD Adjudication of Contractor Security Clearances Granted by the Defense Security Service, 2/28/2001	Identify and process additional adjudicative resources for Defense Industrial Security Clearance Office (DISCO). Establishment of continuing education standards to facilitate the certification of professional adjudicators. Issue guidance on professional certification and continuous training program for all adjudicators.	Competing management priorities. Unprecedented transformation of the personnel security program has delayed implementation.	DSS, USD(I)
D-2001-071, Navy Financial Reporting of Government-Owned Material Held by Commercial Shipyard Contracts, 3/2/2001	Revise the Defense FAR Supplement to include the updated DoD property accountability procedures.	Actions redirected by Financial Management Enterprise Architecture are now in process.	USD(AT&L)

D-2001-075 , Standard Procurement System Use and User Satisfaction, 3/13/2001	Establish a working group to develop performance measures that address Standard Procurement System mission goals and functionality requirements. AT&L will determine the best strategy and alternatives for meeting requirements of the last identified block of the Standard Procurement System.	Extensive time needed to establish documents prior to Milestone decision.	USD(AT&L)
D-2001-081 , Financial Reporting at the Washington Headquarters Services, 3/15/2001	Modify the Washington Headquarters Services Allotment Accounting System to correctly post prior period adjustments. Also, develop query interfaces for each general ledger account that can be used to research detailed transactions supporting account balances.	Delays due to deficiencies in the hardware configuration. The system is being upgraded.	WHS
D-2001-085 , 2000 DoD Financial Management Improvement Plan, 3/19/2001	The joint defense financial management working group will identify each financial management position by component, series, skill, requirements, and grade level; and identify the appropriate training required, and combine the requirements into the Department-wide FM training plan.	Long-term corrective action on target.	USD(C)
D-2001-099 , Use of Contract Authority for Distribution Depots by the Defense Logistics Agency, 4/16/2001	Modify the Financial Management Regulation, Volume 11B, to include procedures that require that all use of contract authority is adequately posted and liquidated in the DoD working capital fund accounting records at the activity group level.	Extensive time required for consideration of changes to financial policies.	USD(C)
D-2001-109 , DoD Payroll Withholding Data for FY 2000, 4/27/2001	Develop the capability to maintain, and query, historical payroll data.	Management stated that the recommended action was too costly. Alternative long term action is being taken.	DFAS
D-2001-111 , Acquisition of the Airborne Laser Mine Detection System, 5/2/2001	The Navy plans to review and revalidate the Airborne Laser Mine Detection System (ALMDS) Operational Requirements Document in the normal course of preparation for the planned FY 04 Milestone III decision.	Extensive time required for development and approval of documents. Awaiting overdue response from Navy.	Navy

D-2001-118, Public/Private Competition at Lackland Air Force Base, 5/14/2001	A change to the DFARS Supplement will be initiated. The DoD policy will be updated. An interim guidance update will reflect DoD policy for legal support to the Most Efficient Organization Study Team.	Extensive time needed to develop, coordinate and issue policy not addressed by the Revised OMB Circular A-76. OUSD(AT&L) is waiting for a response from OGC, DoD concerning Agency Tender Officials and Most Efficient Organizations.	USD(AT&L)
D-2001-121, Use of the DoD Joint Technical Architecture in the Acquisition Process, 5/14/2001	Establish process to verify JTA standards in acquisition documents and incorporate additional language needed in DoD 5000 series guidance.	Delayed inclusion of recommended changes in the Defense Acquisition Management Guidebook.	USD(AT&L)
D-2001-124, U.S. Special Operations Command Use of Alternative or Compensatory Control Measures (U), 5/18/2001	Report is classified.	Delays in coordinating and issuing policy.	JS
D-2001-129, Contracting Officer Determinations of Price Reasonableness When Cost or Pricing Data Were Not Obtained, 5/30/2001	DLA and Navy are implementing procedures to better assess price reasonableness and institute corrective actions for future contracts. The Navy is drafting additional guidance mandating that Navy buying activities provide training to all contracting professionals.	New tools and processes are being developed; coding and data discrepancy problems are being resolved; and the Navy is drafting new guidance.	Navy, DLA
D-2001-133, Deliberate Planning for Meteorological and Oceanographic Operations (U), 6/1/2001	Report is classified.	EUCOM timelines for updating plans have been delayed.	EUCOM
D-2001-135, Prevalidation of Intergovernmental Transactions, 6/6/2001	DFAS conducted a review of the prevalidation of intergovernmental transactions, including a new justification and approval process for system changes and the use of manual systems that are expensive and of limited effectiveness. Develop cost-effective automated methods to expand prevalidation.	Lack of management emphasis.	DFAS

D-2001-136 , Defense Clearance and Investigations Index Database, 6/7/2001	Establish procedures to revise and maintain DCII user codes. Issue guidance to implement OPM policy on constructing pseudo social security numbers for foreign nationals require CAFs to determine the use of pseudo SSNs for payroll purposes and use these numbers in the DCII.	Additional time needed to develop and implement procedures. Unprecedented transformation of the personnel security program has delayed implementation.	USD(I)
D-2001-141 , Allegations to the Defense Hotline on the Defense Security Assistance Management System, 6/19/2001	Amend DoD 5200.2-R to address security investigation requirements for foreign national contractor employees. Delay additional work until security investigations obtained by contractor employees and existing computer code is tested.	Extended time needed to issue policy. Delayed completion of contract resulted in delay in final code review.	USD(I), DSCA
D-2001-148 , Automated Transportation Payments, 6/22/2001	Issue policy to address information assurance requirements for commercial automated processes.	Delays in issuing and implementing policy.	ASD(NII), USD(C)
D-2001-153 , Pentagon Reservation Maintenance Revolving Fund, 7/2/2001	Forms are to be developed to identify the appropriate construction costs to be used in transferring completed projects from the construction in progress account to the real property accounts.	Implementation has been delayed by higher management priorities.	WHS
D-2001-155 , Compilation of the FY 2000 Navy Working Capital Fund Financial Statements, 7/3/2001	DFAS is working on a cash rebuild project that will reinstate the correct starting balances for cash as of December 1994. DFAS will maintain standard operating procedures and documentation to provide an audit trail, and maintain complete documentation and audit trails for budgetary information.	Corrective actions have not been verified.	DFAS
D-2001-158 , Compilation of the FY 2000 Army General Fund Financial Statements at the Defense Finance and Accounting Service Indianapolis (Sustaining Forces), 7/13/2001	Management will establish an action plan to meet revised requirements for reconciling suspense accounts.	Long-term corrective action continues.	DFAS

D-2001-163, Accounting Entries Made in Compiling the FY 2000 Financial Statements of the Working Capital Funds of the Air Force and Other Defense Organizations, 7/26/2001	Revise FMR, Volume 11B, Chapter 5 to reflect changes to inventory valuation and reporting; and revise DoD FMR, Volume 4, Chapter 3 to require the recoding of accounts receivable, for credits due when DoD working capital fund supply activities return inventory items that do not conform to the purchase agreement or contract.	Publication of the DoD FMR revisions has been delayed due to significant policy issues, efforts to determine baseline valuations, and Component Enterprise Resource Planning systems.	USD(C)
D-2001-164, Implementation of a Cost-Accounting System for Visibility of Weapon Systems Life-Cycle Costs, 8/1/2001	USD(AT&L) define and build a financial architecture that incorporates cost accounting requirements for weapon system life cycle costs.	Complex accounting issues. The Program has been realigned from USD (C) to USD (AT&L).	USD(AT&L)
D-2001-169, U.S. Special Operating Command's Reporting of Real and Personal Property Assets on the FY 2000 DoD Agency-wide Financial Statements, 8/2/2001	A Financial Management Regulation revision will aid DoD Components in identifying what organization should report specific property, equipment, and on the reporting of automated processing equipment.	Extensive time required for consideration of changes to financial policies.	USD(C), USSOCOM
D-2001-170, U.S. Transportation Command's Reporting of Property, Plant, and Equipment Assets on the FY 2000 DoD Agency-wide Financial Statements, 8/3/2001	Develop system changes to differentiate among USTRANSCOM, Air Mobility Command (AMC), and Defense Courier Service (DCS) assets. Reconcile all system records for USTRANSCOM, AMC and DCS against actual assets, and make a prior period adjustment. Create electronic interfaces between the logistics and the accounting systems for transferring data.	Management corrective actions continue.	USTRANSCOM
D-2001-175, Application of Year 2000 Lessons Learned, 8/22/2001	Implement a mission or business area approach for managing information technology investments; and implement an oversight process for complete repair, retirement, or replacement of systems that used date-windowing techniques during the year 2000 conversion process.	Delays in issuing and implementing policy.	ASD(NII)
D-2001-189, Multiple Award Contracts for Services, 9/30/2001	Reemphasize the need to ensure competition on multiple award tasks and delivery order contracts.	Management actions are delayed an audit of GSA contracts awarded for DoD.	USD(AT&L)

D-2002-004 , Import Processing of DoD Cargo Arriving in the Republic of Korea, 10/4/2001	Revise USFK Regulation 55-72 to update requirements and implement a cost-efficient system for the automated processing of customs forms using an electronic data interchange.	Funding shortfalls and technical issues caused delay.	USFK
D-2002-006 , Classified Chemical and Biological Report (U), 11/16/2001	Report is classified.	Extensive time needed to improve readiness reporting and training.	Navy
D-2002-008 , Controls Over the Computerized Accounts Payable System (CAPS) at Defense Finance and Accounting Service Kansas City (DFAS-KC), 10/19/2002	Improve guidance on criteria for proper and accurate receipt and invoice documentation; improve organizational structures to provide better internal controls, especially separation of duties.	Management corrective actions continue.	DFAS, MC
D-2002-010 , Armed Services Blood Program Defense Blood Standard System, 10/22/2001	Establish a plan, controls, assessment requirements and training related to the Defense Blood Standard System (DBSS) upgrade. Also, establish procedures to ensure effective deployment of those DBSS upgrades.	Normal progression of system development and changes.	Army, Navy, AF, ASD(HA)
D-2002-020 , Audit Report on General Officer Quarters at Kaneohe Bay, Hawaii Camp Pendleton California, and Albany, Georgia, 12/5/2001	SecNavInst 11101.73B will be revised and a resident guide will be developed.	Extensive time needed to revise policies.	Navy
D-2002-024 , Navy Fleet Hospital Requirements (U), 12/12/2001	Report is classified.	Corrective actions are on target.	Navy, PACOM
D-2002-028 , Classified Report on Environmental Program - Japan (U), 12/28/2002	Report is confidential.	Long-term corrective actions are on target.	PACOM, USFJ
D-2002-032 , Audit of Major Defense Acquisition Program Cycle Time, 12/28/2001	USD(AT&L) is redesigning the Consolidated Acquisition Reporting System.	Problems identified during a test run warrant additional updates to the database.	USD(AT&L)

D-2002-035 , Protection of Strategic Systems Against Radio Frequency Threats (U), 1/4/2002	Report is classified.	Corrective actions are on target.	ASD(NII)
D-2002-038 , Financial Reporting for the Other Defense Organization General Funds at the Defense Finance and Accounting Service San Antonio, 1/14/2002	Review all abnormal general ledger accounts; determine the cause of net abnormal balances; document the causes of net abnormal balances and when possible correct the balances; and correct abnormal balances generated by business process anomalies.	Corrective actions have not been verified.	DFAS
D-2002-052 , Meteorological and Oceanographic Support from Continental United States Based Support Centers, 2/19/2002	Develop a single geospatially- correct, four-dimensional environmental characterization of the warfighters' battle space and a joint continuity of operations plan. Revise applicable guidance for acquisition category II and below programs.	Normal time needed to develop and coordinate models, plans, and revised guidance.	Navy, AF
D-2002-056 , Controls Over Vendor Payments Made for the Army and Defense Agencies Using the Computerized Accounting Payable System (CAPS), 3/6/2002	Revise the Financial Management Regulation to incorporate the requirements of 5 CFR 1315. Improve security over access to CAPS. Provide for automated interfacing of data between CAPS and both the Standard Procurement System and the Corporate Electronic Funds Transfer database.	Management corrective actions are on target.	USD(C)
D-2002-060 , Management of Terminal Items at the Defense Logistics Agency, 3/13/2002	Revise procedures to review terminal items with no registered users in the Defense Inactive Item Program (DIIP), for obsolescence, and quantify the number of terminal National Stock Numbers (NSNs) that are determined to be obsolete after NATO and foreign governments review the NSNs.	Original action is no longer the optimum solution, alternative action is being taken.	DLA
D-2002-071 , DoD Management of the North Atlantic Treaty Organization Security Investment Program, 3/26/2002	EUCOM will track each prefinanced project in the NATO Security Investment Program, including the likelihood of NATO Infrastructure Committee authorization, actions required to obtain NATO authorization, and an estimated recoupment date.	Long-term corrective action on target.	EUCOM

D-2002-073 , Financial Management Ending Balance Adjustments to General Ledger Data for the Army General Fund, 3/27/2002	Use transactional data from a centralized database to populate general ledger accounts in the Defense Departmental Reporting System (DDRS) Budgetary and continue efforts to analyze and correct causes for current adjustments; Use transactional data to generate a general ledger data file for DDRS Budgetary.	Slow system development process.	DFAS
D-2002-075 , Controls Over the DoD Purchase Card Program, 3/29/2002	Strengthen controls to modify contract with banks to prevent accounts from being reopened after notification to close, and provide reports on oversight reviews. Corrective actions are complete on all but one of the original 14 recommendations.	Corrective action requires long-term development of risk-assessment tools.	USD(AT&L)
D-2002-076 , Funding Invoices to Expedite the Closure of Contracts Before Transitioning to A New DoD Payment System, 3/29/2002	Revise Financial Management Regulation, Chapter 10, Appendix B, number 7, "Accounting Requirements for Expired and Closed Accounts, " to require that the DoD activity to which a program has transferred be responsible for providing current-year funding.	Lack of management emphasis.	USD(C)
D-2002-079 , Delivery and Receipt of DoD Cargo Inbound to the Republic of Korea, 4/15/2002	USFK Regulation 55-355, "Korea Traffic Management" is being revised to include specific cargo delivery information. The Eighth U.S. Army Command Inspection Program (CIP) will include delivery information. A new checklist will be incorporated into the CIP schedule by the 4th Quarter FY 2002.	Extensive time need to revise and approve documents. Awaiting overdue USFK response.	USFK
D-2002-084 , Guidance for the Global Command and Control System Common Operational Picture (U), 5/1/2002	Report is FOUO.	Extended time needed to coordinate and issue policy.	EUCOM
D-2002-088 , Acquisition of the Joint Service Lightweight Standoff Chemical Agent Detector, 5/10/2002	Implement improvements in defining operational requirements, evaluating production readiness, and test planning.	Extensive time needed to restructure program to implement an evolutionary, incremental acquisition strategy.	USD(AT&L)

D-2002-091 , Accountability and Control of Materiel at the Corpus Christi Army Depot, 5/21/2002	Comply with guidance for storage of maintenance materiel and the preparation and submission of management reports for review; perform annual physical inventory and quarterly reviews of materiel.	Action is ongoing, however, constrained by personnel reduction and competing priorities.	Army
D-2002-095 , Chemical and Biological Defense Individual Protective Equipment in Central Command and European Command Area (U), 5/30/2002	Report is classified.	Extensive time needed for coordination and issuance of policy (Navy and Army DCSOPS) and procedures (Army USAREUR).	Army, Navy
D-2002-103 , Certification of the Reserve Component Automation System (RCAS), 6/14/2002	Establish functional performance measures to better assess both the initial and future impact of RCAS on supported functionalities.	Corrective actions are on target.	Army, NGB
D-2002-107 , Army Transition of Advanced Technology Programs to Military Applications, 6/14/2002	Research Development and Engineering Centers (RDECs) should incorporate performance goals necessary for technology transitions in Science & Technology project managers performance plans.	Ongoing actions on schedule.	Army
D-2002-108 , Standard Procurement System Certification and Accreditation Process, 6/19/2002	Identify the responsibilities the certification and accreditation actions or steps to be performed by the program manager and Component organizations.	Delays in coordinating policy.	ASD(NII)
D-2002-109 , Army Claims Service Military Interdepartmental Purchase Requests, 6/19/2002	The USD(C) will modify Chapters 1 and 3 of Volume 11A to include specific guidance for congressionally enacted pilot programs that authorize interagency orders, other than those used in the performance of Economy Act orders and project orders.	Long-term corrective action on target.	USD(C)
D-2002-112 , Report of the Industrial Prime Vendor Program at the Air Force Air Logistics Center, 6/20/2002	DLA established an integrated process team to reengineer the industrial prime vendor (IPV) program. The new approach is known as IPV Generation II. Fixes to program weaknesses are being incorporated into IPV Generation II.	Long-term corrective action on target.	DLA
D-2002-117 , Review of FY 2001 Financial Statement for the Defense Intelligence Agency (U), 6/25/2002	Report is classified.	Corrective actions continue.	DIA

D-2002-121 , Security: Controls Over Biological Agents (U), 6/27/2002	Report is classified.	Extended time needed to coordinate and issue policy guidance.	USD(I)
D-2002-122 , Environmental Community Involvement Program at Test and Training Ranges, 6/28/2002	A new DoD Directive 3200.15, "Sustainment of Ranges and Operating Areas (OPAREAs)," was issued January 10, 2003. A more detailed DoD instruction on Sustainable Ranges Outreach is still under development. The Overarching Integrated Product Team and Working Integrated Product Team continue work on implementation of the new Directive and development of the new instruction.	Extended time required to develop and coordinate the new DoD instruction.	USD(P&R)
D-2002-127 , Audit Report on DoD Compliance with Internal Use Software Accounting Standards, 7/9/2002	A system will be implemented to capture material internal software costs, and a data call process will be used to request the necessary information to determine which software should be capitalized and which should be expensed.	Long-term corrective action on target.	DFAS
D-2002-131 , Terminal Items Managed by the Defense Logistics Agency for the Navy, 7/22/2002	DLA will modify the existing stock retention policy to review terminal items that are excluded from the Defense Inactive Program (DIIP). In addition, plan to complete a new study to quantify the costs of inactive items.	Original action is no longer the optimum solution, alternative action is being taken.	DLA
D-2002-140 , Measurement of Water Usage by DoD Components Serviced by the DC Water and Sewer Service, 8/20/2002	Establish and implement procedures to verify that the DCWASA routinely inspects and reports results of inspections for DoD-owned water meters; develop and implement effective controls and procedures to verify that the DCWASA accurately reads water meters; establish and implement a maintenance program.	Long-term corrective action on target.	Army, Navy, AF, NGA, WHS
D-2002-153 , Reprocessed Medical Single-Use Devices in DoD, 9/30/2002	Issue policy and guidance on the reuse of single-use devices (SUD) and work with FDA to work toward clarifying SUD labeling requirements. The MILDEPs Surgeons General issue implementing guidance and ensure adequate awareness and training is provided.	Significant time required to address/resolve issues with FDA and Services.	ASD(HA), Army, Navy, AF

D-2003-001 , DoD Integrated Natural Resource Management Plans, 10/1/2002	The Military Departments have worked aggressively to develop integrated natural resource management plans (INRMP) for their installations and coordinate them with the other Federal and state agencies involved in the process.	The plans for all installations are complete, except for two which are held up pending litigation and coordination issues.	Army, Navy, AF
D-2003-003 , Controls for the DoD Aviation Info-Plan Reimbursement Card, 10/3/2002	The DLA and the Services need to improve management controls and establish written policies that define the methods and responsibilities for using the Aviation Into-Plane Reimbursement Card.	Corrective actions are on target.	DLA, Army, Navy, AF, MC
D-2003-004 , Acquisition of the Advance Deployable System, 10/3/2002	Update the acquisition strategy and all documentation related to the Advanced Deployable System (ADS), inclusive of all four blocks. In addition, complete a life cycle cost estimate for all four blocks.	ADS program was redirected to a spiral development acquisition program - awaiting approval of TEMP.	Navy
D-2003-018 , Validity of Registration in the Central Contractor Registration (CCR) Database, 10/30/2002	Establish procedures to withhold payments to contractors and vendors until they are properly registered with a valid Tax Identification Number in the CCR database.	Management continues to negotiate with the Internal Revenue Service to allow matching of identification numbers.	DFAS
D-2003-019 , DoD Contractor Subcontracting With Historically Underutilized Business Zones (HUB Zones) Small Businesses, 11/22/2002	Implement a plan for reviewing and verifying prime contractors' reported subcontracting awards to ensure they are made to Small Business Administration-certified contractors.	Delays resulted from changes in implementation strategy.	DCMA, USD(AT&L)
D-2003-021 , Export Controls Over Biological Agents (U), 11/12/2002	Report is confidential.	Extensive time is needed to coordinate and issue policy guidance.	USD(P), USD(AT&L), DATSD(C/BD)
D-2003-030 , Financial Reporting of Deferred Maintenance Information on Air Force Weapons Systems for FY 2002, 11/27/2002	Revise FMR to allow the Air Force to present all material categories of deferred maintenance as major asset classes in accordance with Federal accounting requirements.	Long-term corrective action on target.	USD(C)

D-2003-031 , Defense Contracting Command Washington, 12/5/2002	The Army will issue guidance for timely monitoring, documenting, and recording of continuous learning points. Specific Defense Contract Command - Washington (DCC-W) internal guidance will depend on what is contained in the Army-wide guidance.	Corrective actions are on target.	Army, DCC-W
D-2003-034 , Adjustments to the Intergovernmental Payments Account, 12/10/2002	Revise the Financial Management Regulation to specify the documentation required to support adjustments from account F3885, 'Undistributed Intergovernmental Payments,' to closed appropriations. The guidance should describe the documentation required to identify the proper expenditure account, the responsible fund holder, and the payment date.	Long-term corrective action continues.	USD(C)
D-2003-040 , Chemical and Biological Defense Individual Protective Equipment in the Pacific Command Area (U), 12/31/2002	Report is classified.	Extensive time needed to coordinate and issue policy (Navy) and to develop and implement revised staffing plan (MC).	Navy
D-2003-054 , Financial Reporting of Deferred Maintenance Information on Army Weapons Systems for FY 2002, 2/3/2003	Issue guidance requiring all elements of the Army to identify and collect: deferred depot-level maintenance requirements including maintenance that will not be executed due to constraints in depot level maintenance capacity; and deferred field-level maintenance amounts that are material as well as deferred maintenance identified as unexecutable. Develop the capability to capture this data through automated systems.	Long-term corrective action on target.	Army
D-2003-056 , Public/Private Competition for the Defense Finance and Accounting Service Military Retired and Annuitant Pay Functions, 3/21/2003	The Center for Naval Analysis is studying how overhead costs could have impacted the A-76 competition. DFAS is reviewing/studying all aspects of the A-76 competition that impacted the outcome.	Normal time needed to conduct study/reviews of actions impacting the final decision to contract out the Military Retired and Annuitant Pay Functions.	USD(AT&L)

D-2003-057 , Accountability and Control of Materiel at the Naval Air Depot, Jacksonville, 3/5/2003	Perform inventories and quarterly review of all materiel in storage, adjust records and return excess materiel to the supply system.	Corrective actions are on target.	Navy
D-2003-064 , Report on Accountability and Control Of Materiel at the Warner Robin Air Logistics, 3/20/2003	Air Force is completing physical inventory, reconciling with the Wholesale and Retail Shipping System, and turning in excess materials to supply. The Air Force will issue a policy directive to ensure proper supply discipline and use of material metrics in monthly material reviews.	Implementation of new process to account for inventory.	AF
D-2003-067 , Recoveries of Prior Year Obligations, 3/21/2003	Revise the Financial Management Regulation to be consistent with recovery reporting guidance issued by the OMB and the Department of the Treasury; and program the DFAS accounting systems to properly capture, record, and report recoveries of prior year obligations.	Corrective actions are on target.	USD(C), DFAS
D-2003-0071 , Acquisition of Marine Corps Aircraft Simulators (U), 4/2/2003	Report is classified.	Actions are on target.	MC
D-2003-072 , DoD Compliance with the Uniformed and Overseas Citizens Absentee Voting Act, 3/31/2003	Services are updating their guidance to be consistent with DoD level guidance.	Publication was delayed to include any findings from the Federal Voting Assistance Program lessons learned report and Post Election Survey results from the 2004 Federal Elections.	AF
D-2003-073 , Reliability of the FY 2002 National Imagery and Mapping Agency Financial Statements and Adequacy of Related Procedures and Controls (U), 4/2/2003	Report is classified.	Corrective actions continue.	NGA

D-2003-074, Reliability of the FY 2002 Defense Intelligence Agency Financial Statements and Adequacy of Related Procedures and Controls (U), 4/7/2003	Report is classified.	Corrective actions continue.	DIA
D-2003-076, Document Automation and Production Service Public/Private Competition, 4/8/2003	Report is FOUO.	DAM: Action initially delayed pending FAR case, corrective actions now on target. DLA: Lack of management emphasis.	DAM, DLA
D-2003-077, Cooperative Agreements Support the Mentor Protégé Program, 4/10/2003	The USD(C) tasked the Director, Small and Disadvantaged Business Utilization (SADBU) to conduct a preliminary review into a potential Antideficiency Act violation.	Reorganization of USD(C) and USD(AT&L) has delayed USD(C) followup on corrective actions.	USD(C)
D-2003-081, DoD Explosives Safety Program Oversight, 4/24/2003	Restructure the DoD Explosives Safety Board and revise DoD guidance to accurately reflect the Board's roles and responsibilities. Develop a safety management strategy that requires a comprehensive DoD explosives safety program.	Corrective actions are on target.	USD(AT&L)
D-2003-083, Acquisition of the Suite of Integrated Radio Frequency Countermeasures, 4/29/2003	Report is FOUO.	Awaiting overdue response from USSOCOM.	USSOCOM
D-2003-085, International DoD Air Freight Tenders, 4/30/2003	Developing an instructional memorandum which will be posted on the International Tender website. Reference to the memorandum will be made with each tender solicitation request.	Due to significant changes in the International Tender program, original action is not being continued. A more appropriate action is being pursued.	USTRANSCOM

D-2003-091, Reliability of the FY 2002 National Security Agency Financial Statement and Adequacy of Related Procedures and Controls (U), 5/14/2003	Report is classified.	Corrective actions continue.	NSA
D-2003-095, Accounting for Reimbursable Work Orders at Defense Finance and Accounting Service Charleston, 6/4/2003	Develop business practices for Navy fund administrators to properly account for reimbursable work orders. Develop a methodology and provide guidance to prevent Navy fund administrators from over obligating at the segment level. Establish edit checks that align with the business practices of the Navy.	Long-term corrective action on target.	DFAS, Navy
D-2003-096, Protection of European Theater Systems Against Radio Frequency Threats (U), 6/4/2003	Report is classified.	Management corrective actions are on target.	Army, Navy, AF, JS, ASD(NII)
D-2003-098, Follow- Up Audit of Depot- Level Repairable Assets at Selected Army and Navy Organizations, 6/5/2003	Funding will be sought to subsume the Contractor Asset Visibility functionality into the Logistics Modernization Program. Plan to conduct review of dormant/excess assets at storage sites. Revised policy will clarify requirements for adequately completing an "internal" and "external" review for all categories of material.	Normal time needed to issue new policy and deploy an automated capability.	Army
D-2003-101, Law Enforcement Support Office Excess Property Program, 6/13/2003	Defense Reutilization Marketing Service is expanding the electronic receipt of property in place to more customers. An automated initiative for high-end items will contain detailed management-type information. DRMS will implement electronic storage of DoD excess property issuance documentation.	Enterprise Data Center migration delays and technical difficulties.	DLA
D-2003-105, Management of Developmental and Operational Test Waivers for Defense System, 6/20/2003	Report is FOUO.	Delays due to reorganization within the agency and length of approval process for updates to DoD Instructions.	USD(AT&L)

D-2003-106 , Administration of Performance-Based Payments Made to Defense Contractors, 6/25/2003	The Director, Defense Procurement and Acquisition Policy (DPAP), will conduct an assessment of the benefits of expanded performance-based payments implementation. It will address contracting officer compliance with FAR Part 32.10, and whether any changes are needed to those policies, the Performance-Based Payments User's Guide, or training resources.	Corrective actions are on schedule.	USD(AT&L)
D-2003-107 , DoD Petroleum War Reserve Requirements (U), 6/26/2003	Report is classified.	Extended time needed to coordinate and issue procedural guidance.	AF
D-2003-110 , Information Technology Management: Defense Civilian Personnel Data System Functionality and User Satisfaction, 7/27/2003	System enhancements to correct deficiencies are in process.	Normal time needed to develop system enhancements.	USD(P&R)
D-2003-114 , Defense Logistics Agency's Implementation of the Government Information Security Reform, 6/30/2003	Complete the DoD certification and accreditation process for the Air Force Electronic Key Management System.	SSAA delayed at NSA, the DoD Designated Approving Authority for the system.	DLA
D-2003-115 , Allegations Concerning the Administration of Contracts for Electronic Flight Instruments, 6/30/2003	Air Force will prepare an acquisition strategy addressing logistics support for the 550-series Electronic Flight Instruments (EFI) that address sustainment and spare parts. DCMA (at Lockheed Martin, Fort Worth, TX) will perform a Contractor Purchasing System Review (CPSR).	SORAP decision delayed due to partnership differences between the Air Force and the contractor.	AF, DCMA
D-2003-117 , Systems Inventory to Support the Business Enterprise Architecture, 7/10/2003	Establish a single repository for business systems information, which includes all data elements necessary for architecture development and budget. Establish procedures to ensure that the data are kept current, consistent, and accurate.	Long-term corrective action continues.	USD(C)
D-2003-119 , Controls Over DoD Medicare Eligible Retiree Health Care Fund Investments, 7/31/2003	Comply with DoD investment policy for the DoD Medicare Eligible Retiree Health Care Fund; Issue oversight procedures to ensure that the DFAS complies with the investment policy for the DoD Medicare Eligible Retiree Health Care Fund.	Long-term corrective action on target.	USD(C)

D-2003-121 , DoD Fire and Emergency Services Program, 8/12/2003	Revise DoDI 6055.6 to address staffing issues. Develop modernization plans for fire and emergency services apparatus.	Extended time needed to update directive and develop modernization plans.	USD(AT&L), Army, Navy
D-2003-122 , Financial Management: Closing the Army's 1985 M1a1 Tank Contract (Contract Daae07-85-C-A043), 8/13/2003	Issue guidance for unreconcilable contracts; update the DoD FMR to specifically address the requirement to maintain vouchers and supporting documentation to facilitate complete contract reconciliations.	Long-term corrective action on target.	USD(C)
D-2003-124 , Financial Management: Certification of a DoD Payment for Telecommunications Services, 8/22/2003	Reconcile the approximately \$2.2 million of invoices that have not been researched to identify potential overpayments and require appropriate credit back to the Defense Information Technology Contracting Organization.	Long-term corrective action on target.	DISA
D-2003-128 , The Chemical Demilitarization Program: Increased Costs for Stockpile and Non-Stockpile Chemical Disposal Programs, 9/4/2003	As directed by USD(AT&L), develop and prioritize a plan for the disposal of buried chemical warfare materiel (Army). Upon receipt of the Army plan, determine which DoD component should be assigned to implement the plan (USD(AT&L)).	Extensive time needed to develop DoD-wide strategy for disposal of buried chemical warfare materiel.	USD(AT&L), Army
D-2003-132 , Air Force Transaction of Advanced Technology Program to Military Applications, 9/12/2003	Establish integrated product teams and charters for advanced technology development efforts. Revise and implement Air Force Instruction 61-101 to ensure the status of technology transition plans are reviewed at the Applied Technology Councils.	Document processing placed on hold pending completion of major reorganization.	AF
D-2003-133 , Report on Controls Over DoD Closed Appropriations, 9/15/2003	Emphasize the importance of controls over the use of closed appropriations and monitor compliance with applicable laws and regulations. DFAS establish specific standard procedures to ensure that accounting personnel approve only legal and proper adjustments to closed appropriations, and validate the canceled balances and report any potential Antideficiency Act violations.	Corrective actions continue.	USD(C), DFAS

D-2003-134 , System Security of the Army Corps of Engineers Financial Management System, 9/15/2003	Track all major modifications of corporate-level automated information systems and networks to ensure accreditation and reaccreditation actions are initiated in accordance with DoD guidance, and require all USACE districts to perform site inspections and prepare action reports that verify physical security policies.	Actions delayed due to competing priorities.	Army
D-2004-002 , Acquisition: Selected Purchase Card Transactions at Washington Headquarters Services and Civilian Personnel Management Service, 10/16/2003	Review conducted and new standard operating procedures developed and implemented. Administrative instructions are being rewritten.	Normal time to write, coordinate, approve, and implement guidance.	WHS
04-INTEL-02 , DoD Security Clearance Adjudication and Appeals Process (U), 12/12/2003	Disparities between the contractor and military/civilian personnel adjudicative process will be eliminated with the pending revision to the DoD Regulation 5200.2-R.	Normal time to process updates to DoD Regulations.	USD(I)
D-2004-003 , Decontamination Operation Preparedness of Continental U.S. Based Navy and Air Force Units (U), 10/8/2003	Report is classified.	Extensive time needed to coordinate and issue policy.	Navy, AF
D-2004-006 , Acquisition Management of the Army's Allsource Analysis System, 10/10/2003	Director, Operational Test and Evaluation will provide an assessment of operational effectiveness, survivability, and test the adequacy of the Allsource Analysis System (ASAS) Block II family of systems. USD(AT&L) will evaluate in accordance with the dollar thresholds to determine the appropriate Major Defense Acquisition Program (MDAP) level.	Deficiencies found during testing, awaiting verification of corrections.	Army, USD(AT&L)
D-2004-007 , Force Protection in the Pacific Theater (U), 10/14/2003	Report is classified.	Corrective actions are on target.	USD(P), Army, Navy, AF
04-INTEL-07 , Audit of the Physical Security of Nuclear Weapons (U), 5/3/2004	Report is classified.	Classified.	ATSD(NCB)

D-2004-008, Implementation of Interoperability and Information Assurance Policies for Acquisition of Army Systems, 10/15/2003	Issue and implement guidance to comply with DoD Directive 8100.1, Global Information Grid (GIG) Overarching Policy, September 19, 2002, which requires the Army to define how each Army system will interface within the GIG to achieve joint interoperability.	Extended time to complete issuance of numerous related guidance.	Army
D-2004-009, Allegations Concerning Controls Over DoD Transit Subsidies Within the National Capital Region, 10/14/2003	Develop policies and procedures requiring the reconciliation of all transit subsidy billings received from the Department of Transportation.	Extended time needed to complete policy and procedures.	Army, AF
04-INTEL-10, Audit of the Nuclear Weapons Personnel Reliability Program (U), 6/21/2004	Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs [ATSD{NCB}] will assess policies, practices, and oversight to strengthen the reliability program and ensure the reliability of those working with and around nuclear weapons. Regulations and Directives will be updated.	Normal time to process revisions to Directives and Regulations.	ATSD(NCB)
D-2004-012, Sole-Source Spare Parts Procured From an Exclusive Distributor, 10/16/2003	Report and corrective actions are FOUO.	Corrective actions are on target.	DLA, Army
D-2004-015, Contracts for Professional Administrative and Management Support Services, 10/30/2003	Train program office personnel on using performance-based contracting methods for service contracts.	Long-term corrective action on target.	USD(AT&L)
D-2004-020, Allegations Concerning Improprieties In Awarding National Guard Contracts, 11/18/2003	Implement a formal acquisition policy that integrates the existing roles of various Army National Guard and Federal communication and IT groups. Develop a process with measurable IT standards and defined business processes. Coordinate the requirements for help desk support to eliminate duplicate contract costs.	Corrective actions are on target.	Army, AF

D-2004-023 , Financial Management: Corps of Engineers Financial Management System Accounting Processes, 11/18/2003	USACE is to prepare an information paper to outline a plan to address account phase general ledger correlation related weaknesses and system deficiencies, including a monthly status report that shows the progress in correcting these problems.	Corrective actions are on target.	Army
D-2004-034 , Environment: Defense Hotline Allegations Regarding the Environmental Compliance Assessment Process at U.S. Army Corps of Engineers, Portland District, 12/4/2003	The Corps of Engineers clarify requirements for internal assessments.	Corrective actions are on target.	Army
D-2004-035 , Major Range and Test Facility Base, 12/8/2003	Revise the Financial Management Regulation (DoD 7000.14-R) to provide consistency in types and methods of funding, uniformity in classifying direct and indirect costs billable to DoD and Non-DoD customers, and consistent methods for reporting backlogs.	Delayed completion of proposed revision.	USD(C)
D-2004-037 , Logistics: Defense Reutilization and Marketing Services Commercial Venture Contracts for Privatization of the DoD Surplus Sales Program, 12/30/2003	Report is FOUO.	Corrective actions are on schedule.	DLA
D-2004-039 , Cooperative Threat Reduction Construction Projects, 12/18/2003	Negotiate a transparency agreement that will allow US verification of the quantity and quality of the material stored in the fissile material storage facility. Undertake sufficient activities to come into compliance with Russian environmental requirements for water discharge rates.	Significant time is required for negotiations with sovereign nations.	USD(P), DTRA
D-2004-041 , The Security of the Army Corps of Engineers Enterprise Infrastructure Services Wide-Area Network, 12/26/2003	Fully implement the DITSCAP process and security controls for the Army Corps of Engineers Enterprise Infrastructure Services Wide-Area Network.	Actions delayed due to competing priorities.	Army

D-2004-042 , Control Over Obligations at the National Geospatial-Intelligence Agency (U), 1/16/2004	Report is classified.	Corrective actions continue.	NGA
D-2004-047 , Implementation of the DoD Management Control Program for Army Category II and III Programs, 1/23/2004	Program Managers will be able to store acquisition documents in Virtual Insight (VIS) so the Milestone Decision Authority can review document status from development to document approval. Army Regulations will be updated to reflect new reporting procedures.	Awaiting DITSCAP certification of new system and issuance of revised guidance.	Army
D-2004-050 , Management Structure of the Cooperative Threat Reduction Program, 2/5/2004	Revised DoD guidance to clarify the roles of responsible offices for the Cooperative Threat Reduction Program.	Corrective actions are on target.	DAM
D-2004-051 , Financial Management: DoD Payroll Withholding Data for FY 2003, 2/6/2004	Complete reconciliations of payroll summaries to total payroll prior to payroll certification, and improve controls over the summaries.	Corrective actions continue.	DFAS
D-2004-053 , Defense Threat Reduction Agency Relocation Costs, 2/19/2004	Develop detailed guidance on what should be considered when determining whether the relocation cost cap in section 8020 of the FY 2004 Appropriation Act has been, or will be, exceeded.	Corrective actions continue.	WHS
D-2004-055 , DoD Source Approval Process for Service & Sales, Inc., a Small Business Manufacturer, 2/25/2004	Action is ongoing to 1) reinstate Service & Sales, Inc. as an approved source for licensed items previously supplied to DoD and 2) develop guidance for source approval and reevaluation for critical items.	Long-term management corrective action on schedule. Extended time needed to coordinate joint procedural guidance.	DLA
D-2004-057 , Acquisition: Contracts Awarded for the Coalition Provisional Authority by the Defense Contracting Command-Washington, 3/18/2004	Conduct a study on existing DoD post-war strategy and establish responsibilities, policies, and procedures for the rapid acquisition of necessary goods and services in support of any future post-war occupation or relief operations.	Corrective actions are on target.	USD(AT&L)
D-2004-059 , Financial Management: Assets Depreciation Reported on the U.S. Army Corps of Engineers FY 2002 Financial Statements, 3/16/2004	Perform a study to determine the appropriate useful life for all USACE-owned assets. USACE will request a waiver from the DoD FMR based on USACE-unique mission requirements.	Long-term corrective action on target.	Army

D-2004-061 , Export Controls: Export Controlled Technology at Contractor, University and Federally Funded Research and Development Center Facilities, 3/25/2004	Expand DoD guidance to encompass all export-controlled technology and enumerate the roles and duties of responsible personnel. Ensure incorporation of appropriate export compliance clauses into solicitations and contracts.	Corrective actions are on target.	USD(P), USD(AT&L)
D-2004-063 , Financial Management: Controls Over U.S. Army Corps of Engineers (USACE) Buildings and Other Structures, 3/26/2004	Improve the financial accountability for buildings and other structures owned by USACE.	Corrective actions are on target.	Army
D-2004-064 , Acquisition: Acquisition of the Boeing KC-767A Tanker Aircraft, 3/29/2004	Conduct an Analysis of Alternatives (AoA) for Military Tanker Aircraft.	Normal time needed to conduct the AoA.	USD(AT&L)
D-2004-065 , Human Capital: DoD Implementation of the Voting Assistance Program (VAP), 3/31/2004	Revise Voting Assistance Program guidance to reflect recent changes to DoD guidance. Improve monitoring of voting assistance program and training of service members and spouses.	Publication was delayed to include any findings from the Federal Voting Assistance Program lessons learned report and Post Election Survey results from the 2004 Federal Elections.	Navy, AF, MC
D-2004-066 , Allegations Concerning Personnel Background Investigations and Clearances at the Space and Naval Warfare Systems Command Information Technology Center, 4/9/2004	Develop a communications security (COMSEC) plan. Staff up the Security Dept. Designate the Information Technology (IT) position Category and sensitivity level of all IT positions.	Normal time needed to develop policy and recruit qualified staff.	Navy
D-2004-068 , Global Command and Control System-Korea (U), 4/6/2004	Report is classified.	Long term actions are in process.	USFK

<p>D-2004-070, Small Business Administration Section 8(A) Program Contracting Procedures at the Defense Supply Center, Columbus, 4/12/2004</p>	<p>DSSC revised its guidance, and DLA is drafting guidance for the DLA Acquisition Directive to; require preaward surveys on 8(a) firms; direct contracting officers to request a certificate of competency from the SBA when they make an independent determination of an 8(a) firms' nonresponsibility, and; alert contracting officers to take additional steps to address the responsibility and capability of proposed contractors to fulfill the contract.</p>	<p>Normal time to revise the acquisition directive.</p>	<p>DLA</p>
<p>D-2004-074, Reliability of the Automated Cost Estimating Integrated Tools Software Model, 4/23/2004</p>	<p>The Army and the Air Force agreed to jointly verify, validate, and accredit the next major release of software,</p>	<p>Long term actions are on schedule.</p>	<p>Army, AF</p>
<p>D-2004-075, Reliability of the FY 2003 Financial Statements for the National Geospatial-Intelligence Agency (U), 4/23/2004</p>	<p>Report is classified.</p>	<p>Corrective actions continue.</p>	<p>NGA</p>
<p>D-2004-077, Logistics: Accountability and Control of Material at the Marine Corps Logistics Base Albany, Georgia, 4/29/2004</p>	<p>Identify all excess material at the Marine Corps Logistics Base, Albany and return the material to the supply system, as required.</p>	<p>Normal time for implementation.</p>	<p>Navy</p>
<p>D-2004-078, Summary Report on the Military Departments' Transition of Advanced Technology Programs to Military Applications, 4/29/2004</p>	<p>The Director supports using technology transitioning as a performance rating criteria for science and technology personnel that manage technologies that are more advanced in development.</p>	<p>Changes to the Acquisition workforce on hold pending a review of the overall workforce requirements.</p>	<p>USD(AT&L)</p>
<p>D-2004-079, Reliability of the Defense Intelligence Agency FY 2003 Financial Statements (U), 4/29/2004</p>	<p>Report is classified.</p>	<p>Corrective actions continue.</p>	<p>DIA</p>

<p>D-2004-080, Environmental Liabilities Required to be Reported on Annual Financial Statements, 5/5/2004</p>	<p>The DUSD (I&E) agreed to implement guidance to improve the development, recording, and reporting of environmental liabilities. The Army agreed that the Army Corps of Engineers should establish a quality control program to assess environmental liability processes and controls. The Navy and the Air Force agreed to issue guidance requiring that future environmental liability electronic cost estimating system efforts comply with Defense Environmental Restoration Program Management Guidance.</p>	<p>Long-term corrective action on target.</p>	<p>USD(AT&L), Army, Navy, AF</p>
<p>D-2004-082, DoD Installation Disaster Preparedness and Consequence Management in the U.S. European Command (U), 5/24/2004</p>	<p>Report is classified.</p>	<p>Long-term management corrective actions on schedule.</p>	<p>EUCOM, Army, Navy, AF</p>
<p>D-2004-083, Acquisition: Management of the Centrally Billed Travel Card Program at Defense Agencies, 5/24/2004</p>	<p>Corrective actions are designed to strengthen controls and help managers to identify potential problem areas in their centrally billed travel card program.</p>	<p>Corrective actions are on target.</p>	<p>USD(C), WHS</p>
<p>D-2004-084, Antideficiency Act Investigation of the Research, Development, Test and Evaluation Defense- Wide, Appropriation Account 97 FY 1989/1990-0400, 5/28/2004</p>	<p>Allocate all undistributed disbursements to fund holders of DoD closed fixed-term appropriations at statutory time of closing or provide alternate procedures that will provide positive assurance against future potential violations.</p>	<p>Corrective actions are on target.</p>	<p>DFAS</p>
<p>D-2004-085, DoD Costs of Licensing Space-Related Exports and Monitoring Satellite Launches, 5/28/2004</p>	<p>Deposit unfunded civilian fringe benefits in the U.S. Treasury as a miscellaneous receipt.</p>	<p>Awaiting a Comptroller ruling on whether the actions taken were appropriate.</p>	<p>DTRA</p>

D-2004-087 , Health Care: DoD Management of Pharmaceutical Inventory and Processing of Returned Pharmaceuticals, 6/17/2004	ASD (HA), in coordination with the Military Surgeons General, develop standard policies and procedures for pharmaceutical inventory management at the Military Treatment Facilities (MTFs) and also require MTFs to use a pharmaceutical returns company.	Normal time for implementation.	ASD(HA), Army, AF
D-2004-089 , Acquisition of the MH-47G Helicopter Service Life Extension Program, 6/14/2004	The U.S. Army Special Operations Command (USASOC) will produce and Information Support Plan (ISP), in concurrence with the Joint Staff. In addition, USASOC will submit a request for a one-year Interim Certificate to Operate.	Normal time to develop and gain approval for Information Support Plan.	Army
D-2004-091 , Management of Network Centric Warfare Within the Department of Defense, 6/22/2004	Define network centric warfare and its associated concepts; formalize roles, responsibilities, and processes for the overall development, coordination, and oversight of network centric warfare efforts; and develop a strategic plan to guide network centric warfare efforts and monitor progress.	Planned actions are on schedule.	ASD(NII), JS
D-2004-092 , Corps of Engineers Equipment Reporting on Financial Statements for FY 2003, 6/22/2004	Continue to take action to enforce existing policy that requires that all activities use all available methods to properly value equipment for which no historical cost documentation exists.	Corrective actions are on target.	Army
D-2004-093 , Acquisition and Management of Specialized Shipping and Unit-Owned Containers and Related Accessories, 6/30/2004	The DLA will initiate a new fully competitive acquisition for the containers. The Army and the Air Force will improve controls over the acquisition and management of specialized shipping and unit-owned containers.	Normal time for DLA to conduct a new fully competitive acquisition process for containers and for the Services to develop new policy and revise regulations and implement changes.	Army, AF, DLA
D-2004-094 , Acquisition: Direct Care Medical Services Contracts, 6/24/2004	Develop a joint strategy for acquiring direct care medical services and strengthen guidance and oversight for those acquisitions. If required, address the issue of required changes for withholding FICA and other payroll taxes for individual set aside contracts. Develop an oversight process for the acquisition of direct care medical services.	Normal time for implementation.	USD(AT&L), USD(C), USD(P&R), Navy, AF

D-2004-095 , Navy Controls Over Materiel Sent to Defense Reutilization and Marketing Offices, 6/24/2004	Establish controls to ensure that depot personnel request the required demilitarization instructions for all materiel awaiting disposal instructions, and to ensure that Navy organizations either demilitarize materiel or provide demilitarization instructions to the depots, prior to requesting for disposal.	Delays in issuing and implementing guidance.	DLA, Navy
D-2004-099 , Reliability of National Security Agency FY 2003 Financial Statements (U), 7/15/2004	Report is classified.	Corrective actions continue.	NSA
D-2004-102 , Contracting for and Performance of the C-130J Aircraft, 7/23/2004	The C-130J Aircraft would go through operational testing and the Air Force expects to close out all known in-scope deficiencies prior to the start of future block upgrades. In addition, future block upgrade modifications would be performed under separate Federal Acquisition Regulation Part 15 contracts.	Awaiting completion of formal operational testing now that Developmental/Qualification Testing is complete.	AF
D-2004-103 , Contract No. N00024-02-C-6165 for Consulting Services at the Naval Shipbuilding, Conversion, and Repair Facility, 8/2/2004	The NAVSEA will revise it's Contracts Handbook and conduct refresher training for it's contracting officers to highlight key points in the justification and approval process.	Normal time to revise the Contracts Handbook.	Navy
D-2004-104 , Purchase Card Use and Contracting Actions at the U.S. Army Corps of Engineers, Louisville District, 7/27/2004	Recommended actions are designed to provide guidance and strengthen controls over use of the Government Purchase Card at the Louisville District and at USACE Headquarters levels.	Corrective actions are on target.	Army
D-2004-106 , Selected Controls Over Army Fund Balance With Treasury at Defense Finance & Accounting Service Indianapolis, 8/5/2004	Update the performance metric on suspense accounts to track the progress for reconciling the field accounting records of suspense account balances with the summary Fund Balance With Treasury balance.	Corrective actions are on target.	DFAS

D-2004-108, Implementation of the DoD Management Control Program for Air Force Acquisition Category II and III Programs, 8/16/2004	The Air Force was updating and consolidating reporting policies, particularly emphasizing the ratings and comments within the System Metrics and Reporting Tool (SMART) and the Monthly Acquisition Reports (MARs).	Normal time for changes to be incorporated into a system.	AF
D-2004-109, Acquisition: Implementation of the DoD Management Control Program for Navy Acquisition Category II and III Programs, 8/17/2004	The Navy implemented a new database (DASHBOARD) that allowed MDAs to assess the status of ACAT I and II programs. The Navy is continuing to consider the requirement for ACAT III program information to be included in DASHBOARD.	Awaiting submission of data into system. Navy response is overdue.	Navy
D-2004-110, The Military Departments' Implementation of Performance-Based Logistics in Support of Weapon Systems, 8/23/2004	USD (AT&L) has undertaken several initiatives related to Performance Based Logistics (PBL). The Services will issue policies and procedures for implementation of PBL.	Normal time for implementation.	USD(AT&L), Army, Navy
D-2004-112, Undefinitized Contractual Actions, 8/30/2004	Instead of just requiring written contracting officer justification, the Air Force will further strengthen management reporting for late contract definitization; will investigate why the UCA approval authorities have not reported to SAF/AQC any UCAs that were more than one year old; and will change the AFFARS reporting requirement to match the DFARS requirement of 180 days.	Long-term corrective action on target.	AF
D-2004-113, Acquisition: Acquisition of the EA-6B Improved Capability III Program, 8/31/2004	Complete required elements of the Defense Information Technology Security Certification and Accreditation Process (DITSCAP) to ensure that the EA-6B ICAP III meets information assurance requirements.	Long-term management corrective actions on schedule.	Navy
D-2004-114, The Followup on the Government Accountability Office and U.S. Army Audit Agency Recommendations for the U.S. Army Corps of Engineers, 9/21/2004	Develop and implement a management-driven action plan to ensure that all audit recommendations are properly implemented for the Corps of Engineers Financial Management System.	Actions delayed due to competing priorities.	Army

<p>D-2004-115, The Followup on the Government Accountability Office and U.S. Army Audit Agency Recommendations for the U.S. Army Corps of Engineers, 9/21/2004</p>	<p>Develop and implement a management-driven action plan to ensure that all audit recommendations are properly implemented for the Corps of Engineers Enterprise Infrastructure Services.</p>	<p>Actions delayed due to competing priorities.</p>	<p>Army</p>
<p>D-2004-117, Defense Hotline Allegations Concerning the Collaborative Force-Building, Analysis, Sustainment, and Transportation System, 9/24/2004</p>	<p>Develop management control documentation for the Collaborative Force-Building, Analysis, Sustainment, and Transportation System (CFAST).</p>	<p>Corrective actions are on target.</p>	<p>JFCOM</p>
<p>D-2004-118, Army General Fund Controls Over Abnormal Balances for Field Accounting Activities, 9/28/2004</p>	<p>The Department will update the DoD FMR to require the disclosure of unresolved abnormal balances for all proprietary and budgetary general ledger accounts in the footnotes to the financial statements. Queries will be modified to identify abnormal conditions impacting both budgetary and proprietary account balances, and procedures will include queries to monitor material individual abnormal balance transactions, as well as, material cumulative ending abnormal balances.</p>	<p>Long-term corrective action on target.</p>	<p>USD(C), DFAS</p>

Acronyms:

AF	Air Force
ASD(HA)	Assistant Secretary of Defense (Health Affairs)
ASD(NII)	Assistant Secretary of Defense (Networks Information Integration)
ATSD(NCB)	Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs
CAP	Civil Air Patrol
DAM	Director, Administration and Management
DATSD(C/BD)	Deputy Assistant to the Secretary of Defense for Chemical/Biological Defense
DCC-W	Defense Contracting Command - Washington
DCMA	Defense Contract Management Agency
DeCA	Defense Commissary Agency
DFAS	Defense Finance and Accounting Service
DIA	Defense Intelligence Agency
DISA	Defense Information Systems Agency
DLA	Defense Logistics Agency
DSS	Defense Security Service
DTRA	Defense Threat Reduction Agency
EUCOM	European Command
JFCOM	Joint Forces Command
JS	Joint Staff
MC	Marine Corps
NGA	National Geospatial-Intelligence Agency
NGB	National Guard Bureau
NRO	National Reconnaissance Office
NSA	National Security Agency
PACOM	Pacific Command
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USD(C)	Under Secretary of Defense (Comptroller)
USD(I)	Under Secretary of Defense (Intelligence)
USD(P)	Under Secretary of Defense for Policy
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
USFJ	United States Forces - Japan
USFK	United States Forces – Korea
USSOCOM	United States Special Operations Command
USTRANSCOM	United States Transportation Command
WHS	Washington Headquarters Service