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June 17, 2003

The Honorable John Warner  
Chairman  
The Honorable Carl Levin  
Ranking Minority Member  
Committee on Armed Services  
United States Senate

The Honorable Duncan Hunter  
Chairman  
The Honorable Ike Skelton  
Ranking Minority Member  
Committee on Armed Services  
House of Representatives

*Subject: Defense Management: Installation of Telecommunications Equipment in the Homes of Volunteers*

This letter responds to a requirement in the National Defense Authorization Act for Fiscal Year 2000<sup>1</sup> that we review the Department of Defense's (DOD) use of authority to install telephone lines and any necessary telecommunications equipment in the homes of persons who provide voluntary services for the military. These volunteers, in addition to their other social service activities, provide a link between military units and the families of servicemembers deployed away from home. The legislation required us to submit the results of our review within 2 years after the department issued implementing regulations. The department issued its regulation in March 2002.<sup>2</sup> This letter discusses (1) the extent of the military services' use of the authority and (2) the internal controls that have been established to ensure equipment is used only for authorized purposes.

In performing our work, we talked with officials from the Office of the Secretary of Defense and each military service's family policy office to obtain information on the current and expected use of the telecommunications authority and the internal controls over any funds expended under the program. We also requested that Army, Navy, and National Guard family policy officials query a limited number of their volunteers in areas with high deployments to determine the extent that the telecommunications equipment has been installed in the home of volunteers. We also

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<sup>1</sup> Pub. L. No. 106-65, section 371.

<sup>2</sup> DOD Instruction 1100.21, *Voluntary Services in the Department of Defense*, March 11, 2002.

talked with various service officials and several volunteers about the telecommunications equipment used to perform volunteer activities.

## **Results in Brief**

The military services report they have made little use of the legislative authority to install telecommunications equipment in the homes of volunteers. While DOD has issued implementing guidance, the services have not issued their own guidance. It is not clear to what extent issuance of service guidance will lead to increased use of this authority. Perhaps more significantly, as alternatives to in-home installation, some military components have increased their authorized use of cell phones, provided volunteers with telephone credit cards, and permitted access to phones at volunteer offices. Several family policy officials said that these alternatives are easier to manage than in-home installation and would likely limit the future installation of in-home telecommunications equipment. In addition, various service officials told us that servicemembers' access to calling cards and various other means of communication, including e-mail, has facilitated communications between deployed servicemembers and their families. Air Force officials told us they do not use volunteers, as the Army and the Navy do, to maintain contact between deployed personnel and their families; so they have no current plans to use the authority.

The services are relying on existing internal controls to ensure authorized use of telecommunications equipment by volunteers. Under these provisions, Army, Navy, Marine Corps, and National Guard Bureau officials told us they reimburse volunteers for phone calls made from their homes if the volunteers provide proper supporting documentation, such as itemized monthly phone bills. Likewise, various service officials told us that representatives from their units typically review monthly cell phone bills before they are paid. Service family policy officials<sup>3</sup> noted that, if telecommunications equipment were installed in volunteers' homes, a representative of the approving official would review the supporting documentation before the bill would be paid.

Based on information obtained suggesting limited current and expected use of the authority, we concluded our review and are not making any recommendations.

## **Background**

During the mid-1990s, the Office of the Assistant Secretary of the Navy for Manpower and Reserve Affairs became the DOD proponent for installing telecommunications equipment in the homes of Navy and Marine Corps volunteers. Navy officials saw a need to provide the Navy's and Marine Corps' primary volunteers with relief from a perceived burden of over-using their personal telephones to perform volunteer activities and not always being reimbursed for any added costs. Navy officials felt that a second phone line, installed by the local phone company, in the volunteer's home could alleviate this burden. The National Defense Authorization Act for Fiscal Year 2000 authorized DOD to install telephone lines and any necessary telecommunications equipment in the private residences of persons who provide

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<sup>3</sup> Volunteer programs are under the direction of component family policy offices.

voluntary services for the military components including the Coast Guard. DOD issued implementing regulations in March 2002.

### **Services Have Rarely Used the Authority for In-Home Telecommunication Services**

Our review indicates that use of the legislative authority to install telecommunications equipment in individual volunteers' homes has been very limited. This was confirmed in our direct contact with volunteers and officials and query results from three volunteer groups, through which we determined only one piece of telecommunications equipment had been installed in the home of a volunteer.

There are several reasons why the authority has had or is likely to have limited use. First, although DOD has issued its implementing guidance, the services have not issued their guidance. Officials from the Army and the Navy said that the authority is not yet a well-known benefit in the volunteer community. Officials from the Army, the Navy and the Marine Corps said that their implementing guidance has been developed and should be approved within the next 6 months; however, what impact this may have on usage is not clear. Secondly, and perhaps more significantly, volunteer program officials in the Army, the Navy, and the National Guard said that the services, under existing authority,<sup>4</sup> are increasing their use of cell phones and in some cases telephone credit cards because they are easier to manage. As a result, they expect limited installation of telecommunications equipment in the homes of volunteers. In addition, various service officials told us that servicemembers' access to calling cards and various other means of communication, including e-mail if available, has facilitated communications between deployed servicemembers and their families and could reduce the need for in-home installation. Air Force officials told us they have volunteers; however, they are not used to stay in contact with deployed units as Army and Navy volunteers are. Thus, the Air Force has no current plans to use the authority.

Our work identified only one piece of telecommunications equipment installed in a volunteer's home. The Navy paid to have a fax machine installed in the home of a Navy volunteer who was staying in contact with a deployed Navy frigate. However, the volunteer stated that because she uses the fax machine infrequently for her volunteer duties and the cost is nominal, she has not sought reimbursement from her command. This volunteer also noted that her command provided her with a cell phone, which she uses regularly, to perform her volunteer duties.

Information made available from selected Army, Navy, and National Guard units showed that alternatives to in-home installation are more often used to provide telecommunications services for volunteers:

- A family policy official from the Army's Southeast Region in Atlanta, Georgia, queried volunteers at Fort Bragg and Fort Stewart and found no Army-provided telecommunications equipment installed in their homes. At Fort Bragg, some volunteers are reportedly provided cell phones at a cost to the Army of about \$30.00 a month per cell phone.

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<sup>4</sup> 10 U.S.C., 1588(e).

- A Norfolk, Virginia, area Navy official queried about 55 volunteers at a volunteer meeting and found that 8 had been provided cell phones by their local command and 1 of these volunteers also had a Navy-provided fax machine, which we discussed earlier. One Navy volunteer estimated her cell phone charges, which are paid by the Navy, at about \$40.00 a month.
- The Chief of Family Programs at the National Guard Bureau queried eight state volunteer programs<sup>5</sup> and found that no National Guard-provided telecommunications equipment was installed in any volunteers' homes. These states use other methods, such as providing family policy office phones or prepaid phone cards for long distance calls and reimbursing calls made on the volunteer's home phone, as alternatives to in-home installation.

### **Services Are Relying on Existing Internal Controls to Prevent Abuse**

Family policy officials are relying on existing internal controls<sup>6</sup> to ensure any funds expended by volunteers for telecommunications are appropriate. Currently, the Army, the Navy, the Marine Corps, and the National Guard Bureau reimburse volunteers for phone calls made from their private phones if the volunteer provides supporting documentation, such as itemized monthly phone bills. We were told that service officials review this documentation before each bill is paid. This internal control procedure is also used to control the authorized use of cell phones provided to volunteers. Service family policy officials stated they would rely on the same procedures for any telecommunications equipment that was installed in a volunteer's home. Basically, the bill would either go directly to the command or the volunteer would have to submit supporting documentation. In either case, we were told the bill would be reviewed at the local level before it is paid.

### **Agency Comments and Our Evaluation**

In providing oral comments on a draft of this letter, a representative of the Office of the Under Secretary of Defense for Personnel and Readiness concurred with our findings.

### **Scope and Methodology**

To obtain information on the military services' use of the authority, we interviewed officials from the Office of the Assistant Secretary of the Navy for Manpower and Reserve Affairs, the Secretary of the Navy's Office of Family Policy and the Navy's Personnel Center, the Army's Office of Family Policy at the Army Community and

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<sup>5</sup> The National Guard Bureau surveyed volunteer programs in Arkansas, Massachusetts, New York, Minnesota, Pennsylvania, Florida, Kentucky, and Iowa.

<sup>6</sup> Internal controls are set up to provide reasonable assurance on the part of managers that resources are used consistent with the agency's mission and that they are protected from waste, fraud, and mismanagement.

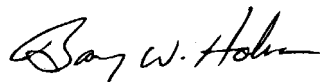
Family Support Center, the Secretary of the Air Force's Office of Family Matters, and the Marine Corps' Family Team Building Branch. In addition, we interviewed the Chief of Family Programs at the National Guard Bureau. We did not include the Coast Guard in the scope of work. We obtained information about the use of the authority by requesting that three volunteer program officials who work in highly deploying areas query their volunteers about this issue. The officials used various informal means to collect the information, which involved discussions with or contacting numerous service volunteers in the Norfolk, Virginia, area; Fort Bragg, North Carolina, and Fort Stewart, Georgia, areas in the Army's Southeast Region; and numerous volunteers from eight state programs in the National Guard. We also talked with various service officials and several volunteers about the types of telecommunications equipment used to perform volunteer activities.

To determine the types of internal controls currently being used, we reviewed service guidance dealing with volunteer programs, family policy, or management controls, and interviewed Army, Navy, and National Guard family policy officials on the controls for reimbursing volunteers for phone calls made from their personal home phones or service provided cell phones. In addition, we interviewed officials from the services' family policy offices to determine internal controls that might be used if telecommunications equipment were installed in a volunteer's home.

We performed our work from November 2002 to May 2003 in accordance with generally accepted government auditing standards.

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We are sending copies of this letter to the Secretaries of Defense, the Army, the Navy, and the Air Force; the Commandant of the Marine Corps; and the Office of Management and Budget. We will also make copies available to others upon request. In addition, the letter is available at no charge on GAO's Web site at <http://www.gao.gov>. If you have any questions concerning this letter, please contact me on (202) 512-8412. Key contributors to this assignment were Michael Kennedy and Richard Meeks.



Barry W. Holman, Director  
Defense Capabilities and Management

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