

# Department of Defense Office of the Inspector General



## Department of Defense Inspector General Requirements Plan for Increased Oversight Capabilities Fiscal Years 2011 – 2016

**August 31, 2010**

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This report was originally prepared for the defense committees as directed by the Committee on Armed Services, United States Senate, in the language of Senate Report 110-77, to accompany S. 1547, the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181). This update addresses changes in the internal and external operational environments since the plan was first published on March 31, 2008.

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## BACKGROUND

Senate Report 110-77, to accompany the National Defense Authorization Act (NDAA) for Fiscal Year 2008, addressed funding for the Office of the Inspector General, Department of Defense (DoD IG) stating that, “The committee is concerned that funding levels for this important independent audit and investigative function is not keeping pace with the demands for Inspectors’ General services in the global war on terror.”

The report directed the IG to, “provide to the defense committees, by March 31, 2008, an analysis of the current and future personnel, organization, technology, and funding requirements of the OIG” to include, “a comprehensive and detailed master plan, with annual objectives and funding requirements, that provides the fastest possible increase in audit and investigative capabilities.”

The committee report also noted that within recent years there has been “exponential growth in the number and cost of Department contracts for operations, procurement, research, and construction within the United States and around the world.” DoD contracts have increased from \$241B in FY 2004 to \$403B in FY 2008, increasing by \$162 billion (67%) over the four year period.

The report further stated that, “the nation’s annual defense costs have crossed the \$500 billion mark, well beyond the annual budgets of just over \$200 billion before the start of the GWOT in 2001. Despite this growth, the personnel strength of the OIG has remained nearly constant. The committee is concerned that the capabilities of the OIG are not keeping pace, in terms of qualified personnel, with the growth in the size of the defense budget and the numbers of contracts.”

As a result, the Committee on Armed Services, United States Senate recommended an increase of \$10 million for FY 2008 for the DoD IG to start and accelerate the growth of the DoD IG. The DoD IG subsequently was provided additional funding in the amount of \$24.0 million in the FY 2008 Department of Defense Appropriations Act (P.L. 110-116).

In response to Senate Report 110-77, the DoD IG provided the defense committees with a report titled, “The Department of Defense Inspector General Growth Plan for Increasing Audit and Investigative Capabilities, Fiscal Years 2008 – 2015,” and dated March 31, 2008. This document is an update of that report and takes into consideration changes in our internal and external operating environment over the past two years.

The DoD IG received additional funding in the amount of \$24.0 million in the FY 2009 Department of Defense Appropriations Act (P.L. 110-417) and \$16.0 million in the FY 2010 Department of Defense Appropriations Act (P.L. 111-118) to continue to provide increased oversight as detailed in this report. The additional funding received in Fiscal Years 2008 through 2010 has enabled the DoD IG to increase its oversight capabilities, whereas these capabilities may have otherwise decreased due to budget

constraints. Auditing and Investigations components have expanded significantly, both in numbers of qualified personnel and in locations in the field, to include critical locations such as Korea, Germany, and Southwest Asia. Other components have also increased capabilities, and new components have been formed to address key priorities.

Most recently, House Report 111-491, to accompany the NDAA for Fiscal Year 2011, expressed concern over funding for the DoD IG stating that, “The committee is aware that a plan for increasing DOD IG audit and investigative capabilities was published March 31, 2008. This plan required increased resources for it to be fully implemented, and Congress provided these resources in fiscal years 2008–10. The committee is concerned that the Department of Defense Inspector General is funded below the level required to meet the growth plan in fiscal year 2011. The committee believes the Department has had sufficient time to assimilate the requirements of the IG growth plan and is disappointed that the Department has failed to fully resource the IG requirements. The committee expects the Secretary of Defense to provide the necessary resources to this critical function in future budget requests.”

In addition, Section 842, “Investigation of Waste, Fraud, and Abuse in Wartime Contracts and Contracting Processes in Iraq and Afghanistan,” of the 2008 NDAA requires the DoD IG to conduct, “thorough audits...to identify potential waste, fraud, and abuse in the performance of...Department of Defense contracts, subcontracts, and task and delivery orders for the logistical support of coalition forces in Iraq and Afghanistan.” Further, the FY 2009 NDAA, Section 852, “Comprehensive Audit of Spare Parts Purchases and Depot Overhaul and Maintenance of Equipment for Operations in Iraq and Afghanistan,” required that, “the Army Audit Agency, the Navy Audit Service, and the Air Force Audit Agency shall, in coordination with the Inspector General of the Department of Defense develop a comprehensive plan for a series of audits...to identify potential waste, fraud, and abuse in the performance of the following: Department of Defense contracts, subcontracts, and task and delivery orders for depot overhaul and maintenance of equipment for the military in Iraq and Afghanistan; spare parts for military equipment in Iraq and Afghanistan; and Department of Defense in-house overhaul and maintenance of military equipment used in Iraq and Afghanistan.”

As a result of these concerns, and due to the complex operational environment in Southwest Asia, in 2010 we established the Office of the Deputy Inspector General for Special Plans and Operations. This new component focuses on high value assessment missions that address priority DoD and IG issues, such as the ongoing operations in Southwest Asia. Special Plans and Operations has full Deputy Inspector General component status with its own budget, personnel, and work space. The resources made available through the funding of the growth plan has allowed for permanent staffing for this office, which was initially staffed in 2008 with DoD IG personnel reassigned from other components.

The DoD IG also established an Office of Professional Responsibility in 2008, responsible for conducting system reviews and analysis of each DoD IG component to determine managerial, operational and administrative efficiency and effectiveness. This

is being accomplished through inspections of DoD IG offices, as well as independent, objective, professional investigations into allegations of DoD IG employee misconduct.

## **SUMMARY**

This report contains the analysis of DoD IG future requirements to increase oversight capabilities by increasing personnel by 374 full time equivalents between FY 2010 and FY 2016. This level of growth, 22%, will adjust personnel authorizations from the current level of 1,687 to 2,061, and allow the DoD IG to augment oversight capabilities in order to better keep pace with the DoD budget and the number of contracts, and the increased demand for IG oversight.

The majority of the total increase in personnel identified in this report will be for audit, investigative, inspection and evaluation personnel to ensure the fastest possible increase in oversight capabilities as directed by the committee in the language of S. Rept. 110-77. The remaining positions consist of personnel in areas that support these oversight functions.

This includes increasing personnel by 106 for criminal investigations, 100 for auditing, and 92 for other oversight operations, such as administrative investigations, intelligence oversight, audit and investigative policy & oversight, and special plans & operations. The remaining 76 additional personnel would augment other mission requirements and support functions such as the Defense Hotline, information technology, logistics, procurement, security, financial management, legal counsel, communications and congressional liaison, EEO, human resources, and the Office of Professional Responsibility.

Based on our analysis, the funding requirement for the DoD IG for FY 2011 is \$33.8 million above the level provided in the President's Budget. That \$33.8 million is directly linked to the request by Congress for, "the fastest possible increase in audit and investigative capabilities," to include inspections, evaluations, and reviews.

In FY 2011, the President's Budget allows for 1,653 personnel. This would be a decrease of 34 personnel from FY 2010, and 128 less than the 1,781 personnel that are required for FY 2011 in order to provide the planned increase in our oversight capabilities. Additional FY 2011-2016 funding will allow the DoD IG to continue to increase our oversight efforts related to contract management, acquisitions, and contingency operations in Southwest Asia; and, would support DoD IG oversight work conducted in response to Sec. 842 of the FY 2008 NDAA, as mentioned above.

The \$64.0 million in additional funding that was provided to the DoD IG in Fiscal Years 2008 through 2010 via the respective Department of Defense Appropriations Acts, coupled with the partial annualization of our budget plan by the Department, has allowed us to begin working towards our goal to increase our oversight capabilities by increasing our personnel authorizations from 1,387 in FY 2007 to 1,687 in FY 2010, an average of

100 additional personnel per year. This has enabled the DoD IG to dedicate more resources to provide oversight related to acquisitions and expand our presence in Southwest Asia. We have expanded our presence in Qatar, Afghanistan, and Iraq; and established field offices in Germany, Korea and Hawaii.

The following table depicts our projected future personnel requirements for Fiscal Years 2011 through 2016, as well as the current budgeted level for FY 2010.

### Personnel Requirements

FY 2010 Actual and FY 2011-2016 Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>DoD IG Personnel</b>	1,687	1,781	1,850	1,918	1,980	2,041	2,061

Functional breakouts of our analysis of future requirements, including personnel, are addressed in the appendices of this report and include: Auditing; Investigations; Administrative Investigations; Intelligence; Policy & Oversight; Special Plans & Operations; Administration & Management; Communications & Congressional Liaison; Office of Professional Responsibility; and Front Office Staffing & Other Mission Support.

Funding these requirements will enable us to perform our statutory duties and provide additional oversight coverage of the high risk and high impact areas of DoD contracting, particularly services contracting; major weapons system and information system acquisitions; cybersecurity to include information security; homeland defense and critical infrastructure protection; fraud, waste and abuse detection through predictive analytics; human capital management; personnel and medical readiness; intelligence; nuclear enterprise; and financial management. This will also enable us to more effectively provide oversight coverage directed by recent legislation, including overseas contingency operations (OCO), realignment of forces from Okinawa to Guam, and the American Recovery and Reinvestment Act of 2009.

Additional personnel would also allow establishment of new offices in geographic locations that have been previously neglected due to limited staffing; enhanced investigative support for contingency operations; the conduct of internal system reviews and analysis to determine managerial, operational and administrative efficiency and effectiveness; and increased emphasis on investigating crimes in areas that have of necessity become lower priority and been largely neglected because of the new demands of today's environment.

### Growth of the DoD Budget

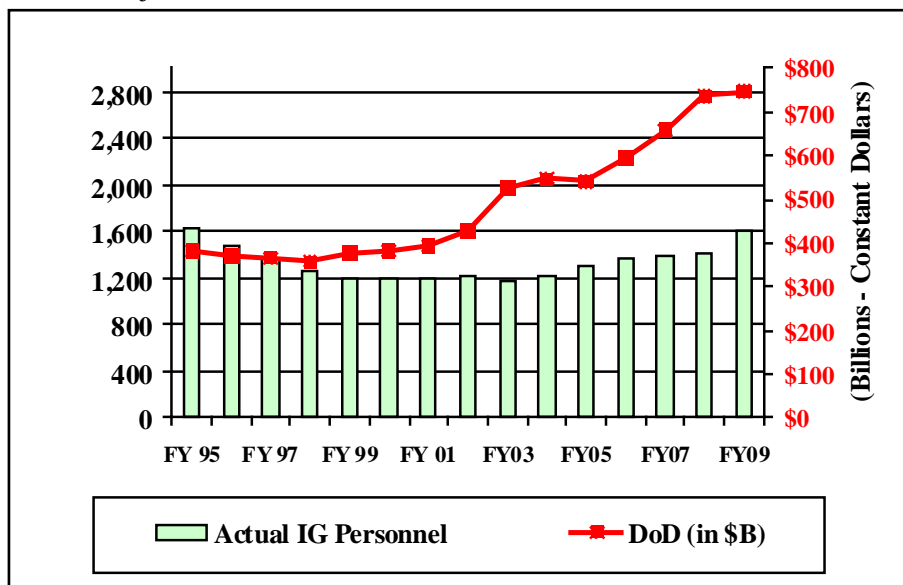
The rapid growth of the DoD budget since FY 2000 leaves the Department increasingly more vulnerable to fraud, waste, and abuse that undermines the Department's mission. At the same time, our ability to adequately cover high-risk areas and Defense strategic priorities has become strained due to the fact that our staffing levels

remained nearly constant from FY 2000 through FY 2008, while the nation’s annual defense costs have grown from less than \$300 billion to more than \$600 billion. Furthermore, the demand for IG services to support the Department’s overseas contingency operations and the ongoing operations in Southwest Asia has forced us to adjust priorities, resulting in gaps in coverage in important areas, such as major weapon systems acquisition, health care fraud, product substitution, and Defense intelligence agencies. The implementation of the plan to date, and the support from the Congress and the Department, has helped in narrowing this gap; however, the plan must continue to be implemented in order to ensure that the level of oversight is proportionate with the growth of the department.

Without the additional resources called for in this plan our ability to be an effective oversight function and control for the Department of Defense will be affected, impacting our ability to provide adequate coverage, to include services related to the contingency operations in Southwest Asia. Our analysis of current and future personnel, organization, technology, and funding requirements for the DoD IG included a review of our current staffing level and structure, our current funding level, and our current workload. We identified areas that we believe lack critical coverage and identified areas where we believe additional coverage would be of greatest value to the Department.

We developed a comprehensive plan, with annual objectives and funding requirements that provides the fastest possible increase in oversight capabilities. The plan considers our ability to recruit, train, and retain qualified personnel, and the time and resources necessary to obtain infrastructure at new locations or add infrastructure to existing locations.

**Growth of the DoD Budget – Total Appropriations <sup>1</sup>**  
 (Inflation adjusted constant dollars - billions)



<sup>1</sup> Includes DoD direct appropriations and funds appropriated for the U.S. Army Corps of Engineers and Military Retiree Health and Pension Benefits.

The capabilities of the DoD IG have not kept pace, in terms of qualified personnel, with the growth in the size of the defense budget and the numbers of contracts. DoD's total budget authority has increased from \$290 billion in FY 2000 to \$747 billion in FY 2009, including OCO supplemental funding, U.S. Army Corps of Engineers, and military retiree health and pension benefits, as shown above in inflation adjusted constant dollars. Despite this growth in the DoD budget and the demand for IG services, DoD IG strength has only increased moderately during this same period, as depicted in the preceding chart, returning to the approximate personnel strength levels of 1995. Expressed as a ratio, the DoD budget authority per DoD IG personnel has increased by \$122M, from \$320M to one in FY 2000 to \$442M to one in FY 2009. This trend shows an increasing gap between resources and oversight which results in a corresponding increase in risk for fraud, waste, and abuse to occur. The proposed increase in personnel outlined in this plan is intended to provide the necessary coverage to mitigate these risks.

### **Return on Investment**

During FY 2010, the Secretary of Defense identified the need to improve effectiveness and efficiencies in business operations in order to sustain mission essential activities. The DoD IG has the statutory authority and the technical expertise to support this initiative to reform the way the Pentagon does business and to improve the Department's business operations.

DoD IG auditors, investigators, and other oversight professionals add value by helping to manage and control risk, and detect and deter fraud, waste, and abuse. The right number and mix of controls decreases the likelihood of fraud, waste and abuse in the Department. The DoD IG also promotes change and reform in DoD processes, programs and operations resulting in greater economies and efficiencies.

During the period of FY 2007 through FY 2009, DoD IG auditors identified \$3.3 billion in monetary benefits, an average of \$4.7 million per auditor. Achievement of monetary benefits is largely unpredictable, and predictions of future achievements should not be based on prior accomplishments. However, it is reasonable to expect that there are greater chances of achieving monetary benefits if more resources are dedicated to conducting audits.

DoD IG auditors issued 387 audit reports from FY 2007 through FY 2009. During this same timeframe, 97 percent of the recommendations that were made, or finalized, were agreed to by DoD managers.

From FY 2007 through FY 2009, Defense Criminal Investigative Service (DCIS) investigations resulted in 1,096 criminal indictments, 855 convictions, and \$3.45 billion in criminal, civil, and administrative recoveries. Excluding headquarters and field managers, this is an average of \$4.38 million per agent, per year. Since its creation, DCIS has participated in cases that have resulted in over \$15.68 billion in criminal, civil, and administrative recoveries.



In FY 2009 alone DoD IG audits, investigations, inspections, evaluations, and assessments returned more than \$3.1 billion to the Department in achieved monetary benefits, fines, restitutions, and recoveries. This equates to a return of \$2.02 million per DoD IG employee, or \$11.50 for every dollar appropriated to DoD IG.

The DoD IG can play a significant role in identifying savings which can be shifted to directly support and maintain U.S. combat power. However, in order to maximize effectiveness it is critical that there are sufficient numbers of auditors, investigators, and other oversight professionals available to support the Secretary's initiative.

This requirements plan calls for an additional 374 oversight positions from FY 2011 through FY 2016, for a total end state of 2,061. This is a total estimated cumulative increase \$392 million across this six-year period. However, given the past return on investment of \$11.50 per \$1 mentioned above, this has the potential to return \$4.5 billion to the Department.

In addition to the substantial monetary benefits, the DoD IG has achieved significant non-monetary benefits in the area of life and safety risks to the men and women serving in the military. DoD IG oversight efforts identified deficiencies in the testing and level of protection provided by body armor issued to soldiers in Iraq and Afghanistan, and the Army has taken corrective action as a result of this work. The DoD IG also reported on electrical safety issues in Afghanistan which required immediate corrective action to prevent accidental injuries.

Further, DoD IG oversight professionals also provide coverage of congressionally requested projects, and projects required by statute. DoD IG efforts improve DoD business operations, promote compliance with laws and regulations, improve force readiness, and improve the effectiveness of the care and safety of service members.

Over the coming months and years, the DoD IG will continue to complete reviews that will identify additional significant savings and efficiencies that will help the Department achieve its goals. It is anticipated that these efforts will identify significant savings in areas such as excess inventory and spare parts; identification of redundancies or duplicate requirements in major acquisition programs; and, identification of improper payments.

### **Growth of the DoD IG**

The requested increase through FY 2016 will enable us to continue to support congressional and DoD management requests while expanding coverage of DoD contracting, particularly services contracting; cybersecurity, to include information security; homeland defense and critical infrastructure protection; fraud, waste and abuse detection through predictive analytics; major acquisition programs and information technology acquisitions; contracts and operations associated with Southwest Asia; and DoD's efforts to improve its financial management, to include audits that we plan to

conduct regarding DoD financial statements in support of the Department's financial improvement and audit readiness (FIAR) plan. Increased coverage of these areas also supports mitigation of IG identified management challenges and GAO high risk areas. In addition to the expanded oversight mentioned above, this has enabled the establishment of an office to conduct assessments and provide recommendations regarding our own operational efficiency and effectiveness.

### **Operations in Southwest Asia**

The new Office of Special Plans and Operations has focused predominantly on the operations in Southwest Asia (SWA), supplementing the efforts that were already being undertaken by the other DoD IG components. This plan calls for significantly increased staffing to support this new office that is focused on addressing high priority DoD and IG issues, such as munitions accountability in Iraq and Afghanistan, the drawdown of U.S. forces in Iraq, and the training and equipping of the Afghan National Security Forces.

We also have plans to enhance investigative support through investigations of fraudulent activity and corruption related to DoD operations in Southwest Asia, to include Operation Iraqi Freedom and Operation Enduring Freedom. DCIS currently deploys 11 agents, 2 supervisors and 1 administrative person for six-month rotations to Southwest Asia: Camp Victory and International Zone, Iraq; Kuwait City, Kuwait; Bagram Airfield, Kandahar and Kabul, Afghanistan. DCIS has added an Assistant Special Agent in Charge in our Wiesbaden, Germany office as well as the on-site Regional Director of Investigations in Iraq to oversee Southwest Asia operations. Additional staffing will allow for the creation of a permanent Southwest Asia Field Office with expanded staff to meet personnel requirements as the mission demands.

We have adopted an expeditionary workforce model to support efforts throughout all of Southwest Asia. We have core staff forward deployed at all times. The core contingent is comprised of individuals serving between 6 and 12 month deployments. The actual number of auditors, investigators, and inspectors in Southwest Asia and Iraq fluctuates on a daily basis depending on requirements.

We plan to continue to increase our presence in Southwest Asia, as resources permit. Thanks to congressional support, we are now dedicating more DoD IG resources to provide increased oversight on munitions control and accountability, acquisition, corruption, waste, fraud, and abuse; as well as expanding our footprint across Southwest Asia. We are seeking additional resources in FY 2011 through FY 2016 in order to further expand our coverage.

We plan to further staff our office in Tampa, Florida to provide oversight and support to CENTCOM for its efforts in Southwest Asia. We will also support SOCOM in their efforts by providing oversight of their increased funding (from \$3.8 billion in FY 2001 to \$5.7 billion in FY 2009) to support an expanded mission and increased size of forces.

Additionally, our expansion of field offices Korea and Hawaii will support our efforts to provide oversight on the major restructuring of the current force structure, the planned force restructure of the Marines from Japan to Guam, and in strengthening and rebalancing U.S. forces in the Pacific.

Additional resources would also enable us to increase coverage of:

- Contract surveillance
- Service contracts and multiple award schedule contracts
- Military construction requirements
- Contracts in support of Southwest Asia
- Logistics audits
- Equipment status
- Foreign military sales administration
- Combat engineer support in the Iraqi and Afghani theaters of operations
- Ammunition resupply operations in the U.S. Central Command
- Cost controls over the movement of cargo
- Controls over hazardous and fissile materials
- Direct and general support maintenance operations in a field environment
- Sustainment planning for military operations
- Special Access Programs
- Nuclear Enterprise
- Intelligence Enterprise

### **Information Technology Requirements**

To maximize efficiency and effectiveness, enhance communications to global field sites, and expand oversight capabilities in SWA, the DoD IG must commit resources to the agency's Information Technology (IT) portfolio and capabilities to sustain mission success.

Protection and modernization of IG IT resources is critical to the success of the IG mission. The DoD IG requires additional resources to effectively defend against ever increasing IT security risks, provide timely response to Federal Information Security Management Act (FISMA), Office of Budget and Management (OMB), and DoD Information Assurance requirements. Failure to adequately protect IG IT resources would threaten the confidentiality and integrity of IG work products, and increase the risk of loss or compromise of IG data. Additional IT resources will be directed towards a transformation of enterprise IT services, significant updates and support of investigation,

audit, and agency knowledge management systems, and agency-wide adoption of Web 2.0 capabilities. These significant improvements will pave the way for improved agency business processes and enhance the IG mission, ensuring relevant, accurate, and timely reporting to federal stakeholders.

The DoD IG must leverage cutting edge technology in order to stay at the forefront of investigations and audits to detect and prevent fraud, waste, and abuse in the programs and operations of the DoD. As the watchdog for the DoD, the agency historically has been forced to react to issues and threats, but the future of audits and investigations is predictive detection and prevention of fraud, waste, and abuse which requires an investment in technology to support methods that can proactively identify and quantify areas where fraudulent-like activity and egregious waste is most likely to occur.

The DoD IG has identified a need for \$1 million in RDT&E funds in FY 2011 to develop a predictive analytics system that will allow the agency to break down stovepipes and link the Defense Criminal Investigative Service (DCIS) Case Reporting and Management System (CRIMS) and Automated Information Management Systems (AIMS), as well as public, legal, financial and contracting databases, and automatically establish connections between agencies, companies, and individuals that do business with the DoD. The predictive analytics modeling approach will leverage information technology to increase organizational efficiency and effectiveness by enabling DoD IG analysts to more effectively determine high-risk areas, and allow audit and investigative resources to be more efficiently allocated to those areas.

The DoD IG Defense Criminal Investigative Service (DCIS) is near completion of the first phase of CRIMS, an investigative case management system that will modernize how cases are handled both for field agents and DoD IG leadership. CRIMS is being aggressively implemented to put current technology in the hands of DCIS agents to quickly meet operational requirements. \$1.5 million in RDT&E funding is needed in FY 2011 to expand from initial operational capabilities to full operational capability. This expansion will further enhance mission readiness by building upon the initial operational capabilities and extend this modernization to classified cases on the SIPRNet and to the DoD IG Office of Professional Responsibility (OPR). Additionally, CRIMS will automate Defense Central Index of Investigations (DCII) and Defense Incident Based Reporting System (DIBRS) reporting, and allow the DCIS to effectively track Grand Jury investigations and custody of evidence. Finally, based on availability of funding, the DoD IG intends to add a geographical information system that will provide a common operational picture of DCIS field locations, subjects, DoD components, and DoD contractors.

The DoD IG has identified a need for \$4.6 million in RDT&E funds from FY 2011 through FY 2014 to develop a replacement system for the Defense Automated Management Information System (DAMIS). This legacy system has reached the end of its lifecycle is no longer an effective tool for providing accurate actual cost information for DoD IG projects and deliverables, and does not support the complex electronic Information Management requirements of the Agency.

**SUMMARY OF FUTURE PERSONNEL AND BUDGET REQUIREMENTS**

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Budget (Millions)</b>	\$288.1	\$317.2	\$332.9	\$350.3	\$369.8	\$387.7	\$399.3
<b>Civilian Personnel</b>	1,687	1,781	1,850	1,918	1,980	2,041	2,061
<b>Annual Growth</b>		94	69	68	62	61	20
<b>Cumulative Growth</b>		94	163	231	293	354	374
<b>Audit</b>	770	790	810	830	850	870	870
<b>Investigations</b>	424	450	470	490	510	525	530
<b>Administrative Investigations</b>	57	63	68	68	68	68	68
<b>Policy &amp; Oversight</b>	85	96	98	101	103	106	106
<b>Intelligence</b>	47	50	52	56	60	63	66
<b>Special Plans &amp; Operations</b>	42	52	62	72	78	83	83
<b>Administration &amp; Management</b>	152	162	167	174	180	190	200
<b>Office of Prof. Responsibility</b>	11	12	13	14	15	16	18
<b>OCCL<sup>2</sup> / Hotline</b>	52	56	58	60	62	64	64
<b>FO &amp; Other Mission Support<sup>3</sup></b>	47	50	52	53	54	56	56

The table above depicts our current and future core budget and personnel requirements for Fiscal Years 2010 through 2016, based on the mission requirements identified in this plan. It does not include Overseas Contingency Operations or American Recovery and Reinvestment Act funding. Personnel requirements are broken out by functional areas and shown in total, along with tallies of annual and cumulative growth and the corresponding estimated annual budget amounts. Functional breakouts of the analysis of future requirements are addressed in Appendices A through J of this report and include a risk assessment, objectives, return on investment, and summary of future requirements for each functional area.

<sup>2</sup> Office of Communications and Congressional Liaison (OCCL) includes the Defense Hotline, Public Affairs, GAO Liaison, Congressional Liaison, FOIA, and Strategic Planning & Communications.

<sup>3</sup> Other Mission Support & FO includes front office staff and the offices of EEO, Ombudsman, General Counsel, Comptroller, and Special Deputy IG for Southwest Asia.

**APPENDIX**

**A**

**OFFICE OF THE DEPUTY  
INSPECTOR GENERAL FOR  
AUDITING**

## AUDITING

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	770	790	810	830	850	870	870
<b>Annual Growth</b>		20	20	20	20	20	0
<b>Cumulative Growth</b>		20	40	60	80	100	100
<b>Military</b>	2	2	2	2	2	2	2

#### Risk Assessment:

- Personnel and information technology resources of the Office of the Deputy Inspector General for Auditing (ODIG-AUD) have not kept pace with the growth in size of the defense budget, the numbers of contracts, and complexity of DoD operations.
- A steadily increasing DoD budget, congressional and management requested oversight efforts, new and expanding statutory requirements, and the requirement of providing independent and objective oversight of the Department's worldwide mission requirements affects our ability in maintaining an effective oversight function and control for the Department. The Department is more vulnerable to fraud, waste, and abuse given the scope and magnitude of its funds and contracts.
- Our coverage of high-risk areas and Defense priorities requires trained and experienced staff, and that coverage will diminish if sufficient personnel are not trained and developed. Additionally, the lack of technology enabled tools and techniques impede our ability to accomplish the audit mission. Consequently, this diminished state affects our ability to be an effective oversight function and control for the Department.
- DoD's total obligation authority was \$287 billion in FY 2000 and has risen to \$693 billion (base and overseas contingency operations) in FY 2010, an increase of \$406 billion.
- The ratio of DoD IG auditors to the Defense budget has declined significantly. In FY 2000, the DoD IG had 615 auditors and DoD obligation authority was \$287 billion. Expressed as a ratio, there was one DoD IG auditor for each \$467 million of the defense budget in FY 2000. In FY 2009, there was one DoD IG auditor for each \$914 million of the Defense budget.
- We currently are not able to provide sufficient audit coverage of:
  - Major Weapon Systems Acquisitions
  - Contracts (RDT&E, IT, Services, Small Business)

- Contract Administration
- Financial Systems (transformation and acquisitions)
- DoD Information Technology and Assurance
- Supply Chain Management
- Health Care
- Maintenance
- Defense Critical Infrastructure Program
- Defense Industrial Base
- Total Force (Readiness)

**A significant investment is warranted in our audit information technology systems to include a new management information system, analytic software, connectivity, storage capacity, and training.**

Objectives:

- Expand oversight coverage of DoD major acquisition programs and information technology acquisitions; force readiness; contract awards and administration; cybersecurity to include information security; homeland defense and critical infrastructure protection; fraud, waste and abuse detection; and predictive analytics. Many of these areas also support mitigation of IG-identified management challenges and GAO high-risk areas.
- Continue presence in Southwest Asia, focusing on oversight of the drawdown of forces in Iraq and the surge in operations in Afghanistan; asset accountability; contracting; and fraud, waste, and abuse.
- Establish field offices in Baltimore and Quantico.
- Complete the field offices in Hawaii and Kuwait, and expand the field offices in Afghanistan, Tampa, Yorktown, Philadelphia, Columbus, Cleveland, and Indianapolis.
- Provide appropriate coverage of additional areas required by statute:
  - Guam Realignment,
  - CFO Act, and
  - American Recovery and Reinvestment Act of 2009.

Return on Investment:

- During the period of October 1, 2006 through September 30, 2009, DoD IG auditors identified \$3.3 billion in monetary benefits, an average of \$4.7 million per auditor.
- DoD IG auditors issued 387 audit reports from October 1, 2006, through September 30, 2009. During this same timeframe, 97 percent of the recommendations that were made, or finalized, were agreed to by DoD managers.



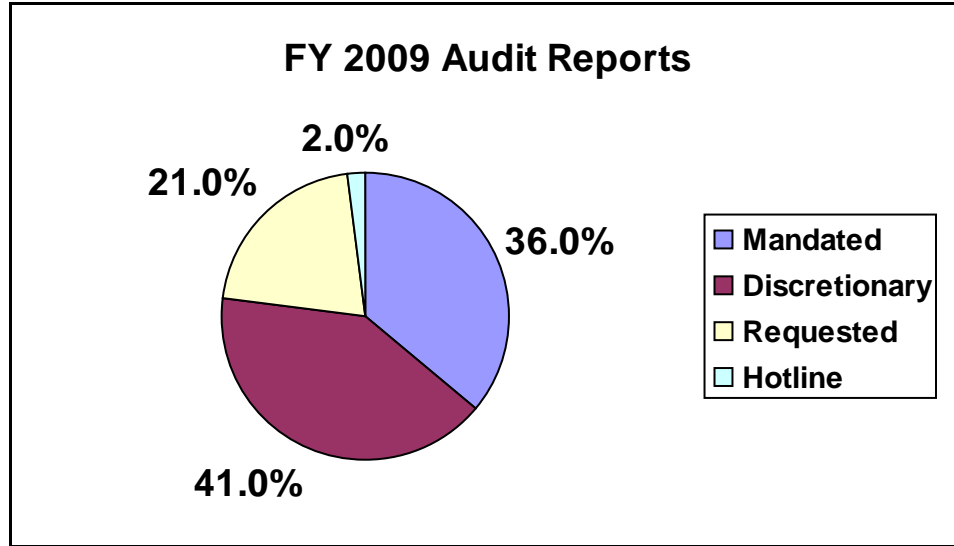
- DoD IG auditors make recommendations to improve life and safety of the Service members, DoD business operations, force readiness and protection, and promote compliance with laws and regulations.
- DoD IG oversight efforts have resulted in program and price reductions, ensuring that service members had the appropriate level of body armor prior to deployment, providing audit support to investigative efforts related to healthcare fraud, improvements to the supporting documentation and DoD financial guidance related to out-of-country payments, and enhancements in DoD physical security program to prevent unauthorized access to personnel, equipment, installations, and information and to safeguard them against espionage, sabotage, terrorism, damage, and criminal activity.

#### Summary of Future Requirements:

The DoD IG prepares an annual audit plan at the beginning of each fiscal year and provides coverage of DoD organizations, programs, activities, and functions as an integral part of the DoD management system, taking into consideration available resources, the IG-identified management challenges, DoD strategic goals, and GAO high-risk areas. Audit topics are determined by law, requests from the Secretary of Defense and other DoD leadership, Hotline allegations, congressional requests, and DoD IG risk analysis of DoD programs. We provide audit coverage over many DoD programs, processes, and operations to include such areas as:

- Acquisition (Weapon Systems and Information Technology Systems)
- Research, Development, Test, and Evaluation Programs and Activities
- Award and Administration of DoD Contracts
- Financial Management and Related Internal Controls
- Financial Systems
- Pricing
- Military Construction
- IT Security, Privacy and Information Assurance
- Overseas Contingency Operations (Drawdown, Asset Accountability, Information Operations)
- Logistics Management
- Transportation
- Health Care
- Force Readiness
- Oversight of Independent Public Accountants

Our ability to provide discretionary (risk-based) coverage is reduced, however, by the amount of work we are required to perform by statute, congressional, and management requests. In FY 2009, 36 percent of the reports we issued were mandated and another 21 percent were requested by Congress or DoD managers, as illustrated in the following graph.



*Less than half of the audit workload in FY 2009 was discretionary (risk-based).*

Additional audit coverage is needed in the following areas given the large dollar values of the programs and inherent associated risks.

**Weapons Acquisition.** We will establish a new division to conduct increased oversight of major weapon systems acquisitions that we currently cannot conduct due to limited resources. The additional resources will ensure the DoD IG provides increased coverage of acquisition of major weapon systems and acquisition programs given the dollars expended by the Department. The current estimated value of DoD major weapon system acquisitions is \$1.5 trillion, including research, development, testing, and evaluation (RDT&E). Our current resources enable us to provide audit coverage on about 7 of 981 acquisition programs per year (\$20 billion average coverage).

**Predictive Analytics and Forensic Auditing.** We will use additional resources for audits and reviews related to DoD efforts to improve its financial management operations and related internal controls.

We will increase our financial audit staff at several field offices to focus on increasing financial management oversight efforts related to the American Recovery and Reinvestment Act, Guam realignment, and the Department's overseas contingency operations. These efforts provide an operational perspective to the Department's financial management and related internal controls. Additionally, we plan to add a second predictive analytical auditing team in our Columbus audit office to focus on detection of high-risk areas for potential fraud, waste, and abuse. We stood up the first team in late 2008 and the workload is anticipated to increase in the procurement fraud area. We will also plan to expand our audits of acquisitions of financial systems to ensure that the development, testing and implementation of systems will meet DoD

requirements and maintain a focus on the SAS 70 work including the Federal Information System Controls Audit Manual (FISCAM).

**Cybersecurity.** We will establish a new division to expand our oversight of cybersecurity. Cyberspace is part of DoD's critical infrastructure and is considered as relevant a domain for DoD activities as the naturally occurring domains of land, sea, air, and space. An increase in funding will allow us to identify gaps at the enterprise level of mission critical systems instead of the department level. DoD is dependent on information networks for command and control of the forces, logistics, and intelligence for conducting effective, high-tempo operations. We believe it is important to establish a proactive auditing approach to DoD's emphasis on cybersecurity.

**Global Mission.** DoD's overseas contingency operations, existing alliances, and creating new partnerships are central elements of the U.S. security strategy. Combatant commands (COCOMs) play an important part in this initiative and we need to expand our oversight of their activities. Currently, COCOMs lack sufficient tools to support their theater campaign plans and assigned mission to build partner capacity, therefore, oversight of their operations is necessary to address their challenges and ensure the efficient and effective use of their resources in carrying out their mission.

We will also use additional resources to provide warranted coverage of the Department's overseas contingency operations, the drawdown of troops and equipment in Iraq and the surge in Afghanistan. Additionally, the Guam Realignment efforts will steadily increase the need for oversight of the treatment, handling, and expenditure of amounts appropriated for military construction on Guam and of the programs, operations, and contracts carried out using such funds. We will assess the development of program and contract infrastructure technical requirements for the Guam Realignment Program, including the development of program and contract infrastructure requirements that include cost estimates and budgets for the harbor, roads, power production and transmission, drinking water, water and solid waste, and communications.

**Defense Industrial Base and Depot Maintenance.** We will use additional resources to review the defense critical infrastructure program, the defense industrial base, supply distribution, asset visibility, and materiel readiness. We will provide oversight to ensure the best use of limited resources in resetting and reconstituting equipment degraded by our over 8 years of continuous overseas contingency operations.

The Department of Defense maintenance depots can now enter into partnership agreements with commercial and defense-sector firms. Partnering permits depot maintenance activities to provide goods and services to the private sector, thus creating unique opportunities benefiting both the government and participating firms. Additional resources will allow us to evaluate partnership agreements with private-sector firms as to whether the partnership agreements meet the goal of depot maintenance partnerships to leverage innovative concepts of the private and public sectors to support the warfighter at best value for the DoD and the taxpayer. We will determine whether the partnership

agreements in place with original equipment manufacturers are effectively minimizing the cost of direct materials to the depot.

### **Technical Support and Information Technology Requirements**

As the ODIG-AUD mission complexity expands, we will require fundamental correlating growth in our quality assurance, training and staff development, quantitative methods, and report follow-up staff. Additional staff is needed to continue to ensure compliance with auditing standards, support of data and information requirements, maintenance of requisite auditor training and development, and verification that corrective actions have been taken by management.

To effectively and efficiently conduct audits on a worldwide basis it is critical to have effective, timely information technology. The trend in auditing is more dependence on “state of the art” information technology. ODIG-AUD critical information systems capability and support in many respects is not up to the current state-of-the-art technology nor are prior funding levels sufficient to achieve the needed future capacity and support for worldwide auditing. Audit must position itself to catch-up by acquiring and deploying more advanced information technology to support modern day auditing. To do this, a period of catch-up is needed, followed by maintaining the acceptable levels of information technology capability and support in a rapidly change industry. ODIG-AUD IT growth is needed in the following six areas:

- **Hardware and Software.** Additional computers, increased storage capacity, offline archive, and COOP storage enhancements are required to handle the growing amount of data collected for analysis during audit projects. In order to facilitate better communication, audit team leaders require Blackberries and desktop licenses for Microsoft VISIO to aid in report preparation. Additionally, existing server systems for Audit Command Language (ACL), TeamMate, and the Statistical Analysis System (SAS) need to be replaced with modernized systems that provide faster processing capability and the resources to support more concurrent audit users.
- **Connectivity.** DoD IG offices must provide the ability to work effectively and efficiently regardless of location (in the field or on-site). To provide these enhancements, connectivity needs to be improved, bandwidth increased, and wireless broadband use expanded. Using this enhanced connectivity, offices and individual auditors can actively participate in virtual teams using Video Teleconferencing, breaking down barriers and limitations of geographic location.
- **Knowledge and Information Management.** The ability to collect, store, organize, and access information must be improved with updated systems to support audit functions. Knowledge management will be an integral component in the training and development of auditors regardless of experience level, but especially beneficial for less experienced auditors when supplemented with extensive classroom training. Knowledge management software and a data acquisition system are needed to provide this capability.

- DAMIS replacement system.** The current automated management information system has become outdated and is no longer an effective tool for providing accurate project cost information to DoD IG leaders and is impacting the ability to effectively manage projects and provide accurate Return on Investment (ROI) information. The DoD IG requires funding to expand the use of TeamMate software and develop a new Automated Information Management System to overcome these deficiencies.
- Predictive Analytics.** Predictive analytics goes beyond the descriptive nature of data mining and knowledge management when combined with other Quantitative Science disciplines. It will provide a more proactive and focused assimilation and synthesis of data. The application of predictive modeling helps to identify areas where fraud, waste and misuse of resources are most likely to occur. This will enable Audit leadership to be more informed and better positioned to be proactive instead of reactive. The intended outcome is better allocation of Audit resources to detect and prevent fraud, waste and misuse of resources. To fully implement our predictive analytic requirements, we will need to invest in: data cleaning software, a server platform, a storage area network, and external online storage (for accessibility with the larger gigabyte and multiple terabyte data files). Analytical software that has the capability to access many forms of data across multiple platforms is needed to support the Predictive Analytics effort. The ability to access, store, and overlay numerous types of data (quantitative, qualitative, structured, unstructured, and open source), will provide information and insight that will be useful for predictive modeling and knowledge management for auditors and investigators. A Data Fusion and Knowledge Center will be established to coordinate and manage data acquisition, support proactive audit initiatives more effectively and efficiently, support real-time analysis of data, and function as a mechanism to synthesize information.
- Software Training and IT Support.** To ensure a mission-ready workforce, DoD IG employees will require enhanced technical training to effectively use the new systems such as a DAMIS replacement, additional TeamMate modules, VISIO software, and Knowledge and Information Management system.

**Estimated IT resources that are needed (\$ in thousands):**

<b>IT Area</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Hardware/software	\$611	\$402	\$332	\$649	\$372	\$342
Connectivity	205	195	210	220	225	225
Knowledge/info sys	10	35	24	24	26	26
DAMIS replacement	2,460	1,259	323	1,372	247	289
Predictive analytics	1,315	730	182	322	231	268
Training	300	300	280	230	230	230
<b>Annual total</b>	<b>\$4,901</b>	<b>\$2,921</b>	<b>\$1,351</b>	<b>\$2,817</b>	<b>\$1,331</b>	<b>\$1,381</b>
<b>Cumulative total</b>	<b>\$4,901</b>	<b>\$7,822</b>	<b>\$9,172</b>	<b>\$11,989</b>	<b>\$13,320</b>	<b>\$14,700</b>

**APPENDIX**

**B**

**OFFICE OF THE DEPUTY  
INSPECTOR GENERAL FOR  
INVESTIGATIONS**

## INVESTIGATIONS

### Future Personnel Requirements

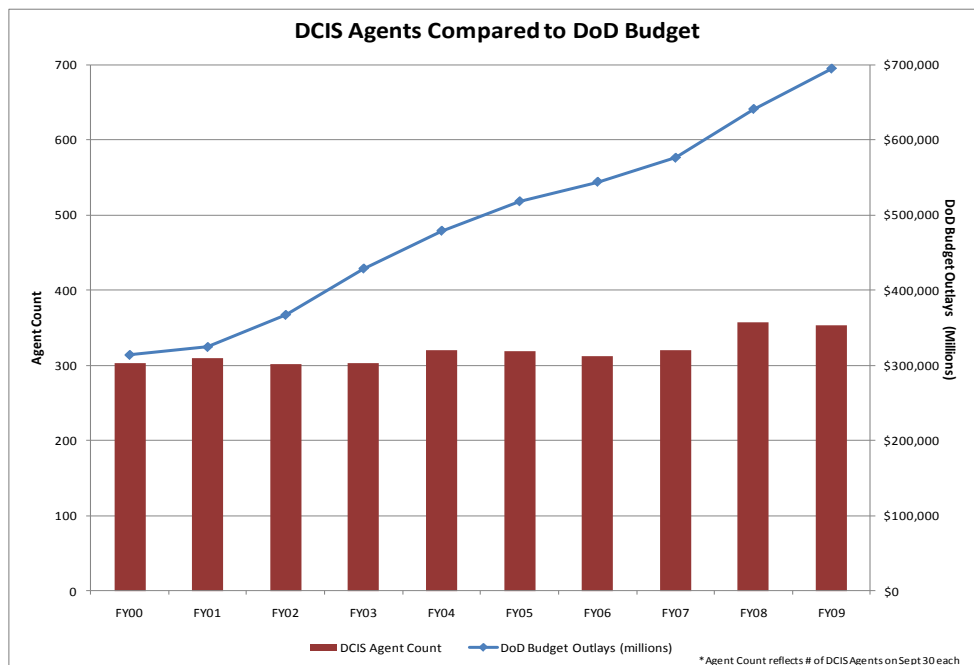
	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	424	450	470	490	510	525	530
<b>Annual Growth</b>		+26	+20	+20	+20	+15	+5
<b>Cumulative Growth</b>		+26	+46	+66	+86	+101	106

The Office of the Deputy Inspector General for Investigations (INV) / Defense Criminal Investigative Service (DCIS) is the criminal investigative component of the DoD IG.

#### Risk Assessment:

##### Defense Criminal Investigative Service

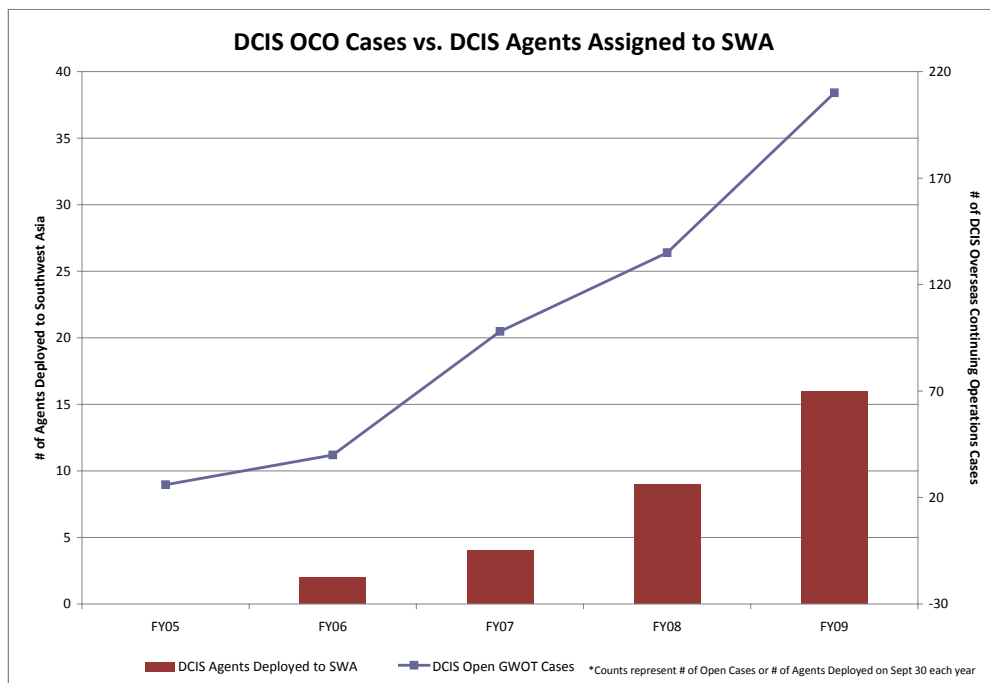
- The oversight of DoD contracts and programs needs to be strengthened. The number of DCIS agents conducting investigations has not kept pace with the increase in DoD budget over the past decade. The following graph illustrates the increase in the DoD budget during the past decade compared to the growth in the number of DCIS agents during that same period.



- The inability to obtain additional resources and classified communication systems in establishing global and additional major metropolitan area offices will result in undetected or inadequately investigated criminal activity and significant financial loss to the DoD.

DCIS needs to:

- Establish a capacity which encompasses a more robust infrastructure support entity that includes intensive training regimens. This will allow DCIS to provide a timely and efficient response to DoD activities throughout the world.
- Expand its mission in capabilities, communications and readiness as foreign deployments keep pace with DOD commitments throughout the world. As a current example, the following graph illustrates the rise in investigations initiated based on foreign deployment increases of DCIS agents. Additional agents are needed to pursue these new investigations CONUS and OCONUS. Additional resources would allow for increased investigative capabilities.



- Align its resources with DoD components stationed around the world. A global presence will allow for a more efficient and effective response to the DoD enterprise abroad.
- Continue its focus on technology/munitions theft and diversion. With additional resources, these crimes will more adequately be investigated preventing protected, often dangerous, items to fall into the hands of those who would do the United States



and its allies harm. These crimes are usually centered in major metropolitan areas throughout the world.

- Allocate additional resources for the investigations of cyber crimes. As DCIS expands and increases its criminal investigative capabilities, digital forensics requirements grow exponentially. In addition to supporting purely criminal investigations, the proliferation of information technology in support of communications and record keeping has created digital forensics requirements from the DoD IG's intelligence and administrative investigations components, as well. As an example, the quantity of data imaged by DCIS agents increased 31% from approximately 54 Terabytes (TB) of data in FY 2008 to over 71 TB in FY 2009. Digital forensics analysis accomplished by DCIS agents increased 25% from approximately 23TB in FY 2008 to 29TB in FY 2009. Forensics performed by the Defense Computer Forensics Laboratory on behalf of DCIS is not included in these figures. DCIS is unable to keep pace with these increasing operational and technological requirements without updated equipment for data storage and digital forensics processing to handle increasingly large amounts of data and provide administrative and criminal investigators timely analytical and digital forensics support.
- Establish an intensive, robust and recurring training environment with focus on DCIS priorities in order to provide Special Agent personnel with the optimal opportunity for success. This training and equipping (communications capabilities) would include the new area of targeting classified projects for potential fraudulent procurement and contracting practices.
- Establish pro-active investigative efforts in an attempt to prevent and deter waste, fraud and abuse throughout the world.
- Focus additional resources on the investigation of health care fraud. Additional staffing in major metropolitan areas will help prevent service members, military retirees, and their families from being put at risk as potential victims of fraudulent schemes and poor quality of care.
- Establish long term investigative staffing of strategic areas to meet mission needs in projected overseas expansion (e.g., new AFRICOM efforts and expanding investigative needs in PACOM and SOUTHCOM) to prevent fraud, theft, and corruption.

#### Objectives:

- Establish DCIS as the premier global procurement fraud investigative agency in the prevention of waste, fraud and abuse.
- Expand DCIS' international and domestic presence so as to ensure adequate and timely oversight of worldwide DoD operations, as well as train and equip (communications capabilities) personnel in order to target fraud waste and abuse in classified projects that have not previously been a priority.

- Enhance investigative support to OCO through investigations of fraudulent activity and corruption related to DoD operations.
- Build a vibrant, adequately-staffed DCIS Headquarters capable of supporting DCIS CONUS and OCONUS operations well into the future.
- Enhance emphasis on the following investigative areas: Significant fraud and corruption impacting DoD operations throughout SWA; significant procurement and acquisition fraud and other financial crimes which result in direct, multi-million dollar losses to the DoD; defective, substituted or substandard products with a particular focus on issues involving safety and/or mission readiness; Recovery and Reinvestment Act-related fraud, waste, and abuse involving funds allocated to DoD; illegal theft and/or transfer of critical DoD technologies, systems and equipment; and computer intrusions that result in exfiltration of sensitive DoD data, or serious Global Information Grid compromises.

#### Return on Investment:

- DCIS monitors indictments, convictions, fines, recoveries, restitution, and the percentage of cases accepted for prosecution to ensure consistency in effort and historical output and the resourceful use of assets. In FY 2007 through FY 2009, DCIS investigations resulted in 1,096 criminal indictments, 855 convictions; and \$3.45 billion in criminal, civil, and administrative recoveries (excluding headquarters and field managers, an average of \$4.38 million per agent, per year). These investigative results exceeded all previous accomplishments.
- Since its creation, DCIS has participated in cases that have resulted in over \$15.68 billion in criminal, civil, and administrative recoveries.

#### Summary of Future Requirements:

INV's mission has evolved and escalated as a result of the global mission of DoD. DCIS' traditional areas of concentration (major procurement fraud, substitution of substandard and defective products, healthcare fraud, and public corruption) were expanded to include anti-terrorism operations and technology protection investigations (illegal transfer, theft, or diversion of DoD technologies and U.S. Munitions List items to proscribed nations and persons).

DCIS requires additional personnel to detect, investigate, prosecute, and deter criminal activity impacting DoD. Our out-year growth requirement that is detailed in the table above will enable us to enhance investigative support to international operations, as well as the establishment of new offices in support of the domestic and global DoD mission. To achieve these goals, DCIS needs to establish a robust training environment to provide our special agent personnel the tools to create the best opportunity for success.

Additional resources, especially classified communications capabilities, will also be utilized to expand our investigative expertise in procurement and contract fraud in the

area of classified programs. This area has long been neglected due to limited resources, training and classified communications capabilities.

In addition to staffing regions and operations, additional personnel would allow DCIS to place enhanced emphasis on its core mission including: Significant fraud and corruption impacting DoD operations to include classified operations; significant procurement and acquisition fraud and other financial crimes which result in direct, multi-million dollar losses to the DoD; defective, substituted or substandard products with a particular focus on issues involving safety and/or mission readiness; Recovery and Reinvestment Act-related fraud, waste, and abuse involving funds allocated to DoD; illegal theft and/or transfer of critical DoD technologies, systems and equipment; and computer intrusions that result in exfiltration of sensitive DoD data, or serious Global Information Grid compromises.

**APPENDIX**

**C**

**OFFICE OF THE DEPUTY  
INSPECTOR GENERAL FOR**

**ADMINISTRATIVE INVESTIGATIONS**

## ADMINISTRATIVE INVESTIGATIONS

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	57	63	68	68	68	68	68
<b>Annual Growth</b>	0	+6	+5	0	0	0	0
<b>Cumulative Growth</b>	0	+6	+11	11	11	11	11
<b>Military Personnel</b>	3	3	3	3	3	3	3

The Office of the Deputy Inspector General for Administrative Investigations (AI) consists of three directorates that conduct investigations of senior official misconduct and whistleblower reprisal: Investigations of Senior Officials (ISO), Military Reprisal Investigations (MRI), and Civilian Reprisal Investigations (CRI).

#### Risk Assessment:

- In FY09, AI received 22 additional full-time equivalent (FTE) civilian positions. The purpose of the increase in personnel was to enable AI to improve the timeliness of investigations into senior official misconduct and whistleblower reprisal. The additional FTEs called for in this plan will enable AI to continue to improve the timeliness of administrative investigations and oversight of Service IG investigations.

#### *Investigations of Senior Officials*

- Investigations of Senior Officials (ISO) conducts highly sensitive investigations of allegations against the most senior DoD officials (3 & 4 star military officers, senior executive service civilians, political appointees). Further, as part of its responsibility to fully inform the President and Senate of adverse information concerning senior officials being nominated for promotion, reassignment, or other action, ISO conducted over 12,000 name checks on DoD senior officials in the past year. ISO investigations routinely have the direct interest of SECDEF, Members of Congress, and the media.
- Timeliness is particularly critical where allegations are made against senior officials who are pending promotion, Senate confirmation, or other significant action. As a result, personnel actions are placed on hold until the allegations against the senior official are investigated and reported to the Service and SECDEF. Delays in completing an investigation against a senior official, particularly one who is pending

confirmation or assignment to a higher level position, ultimately impacts the readiness of the Service involved and the Department as a whole. These delays are of particular concern when assignments to warfighter positions are affected.

- ISO has an historic average case cycle time of 240 days, which causes frequent complaints from the Services and Congressional members. Additionally, despite an additional 8 FTEs added in FY09, current staffing remains inadequate to conduct the type of in-depth analysis of all Service IG investigations that is needed to ensure conclusions have a sound evidentiary basis.

### *Military Reprisal Investigations*

- The DoD IG has specific responsibilities to investigate whistleblower reprisal complaints under three Federal statutes (10 U.S.C. 1034, 10 U.S.C. 1587, 10 U.S.C. 2409). Recent additional staffing has enabled Military Reprisal Investigations (MRI) to address and resolve significant backlogs that resulted from prior understaffing.
- However, the number of whistleblower cases has grown steadily over the years, from 150 in 1994 to over 550 in 2009. Of complaints that proceed to full investigation, the historic substantiation rate has been nearly 25 percent. Since 1997, FTEs for investigators remained at 16. Despite an increase of 9 additional FTEs in FY09, additional FTEs are needed to meet statutory guidelines for completing investigations (180 days) and to fulfill obligations for oversight, training, and outreach.
- Further, recent Congressional legislation is expected to increase MRI workload: 10 U.S.C. 2409 expanded the definition of a disclosure from contractor employees that will qualify as “protected.” Section 1553 of the Recovery Act of 2009 included broad whistleblower protections for employees of contractors and subcontractors who receive covered funds.
- In July 2009, the Department of Justice (DoJ) Inspector General completed a review of MRI policies and processes for handling reprisal complaints. The DoJ review coincided with completion of an oversight investigation of MRI reprisal investigations by the staff of Senator Charles Grassley. The DoJ found that the “biggest challenge MRI faces is timeliness” in meeting the statutory 180-day deadline for completion of reprisal complaints and that this challenge will persist until staffing shortages are completely remedied. The DoJ reported that without additional FTEs, MRI will not be able to provide adequate oversight of investigations conducted by the Service IGs. The DoJ recommended hiring additional investigators and team leaders and to use the expanded resources to conduct preliminary inquiries arising from all Services. Finally, the DoJ report noted that all MRI administrative tasks were being handled as collateral duties by investigators and team leaders and recommended MRI hire dedicated staff for administration and training/outreach so that investigators could focus solely on resolving reprisal complaints.
- The DoD IG closed approximately 40 cases last year involving allegations of improper referrals for mental health evaluation. Twenty-two (61%) of those cases substantiated that command officials and mental health care providers failed to follow the procedural requirements for referring service members for mental health

evaluations under DoD Directive 6490.1, “Mental Health Evaluations of Members of the Armed Forces.” Due to the sustained deployment of personnel in the Global War on Terrorism and emphasis on mental health issues, we expect the number of cases involving alleged improper mental health referrals to continue to rise.

### *Civilian Reprisal Investigations*

- Civilian Reprisal Investigations’ discretionary civilian reprisal cases are of high Congressional interest. Despite an additional FTE added in FY09, at least 3 more investigators are needed to bring CRI to its intended capability.
- Further, it is important to keep in mind that intelligence service employees do not have whistleblower protections under Title 5 and CRI is the only DoD administrative investigative unit currently reviewing security clearance decision-making alleged to be a pretext for reprisal.

### Objectives:

- The most critical objective for ISO is to thoroughly and expeditiously investigate allegations against the most senior DoD officials and to oversight Service IG investigations of other senior officials. The need to expedite such investigations is critical in a wartime environment.
- The key objective for MRI is to decrease cycle time for completing investigations. However, as the proponent for two DoD Directives, MRI needs additional FTEs dedicated to ensure the DoD IG meets its responsibilities for establishing policies and procedures for resolving reprisal issues and for conducting training outreach to the Service IG community.
- The DoD IG established CRI in 2004 in response to congressional concern that DoD civilian appropriated fund employees required increased whistleblower protection, particularly the excepted-service employees not covered under Title 5 protections. The goal of CRI is to increase its assistance to DoD civilian whistleblowers, conduct investigations, and educate DoD agencies on whistleblower rights.

### Return on Investment:

- In FY 2010, nearly one-half of all investigations conducted by ISO had significant media, SECDEF, or congressional interest, with results provided directly to the SECDEF or members of Congress. Although ISO is widely praised for the thoroughness of its investigative work and superior quality of reports, lengthy case cycle time has been a persistent challenge. The recent addition of FTEs has led to a moderate reduction in cycle time in FY 2010 and further reductions are anticipated as newly hired investigators increase their proficiency. However, it is apparent that additional FTEs will be required to meet the goal of 180 days that we consider appropriate for ISO cases—compared to the historic average of 240 days. Improved case completion time will result in increased DoD and congressional confidence in

the DoD IG capabilities and more expeditious resolution for the individuals involved. The importance of ISO's capability to ensure a timely resolution of complaints against senior officials cannot be overemphasized. Historically, nearly 20 percent of investigations into allegations of senior official misconduct substantiate the allegations. In FY 2010, this percentage jumped to 50 percent. Substantiated allegations against senior officials can result in immediate removal from command, reprimand, reduction in rank, and reimbursement to the Government. Further, as part of its responsibility to fully inform the President and Senate of adverse information concerning senior officials being nominated for promotion, reassignment, or other action, ISO conducted over 12,000 name checks on DoD senior officials in the past year.

- In addition to the FTEs gained through support of this plan, the FTEs called for in FY11 and FY12 will enable MRI to ensure the intent of Congress is met: that all whistleblower reprisal complaints are resolved thoroughly, objectively, and expeditiously. By increasing staffing, MRI will have the opportunity to revitalize the DoD IG Whistleblower Protection Program by: (1) ensuring cases are resolved within statutory guidelines, (2) increasing outreach to Service IGs by conducting on-site training workshops, and (3) promoting the DoD Whistleblower Protection Program. As a result, MRI will significantly enhance the DoD IG's leadership in providing whistleblower protections for members of the Armed Forces, NAF employees and DoD contractors.
- Over the past year CRI counseled numerous complainants and has 24 open investigations. However, CRI has had to refer many more complainants to the Office of Special Counsel without the benefit of CRI advice and assistance. Additional FTEs will enable CRI to expand the level of its whistleblower protection to civilian appropriated fund employees, with particular focus on protection to DoD intelligence community whistleblowers who are not covered under Title 5.

#### Summary of Future Requirements:

In addition to the FTEs that ISO has received as a result of support for this plan, additional FTEs are needed to continue to successfully carry out its mission responsibilities in a timely manner for conducting investigations and oversight reviews of investigations into allegations against the most senior DoD officials, which often have the direct interest of the SECDEF, Members of Congress, and the media. Because of widespread interest in these investigations, ISO performance has a significant impact on the DoD IG's reputation for integrity and efficiency. Past inability to complete investigations in a timely manner due to understaffing has resulted in criticism of the DoD IG and weakened congressional and public confidence in commanders and other senior officials under investigation. In addition, extended investigations often result in delays in promotions, reassignments, and retirements. Such delays cause personal turmoil, seriously impact individuals and families, affect military leadership continuity at the highest levels, and increase personnel costs pending completion of an investigation.



MRI requires the additional FTEs called for in the plan to enable the DoD IG to continue to revitalize the DoD whistleblower protection program and meet its statutory responsibilities. Most significantly, increased staffing will allow MRI to meet statutory guidelines of 180 days to resolve complaints.

Continued support for additional staffing will enable CRI to continue establishing a strong program that includes advising and assisting DoD civilian appropriated fund employees who believe they have been the victims of whistleblower reprisal activity. If the DoD IG is to reach full potential for protecting civilian whistleblowers as Congress has mandated, CRI requires additional FTEs to ensure adequate staffing for this important mission.

**APPENDIX**

**D**

**OFFICE OF THE DEPUTY  
INSPECTOR GENERAL FOR  
POLICY & OVERSIGHT**

## POLICY & OVERSIGHT

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	85	96	98	101	103	106	106
<b>Annual Growth</b>		+11	+2	+3	+2	+3	+0
<b>Cumulative Growth</b>		+11	+13	+16	+18	+21	+21
<b>Military Personnel</b>	1	1	1	1	1	1	1

#### Risk Assessment:

- We risk failing to meet critical IG strategic goals and critical oversight responsibilities. Specifically, oversight of the DoD Audit and Investigative activities will be significantly delayed; cost recovery opportunities will be lost; timely updates and issuance of DoD policy related to audit and law enforcement procedures and practices will not occur; engineering oversight/assessments of critical technical issues of systems development, cybersecurity, and field support in Overseas Contingency Operations (OCO) and the American Recovery and Reinvestment Act (ARRA) will be inadequate; and initiatives to improve the ability to identify fraud and other high risk areas for IG audit, evaluation, and investigation will be jeopardized.

#### Objectives:

- Audit Policy & Oversight (APO) – continue to expand policy guidance, oversight reviews, contract audit follow-up, audit quality system reviews, Hotline and congressional inquiries, best practices projects, and training.
- Investigative Policy & Oversight (IPO) – increase proactive evaluations of programs and operations of the DoD Law Enforcement Community and case-based evaluations including the Defense Criminal Investigative Organizations and other Law Enforcement entities. Increase workload stemming from activity in OCO. Significant increase in workload associated with the DoD IG Subpoena and Contractor Disclosures programs.
- Technical Assessment Directorate (TAD) – Improve technology oversight by expanding the TAD into the Defense Technical Assessment Service (DTAS) to oversee the expanding DoD dependence on technology in the areas of systems development, cybersecurity, and field support. Provide requested increased technical assessments for the ARRA, criminal investigations, and OCO, specifically South West Asia and Guam Realignment.

Return on Investment:

- Continuous monitoring and increased oversight of work performed by DoD audit agencies, most especially the Defense Contract Audit Agency with over 3,500 auditors and the 23 other DoD Audit organizations with 2,700 auditors. Increased policy guidance and policy initiatives including updates to Fraud webpage and publications.
- Expanded policy and oversight of CPA firms and state and federal auditors for compliance with the Single Audit Act and OMB Circular A-133. DoD has 29 cognizant organizations with over \$7.4 million in DoD research and development funds to non-profit organizations.
- Increased recovery of over \$6.0 billion in contractor costs questioned by DCAA. Currently, only 43% of questioned costs are upheld by contracting officers. Increased APO surveillance of contracting officer actions will increase this percentage.
- More timely requested/mandated inspections and evaluations and the ability to simultaneously take on high visibility, unplanned assessments impacting DoD readiness, management effectiveness, and support of OCO. Expanded capability to lead interagency evaluations on programs and issues that require cross-agency, integrated solutions.
- Ability of IPO to conduct proactive evaluations of the programs and operations of the DoD Law Enforcement community which has been lacking for several years due to other higher priorities.
- Ability for IPO to respond to requests for DoD IG subpoenas related to procurement fraud in a more timely manner and to process more effectively Contractor Disclosures relative to fraud and other misconduct and major safety issues reported by Defense contractors. Enhanced ability to conduct case-based evaluations stemming from the OCO in Iraq, Afghanistan, and CONUS.
- Develop a program to conduct follow-up evaluations on completed evaluations, such as the leadership response to Sexual Assaults.
- Strengthened ability to ensure audit recommendations are implemented and documented. Ensure that the benefits of recommendation intent are realized.
- Improved DoD projects and programs through enhanced engineering support for the expanding number of audits and investigations. Support the significant increase of in-country oversight of life, health, and safety issues and critical Defense systems performance. In addition, providing ARRA oversight projects with engineering support is a significant new engineering manpower requirement that will help to ensure that ARRA funding is being used appropriately and the Guam Realignment is planned and executed effectively.

### Summary of Future Requirements:

The Office of the Deputy Inspector General for Policy and Oversight (P&O) was established by DoD IG in 2002. P&O serves as the primary advisor to the IG on DoD policy matters and makes recommendations that are designed to prevent fraud, waste, and abuse consistent with statutory responsibilities of the Inspector General Act of 1978, as amended.

P&O is comprised of the Offices of the Assistant Inspectors General for Audit Policy and Oversight (APO), Investigative Policy and Oversight (IPO), and the Technical Assessment Directorate (TAD).

The mission of P&O is to facilitate change in the form of greater Departmental efficiency and program effectiveness by providing policy and direction as necessary to auditors, investigators, and inspectors within the DoD. As such, P&O, via its oversight reviews and technical expertise, ensures program quality control and statutory and regulatory compliance by conducting investigations, evaluations, and assessments on matters of interest to the Department, the IG, and the Congress.

The growth plan has enabled Audit Policy & Oversight to increase staffing by 17 work years to strengthen DoD IG oversight of audit activities throughout DoD and encourage more rigorous implementation of audit results by DoD contracting officers. These additional resources are being employed to:

- Increase guidance and oversight for the Defense Contract Audit Agency (DCAA), where two recent GAO reviews found significant weaknesses in audit processes and internal controls. APO currently assigns only 4 auditors to oversight 3,400 DCAA auditors issuing 35,000 reports annually.
- Increase recovery of the \$6.0 billion in contractor costs questioned by DCAA. Currently less than half of questioned costs are recovered by contracting officers because of limited APO oversight of contracting officer action. Monitor those noncompliance reports lacking a final contracting officer determination and whose estimated return to the government exceeds a billion dollars.
- Increase oversight of Single Audits involving the 1,500 non-federal organizations that receive \$8.5 billion in DoD research grants. (DoD has 29 cognizant organizations that receive approximately \$7.4 million of the \$8.5 billion annually).
- Educate the DoD audit workforce – provide best practices guidance, procurement fraud indicators Web Site, basic to advanced training in contracting integrity. These educational efforts hold great payoff potential.

Investigative Policy & Oversight foresees a need to increase its strength due to an increase in case-based investigations stemming from the wars in Iraq and Afghanistan. In addition, the DoD IG contractor disclosure and subpoena programs will increase over the next few years due to the increase in the size of the DoD budget. IPO continues to receive an increase in requests for DoD IG subpoenas that support procurement fraud

investigations conducted by the DCIO community in the U.S. and Iraq and Afghanistan and CONUS. Expanded oversight of the DoD Law Enforcement community and its programs and operations is needed, particularly in proactive evaluations, case-based evaluations and to support efforts in procurement fraud investigations conducted by Defense Criminal Investigations organizations.

The Technical Assessment Directorate requires additional FTEs to enable its technical oversight capabilities to keep pace with the ever-growing DoD dependence on technology, especially in the areas of systems development, cybersecurity and field support. The demand for additional engineering support is driven by an increasing need for evaluations, assessments and investigations which require engineering expertise. The value of TAD's engineering support has been demonstrated in recent projects, such as those related to our efforts in SWA, and will continue as TAD's role increases with DoD's ever-growing dependence on technology. Additionally, TAD will continue to provide technical support of ARRA projects which require engineering evaluations, assessments and investigations.

**APPENDIX**

**E**

**OFFICE OF THE DEPUTY  
INSPECTOR GENERAL FOR  
INTELLIGENCE**

## INTELLIGENCE

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	47	50	52	56	60	63	66
<b>Annual Growth</b>		+3	+2	+4	+4	+3	+3
<b>Cumulative Growth</b>		+3	+5	+9	+13	+16	+19
<b>Military Personnel</b>	5	5	5	5	5	5	5

The Office of the Deputy Inspector General for Intelligence (DIG-Intel) grew 6 percent from 44 in FY 2008 to 47 in FY 2010. The additional resources allowed the component to produce the normal number of annual reports while simultaneously reducing report cycle time. Most importantly, ODIG-Intel was able to absorb a significant number of external projects directed by Congress, Department of Defense leadership, with minimum impact on the annual plan. The flexibility of the component was best observed in 2009 with the direct support of four external projects and joint support to two multi-agency projects while continuing to execute ongoing efforts.

#### Risk Assessment:

- Although the Office of the Deputy Inspector General for Intelligence (ODIG-Intel) has increased its flexibility with the recent growth in resources, the growth has not reached a pivot point that will allow us to increase our ability to perform planned audits and evaluations in key intelligence disciplines where coverage has historically been lacking and/or increase in team size to enable us to complete the projects in a more timely manner. We have not been able to expand our audits and evaluations in key intelligence issues such as intelligence acquisition programs, Imagery Intelligence, Measurement and Signature Intelligence, Open Source Intelligence and the evolving cyber-spectrum. With requested increases, we will be able to increase our production from an annual average of 15 reports to 20 over the phasing in of the additional staff. These reports will provide invaluable recommendations for improving the Defense Intelligence and Nuclear Enterprises and Special Access Programs and related security matters.
- Historically, about 65 percent of Intel efforts have been driven by congressional and management requests. Congress has been particularly interested in various intelligence issues leading up to the war in Iraq. Without additional resources we will not be able to address those congressional and DoD management requests and continue to meet our responsibility to address other key issues affecting the DoD intelligence community, including addressing the SECDEF priority of improving



military intelligence capabilities. Our oversight of nuclear surety issues and special access programs will also be limited.

#### Objectives:

- Increase capacity to address Defense intelligence priorities.
- Increase coverage of intelligence disciplines such as Imagery Intelligence, Measurement and Signature Intelligence, and Open Source Intelligence.
- Significantly increase oversight of intelligence acquisitions and contracts; increase efforts across the board in Nuclear Surety and the Cyber-spectrum.
- Replace OCO hires with core mission hires to prevent or minimize knowledge collapse.

#### Return on Investment:

- Improved effectiveness and efficiency of DoD intelligence, nuclear, and Special Access Programs, to include coverage of SWA issues, ways to improve business operations, compliance with statute & regulations, and ways to improve national security.
- Enhance ODIG-Intel workforce morale and job satisfaction by having requisite resources to allow planning and execution of the annual plan that focuses on the IG's guiding principles and DoD priorities and Management Challenges.

#### Summary of Future Requirements:

Additional resources are needed in order for ODIG-Intel to effectively accomplish its mission and oversee the breadth and depth of Defense intelligence issues. Additional resources will increase our ability to perform planned audits and evaluations in key intelligence disciplines where coverage has been lacking and allow for an increase in team size to enable us to complete projects more timely and/or increase the scope of our reviews of key national security, nuclear, special access programs and intelligence issues, including intelligence acquisition programs, research technology protection, and cyber-related programs.

Although our limited resources have been applied to key intelligence issues, historically, about 65 percent of our report production has been in response to requests from DoD management and Congress. Additional resources would allow us to increase our capacity to provide more timely and comprehensive oversight of other key mission areas. We would be able to perform more planned audits and evaluations in key intelligence disciplines such as Imagery Intelligence, Measurement and Signature Intelligence and Open Source Intelligence. Other key areas requiring additional oversight include:

- National Reconnaissance Office activities, especially major acquisitions

- National Security Agency Operations Security, Information Security Programs and Cyber-related programs
- National Geospatial-Intelligence Agency programs
- National Intelligence Program/Military Intelligence Program funding
- Service Intelligence Component activities
- Operations and Support Special Access Programs

The current staffing level of 47 does not include three reemployed annuitants for OCO projects. Our initial manning objective for FY11 is to maintain that level of staffing by replacing the three OCO hires with core mission hires. The additional personnel in FY 2012 through FY 2016 are needed to fulfill our goal to increase our capacity and capability to perform our mission and address key Defense intelligence priorities in a more proactive manner. These additional resources will enable us to expand our teams, thereby performing more projects more quickly, and subsequently issuing more reports on intelligence missions and functions.

**APPENDIX**

**F**

**OFFICE OF THE DEPUTY  
INSPECTOR GENERAL FOR  
SPECIAL PLANS & OPERATIONS**

## SPECIAL PLANS & OPERATIONS

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	42 <sup>4</sup>	52	62	72	78	83	83
<b>Annual Growth</b>		+10	+10	+10	+6	+5	+0
<b>Cumulative Growth</b>		+10	+20	+30	+36	+41	+41
<b>Military Personnel</b>	12 <sup>5</sup>	12	12	12	12	12	12

The mission of the Office of the Deputy Inspector General for Special Plans & Operations (SPO) is to provide assessment oversight that facilitates informed decision-making by senior leaders of the DoD and the U.S. Congress, in order to accomplish priority national security objectives.

#### Risk Assessment:

- The current authorization for personnel (42 civilians and 12 military) is insufficient to meet the current and anticipated medium-term tempo of performance assessments focused on overseas contingency operations in Southwest Asia.
- Ensuring that our war-fighters who have experienced serious injury in battle receive the support they need and deserve on the home front is a Quadrennial Defense Review (QDR) priority emphasis and a SPO program oversight focus that also merits an increase in personnel resources.
- In addition, DoD IG oversight extends to a broad range of transformational and other key strategic challenges, as defined in the QDR. Without the additional resources requested, SPO will be unable to adequately perform its specific role and execute its responsibility to provide oversight for these critical DoD challenges, as well as with respect to overseas contingency operations and Wounded Warrior medical support concerns in CONUS.

<sup>4</sup> With the integration of the DoD IG's Inspections and Evaluations Directorate into SPO, effective February 28, 2010, the civilian personnel positions in SPO increased from 29 to 42.

<sup>5</sup> With the integration of the DoD IG's Inspections and Evaluations Directorate into SPO, effective February 28, 2010, the authorized military personnel billets in SPO increased from 8 to 12.

Objectives:

- Boost staff capacity to increase the tempo of performance assessments focused on DoD current conflicts which have immediate importance: the responsible drawdown in Iraq; the training and equipping of the Afghan National Security Forces; the development of the logistics sustainment capability of the Iraqi and Afghan security forces; U.S. security assistance programs in Iraq, Afghanistan and Pakistan; overseas contingency operations in other regions beyond Southwest Asia; and the Wounded Warrior initiative in CONUS.
- Increase oversight coverage of key DoD objectives and initiatives intended to meet the most likely lethal threats and security challenges on the horizon and other priority institutional transformation challenges, such as the strategic modernization of our military, the implementation of the new Stability Operations mission, and building strong interagency and international partnerships.

Return on Investment:

## SPO Iraq Assessments

- Established a significantly enhanced system for the accountability and control of munitions being supplied by the U.S. to the Iraqi Security Forces and a new CENTCOM munitions policy theater-wide that limited the loss of weapons to insurgents and protected U.S. investment of hundreds of millions of dollars.
- Established an enhanced system for the accountability and control of night vision devices being provided to the Iraqi Security Forces.
- Energized and advanced capacity building of Iraqi military and police logistics sustainment.
- Reviewed the intra-theater transportation planning and capabilities for the drawdown of personnel and equipment from Iraq to ensure that withdrawal goals and objectives were met.

## Afghanistan

- Improved capability of U.S. and Afghan security forces to provide accountability and control of weapons and ammunition provided to the Afghan Army and Police, thus limiting fraud, waste and abuse of this U.S.-donated equipment and its use by insurgents against U.S. forces.
- Increased the capacity of the U.S. Security Assistance Office to support the Afghan Army's equipment needs and rapid force expansion, thereby implementing the U.S. Congressional requirement for oversight of sensitive defense technology.
- Identified constraints to the development and expansion of the Afghan National Security Forces, thereby facilitating their growth and eventual capability to operate without dependency on U.S. forces.
- Identified the lack of a comprehensive strategic plan with subordinate operational plans to develop the logistics sustainability of the Afghan National Security Forces.

## Pakistan

- Identified problems within the U.S. security assistance and Coalition Support Funds programs in Pakistan; developed and recommended solutions, which were appropriately adopted, thus improving the ability to strengthen Pakistani security force operations against extremist insurgents.

### Summary of Future Requirements:

The request for 10 additional civilian FTEs in FY11 and a total of 41 additional FTEs through FY16 is to address the need to increase DoD IG oversight capacity in Southwest Asia and other overseas contingency operations, and to address long-term strategic challenges brought on by the new DoD stability operations mission. These resources will enable SPO to provide effective oversight of critical issues through:

- Increased tempo of performance assessments focused on key DoD strategic challenges in Southwest Asia:
  - The responsible drawdown in Iraq and the transition to a post-2011 security assistance / cooperation capability,
  - The training and equipping of the expanding Afghan National Security Forces,
  - The development of the logistics sustainability capability of the Iraqi and Afghan Security Forces, and
  - Stability operations in the Afghanistan/Pakistan region.
- Increased assessments of the medical care provided to our Wounded Warriors.
- Increased oversight coverage of key DoD strategic challenges identified in the 2010 QDR, such as institutional transformation to meet current and emerging threats requiring overseas contingency operations beyond Southwest Asia.
- Increased oversight coverage of expanded DoD efforts to improve U.S. interagency cooperation and international security partnerships to prevent and deter conflict, and address it when it occurs.

**APPENDIX**

**G**

**OFFICE OF THE ASSISTANT  
INSPECTOR GENERAL FOR  
ADMINISTRATION & MANAGEMENT**

## ADMINISTRATION & MANAGEMENT

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel<sup>6</sup></b>	152	162	167	174	180	190	200
<b>Annual Growth</b>		+10	+5	+7	+6	+10	+10
<b>Cumulative Growth</b>		+10	+15	+22	+28	+38	+48
<b>Military Personnel</b>	1	1	1	1	1	1	1
<b>Contractors</b>	49	55	55	55	55	54	44
<b>Total Personnel w/ Mil &amp; Cont</b>	202	218	223	230	236	245	245

The Office of the Assistant Inspector General for Administration & Management provides critical mission support to the staff and management of the DoD IG, to include human capital, security, professional development, operations center, logistics, procurement, facilities, property management, and information technology.

#### Risk Assessment:

- Agency growth increases demand for essential administration, management, and support functions, such as information technology, human resources, logistics, security, procurement, and training.
- Failure to meet those demands significantly impacts the ability of the Inspector General to effectively and efficiently perform the mission related to the deterrence of fraud, waste and abuse; and promote integrity, accountability, and improvement in support of DoD personnel, programs and operations. The DoD IG has identified several IT requirements that requires an investment in trained IT personnel in order to provide proper support and mission success:
  - Web 2.0, enhanced electronic collaboration, and expanded use of Video Teleconferencing (VTC)
  - Replacement of Legacy DAMIS system with TeamMate and a new Automated Information Management System

<sup>6</sup> Increases in civilian personnel could be impacted by the potential in-sourcing of currently contracted services; and, therefore, over the course of the plan the net increase in civilian personnel may be adjusted with a proportionate decrease in contractors to support the OMB mandate to reassess outsourcing.



- Planning and Implementation of Predictive Analytics and Knowledge Management systems
- Support for the development and implementation of CRIMS Phase II
- Increased Data Storage to support audits and investigations
- The Information Systems Directorate provides critical cybersecurity protection for all Inspector General electronic files/records. Increasing cybersecurity threats and DoD information security requirements demands an increasing level of effort and personnel resources. Additionally, current staffing is not sufficient for optimal protection of DoD IG networks and systems.
- Conversion from NSPS back to GS requires significant changes in all HR operating systems. There is a high risk associated with non-compliance. Sufficient staffing is needed to support the OPM HR requirements.
- The Office of Management and Budget (OMB) has mandated a reduction in the number of contractors. The OA&M intends to assess our use of contracted services to determine the optimal balance, which may require increases in civilian personnel, due to in-sourcing, that are yet to be determined at the time of publication of this plan.
- The Department’s reporting requirements continues to increase, depriving critical resources from mission support requirements.
- An IT Resource Analysis found that the DoD IG organization is considered a High Intensity User of IT services due to 100% usage of IT by the OIG organization, 100% of users using IT to perform critical job functions on a daily basis, the high number of PCs per user (1.25 each), significant usage of Blackberry devices by end users, and the significant number of physical locations supported by the ISD.

**Demographic Comparison of Computer Economic Study  
IT Intensity Data to DoD IG**

<b>Metric</b>	<b>25<sup>th</sup> Percentile</b>	<b>Median</b>	<b>75<sup>th</sup> Percentile</b>	<b>DoD OIG</b>
Percentage of employees who use IT	84.9%	100.0%	100.0%	100.0%
“Major” users as percentage of all users	61.5%	75.0%	82.5%	100.0%
PCs per user	0.72	0.92	1.21	1.25
Percentage of users with handheld email devices	2.2%	3.8%	9.2%	61.1%
Number of network sites	13	56	261.3	78

Objectives:

- Provide critical administrative support to operational components.
- Maintain service levels commensurate with organizational growth.
- Leverage Cutting Edge Technological advancements improving DoD IG business processes in support of the Agency's statutory mission.
- Staff the DoD IG Operations Center 24x7 to comply with DoD requirements for Personnel Accountability for DoD employees and to provide support to DoD IG personnel globally.
- Comply with Title 5, Code of Federal Regulations Parts 410 & 412. Part 410 requires agencies to develop and maintain plans and programs that identify mission-critical competencies, identify workforce competency gaps, and include strategies for closing competency gaps. Part 412 requires agencies to systematically develop executives and potential executives by identifying required competencies and existing gaps, and managing learning events to close the gaps for each workplace position.
- Career Development for DoD IG employees, in accordance with the DoD Human Capital Strategic Plan.
- Facilitate horizontal integration of joint oversight activities.
- Develop and implement competency models to comply with DoD requirements and to support Goals 1, 2 and 4 in the DoD IG Human Capital Strategic Plan.
- Complement support requirements with staff to meet the reporting and compliance demands from the Department.
- Protect DoD IG data in compliance with Information Assurance Policies, applicable Federal Government, Department of Defense (DoD), and Joint Task Force Global Network Operations (JTF-GNO) rules, regulations, directives, instructions, orders, National Institute of Standards and Technology (NIST) policies, NIST/DoD security standards and the Federal Information Security Management Act (FISMA). Additional IT personnel and capabilities will be deployed to streamline DoD IG business processes and provide improved accomplishment of the agency mission.
- Provide qualified HR professionals to facilitate on-going changes in HR programs.

Return on Investment:

- Prevention of unauthorized access or loss of Inspector General electronic files/records.
- Provide the Inspector General quantifiable cyber technology advancements allowing interagency secure information sharing and knowledge management.
- Proactive results by leveraging predictive analytics technology, enabling the Inspector General to predict key indicators of fraud, waste, and abuse.

- Increased efficiency of audits and investigations realized through the modernization of key IT systems.
- Enhanced professional development, administrative support, safety, and security for DoD IG personnel and programs.
- Adequate administrative support will allow operational components to focus resources on the accomplishment of the DoD IG mission to promote integrity, accountability, and improvement of Department of Defense personnel, programs and operations to support the Department's mission and to serve the public interest.
- Development of competency models will enhance DoD IG's ability to hire and retain the right talent to meet mission requirements. Three categories of competency models are required
  - DoD IG leadership competency model
  - DoD IG wide core competencies
  - Specific occupational competencies for approximately 10 occupations
  - Annual competency gap analysis assessment.
- Quality HR program in Human Capital initiatives directly impact the DoD IG's capability to meet mission requirements.

#### Summary of Future Requirements:

The Administration & Management requires 48 additional FTEs for FY 2011 through FY 2016 to support the expanding DoD IG global footprint and provide mission critical cyber technology resources to enable accomplishment of the DoD IG's statutory mission: to comply with OPM and DoD Information Assurance mandates; to increase mission capability through enterprise technology transformation; and to increase integration of joint oversight activities guidance and training.

## **APPENDIX**

# **H**

## **OFFICE OF THE ASSISTANT INSPECTOR GENERAL FOR**

## **COMMUNICATIONS & CONGRESSIONAL LIAISON**

**(To include Hotline & Whistleblower Programs)**

## OFFICE OF COMMUNICATIONS & CONGRESSIONAL LIAISON

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	52	56	58	60	62	64	64
<b>Annual Growth</b>		+4	+2	+2	+2	+2	+0
<b>Cumulative Growth</b>		+4	+6	+8	+10	+12	+12

The Office of the Communications and Congressional Liaison (OCCL) functions include the Defense Hotline, Government Accountability Office Liaison, Freedom of Information Act/Privacy Act, Congressional Liaison, Public Affairs, Strategic Communications, Strategic Planning, and Intergovernmental Affairs.

#### Risk Assessment:

- There are increased demands for important support functions, such as communications, strategic planning, congressional liaison, and hotline/whistleblower intake.
- Failure to meet those demands will impact the ability of our auditors, investigators, and other personnel to effectively and efficiently perform their duties in deterring fraud, waste and abuse; promoting integrity, accountability; improving the economy, efficiency and effectiveness of DoD personnel, programs and operations; and keeping the department, Congress, and the public fully informed.

#### Objectives:

- Provide timely, efficient, and effective communication with the Department, Congress, and the public
- Encourage and facilitate the reporting of fraud, waste and abuse via the Defense Hotline and provide effective oversight and guidance for the Service hotlines
- Provide comprehensive and cohesive strategic planning and communications support to the organization to ensure that plans support our mission and goals and that these are communicated clearly to DoD IG employees and other DoD IG stakeholders
- Ensure that whistleblowers understand the complaint process and their rights, and that their rights are protected
- Increase mission support capabilities commensurate with organizational growth

Return on Investment:

- Adequate support services allow operational components to focus resources on the accomplishment of the DoD IG mission to promote integrity, accountability, and improvement of Department of Defense personnel, programs and operations to support the Department's mission and to serve the public interest
- Deterrence and identification of fraud, waste and abuse via whistleblowers and the Defense Hotline, leading to investigations and audits, and resulting corrective actions and recoveries

Summary of Future Requirements:

Additional resources are needed to address current and anticipated challenges, to include 4 additional positions to support Hotline operations, 3 additional positions for the new Whistleblower Affairs Office, 2 additional positions for strategic communications, and 1 additional position each to support strategic planning, congressional affairs, and Freedom of Information Act.

**APPENDIX**

**I**

**ASSISTANT INSPECTOR GENERAL**  
**OFFICE OF**  
**PROFESSIONAL RESPONSIBILITY**

## OFFICE OF PROFESSIONAL RESPONSIBILITY

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	11	12	13	14	15	16	18
<b>Annual Growth</b>		+1	+1	+1	+1	+1	+2
<b>Cumulative Growth</b>		+1	+2	+3	+4	+5	+7

The Office of Professional Responsibility (OPR) conducts criminal and administrative investigations of allegations of misconduct by DoD IG employees and military personnel assigned to the DoD IG; investigates other matters as the Inspector General may direct; and inspects DoD IG Headquarters components, regional offices, and field offices at regular intervals to determine the managerial, administrative, and operational efficiency of an office.

#### Risk Assessment:

- As the DoD IG grows and expands its overseas operations in a climate of increased accountability, there will be an increased need to ensure all offices and employees within the DoD IG are functioning at the most effective and ethical level possible. Failure to meet these needs will negatively impact the timeliness, quality and reliability of DoD IG products and services, as well as the ability of our auditors, investigators, and other personnel to effectively and efficiently perform their important duties of deterring fraud, waste and abuse, promoting integrity, accountability, and improvement of DoD personnel, programs and operations.

#### Objectives:

- Increase OPR capacity to complete timely evaluation of DoD IG offices and personnel.

#### Return on Investment:

- Since its inception, OPR has enhanced the efficiency, effectiveness and integrity of DoD IG personnel and programs through its conduct of inspections and misconduct investigations. Investigations have assisted management at all levels to take timely management action when necessary and to increase their emphasis on integrity as needed. Inspections have uncovered operationally deficient areas and allowed the



organization to make corrections to become more effective. With its current resources, OPR has been able to conduct one inspection and 33 investigations.

- The proposed expansion will allow OPR to maintain its ability to conduct effective investigations and will enable OPR to greatly increase its inspection capacity to be able to conduct approximately six inspections per year.
- The proficiency of all offices and employees within the DoD IG can be measured and inefficiencies can be identified and corrected through periodic inspections of the operations, management and administration of all DoD IG offices. Further, the efficient conduct of independent, objective, professional investigations into allegations of DoD IG employee misconduct contributes to ensuring the highest levels of operational and managerial proficiency and ethical conduct, and encourages transparency.

#### Summary of Future Requirements:

OPR has been operational since October 2008 but has been partially focused on developing its operational policies and procedures. OPR is currently moving out of its initial development stage to a stage of building appropriate inspection plans for every DoD IG component. As these plans are created, the inspections will be initiated, component by component. OPR anticipates ultimately being able to perform approximately 18 inspections over a recurring three year period. In addition, OPR will need to maintain a full investigative staff to ensure all of misconduct investigations are addressed as quickly and thoroughly as possible.

It is necessary to increase the number of personnel in OPR in order to accomplish the increased inspection and investigation mission requirements. As the Inspection component continues to build programs for each component, it will be scheduling additional inspections every year and is expected to eventually require two full teams of inspectors to perform its full mission.

**APPENDIX**

**J**

**FRONT OFFICE STAFF AND  
OTHER MISSION SUPPORT**

**EEO**

**OMBUDSMAN**

**COMPTROLLER**

**GENERAL COUNSEL**

**SPECIAL DEPUTY INSPECTOR GENERAL  
FOR SOUTHWEST ASIA**

## FRONT OFFICE STAFFING & OTHER MISSION SUPPORT

### Future Personnel Requirements

	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>
<b>Civilian Personnel</b>	47	50	52	53	54	56	56
<b>Annual Growth</b>		+3	+2	+1	+1	+2	+0
<b>Cumulative Growth</b>		+3	+5	+6	+7	+9	+9
<b>Military Personnel</b>	1	1	1	1	1	1	1

Front Office Staffing & Other Mission Support includes front office staff and the direct reporting offices of General Counsel, EEO, Ombudsman, Comptroller, and Special Deputy Inspector General for Southwest Asia.

#### Risk Assessment:

- As the organization grows it is important to provide the functional components with an adequate level of support to facilitate the accomplishment of the mission in critical areas such as EEO, Ombuds, General Counsel, and Financial Management (Comptroller).

#### Objectives:

- To continue to provide the necessary level of legal, financial, EEO, Ombuds, and other mission support for the DoD IG and its employees to ensure individual and organizational conformance to law, regulation and policy.

#### Return on Investment:

- One additional Ombuds position would allow for more proactive measures to prevent problems from escalating, which helps improve employee morale and retention and avoid the higher costs of turnover and formal complaints.
- One additional EEO position would better position the DoD IG to perform the full range of EEO services, be better equipped to meet regulatory requirements, and improve effectiveness in EEO deliverables.
- Two additional positions in the office of the Comptroller would ensure that the level of financial and travel services provided is not diminished and is proportionate with the growth of the organization.

- The addition of five General Counsel positions, at a rate of one per year, would ensure that increased legal and ethics demands, such as audit and investigative legal consultation, enhanced emphasis on legal review of internal activities, legal reviews of audits and investigations, and expeditious legal reviews of legislative mandates, are met as the DoD IG staff increases.
- The additional General Counsel, EEO, and Ombuds staff will help to ensure that our internal actions conform to law, regulation and policy; facilitate early identification of potential violations; and provide for increased training and individual advice and consultation for management and employees.

Summary of Future Requirements:

The following additional resources are needed to provide an adequate level of mission support proportionate to the growth of the organization: 1 Ombudsman position, 1 Equal Employment Opportunity position, 2 Comptroller positions, and 5 additional General Counsel positions.

**APPENDIX**

**K**

**REPORT LANGUAGE**

**SR 110-77, 2008 NDAA**

**HR 111-491, 2011 NDAA**

**SR 110-77, to Accompany S. 1547, 2008 NDAA****Department of Defense Inspector General**

The budget request included \$214.9 million in Operation and Maintenance, Defense-wide (OMDW) for the Office of the Inspector General (OIG). This is slightly less than the \$216.3 million requested and the \$218.0 million provided for fiscal year 2007. The committee is concerned that funding levels for this important independent audit and investigative function is not keeping pace with the demands for the Inspectors' General services in the global war on terror.

The OIG audits, investigates, inspects, and evaluates the programs and operations of the Department of Defense (DOD), and recommends policies and process improvements that promote economy, efficiency, effectiveness, and integrity in DOD programs and operations. For the last 3 years, the OIG has achieved \$27.5 billion in savings and \$1.7 billion in recovery for the nation. The committee notes that in that same 3 years the exponential growth in the number and cost of Department contracts for operations, procurement, research, and construction within the United States and around the world. The nation's annual defense costs have crossed the \$500.0 billion mark, well beyond the annual budgets of just over \$200.0 billion before the start of the global war on terror in 2001. Despite this growth, the personnel strength of the OIG has remained nearly constant. The committee is concerned that the capabilities of the OIG are not keeping pace, in terms of qualified personnel, with the growth in the size of the defense budget and the numbers of contracts.

Therefore, the committee recommends an increase of \$10.0 million in OMDW for the OIG to start and accelerate the growth of the OIG. The committee directs the Inspector General to provide to the defense committees, by March 31, 2008, an analysis of the current and future personnel, organization, technology, and funding requirements of the OIG. This report shall also include a comprehensive and detailed master plan, with annual objectives and funding requirements, that will provide the fastest possible increase in audit and investigative capabilities.

**HR 111–491, to Accompany H.R. 5136, 2011 NDAA****TITLE XIV—OTHER AUTHORIZATIONS****ITEMS OF SPECIAL INTEREST****Department of Defense Inspector General Growth Plan**

The budget request contained \$283.4 million for the Department of Defense Inspector General (DOD IG).

The committee is aware of the important role of the Department of Defense Inspector General. The inspector general improves the economy, efficiency, and effectiveness of DOD personnel, programs and operations, and helps to eliminate fraud, waste, and abuse.

The committee is aware that a plan for increasing DOD IG audit and investigative capabilities was published March 31, 2008. This plan required increased resources for it to be fully implemented, and Congress provided these resources in fiscal years 2008–10. The committee is concerned that the Department of Defense Inspector General is funded below the level required to meet the growth plan in fiscal year 2011. The committee believes the Department has had sufficient time to assimilate the requirements of the IG growth plan and is disappointed that the Department has failed to fully resource the IG requirements. The committee expects the Secretary of Defense to provide the necessary resources to this critical function in future budget requests.

The committee recommends \$283.4 million, the amount of the request.