



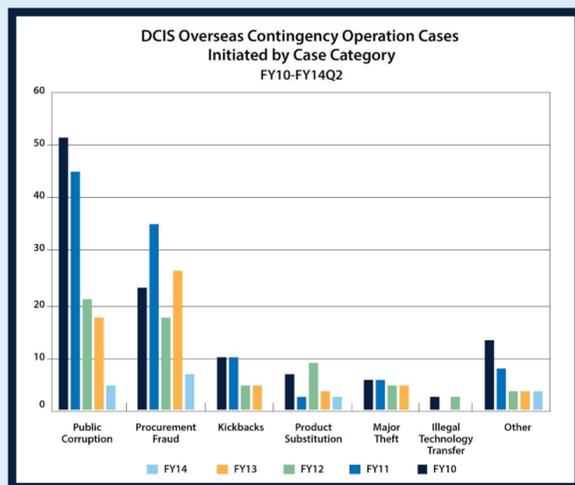
OVERSEAS CONTINGENCY OPERATIONS - SOUTHWEST ASIA (SWA)



Since closing the office in Iraq in September 2011 and the office in Kuwait in June 2013, DCIS has continued its operations in Afghanistan and expanded the mission to include Qatar and the Persian Gulf states. As the combat mission in Afghanistan draws to a close, the investigative efforts will continue to address the issues associated with the reconstruction efforts in Afghanistan and the drawdown of equipment and personnel. As of March 31, 2014, DCIS had a total of 183 Overseas Contingency Operations (OCO) investigations. DCIS offices located in SWA were responsible for 32 criminal investigations involving public corruption, procurement fraud, product substitution and the thefts of U.S. Government funds, equipment and fuel supplies. One recent case, run jointly with the Federal Bureau of Investigation and the Army Criminal Investigation Command, addressed military personnel converting funds to personal use from an overpayment to a DoD contractor in Afghanistan. This case has resulted in three defendants being sentenced to an aggregate of 108 months of incarceration and ordered to pay restitution of nearly \$1.3 million.

WAY FORWARD

For the foreseeable future, DCIS special agents in Southwest Asia will continue to focus on criminal investigations involving procurement fraud and corruption while working in partnership with members of the International Contract Corruption Task Force, which is comprised of special agents from DCIS, the Army Criminal Investigation Command – Major Procurement Fraud Unit, the Federal Bureau of Investigation, the Air Force Office of Special Investigations, the Naval Criminal Investigative Service, the Special Inspectors General for Afghanistan Reconstruction, and the Offices of Inspector General for the Department of State and the U.S. Agency for International Development. DCIS is also compiling Lessons Learned, which will analyze operations and logistics issues over the past eleven years and directly influence preparations and execution of future contingency missions.



FY14 STATISTICS



MONETARY BENEFITS: \$1.5 BILLION*

(OCTOBER 1, 2013 TO MARCH 31, 2014)



* Includes investigations conducted jointly with other law enforcement organizations.
** Includes contractual agreements and military non-judicial punishment.

REPORTS PUBLISHED: 52 Investigative Activities

- Arrests: **48**
- Criminal Charges: **171**
- Convictions: **147**
- Suspensions: **82**
- Debarments: **81**



DoD Hotline

The mission of the DoD Hotline is to provide a confidential, reliable means to report violations of law, rule or regulation, mismanagement, gross waste of funds, abuse of authority, and classified information leaks involving the Department of Defense; as well as the detection and prevention of threats and danger to the public health and safety of the Department and our Nation.



For more information about DoD IG reports or activities, please contact us:

- Reports Mailing List: dodig_report@listserve.com
- Public Affairs: public.affairs@dodig.mil
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INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

DoD IG focuses its efforts on detecting and preventing fraud, waste and abuse, while improving efficiency and effectiveness. For more information, visit us at www.dodig.mil. Below are highlights of DoD IG oversight.

SIGNIFICANT DoD IG REPORTS FROM OCTOBER 1, 2013, TO MARCH 31, 2014



DoD IG Assesses Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery (Arlington, VA)
DoD IG assessed the operations of Arlington National Cemetery (ANC) and the Soldiers' and Airmen's Home National Cemetery, comprising the Army National Military Cemeteries, and found that ANC leadership satisfactorily complied with Army directives and has made great progress since 2010.
Report No. DODIG-2014-026



Janssen Pharmaceutica Products Pays More Than a Billion Dollars to Settle Allegations of Off-Label Marketing and Kickbacks
In a joint investigation, Defense Criminal Investigative Service disclosed Johnson & Johnson and its subsidiary Janssen Pharmaceutica, Inc., introduced Risperdal into interstate commerce for non-Food and Drug Administration approved use. After a civil settlement agreement with the Department of Justice November 1, 2013, Janssen agreed to pay the Government a total of \$1.2 billion. Also, on November 7, 2013, Janssen pleaded guilty to criminal information and was sentenced to pay a fine of \$334 million and ordered to forfeit \$66 million.



Review of Deoxyribonucleic Acid Collection Requirements for Criminal Investigations
DoD IG evaluated whether DoD and the U.S. Coast Guard collected DNA samples from specific convicted service members and submitted them to the U.S. Army Criminal Investigation Laboratory for analysis and inclusion in the Combined DNA Index System in the prescribed evaluation period. DoD and Coast Guard did not submit all required DNA samples, but they had an overall 92 percent compliance rate.
Report No. DODIG-2014-029



\$3.5 Million Settlement by Sikorsky Aircraft Corporation to Resolve Allegations of False Claims
A Defense Criminal Investigative Service investigation examined allegations that Sikorsky Aircraft Corporation submitted false claims for inflated costs for spare parts. On March 31, 2014, Sikorsky entered into a civil settlement with the Department of Justice and agreed to pay \$3.5 million to resolve allegations that it violated the False Claims Act.

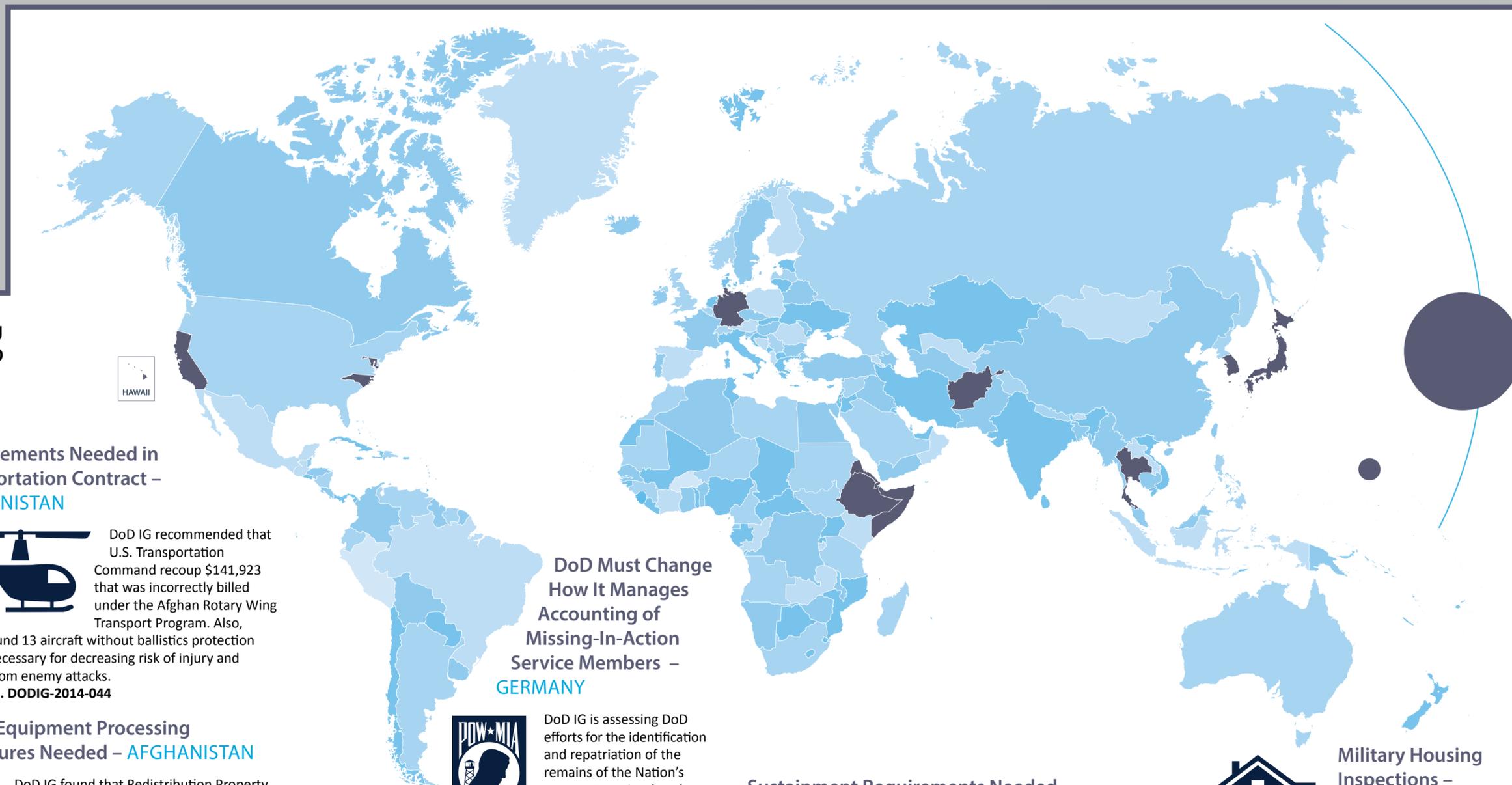


Hotline Allegation Regarding the Follow-up Audit of a Contractor's Material Management and Accounting System
DoD IG reviewed a DoD Hotline complaint alleging that, during a followup audit of a DoD contractor's Material Management and Accounting System (MMAS), a Defense Contract Audit Agency (DCAA) auditor concluded that many outstanding deficiencies were corrected without obtaining sufficient evidence and reported the entire MMAS system as adequate. DoD IG substantiated the allegation that DCAA reported some MMAS deficiencies as corrected without obtaining sufficient evidence to support the opinion, but did not substantiate that DCAA reported the entire MMAS system as adequate.
Report No. DODIG-2014-002



Authorization of DoD Progress Payments For Ground Combat Vehicle Contracts Needs Improvement
Army contracting officers inappropriately permitted unusual contract financing when they modified two contracts providing DoD contractors the ability to obtain \$110 million more in financing payments than were allowable under the Federal Acquisition Regulation.
Report No. DODIG-2014-039

DoD IG: GLOBAL PRESENCE



DoD IG supports the U.S. warfighter by promoting the accountability, integrity, and efficiency of DoD operations worldwide. This map shows recent examples of DoD IG oversight around the globe:

Audit of Navy's GPS Based Positioning, Navigation and Timing Service – SAN DIEGO, CA



DoD IG announced an audit of the Department of the Navy's Global Positioning System Based Positioning, Navigation, and Timing Service. The objective of the audit is to determine if the Navy is effectively preparing the program for low-rate initial production.

Project No. D2014-D000AJ-0137.000

Audit of Cyber Resources at Combatant Commands – HAWAII; FT. MEADE, MD



DoD IG announced an audit of mission resourcing for cyber operations. The objective was to determine whether Combatant Commands have sufficient cyber personnel and support from U.S. Cyber Command to effectively conduct operations in their area of operations. DoD IG teams performed the audit at U.S. Cyber Command at Fort Meade, MD, and U.S. Pacific Command at Camp H.M. Smith, Hawaii.

Project No. D2014-D000RC-0074.000

Improvements Needed in Transportation Contract – AFGHANISTAN



DoD IG recommended that U.S. Transportation Command recoup \$141,923 that was incorrectly billed under the Afghan Rotary Wing Transport Program. Also,

DoD IG found 13 aircraft without ballistics protection matting necessary for decreasing risk of injury and damage from enemy attacks.

Report No. DODIG-2014-044

Better Equipment Processing Procedures Needed – AFGHANISTAN



DoD IG found that Redistribution Property Assistance Teams yards in Bagram and Kandahar did not accurately record 37 percent of equipment. Insufficient resources and a failure to oversee contractor performance led to the Army reporting \$586.8 million in property, including weapons, as accumulated losses. Further, the commander of the 401st Army Field Support Brigade acted quickly to implement corrective actions to safeguard property.

Report No. DODIG-2014-043

DoD Must Change How It Manages Accounting of Missing-In-Action Service Members – GERMANY



DoD IG is assessing DoD efforts for the identification and repatriation of the remains of the Nation's missing-in-action (MIA). Team members have visited Hawaii, Southeast Asia, Republic of Korea, and Germany to look at waste, abuse, mismanagement, travel issues, and other deficiencies related to the administration of programs carried out by the Defense Prisoner of War (POW)/Missing Personnel Office, Joint POW-MIA Accounting Command, and other members of the accounting community.

Project No. D2014-D00SPO-0073

Sustainment Requirements Needed – HORN OF AFRICA



DoD IG reviewed the planning and execution of civil-military operations by the Combined Joint Task Force-Horn of Africa, whose officials did not adequately plan or execute civil military operations in accordance

with U.S. Africa Command objectives.

Report No. DODIG-2014-005



Military Housing Inspections – JAPAN; REPUBLIC OF KOREA

The health and safety of warfighters and their families is top priority. To that end, DoD IG teams traveled to U.S. military installations in Japan and the Republic of Korea to determine whether housing there is in compliance with environmental standards and policy, including electrical and fire protection.

Project No. D2013-DT0TAD-0003



Worldwide Efforts – ASSURING MISSION SUCCESS IN SPACE



DoD IG announced an assessment of DoD-wide policies and procedures toward assuring mission success for spacecraft and strategic programs. This assessment focuses on, but is not limited to, factors that ensure mission success of DoD space assets and strategic weapon systems such as satellites, missiles, and airborne surveillance systems.

Project No. D2013-DT0TAD-0002

Guilty Plea in Navy Corruption Scandal – THAILAND



A Singapore-based business executive pleaded guilty in March to charges that he and co-conspirators used various methods to deceive the U.S. Navy into overpaying for necessary services like fuel and port fees, and in one incident, overcharged the USS Mustin by \$1.5 million for a port visit in Thailand.

Improved Readiness Reporting Needed at MV-22 Osprey Squadrons – NORTH CAROLINA; CALIFORNIA



DoD IG found that six U.S. Marine Corps MV-22 Osprey squadrons had incomplete or inaccurate readiness reports. Senior DoD and Marine Corps officials could have deployed MV-22 squadrons that were not prepared for missions.

Report No. DODIG-2014-001