FY 2015 Statistics

October 1, 2014 – September 30, 2015

Total Reports Issued: 183

U.S. Department of Defense

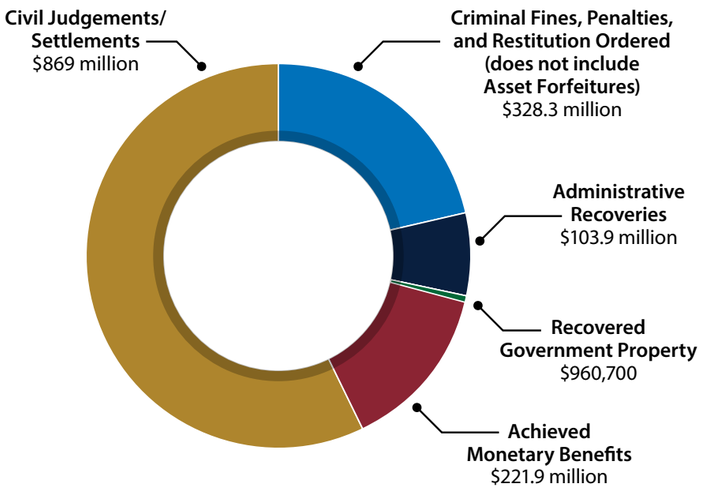
Inspector General

Inspector General Jon T. Rymer

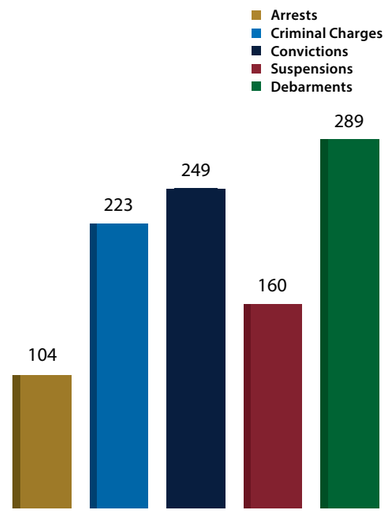
September 2015

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

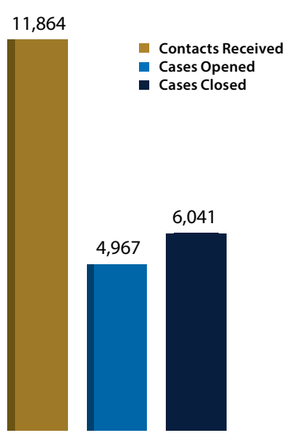
Total Return: $1.5 Billion



Criminal Investigations



Hotline



Fraud, Waste & Abuse HOTLINE Department of Defense dodig.mil/hotline (800.424.9098)

Contact Us

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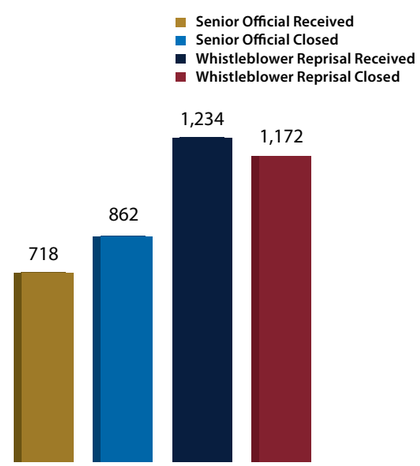
Administrative Investigations



The Department of Defense Office of Inspector General 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.

Significant DoD IG Reports from the Past Six Months

DoD Cardholders Use Government Travel Cards at Casinos and Adult Entertainment Establishments

The DoD IG determined that DoD cardholders improperly used their Government Travel Charge Card (GTCC) for personal use at casinos and adult entertainment establishments. From July 1, 2013 to June 30, 2014, this audit identified 4,437 transactions valued at $952,258 that were likely misused at casinos. Another 900 transactions valued at $96,576 were charges on the GTCC at adult entertainment establishments. Cardholders are personally and financially liable for payment of these charges; not the Government.

DODIG-2015-125

Rights of Conscience Protections for Armed Forces Service Members and Their Chaplains Not Consistently Applied

The DoD IG determined that the military services were not consistently evaluating religious accommodation requests within established timeframes. As of April 2015, DoD and the Army had issued updates to regulations implementing the protections afforded by Section 533, while Navy regulations were pending approval and Air Force regulations were partially complete. The evaluation was prompted by Congress who required the DoD IG to submit a report to the congressional defense committees setting forth the results of an investigation "into the compliance by the Armed Forces with the elements of such regulations on adverse personnel actions, discrimination, or denials of promotion, schooling, training, or assignment for members of the Armed Forces based on conscience, moral principles, or religious beliefs."

DODIG-2015-148

Defense Logistics Agency (DLA) Did Not Obtain Fair and Reasonable Prices From Meggitt Aircraft Braking Systems (MABS) for Sole-Source Commercial Spare Parts

The DLA Aviation contracting officer did not obtain fair and reasonable prices for 51 of 54 statistically sampled sole-source commercial spare parts procured from MABS companies. This occurred because the contracting officer did not conduct sufficient price analysis in accordance with federal and defense acquisition regulations.

DODIG-2015-120

Investigative Results of a Possible Questionable Intelligence Activity

The DoD IG determined that intelligence components of DoD intelligence agencies did not have access to or use the Law Enforcement Information Exchange or law enforcement databases, and that the only users were security and law enforcement entities of DoD intelligence agencies. The investigation confirmed the allegations that Naval Criminal Investigative Service owned and maintained these databases, and that the databases contained many records of U.S. persons not affiliated with DoD. The DoD IG found that only security and law enforcement entities of the DoD intelligence agencies are the users of the Law Enforcement Information Exchange and law enforcement databases. Allegations of a possible questionable intelligence activity were not substantiated.

DODIG-2015-119

Over $8 Million Recovered for the Defense Health Agency Related to Fraudulent Prescriptions

A joint Defense Criminal Investigative Service investigation with the FBI examined allegations of prescription fraud perpetuated by Blanding Health Mart Pharmacy, a compounding pharmacy in Florida. Allegedly, from February 9, 2015, through April 13, 2015, Blanding sought reimbursement for compounding pharmaceutical prescriptions that were not medically necessary and were written by physicians who had allegedly not seen the patients. The allegations indicated that prescriptions were being funneled to Blanding from another pharmacy and filled without an adequate verification of the required physician-patient relationship. Additionally, prescriptions were allegedly shipped to patients in locations where Blanding did not possess the appropriate licenses.

On July 15, 2015, Blanding and the Department of Justice reached a settlement whereby Blanding agreed to pay $8.44 million to resolve allegations that the company violated the False Claims Act. The entire amount was returned to the Defense Health Agency.

Military Housing Inspections

Service members face demanding schedules—having to be available for work 24 hours per day, 7 days per week, 52 weeks per year. They are often called on to place the needs of the military above the needs of their families. The quality of military housing—as part of the military quality of life—is a key component of military readiness.

As a rule, military housing is provided for all service members, whether they live on or off base, and varies according to rank, location, and family situation. The Department of Defense (DoD), houses about 10 percent of its families on-base, owning and operating about 134,000 housing units worldwide. Currently, approximately 24 percent of service members and their families live in privatized housing. Since 1996, 90 public-private housing projects have been created, privatizing approximately 200,000 homes at military installations throughout the United States. The DoD also provides housing to service members serving overseas, including forward deployed locations.

The job of inspecting DoD housing facilities for compliance with Federal and DoD health and safety policies and standards falls to the DoD Office of Inspector General's Technical Assessment Directorate (TAD) in the Policy and Oversight Component. In the past four years, the DoD Office of Inspector (OIG) conducted a series of military housing inspections, starting in Southwest Asia and ending in the southeastern region of the U.S. The inspections resulted in the publication of five reports.

"On every base we found a multitude of findings," said TAD's Director Navy CAPT Christopher P. Failla, who also noted that the OIG is compiling a summary report based on the four regional inspections that will be published in 2016. "Not all of the deficiencies that were identified are deadly hazards, but many are just not up to code. Some are caused by the occupants themselves, some are due to outdated codes in old buildings still being allowed to be used even though current codes recognize them as fire or electrical hazards."

In 2013, the OIG inspected military housing facilities in Japan, the Republic of Korea (ROK), and Afghanistan. In each location, the OIG focused on the electrical systems; fire protection systems; and environmental concerns, to include indoor air quality such as mold or radon, asbestos, lead-based paint, pest control, and drinking water quality. The OIG selected housing units and buildings that varied in size, type, and age. The OIG also inspected common areas such as utility rooms, boiler rooms, laundry rooms, barrack lounges, and common kitchen areas. As part of the inspection, the OIG also interviewed the occupants, considered complaints received, and reviewed work orders submitted.

In its report, **Military Housing Inspections – Japan (*Report No. DODIG-2014-121*)**, published on September 30, 2014, the OIG identified a total of 1,057 violations of code which were attributed to insufficient inspection, maintenance, and repair of housing facilities at 15 military installations in Japan. Of the total deficiencies, 145 were identified as critical deficiencies requiring immediate corrective action.

> **"On every base we found a multitude of findings... Not all of the deficiencies that were identified are deadly hazards, but many are just not up to code..."**
>
> – TAD Director, NAVY CAPT Christopher P. Failla

The same methodology and scope was used to conduct military housing inspections at the 13 military installations in the ROK. On October 28, 2014, the OIG published the results of the inspection in its report, **Military Housing Inspections – Republic of Korea (*Report No. DODIG-2015-013*)**. During the housing inspections the OIG identified a total of 646 deficiencies including 298 fire protection systems, 279 electrical systems, 53 environmental health, and safety code violations, and 16 housing management violations. Of the total 646 deficiencies, 11 were critical deficiencies requiring immediate action.

For both reports the U.S. Pacific Command, U.S. Forces Korea, and the Service components, agreed with the OIG's recommendations. In response to the OIG report recommendations, the Assistant Secretary of Defense (Energy, Installations & Environment) (ASD (EI&E)) is focused on implementing the recommendations for radon and mold policy. In this regard, the ASD(EI&E) has been meeting with the Environmental Protection Agency (EPA) to discuss implementing a radon assessment program. Also they have been meeting with mold subject matter experts to understand the policies and state-of-art procedures for mold remediation.

In 2015, the OIG performed similar inspections of military housing facilities in the National Capital Region, focusing on U.S. Army Garrison Fort Belvoir and Joint Base Anacostia-Bolling. Much of the housing for military families in the National Capital Region has been privatized, but DoD still manages dormitories and barracks.

The OIG inspected family housing and dormitories and barracks at Fort Belvoir and Joint Base Anacostia-Bolling for compliance with environmental, health and safety codes, policies, and standards. Unlike the overseas inspections, the OIG used recent versions of the National Fire Protection Association codes as the criteria for the fire protection and electrical system inspections. The OIG inspected to EPA standards governing safe drinking water and toxic substances, radon, asbestos and lead-based paint.

The housing facilities at Fort Belvoir and Joint Base Anacostia-Bolling were found to be compliant with Federal, DoD, and local jurisdiction health and safety policies and standards. Despite identifying a total of 316 deficiencies, the majority of the deficiencies resulted from improper installation, insufficient inspection, or inadequate maintenance. Inspection results were published in the report, **CONUS Military Housing Inspections – National Capital Region (*Report No. DoDIG-2015-162*)**, on August 13, 2015.

The OIG's next project was to inspect military housing in the Southeast; the second inspection of its kind conducted in the United States. Similar to the housing in the National Capital Region, much of the Southeast region for military family housing facilities has also been privatized, while unaccompanied housing facilities (dormitories and barracks) are still managed by DoD.

The condition of military housing at Patrick Air Force Base, Fla.; Naval Station (NS) Mayport, Fla.; and Fort Gordon, Ga.; was comparable to that of the military housing facilities which were inspected in the National Capital Region. The OIG identified 389 deficiencies, including 212 related to electrical system safety, 138 related to fire protection, and 39 related to environmental health and safety codes. Of the total deficiencies identified, there were 15 critical deficiencies requiring immediate action at NS Mayport and Fort Gordon. The results were reported in **CONUS Military Housing Inspections – Southeast (*Report No. DODIG-2015-181*)** was published on September 24, 2015.

Additional Analysis

Reports on Inspections of DoD Facilities and Military Housing

In Fiscal Year 2016, the DoD OIG will publish a summary report of its evaluation of results from data obtained during previous inspections of buildings and housing facilities in Afghanistan, Japan, Korea, and the United States. In addition, a report of the on-going OIG housing/facilities inspection in Jordan will be released in Fiscal Year 2016. The additional analyses of the data will potentially identify any broader findings and recommendations related to electrical system safety, fire protection systems, environmental health and safety, and other housing-related items.

The DoD OIG will evaluate common deficiencies and systemic issues found throughout DoD facilities during the previous inspections. In addition, the DoD OIG will evaluate policy regarding health and safety standards and requirements for DoD-occupied facilities worldwide. Although this report will focuses on the regions previously investigated, the DoD IG may identify additional locations to perform limited scope inspections of facilities, if deemed necessary.

The DoD OIG has plans to inspect U.S. military-occupied facilities in Kuwait for compliance with DoD health and safety policies and standards regarding electrical systems and fire protection and suppression systems. This report on Middle East military housing inspections will be published some time in FY 2016.