



Acting Inspector General  
Gordon S. Heddell

# DEPARTMENT OF DEFENSE INSPECTOR GENERAL

## Significant Achievements *of the DoD Inspector General*

The Department of Defense Inspector General conducts audits, investigations, inspections, assessments, and intelligence reviews in an effort to improve the operations and programs of the Department of Defense. During the reporting period October 1, 2008 to March 31, 2009, the DoD IG provided oversight of the Department that has resulted in improving the welfare of our warfighters and saving taxpayer dollars. For a complete listing of our reports, visit us on the Web at [www.dodig.mil](http://www.dodig.mil)



### **03/17/09 OVERSIGHT OF NIGHT VISION DEVICES**

The DoD IG assessed the oversight and management of night vision devices, and whether current accountability, control, and physical security concerning the distribution of NVDs provided to the Iraqi Security Forces were adequate.



### **01/29/09 DOD TESTING REQUIREMENTS FOR BODY ARMOR**

The DoD IG reviewed whether first article testing for the Enhanced Small Arms Protective Inserts for Army body armor was conducted in accordance with contract requirements. We also reviewed the basis for first article testing criteria used by the U.S. Army and U.S. Special Operations Command.



### **01/15/09 CRIMINAL INVESTIGATION OF A PHARMACEUTICAL COMPANY**

A joint DCIS, Food and Drug Administration, and Department of Health and Human Services investigation stemming from a qui tam complaint revealed Eli Lilly illegally promoted the sale and use of Zyprexa to psychiatrists, physicians, and other health care professionals for uses other than those approved by the FDA. The company caused invalid claims for payment for Zyprexa to be submitted to DoD's TRICARE program and other government programs, such as Medicaid. The monetary settlement resulting from the investigation totaled \$1.415 billion in criminal and civil penalties, which is currently the largest amount paid by a single defendant in the history of the U.S. Department of Justice. The settlement included \$974,300,666 in fines, restitution and recoveries, with the remainder going to qui tam relators.



### **12/04/08 NUCLEAR SURETY INSPECTIONS**

The DoD IG reviewed the oversight of the nuclear surety inspections conducted in the aftermath of the B-52 incident.



### **10/24/08 ASSESSMENT OF AFGHAN NATIONAL SECURITY FORCES MUNITIONS**

The DoD IG evaluated the status of issues on accountability and control of Arms, Ammunition, and Explosives, the responsiveness of Foreign Military Sales support to the ANSF, and the development of logistics sustainment capability for the ANSF, which included issues related to building the Afghan military health care system and its sustainment base.

### **10/10/08 DOD COMMON ACCESS CARDS**

The DoD IG is conducting a series of audits pertaining to DoD's controls over common access cards, including common access cards provided to contractors deploying to Southwest Asia. In its first report, the DoD IG found that DoD needed to strengthen its controls over contractor common access cards.

## DEPARTMENT OF DEFENSE INSPECTOR GENERAL

The locations of DoD IG field offices strategically place our auditors and investigators in locations where specific Combatant Commands are headquartered, which enables our staff to be on hand and constantly aware of the Department's activities. Pursuant to the IG Act, "we initiate, conduct, and supervise such audits and investigations in the Department of Defense (including the military departments) as the Inspector General considers appropriate." By geographically positioning ourselves in these field offices, we have ongoing situational awareness of issues impacting the theaters of operation. By being in locations where the warfighters are around the world, we can better improve programs and operations that affect their safety and well being.

### 1. WESTERN FIELD OFFICE

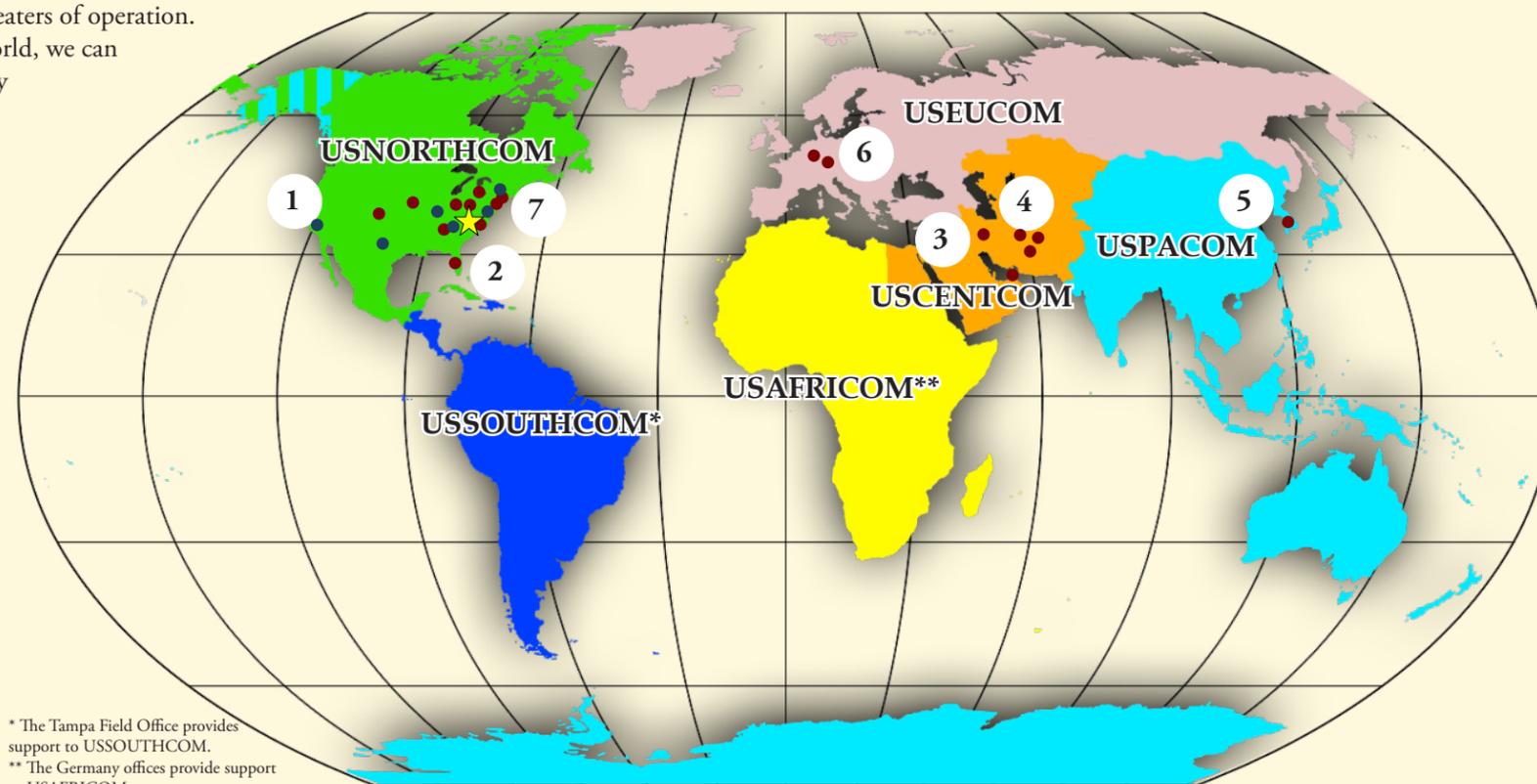


The Western Field Office partnered with U.S. Immigration and Customs Enforcement on a case involving illegal exports to Iran. On March 24, 2009 an Irish trading firm and three of its officers were charged with purchasing helicopter engines and other aircraft components from U.S. firms and illegally exporting them to Iran using companies in Malaysia and the United Arab Emirates. The alleged recipient of the technology was an Iranian military firm involved in their nuclear and ballistic missile program.

### 2. SOUTHEAST FIELD OFFICE



The Southeast Field Office partnered with U.S. Immigration and Customs Enforcement in an investigation which resulted in the extradition of two Colombian citizens on terrorism and drug charges in October 2008. One of the indicted, Jose Maria Corredor-Ibague is alleged to have controlled clandestine airstrips in the jungles of Southern Colombia which were used to transport multi-hundred kilogram quantities of cocaine destined to the United States and Europe. Additionally, the fees charged on cocaine shipments were paid to the Revolutionary Armed Forces of Colombia (FARC), which is considered a terrorist organization by the U.S. government.



\* The Tampa Field Office provides support to USSOUTHCOM.

\*\* The Germany offices provide support to USAFRICOM.

### 3. IRAQ FIELD OFFICE



The Iraq Field Office, based on a suggestion from DCIS, is conducting a review of fire services in Iraq. We are assessing whether Multi-National Force-Iraq is meeting requirements for fire services inspection and training through the use of contracted services. We will review fire inspection reports to determine whether fire inspection personnel are properly performing fire safety reviews. We will also identify contracted personnel assigned as expeditionary fire fighters and review their training records to determine whether the training they completed met contract, DoD, and Army requirements. In addition, we will assess the effectiveness of quality control and quality assurance provisions of contracts and task orders related to the Fire Services Inspection and Training Program.

### 7. MID-ATLANTIC FIELD OFFICE

The Mid-Atlantic Field Office conducted an investigation, based upon a referral from the Defense Information Systems Agency that revealed an intrusion into a defense contract network originating from an internet address in China. The investigation revealed that the defense contractor failed to implement required network security services per the contract, placing defense data at risk. The government obtained, through administrative action, a \$1.3 million dollar recovery.



### 6. GERMANY FIELD OFFICE

The Germany Field Office is reviewing DoD's use of the Utility Tax Relief Programs in Germany and the Netherlands. At the request of the U.S. European Command, an audit was initiated of their civilian staffing efforts to determine if EUCOM is providing adequate staffing to support their Operation Enduring Freedom activities. Additionally, the Stuttgart Field Office provides oversight of USAFRICOM activities.



### 5. KOREA FIELD OFFICE

The Korea Field Office is conducting an audit on the Department's controls over contractor Common Access Cards. The DoD IG is reviewing whether the controls over CACs provided to contractors in the Republic of Korea are in place and working. We are also reviewing the Public Works Operations at U.S. Army Garrison-Yongsan to evaluate whether DPW operations and associated procurement support by the U.S. Army Contracting Command for contract requirements were valid and accurately stated, the most effective and efficient means were used, supplies and services purchased were received, and applicable procurement policies and regulations were followed.



### 4. AFGHANISTAN FIELD OFFICE

The Afghanistan Field Office conducted an audit to determine the effectiveness of the process for procuring and leasing nontactical vehicles at Bagram Air Field, in Afghanistan. During the course of the audit we received information that there was a significant growth in the leasing of nontactical vehicles. Specifically, the number of vehicles leased increased from 102 to 1,548. At times justification for these purposes only included the words "vehicle lease" or even worse no justification was provided. The DoD IG recommended that the commander enforce the regulation requiring the correct justification, and to collect and maintain nontactical vehicle inventories along with their mileage and purposes for use at Bagram.



### ★ HEADQUARTERS

#### Audit

- (18) Field Offices

#### Defense Criminal Investigative Service

- (6) Field Offices

#### Not Pictured

- (28) Resident Agencies

- (29) Posts of Duty

# Statistical Highlights

The following statistical data highlights Department of Defense Inspector General activities and accomplishments during the October 1, 2008 to March 31, 2009 reporting period.

## Audit

Audit Reports Issued.....	66
Monetary Benefits	
Recommendations Made on Funds Put to Better Use.....	\$115.5 million
Achieved Monetary Benefits (Funds Put to Better Use).....	\$161.7 million

## Investigations<sup>1</sup>

Total returned to the U.S. government.....	\$1.1 billion
Seizures and Recoveries.....	\$1.3 million
Civil Judgments.....	\$450.6 million
Criminal Judgments.....	\$626.4 million
Administrative Judgments.....	\$34.8 million

### Investigative Cases

Indictments.....	183
Convictions.....	108
Suspensions.....	33
Debarments.....	28

## Policy and Oversight

Existing and Proposed Regulations Reviewed.....	198
Evaluation Reports Issued.....	8
Inspector General Subpoenas Issued.....	134
Voluntary Disclosure Program Recoveries.....	\$825,000

## Intelligence<sup>2</sup>

Intelligence Reports Issued.....	4
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## Special Plans and Operations

Assessment Reports Issued.....	3
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## Hotline Activities

Contacts.....	6,329
Cases Opened.....	922
Cases Closed.....	894

Dollar Recoveries.....	\$1.5 million
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1 Includes investigations conducted jointly with other federal and Defense Criminal Investigative Organizations.  
 2 Summaries of the reports are contained in the Classified Annex.

