



# Secretary of Defense Report

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**April 1, 2003 – September 30, 2003**

**This report fulfills the requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix 3, Section 5(b).**

## FOREWORD

Section 5(b) of the Inspector General Act of 1978, as amended, requires that “Semiannual reports of each Inspector General shall be furnished to the head of the establishment involved not later than April 30 and October 31 of each year and shall be transmitted by such head to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the head of the establishment.”

Section 5(b) requires the report by the head of the establishment to report information in the following four general categories:

- (1) any comments such head determines appropriate;
- (2) statistical tables showing the total number of audit reports and the dollar value of disallowed costs, for audit reports;
- (3) statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for audit reports; and
- (4) a statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year.

## FOLLOWUP STATUS REPORT\*

<b>STATUS OF ACTION ON INTERNAL AUDITS</b> Period ending September 30, 2003 (\$ in thousands)		
<b>Status</b>	<b>Number</b>	<b>Funds Put to Better Use <sup>1</sup></b>
<b>OIG DoD</b>		
Action in Progress - Beginning of Period	311 <sup>2</sup>	\$82,930
Action Initiated - During Period	57	21,800
Action Completed - During Period	79	646,549
Action in Progress - End of Period	289	82,900 <sup>3</sup>
<b>Military Departments</b>		
Action in Progress - Beginning of Period	371	1,228,054
Action Initiated - During Period	179	952,945
Action Completed - During Period	148	431,909
Action in Progress - End of Period	402	1,802,500
<sup>1</sup> There were no OIG DoD audit reports issued during the period involving "disallowed costs." <sup>2</sup> Incorporates retroactive adjustments. <sup>3</sup> On certain reports (primarily from prior periods) with audit estimated monetary benefits of \$7,696 million, we agreed that the resulting monetary benefits can only be estimated after completion of management action, which is ongoing.		

\* Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix 3, Section 5(b)(2) & (3).

<b>STATUS OF OIG DOD REPORTS MORE THAN 12 MONTHS OLD  WITH FINAL ACTION PENDING <sup>1,2,3</sup>  (As of September 30, 2003)</b>			
<b>Report Number/Title/Date</b>	<b>Description of Action</b>	<b>Reason Action Not Completed</b>	<b>Principle Action Office</b>
<b>90-074</b> , Reserve Components Common Personnel Data System, 5/25/1990	Finalize an agreement and implement a process to assess and collect penalties associated with Reserve members' education benefits.	Management corrective actions have been complicated by recent coordination issue delays.	ASD(RA)
<b>91-055</b> , Pricing and Billing of Stinger Missiles Sold to Foreign Military Sales (FMS) Customers, 2/27/1991	Revision to Volume 15 of the Financial Management Regulation (FMR) on the calculation of packing, crating and handling (PCH) costs for FMS.	Lack of management emphasis.	USD(C)
<b>93-163</b> , Procurement Prices Paid on Aircraft Weapon Systems for Foreign Military Sales, 9/2/1993	Revise the Financial Management Regulation to clarify the special provisions for Research, Development, Test & Evaluation.	Lack of management emphasis.	USD(C)
<b>94-062</b> , Financial Status of Air Force Expired Year Appropriations, 3/18/1994	Changes to policy guidance to include refunds receivable arising from matters in litigation.	Competing management priorities.	USD(C)
<b>94-073</b> , Defense Finance and Accounting Service Work on the Air Force FY 1992 Financial Statements, 3/31/1994	Develop transaction-driven general ledger system.	Frequently changed the system concept and the milestones were too optimistic.	DFAS
<b>95-238</b> , Administrative Lead Time at DoD Inventory Control Points, 6/15/1995	Automate methodology for determining administrative lead time in the Purchase Request Process System.	Delays in decision to continue with development of new system and funding.	AF
<b>D-2001-007</b> , Foreign National Security Controls at DoD Research Laboratories, 10/27/2000	Revise SECNAV Instruction 5510.34, to include requirements for government facilities being visited by foreign nationals to disseminate foreign disclosure restrictions contained in visit authorization letters to the proposed hosts of the visit.	Extensive time is needed to coordinate and issue policy guidance.	Navy

<sup>1</sup> Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix 3, Section 5(b)(4).

<sup>2</sup> Included are reports issued beginning in FY 2001. A complete list of reports more than 12 months old with final action pending can be viewed on the OIG DoD website at [www.dodig.osd.mil](http://www.dodig.osd.mil).

<sup>3</sup> For this reporting period, there are no disallowed costs on reports over 12 months old with final action pending. Report No. D-2001-015 ad \$52.7 million of funds to be put to better use that have been agreed upon, but have not yet been achieved.

<b>D-2001-015</b> , Defense Environmental Security Corporate Information Management Program, 12/7/2000	Issue instructions to implement DoD Directive 4715.1; determine DoD corporate environmental reporting requirements and mechanisms and plan implementation.	Long-term management actions on schedule.	USD(AT&L)
<b>D-2001-016</b> , Security Controls Over Contractor Support for Year 2000 Renovation, 12/12/2000	Army, Navy, and DISA, will assess the potential risks to the security baseline requirements for renovated systems for which risk assessments are lacking and accredit or reaccredit renovated systems in accordance with DoD guidance.	Personnel reductions have delayed implementation of corrective actions.	Navy, DISA
<b>D-2001-017</b> , Unclassified but Sensitive Internet Protocol Router Network Security Policy, 12/20/2000	Expedite the issuance of a DoD directive, instruction, or regulation that will incorporate the interim guidance that clearly defines requirements to include security posture of the Unclassified but Sensitive Internet Protocol Router Network.	Extended time needed to coordinate and issue policy.	ASD(NII)
<b>D-2001-018</b> , Management and Oversight of the DoD Weather Program, 12/14/2000	Services evaluate data requirements and update policy.	Extended time needed to coordinate and issue policy.	Army, Navy
<b>D-2001-025</b> , Summary Report on DoD Hazardous Waste Disposal Costs, 12/22/2000	Issue uniform policy to components for preparing environmental compliance and recurring costs estimates and include hazardous waste disposal definition consistent with the established measure of merit.	Extended time needed to coordinate and issue policy.	USD(AT&L)
<b>D-2001-030</b> , Oversight of Defense Finance and Accounting Service Corporate Database Development, 12/28/2001	The ASD(NII) will develop procedures for the family of systems reviews and mission area reviews.	Cancellation of regulation delayed the procedures for the family of systems reviews. The annual Financial Management Improvement Plan guidance is on hold pending implementation of the DoD Financial Management Enterprise Architecture.	ASD(NII)

<b>D-2001-032</b> , Use of Extra Criteria for Major Defense Systems, 1/10/2001	Develop exit criteria for the Multi-functional Information Distribution System-Low Volume Terminal (MIDS-LVT) and Virginia class submarine. Also, revise the consolidated Acquisition Reporting System instructions to include a requirement to use exit criteria as an indicator.	Reconfiguration of guidance document delayed update.	USD(AT&L)
<b>D-2001-035</b> , Management of Potentially Inactive Items at the Defense Logistics Agency, 1/24/2001	Perform study to separate costs of maintaining inactive items from active items. Depending on results, DLA may examine viability of the Defense Inactive Item Program as a cost effective and beneficial program to DoD.	Corrective action suspended pending results of followon audit.	DLA
<b>D-2001-037</b> , Collection and Reporting of Patient Safety Data Within the Military Health System, 1/29/2001	Execute an FY 2001 interim implementation plan for the collection and reporting of patient safety data.	Additional time is required to establish, deploy, and train personnel in the use of new software.	ASD(HA)
<b>D-2001-040</b> , Bulk Fuel Infrastructure Maintenance Repair, and Environmental Project Review Process: Pacific, 1/30/2001	Air Force Instruction 23-201 will be modified to establish guidance for managing overseas fuel-related maintenance, repair, and environmental projects.	Normal time needed to issue a coordinated policy.	AF
<b>D-2001-043</b> , Management of National Guard Weapons of Mass Destruction Civil Support Teams (WMD-CSTs), 1/31/2001	Conduct a comprehensive review of the roles, responsibilities, and requirements of the WMD-CSTs.	Extended time needed to complete analysis and lack of management emphasis.	ASD(RA)
<b>D-2001-044</b> , Accreditation Policies and Information Technology Control at the Enterprise Center Mechanicsburg, 2/9/2001	Update DISA Instruction 630-230-19, "Automated Data Processing, Information Systems Security Program," July 1996 to establish and implement specific guidance related to the reaccreditations of sites.	Extensive time needed to develop, coordinate and issue policy.	DISA
<b>D-2001-045</b> , Government Performance and Results Act Goals: Tank Miles, 2/7/2001	Issue guidance on approval authority for any future migration of operating tempo dollars into other accounts and proposed business rules for reporting tank mile training. Also, the "Tank Miles" performance in the Secretary of Defense's Annual Report is being revised to more clearly explain limitations on its use.	Extensive time needed to develop guidance.	USD(P&R)

<b>D-2001-049</b> , Abnormal General Ledger Account Balances for Other Defense Organizations Reported by DFAS Cleveland, 2/13/2001	Research and correct the Treasury Index on the Cash Management Report and associated Cumulative Error Listing. Generate hard copy journal vouchers for future error corrections in the Standard Accounting and Reporting System - Headquarters Claimant Module.	Competing priorities initially. Corrective actions now on target.	DFAS
<b>D-2001-059</b> , Armed Service Blood Program Readiness, 2/23/2001	Actions are underway to improve the Defense Blood Standard System (DBSS) to ensure that the system meets all user and mission needs, ensures asset accountability and inventory accuracy. Also actions are underway to ensure consistent deployment and use of DBSS throughout DoD.	Normal time needed to establish policy and implement other changes.	Army, Navy, AF
<b>D-2001-065</b> , DoD Adjudication of Contract Security Clearance Granted by the Defense Security Service, 2/28/2001	Identify and process additional adjudicative resources for Defense Industrial Security Clearance Office. The DSS academy to address the establishment of continuing education standards to facilitate the certification of professional adjudicators. The new policy on professional certification and continuous training program for all adjudicators will be published in the revised DoD 5200.2-R.	Competing management priorities.	DSS, USD(I)
<b>D-2001-069</b> , Pilot Program on Sales of Manufactured Articles and Services of Army Industrial Facilities, 3/1/2001	The Army will conduct a three phase study of their arsenal and ammunition plants as directed in Programmed Budget Decision 407.	Normal time required to conduct a comprehensive study. Competing priorities.	Army
<b>D-2001-071</b> , Navy Financial Reporting of Government-Owned Material Held by Commercial Shipyard Contracts, 3/2/2001	Revise the DFAR Supplement to include the updated DoD property accountability procedures.	Corrective actions are on hold pending implementation of the DoD Financial Management Enterprise Architecture.	USD(AT&L)
<b>D-2001-072</b> , Industrial Prime Vendor Program at the Naval Aviation Depot North Island, 3/5/2001	Establish a plan for how industry will support bench stock material requirements and determine whether the industrial prime vendor program should continue.	Additional time needed to refine support concept.	DLA

<b>D-2001-074</b> , Cooperative Threat Reduction Program, 3/9/2001	Monitor the use of revenue generated from U.S. funded activities in Russia and the Ukraine. DTRA is to include performance goals for the Cooperative Threat Reduction Directorate in the DTRA Strategic Plan.	Assessment of an untried technological approach and lengthy negotiations with foreign-based entities.	USD(P), DTRA
<b>D-2001-075</b> , Standard Procurement System Use and User Satisfaction, 3/13/2001	Establish a working group to develop performance measures that address Standard Procurement System mission goals and functionality requirements.	The Standard Procurement System has undergone significant changes in scope, management, and functional direction since August 2001.	USD(AT&L)
<b>D-2001-078</b> , Inventory Valuation at the Defense Supply Center Columbus, 3/14/2001	Commander, Defense Supply Center Columbus, develop and implement procedures to identify/disclose value of on-hand inventory where contractor data do not support acquisition costs and develop/implement procedures to retain contractor data to support acquisition costs used to value on hand inventories on the financial statements.	Absorbing recommendations for this and related cases into an overarching Plan of Actions and Milestones.	DLA
<b>D-2001-079</b> , Inventory Valuation at the Defense Supply Center Richmond, 3/14/2001	Commander, Defense Supply Center Richmond, develop/implement procedures to identify/disclose value of on-hand inventory where contractor data do not support acquisition costs and develop/implement procedures to retain contractor data to support acquisition costs used to value on hand inventories on the financial statements.	Absorbing recommendations for this and related cases into an overarching Plan of Actions and Milestones.	DLA
<b>D-2001-081</b> , Financial Reporting at the Washington Headquarters Services, 3/15/2001	Review all disbursement and accrual transactions, identify which transactions are entered improperly and correct the corresponding entries. Modify the Washington Headquarters Services Allotment Accounting System to correctly post prior period adjustments. Also, develop query interfaces for each general ledger account that can be used to research detailed transactions supporting account balances.	Other high priority issues have delayed actions. However, actions to modify the accounting system continue.	WHS

<p><b>D-2001-085</b>, 2000 DoD Financial Management Improvement Plan, 3/19/2001</p>	<p>Use the new DoD-wide FM enterprise architecture to map financial data flows for FM systems, define interfaces and requirements for the systems, define controls and processes to help ensure data integrity and implement the Financial and Feeder Systems Compliance Process (FMSCP), serve as the blueprint for DoD's FM modernization efforts, and define related departmental internal controls. USD(C) and USD(P&amp;R) will co-chair a working group that will conduct a FM workforce review. Future FM Improvement Plans will reflect the status of compliance with DoD's enterprise architecture and the FMSCP.</p>	<p>Corrective action on hold pending implementation of DoD Financial Management Modernization Program.</p>	<p>USD(C)</p>
<p><b>D-2001-086</b>, On Board Jammers for the Integrated Defense Electronic Countermeasures, 3/20/2001</p>	<p>The Navy is having Johns Hopkins University conduct a new analysis of alternatives on the on board jammers.</p>	<p>Johns Hopkins is on schedule and working on the analysis.</p>	<p>Navy</p>
<p><b>D-2001-088</b>, DoD Involvement in the Review and Revision of the Commerce Control List (CCL) and the U.S. Munitions List, 3/23/2001</p>	<p>Work with Commerce to facilitate periodic interagency reviews of the CCL, including the appropriate treatment for any items currently controlled unilaterally by the US, and whether any of the countries to which controls apply should be removed from the Commerce Country Chart.</p>	<p>Scheduling discussions with the Department of Commerce on reviews of the CCL and the Commerce Country Chart.</p>	<p>USD(P)</p>
<p><b>D-2001-099</b>, Use of Contract Authority for Distribution Depots by the Defense Logistics Agency, 4/16/2001</p>	<p>Modify the FMR, volume 11B, to include procedures that require that all use of contract authority is adequately posted and liquidated in the DoD working capital fund accounting records at the activity group level.</p>	<p>Normal time required for consideration of changes to financial policies.</p>	<p>USD(C)</p>
<p><b>D-2001-101</b>, Control Over Electronic Document Management, 4/16/2001</p>	<p>Establish improved access controls and conduct and document required security reviews.</p>	<p>Delayed implementation of automated system improvements.</p>	<p>DFAS</p>

<b>D-2001-108</b> , Recognition of Revenues and Expenses in the Defense Business Management System, 4/27/2001	Ensure that the new financial management system has appropriate controls to recognize revenue during the period the revenue was earned and that it generates management reports to the Naval Supply Systems Command and Navy Working Capital Fund Organizations for monitoring the timeliness of the recording of expenses and accounts payable within the system.	Corrective actions are on target.	DFAS
<b>D-2001-109</b> , DoD Payroll Withholding Data for FY 2000, 4/27/2001	Develop the capability to maintain, and query, historical payroll data.	Management stated that the recommended action was too costly. Alternative long term action is being taken.	DFAS
<b>D-2001-111</b> , Acquisition of the Airborne Laser Mine Detection System, 5/2/2001	The Navy plans to review and revalidate the Airborne Laser Mine Detection System Operational Requirements Document in the normal course of preparation for the planned FY 04 Milestone III decision.	Correct actions on schedule for first quarter FY 04.	Navy
<b>D-2001-114</b> , DoD Contractor Debt Collection Process, 5/7/2001	Refer delinquent contractor debt to the Treasury Cross Servicing Program in accordance with the Debt Collection Act of 1996.	Awaiting final action on debt collection that is currently in litigation with DCIS.	DFAS
<b>D-2001-118</b> , Public/Private Competition at Lackland Air Force Base, 5/14/2001	A change to the DFARS Supplement will be initiated. The DoD A-76 will be updated. An interim guidance update will reflect DoD policy for legal support to the MEO Study Team.	Normal time to develop, coordinate and issue policy.	USD(AT&L)
<b>D-2001-121</b> , Use of the DoD Joint Technical Architecture in the Acquisition Process, 5/14/2001	Establish process to verify JTA standards in acquisition documents and incorporate additional language needed in DoD 5000 series guidance.	Extended time needed to coordinate and issue policy.	USD(AT&L)
<b>D-2001-124</b> , U.S. Special Operations Command Use of Alternative or Compensatory Control Measures, 5/18/2001	Report is classified.	Extended time to develop and issue policy.	JS

<b>D-2001-129</b> , Contracting Officer Determinations of Price Reasonableness When Cost or Pricing Data Were Not Obtained, 5/30/2001	AT&L to develop personnel requirement for Components to accomplish contracting workload and ensure Army and Navy improve compliance with price trend analyses requirements. Services and DLA implementing procedures to better assess price reasonableness and institute corrective actions for future contracts.	AT&L action on hold pending determination of provisions in expected legislation. Components having difficulty validating manpower requirements.	Navy, AF, DLA
<b>D-2001-131</b> , Items Excluded From the Defense Logistics Agency Defense Inactive Items Program, 5/31/2001	Perform study to separate costs of maintaining inactive items from active items. Depending on results, DLA may examine viability of the Defense Inactive Item Program as a cost effective and beneficial program to DoD.	Corrective action suspended pending results of follow-on audit.	DLA
<b>D-2001-133</b> , Deliberate Planning for Meteorological and Oceanographic Operations (U), 6/1/2001	Report is classified.	EUCOM timelines for updating plans have been delayed.	EUCOM, PACOM
<b>D-2001-135</b> , Prevalidation of Intergovernmental Transactions, 6/6/2001	DFAS conducted a review of the prevalidation of intergovernmental transactions, including a new justification and approval process for system changes and the use of manual systems that are expensive and of limited effectiveness. A plan was to be developed by the end of February 2002 that would develop cost-effective automated methods to expand prevalidation.	Normal time required for consideration of changes to financial policies.	DFAS
<b>D-2001-136</b> , Defense Clearance and Investigations Index Database, 6/7/2001	Establish procedures to revise and maintain DCII user codes. Issue guidance to implement OPM policy on constructing pseudo social security numbers for foreign nationals require CAFs to determine the use of pseudo SSNs for payroll purposes and use these numbers in the DCII.	Additional time needed to develop and implement procedures.	USD(I)
<b>D-2001-138</b> , Acquisition of the Joint Biological Point Detection System, 6/13/2001	Revise and obtain approval of the JBPDS operational requirements document (ORD).	Competing management priorities.	USD(AT&L), Army

<b>D-2001-141</b> , Allegations to the Defense Hotline on the Defense Security Assistance Management System, 6/19/2001	Amend DoD 5200.2-R to address security investigation requirements for foreign national contractor employees. Delay additional work until security investigations obtained by contractor employees and existing computer code is tested.	Extended time needed to coordinate and issue policy. Delay in security clearances.	ASD(NII), DSCA
<b>D-2001-145</b> , Overseas Absentee Ballot Handling in DoD, 6/22/2001	Director of Administration and Management reissue DoDD 1000.4 and Services develop/issue guidance consistent with that directive.	Actions pending re-issuance of DoDD 1000.4.	Army, Navy, AF, MC
<b>D-2001-146</b> , Inventory Valuation at the Defense Supply Center Philadelphia, 9/6/2001	DSCP implement procedures to accurately compute acquisition costs and correct the acquisition costs in the national inventory record file. DSCP identify and disclose amount of on-hand inventories that were valued based on acquisition costs that cannot be supported by contract data and estimate acquisition costs for items without a procurement history. Also, implement procedures to retain contract data to support the acquisition costs.	Absorbing recommendations for this and related cases into an overarching Plan of Actions and Milestones.	DLA
<b>D-2001-148</b> , Automated Transportation Payments, 6/22/2001	Issue policy to address information assurance requirements for commercial automated processes. Execute policy when promulgated.	Extended time needed to coordinate and issue policy.	USD(AT&L), ASD(NII), USD(C)
<b>D-2001-153</b> , Pentagon Reservation Maintenance Revolving Fund, 7/2/2001	Forms are to be developed to identify the appropriate construction costs to be used in transferring completed projects from the construction in progress account to the real property accounts.	Implementation has been delayed by selection of an alternative corrective action.	WHS
<b>D-2001-155</b> , Compilation of the FY 2000 Navy Working Capital Fund Financial Statements, 7/3/2001	DFAS is working on a cash rebuild project that will reinstate the correct starting balances for cash as of December 1994. DFAS will maintain standard operating procedures and documentation to provide an audit trail from the CDB to DDCRS, and will maintain complete documentation and audit trails for budgetary information found in DDCRS.	Long-term corrective action on target.	DFAS

<p><b>D-2001-157</b>, Global Command and Control System – Meteorological and Oceanographic Application, 7/11/2001</p>	<p>Designate executive agent for the joint meteorological and oceanographic application with responsibilities for ensuring that potential mission application software adequately satisfies requirements and meets acceptable standards before it goes through Global Command and Control System integration testing.</p>	<p>Extended time needed to execute MOA's for two executive agents designated.</p>	<p>ASD(NII)</p>
<p><b>D-2001-158</b>, Compilation of the FY 2000 Army General Fund Financial Statements at the Defense Finance and Accounting Service Indianapolis (Sustaining Forces), 7/13/2001</p>	<p>Management will establish an action plan to meet revised requirements for reconciling suspense accounts.</p>	<p>Long-term corrective action on target.</p>	<p>DFAS</p>
<p><b>D-2001-161</b>, Unliquidated Obligations for Air Force-Funded Projects Administered by the Naval Facilities Engineering Command, 9/5/2001</p>	<p>The Facilities Information System (FIS)/Standard Accounting and Reporting System-Field Level (STARS-FL) interface will be reviewed and monitored throughout the completion of NAVFAC's actions to correct the problems following the conversion to STARS-FL.</p>	<p>Complex, multifaceted corrective actions.</p>	<p>Navy</p>
<p><b>D-2001-162</b>, Accounting Entries Made in Compiling the FY 2000 Air Force General Financial Statement, 7/26/2001</p>	<p>DFAS has developed an operational instruction for the preparation of Status of Funds (SOF) journal vouchers (JV). New systems, including GAFS-R, will automate computations now made by JV, automate interface of external data sources and eliminate the SOF JV that had inadequate documentation. DFAS will utilize the Chief Financial Officers Reporting System "preview" capability and leave JV in "unapproved" status until management signatures are obtained.</p>	<p>Competing management priorities.</p>	<p>DFAS</p>

<p><b>D-2001-163,</b> Accounting Entries Made in Compiling the FY 2000 Financial Statements of the Working Capital Funds of the Air Force and Other Defense Organizations, 7/26/2001</p>	<p>The Department adopted an approved historical cost method for the valuation of inventory, As such, the Department plans to revise the FMR, Volume 11B upon completion of the working group's development of revised policies. The FMR, Volume 4, Chapter 3 will be revised to require the recoding of accounts receivable, where applicable, for credits due when DoD working capital fund supply activities return inventory items to other governmental entities or commercial vendors because the items delivered do not conform to the purchase agreement or contract.</p>	<p>Corrective actions were on hold pending implementation of the DoD Financial Management Enterprise Architecture. Action is now going forward.</p>	<p>USD(C)</p>
<p><b>D-2001-164,</b> Implementation of a Cost-Accounting System for Visibility of Weapon Systems Life-Cycle Costs, 8/1/2001</p>	<p>USD(AT&amp;L) and USD (C) will define and build a financial architecture that incorporates cost accounting requirements for weapon system life cycle costs.</p>	<p>Complex accounting issues.</p>	<p>USD(AT&amp;L)</p>
<p><b>D-2001-165,</b> Defense Department Reporting System - Audited Financial Statements, 8/3/2001</p>	<p>Modify the Audited Financial Statements module to identify any journal voucher where the approver normally does not have the proper approval level for the journal voucher.</p>	<p>Long-term corrective action on target.</p>	<p>DFAS</p>
<p><b>D-2001-169,</b> U.S. Special Operating Command's Reporting of Real and Personal Property Assets on the FY 2000 DoD Agency-wide Financial Statements, 8/2/2001</p>	<p>A revision to FMR, Vol 4, Chapter 6 will include language to more clearly assist the DoD Components in identifying what organization should report specific property, equipment, and on reporting of automated processing equipment. SOCOM has started planning to baseline all reportable property, plant, and equipment, however, design of the infrastructure is dependent upon guidance issued by USD(C).</p>	<p>Normal time required for consideration of changes to financial policies.</p>	<p>USD(C), SOCOM</p>

<p><b>D-2001-170</b>, U.S. Transportation Command's Reporting of Property, Plant, and Equipment Assets on the FY 2000 DoD Agency-wide Financial Statements, 8/3/2001</p>	<p>System changes are to be developed to differentiate among USTRANSCOM, Air Mobility Command (AMC), and Defense Courier Service (DCS) assets. Reconcile all system records for USTRANSCOM, AMC and DCS against actual assets, and a prior period adjustment will be made. Electronic interfaces are to be created between the logistics and the accounting systems for transferring data.</p>	<p>System changes normally take considerable time to be implemented.</p>	<p>TRANSCOM</p>
<p><b>D-2001-171</b>, Industrial Prime Vendor Program at the Naval Aviation Depot-Cherry Point, 8/6/2001</p>	<p>Develop alternatives to keep conventional bench stock support competitive by either reducing costs or increasing bench stock sales.</p>	<p>Additional time needed to refine support concept.</p>	<p>DLA</p>
<p><b>D-2001-175</b>, Application of Year 2000 Lessons Learned, 8/22/2001</p>	<p>Develop a strategic or business plan for information assurance; implement a mission or business area approach for managing information technology investments; and implement an oversight process for complete repair, retirement, or replacement of systems that used date-windowing techniques during the year 2000 conversion process.</p>	<p>Extended time needed to develop, coordinate, and issue guidance.</p>	<p>ASD(NII)</p>
<p><b>D-2001-179</b>, Military Aircraft Accident Investigation and Reporting, 9/10/2001</p>	<p>Simplify access to safety information management system.</p>	<p>Extended time needed to resolve technical problems.</p>	<p>Navy</p>
<p><b>D-2001-181</b>, Compilation of the FY 2000 DoD Agency-Wide Financial Statements, 9/19/2001</p>	<p>Incorporate FACTS 1 due dates into the DoD FMR.</p>	<p>Competing management priorities.</p>	<p>USD(C)</p>
<p><b>D-2001-186</b>, Accountability and Control of Materiel at the Tobyhanna Army Depot -Stockage of Communications-Electronics Materiel, 9/21/2001</p>	<p>Immediately inventory the 590 pallets of communications-electronics materiel shipped from Sacramento Air Logistics Center to determine the condition and value of the materiel, determine whether a requirement for the materiel exists and, if necessary, turn it in or dispose of it as excess materiel.</p>	<p>Corrective actions are on target.</p>	<p>Army</p>

<p><b>D-2001-187</b>, Defense Logistics Agency Items Supporting Obsolete Army Weapon Systems, 9/27/2001</p>	<p>Perform study to separate costs of maintaining inactive items from active items. Depending on results, DLA may examine viability of the Defense Inactive Item Program as a cost effective and beneficial program to DoD.</p>	<p>Corrective action suspended pending results of follow-on audit.</p>	<p>DLA, Army</p>
<p><b>D-2001-188</b>, Revised DoD Progress Payment Practices, 9/27/2001</p>	<p>DCMA agreed to refer the issue of contract review and handling for payment instructions to the joint DCMA-DFAS DD 1716 Team, which is working to improve the method for generating, distributing, and tracking the DD Form 1716, Contract Data Package Recommendation/ Deficiency Report.</p>	<p>Management corrective actions are on target.</p>	<p>DCMA</p>
<p><b>D-2001-189</b>, Multiple Award Contracts for Services, 9/30/2001</p>	<p>Management will reemphasize the need to ensure competition on multiple award tasks and delivery order contracts. The DDP will propose a DFARS change that will require notice of all orders over \$100,000 for services and consideration of offers unless the FAR 16.505(b)(2) exception is satisfied and documented. The DD 350 Contract Reporting System will be used to track each contracting organizations use of competition in awarding task orders.</p>	<p>Management corrective actions are on target.</p>	<p>USD(AT&amp;L)</p>
<p><b>D-2002-004</b>, Import Processing of DoD Cargo Arriving in the Republic of Korea, 10/4/2001</p>	<p>Revise USFK Regulation 55-72 to require improvements in processing shipping forms and cargo, maintain current information on customs clearance personnel, require the use of commercial carriers when available, and establish procedures to pay storage charges to Korea in Korean currency. Implement a cost-efficient system for the automated processing of customs forms using an electronic data interchange.</p>	<p>Corrective actions are on target.</p>	<p>USFK</p>

<p><b>D-2002-005</b>, Management of the Joint Simulation System, 10/5/2001</p>	<p>Joint Simulation Program Manager is developing an overall security policy, including a security procedures manual and security standard operating procedures. Program Office is also developing a Program Office Estimate of JS Life Cycle Cost Estimate.</p>	<p>JSIMS development effort has been terminated. Hardware and software are being transferred to the Joint Warfighting Center at USJFCOM.</p>	<p>USD(AT&amp;L)</p>
<p><b>D-2002-006</b>, Classified Chemical and Biological Report, 11/16/2001</p>	<p>Report is classified.</p>	<p>Alternate management action being implemented and competing priorities (Navy). Extended time needed to coordinate and issue policy (Army).</p>	<p>Army, Navy</p>
<p><b>D-2002-008</b>, Controls Over the Computerized Accounts Payable System (CAPS) at Defense Finance and Accounting Service Kansas City (DFAS-KC), 10/19/2002</p>	<p>Improve security over remote users' access to CAPS; improve guidance on criteria for proper and accurate receipt and invoice documentation; improve organizational structures to provide better internal controls, especially separation of duties; and use an approved sampling plan for contracts and miscellaneous payments.</p>	<p>Management corrective actions are on target.</p>	<p>DFAS, MC</p>
<p><b>D-2002-009</b>, Valuation of Inventories in the Defense Logistics Agency Standard Automated Materiel Management System, 10/22/2001</p>	<p>Ensure inventory records contain accurate acquisition costs; develop interim procedures to validate inventory valuations; modify sampling plans to obtain appropriate costs for transferred items; disclose in the Financial Statements the value of inventories that are not supported by contract acquisition costs; and, identify inventory valuation problems to the DLA Business Systems Modernization Office.</p>	<p>Absorbing recommendations for this and related cases into an overarching Plan of Actions and Milestones.</p>	<p>DLA</p>

<p><b>D-2002-010</b>, Armed Services Blood Program Defense Blood Standard System, 10/22/2001</p>	<p>Establish a plan to ensure user critical functional requirements are incorporated into Defense Blood Standard System (DBSS). Establish controls to ensure thorough review on system change requests. Establish competency assessment requirements for system administrators and develop a tri-Service training program. Establish procedures to ensure effective deployment of DBSS system upgrades and management of blood product inventory.</p>	<p>Normal progression of system development and changes.</p>	<p>Army, Navy, AF, ASD(HA)</p>
<p><b>D-2002-013</b>, Defense Supply Center Richmond Qualified List Program, 11/20/2001</p>	<p>Fully implement DoD review, qualification, and recertification requirements for the Defense Standardization Program (DSP). Provide deficiency report information to Qualified Products List (QPL) managers. Ensure current information is included in the QPL data base.</p>	<p>Additional time will be needed to develop an alternative approach to address the data base issues. Longer term personnel and training actions are on schedule.</p>	<p>DLA</p>
<p><b>D-2002-018</b>, Development and Implementation of Wide Area Workflow Receipts and Acceptance, 11/28/2001</p>	<p>The Defense Electronic Business Program Office is developing memoranda of agreement (MOA) with the Military Departments and Defense agencies that specifically outline and detail the relationships and responsibilities for the Wide Area Workflow-Receipts and Acceptance.</p>	<p>MID 905 changed the responsibility of Wide Area Workflow and several other systems from DoD CIO to USD(AT&amp;L) and has contributed a delay.</p>	<p>USD(AT&amp;L)</p>
<p><b>D-2002-019</b>, Checks Issued Difference for Deactivated Disbursing Station, 11/28/2001</p>	<p>Issue guidance to retain records on checks issued until differences are reconciled; Establish a standard method to clear checks issued differences when reconciliation data are not available; Review the reconciliation of checks issued differences by DoD settlement offices after disbursing station deactivation.</p>	<p>Long-term corrective action on target.</p>	<p>DFAS</p>
<p><b>D-2002-020</b>, Audit Report on General Officer Quarters at Kaneohe Bay, Hawaii Camp Pendleton California, and Albany, Georgia, 12/5/2001</p>	<p>Congressional committees will be notified of ADA violation and appropriate corrections will be made. SecNavInst 11101.73B will be revised and a resident guide will be developed.</p>	<p>Normal time to revise policies, conduct an investigation and report the results.</p>	<p>Navy</p>

<b>D-2002-021</b> , Audit Report on Maintenance and Repair Type Contracts Awarded by the US Army Corps of Engineers Europe, 12/5/2001	The U.S. Army Corps of Engineers, Europe District, is implementing numerous corrective actions to strengthen management controls.	Corrective actions are on schedule for completion in 2003.	Army
<b>D-2002-024</b> , Navy Fleet Hospital Requirements, 12/12/2001	Report is classified.	Corrective actions are on target.	Navy, PACOM
<b>D-2002-028</b> , Environmental Program United States Forces Japan, 12/28/2002	Report is classified.	Corrective actions are on target.	PACOM
<b>D-2002-030</b> , Implementation of DoD Public Key Infrastructure Policy and Procedures, 12/28/2001	Develop an Information Technology Investment Management Plan that addresses performance measures, a risk management plan, and application of DoD acquisition policy requirements.	Delays due to resource constraints and change in acquisition strategy.	ASD(NII)
<b>D-2002-032</b> , Audit of Major Defense Acquisition Program Cycle Time, 12/28/2001	AT&L is redesigning the Consolidated Acquisition Reporting System.	Corrective action is on schedule for completion in 2003.	USD(AT&L)
<b>D-2002-034</b> , Military Health System Optimization Plan, 12/31/2001	Two new groups, Medical-Personnel (MED-PERS) Committee and Health Professionals' Incentives Integration Board (HPIIB) have been established. One of the matters under their consideration will be opportunities for resource sharing between the Services.	Charters being established for MED-PERS Committee and HPIIB.	ASD(HA)
<b>D-2002-035</b> , Protection of Strategic Systems Against Radio Frequency Threats, 1/4/2002	Report is classified.	Corrective actions are on target.	USD(I)
<b>D-2002-036</b> , Acquisition of the Naval Fires Control System, 1/8/2002	The Navy is going to update the ORD and the Surface TEMP. Upon receipt of the updated ORD for NFCS, the Joint Staff office will review and certify the document for interoperability and coordinate it accordingly.	Corrective actions are on target.	Navy

<p><b>D-2002-038</b>, Financial Reporting for the Other Defense Organization General Funds at the Defense Finance and Accounting Service San Antonio, 1/14/2002</p>	<p>Determine the causes of abnormal balances; document the causes and when possible correct the balances; implement procedures to identify abnormal balances on a quarterly basis; document any system limitations causing abnormal balances; provide explanations to personnel responsible for preparing the financial statements; and identify and correct abnormal balances generated by business process anomalies.</p>	<p>Long-term corrective actions on target, but not yet validated by OIG CFO audit.</p>	<p>DFAS</p>
<p><b>D-2002-039</b>, Automation of the DoD Export License Allocation Review Process, 1/15/2002</p>	<p>A variety of alternative approaches and concepts are being considered to determine if existing automation options can be used in developing a DoD-wide automated system for the dissemination and review of export licenses. Other projects are being conducted in cooperation with the Defense Technology Security Administration, and Commerce, to assess the needs of interagency partners.</p>	<p>Extensive time is needed to coordinate and issue policy guidance.</p>	<p>USD(P), AF</p>
<p><b>D-2002-048</b>, General and Flag Officer Quarters at Fort Shaffer, Hawaii and Fort McPherson, Georgia, 2/12/2002</p>	<p>An investigation into a potential ADA violation was initiated. Policy on reviewing M&amp;R expenditures will be incorporated into the next revision of AR 210-50.</p>	<p>Time required to conduct an investigation and update policies.</p>	<p>Army</p>
<p><b>D-2002-049</b>, Classified Report on Environmental Program, 2/14/2002</p>	<p>Report is classified.</p>	<p>Corrective actions are on target.</p>	<p>PACOM</p>
<p><b>D-2002-052</b>, Meteorological and Oceanographic Support from Continental United States Based Support Centers, 2/19/2002</p>	<p>Navy and Air Force plan to develop a joint Weather Research Forecast (WRF) model and, through the Joint Meteorological and Oceanographic (METOC) and Interoperability Board (JMIB), develop a single geospatially-correct, four-dimensional environmental characterization of the battle space to provide the warfighter with information and knowledge about his operating environment. Applicable guidance will be revised to include procedures for METOC acquisition category II and below programs.</p>	<p>Normal time needed to develop and coordinate models, plans, and revised guidance.</p>	<p>Navy, AF</p>

<p><b>D-2002-056</b>, Controls Over Vendor Payments Made for the Army and Defense Agencies Using the Computerized Accounting Payable System (CAPS), 3/6/2002</p>	<p>Revise the FMR to incorporate the requirements of 5 CFR 1315. Improve security over access to CAPS. Identify and standardize use of best practices to detect weaknesses in the vendor payment process. Provide for automated interfacing of data between CAPS and both the Standard Procurement System (SPS) and the Corporate Electronic Funds Transfer (CEFT) database.</p>	<p>Management corrective actions are on target.</p>	<p>USD(C), DFAS</p>
<p><b>D-2002-060</b>, Management of Terminal Items at the Defense Logistics Agency, 3/13/2002</p>	<p>Revise procedures to review terminal items with no registered users in the Defense Inactive Item Program (DIIP), for obsolescence, and quantify the number of terminal National Stock Numbers (NSNs) that are determined to be obsolete after NATO and foreign governments review the NSNs.</p>	<p>Corrective action suspended pending results of followon audit.</p>	<p>USD(AT&amp;L)</p>
<p><b>D-2002-070</b>, DoD Payroll Withholding Data for FY 2000, 3/25/2002</p>	<p>Complete the process of automating payroll elections to improve accuracy, to speed transmissions of data to DFAS and to retain payroll data in electronic form. Also, correct errors in personnel files.</p>	<p>Actions not yet verified by an OIG followon audit.</p>	<p>Army, Navy, AF, DLA, ASD(NII), DeCA, DFAS, NIMA</p>
<p><b>D-2002-071</b>, DoD Management of the North Atlantic Treaty Organization Security Investment Program, 3/26/2002</p>	<p>EUCOM will track each prefinanced project in the NATO Security Investment Program, including the likelihood of NATO Infrastructure Committee authorization, actions required to obtain NATO authorization, and an estimated recoupment date. The Navy will amend Instruction 4000.2A.</p>	<p>Long-term corrective action on target.</p>	<p>EUCOM, Navy</p>
<p><b>D-2002-073</b>, Financial Management Ending Balance Adjustments to General Ledger Data for the Army General Fund, 3/27/2002</p>	<p>Implement DDRS Budgetary for the Army General Fund to address the issue of using budgetary status data rather than general ledger data; Use transactional data from a centralized database to populate general ledger accounts in DDRS Budgetary and continue efforts to analyze and correct causes for current adjustments; Use transactional data to generate a general ledger data file for DDRS Budgetary.</p>	<p>Slow system development process.</p>	<p>DFAS</p>

<b>D-2002-075</b> , Controls Over the DoD Purchases Card Program, 3/29/2002	Improve oversight and management controls over DoD purchase cards.	Corrective actions are on target for remaining open recommendations.	USD(AT&L)
<b>D-2002-076</b> , Funding Invoices to Expedite the Closure of Contracts Before Transitioning to A New DoD Payment System, 3/29/2002	Revise chapter 10, Appendix B, number 7, "Accounting Requirements for Expired and Closed Accounts, " to require that the DoD activity to which a program has transferred be responsible for providing current-year funding.	Corrective actions are on target.	USD(C)
<b>D-2002-077</b> , Bulk Fuel Infrastructure Military Construction Project Review Process, 4/3/2002	Establish procedures for Major Commands to use in validating MILCON and MR&E projects.	Normal time needed to issue a new policy document.	AF
<b>D-2002-079</b> , Delivery and Receipt of DoD Cargo Inbound to the Republic of Korea, 4/15/2002	USFK Regulation 55-355, "Korea Traffic Management" is being revised to include specific cargo delivery information. The Eighth U.S. Army Command Inspection Program (CIP) will include delivery information. A new checklist will be incorporated into the CIP schedule by the 4th Quarter FY 2002.	Cargo delivery information needs to be incorporated into the U.S. Eighth Army Command Inspection Program.	USFK
<b>D-2002-080</b> , Quality Deficiency Reporting Procedures for Naval Repair Parts, 4/5/2002	Navy will develop and deploy an automated information technology system that will centrally account and control Process Quality Deficiency Reports by August 2003. To improve notification procedure process, the Navy Inventory Control Point and Supply Systems Command will assess development of a more timely media such as emails and messages as well as web site postings.	Corrective actions are on target.	Navy, DLA
<b>D-2002-084</b> , Guidance for the Global Command and Control System Common Operational Picture, 5/1/2002	Report is FOUO.	Lack of management emphasis (PACOM). Competing priorities (JS, EUCOM and SOUTHCOM).	JS, PACOM, SOUTHCOM, EUCOM
<b>D-2002-088</b> , Acquisition of the Joint Service Lightweight Standoff Chemical Agent Detector, 5/10/2002	Implement improvements in defining operational requirements, evaluating production readiness, test planning, and program funding.	Extended time needed to revise program acquisition strategy.	USD(AT&L)

<p><b>D-2002-090</b>, Final Report on the Evaluation of the Defense Supply Center Columbus Qualified Products List and Qualified Manufacturers List Program, 5/14/2002</p>	<p>AT&amp;L will review the underlying policy provisions concerning Qualified Manufacturer's List/ Qualified Products List (QML/ QPL) Programs contained in DoD Manual 4120.24-M and develop and issue clarifications as needed. DLA will perform a risk assessment of Defense Supply Center Columbus (DSSC) not performing the scheduled audits under the QML/QPL Program and determine the need for corrective actions. DSSC internal audit will review the new developed process for making PQDR data for QML/QPL items available through computer download and actions taken to ensure Certificates of Conformance and Traceability are received when required.</p>	<p>Normal time needed to develop and coordinate policy revision.</p>	<p>USD(AT&amp;L), DLA</p>
<p><b>D-2002-091</b>, Accountability and Control of Materiel at the Corpus Christi Army Depot, 5/21/2002</p>	<p>Comply with Army guidance for storage of maintenance materiel and the preparation and submission of management reports for review; price materiel stored in the Automated Storage and Retrieval System (ASRS) that has no extended value or added to the physical inventory, and identify the value of inventory excess to prevailing requirements; inventory, record, identify valid needs, and turn in or transfer materiel stored in work centers; perform annual physical inventory and quarterly reviews of all materiel stored in ASRS to determine if valid requirements exist; review projects at various stages; reconcile ASRS and Maintenance Shop Floor System files; prepare and submit reports for various reports for ASRS.</p>	<p>Action is ongoing, however, constrained by personnel reduction and competing priorities.</p>	<p>Army</p>
<p><b>D-2002-094</b>, Pricing of Pharmaceutical Items in the Medical Prime Vendor Program, 5/23/2002</p>	<p>DLA perform causative research of transactions that are excluded from the price comparison process and establish procedures to review price differences of transactions that are included in the price comparison process. DLA establish milestones to test/ implement the price comparison process.</p>	<p>Management corrective actions have been initiated and are on target.</p>	<p>DLA</p>

<b>D-2002-095</b> , Chemical and Biological Defense Individual Protective Equipment in Central Command and European Command Area (U), 5/30/2002	Report is classified.	Long-term corrective actions on target.	USD(AT&L), Army, Navy, AF
<b>D-2002-098</b> , Army Website Administrative Policies and Practices, 6/5/2002	Establish a training requirement and curriculum for Army web administrators.	Army CIO/G6 working to overcome funding issues for next fiscal year.	Army
<b>D-2002-101</b> , Human Capital Compensation Policies and Procedures for Selected Nonappropriated Funds Childcare Provider, 6/10/2002	Strengthen management controls over childcare provider databases (Army, Navy) and salary payments (USMC).	Long-term corrective actions on target.	Army, Navy, USMC
<b>D-2002-103</b> , Certification of the Reserve Component Automation System (RCAS), 6/14/2002	Establish functional performance measures to better assess both the initial and future impact of RCAS on supported functionalities.	Corrective actions are on target.	Army, NGB
<b>D-2002-107</b> , Army Transition of Advanced Technology Programs to Military Applications, 6/14/2002	Research Development and Engineering Centers (RDECs) should incorporate performance goals necessary for technology transitions in Science & Technology project managers performance plans. Positive and clear incentives should be introduced in order to foster advancement as rapidly as possible.	Implementation of recommendation has been delayed due to a reorganization to a new AMC subordinate command.	Army
<b>D-2002-108</b> , Standard Procurement System Certification and Accreditation Process, 6/19/2002	Identify the responsibilities the certification and accreditation actions or steps to be performed by the program manager and Component organizations, to include Component sites to which the system is deployed.	Extended time needed to coordinate and issue policy.	ASD(NII)
<b>D-2002-109</b> , Army Claims Service Military Interdepartmental Purchase Requests, 6/19/2002	Recoup the Unliquidated obligation in FY 1997- 2000 O&M funds from GSA and deobligate the funds.	The remaining funds will be recouped and deobligated upon the completion of the ongoing FY 2000 contract on which the funds are being used.	Army

<b>D-2002-110</b> , Policies and Procedures for Military Interdepartmental Purchaser Requests WHS, 6/19/2002	Improve procedures for processing MIPR, reviewing unliquidated obligations (ULO) and deobligating excess funds. Encourage customers to first consider Defense Contracting Command-Washington for processing MIPR, before using other activities.	Management corrective actions are on target.	DAM, WHS
<b>D-2002-111</b> , Classified Report on Aircraft Readiness, 6/20/2002	Report is classified.	Corrective actions are on target.	Navy
<b>D-2002-112</b> , Report of the Industrial Prime Vendor Program at the Air Force Air Logistics Center, 6/20/2002	A new sourcing process will include an automated sourcing model capable of evaluating individual items and determining the best value source, including existing DLS inventory.	Sourcing model developed but testing revealed several limitations that require enhancements.	DLA
<b>D-2002-113</b> , Controls Over the Computerized Accounts Payable System at Defense Finance and Accounting Service Columbus, 6/21/2002	Require the manual certification of all vendor payments made using the Computerized Accounts Payable System for Windows, until implementation of a sampling plan for vouchers under \$2500.	Implementation has been delayed by a change in management strategy.	DFAS
<b>D-2002-116</b> , Review of FY 2001 Financial Statements for the National Security Agency, 6/25/2002	Report is classified.	Corrective actions are on hold pending implementation of the DoD Financial Management Enterprise Architecture.	NSA
<b>D-2002-117</b> , Review of FY 2001 Financial Statement for the Defense Intelligence Agency, 6/25/2002	Report is classified.	The action is on hold pending implementation of the DoD Financial Management Enterprise Architecture.	DIA
<b>D-2002-119</b> , Defense Hotline Allegations Regarding the Military Airspace Management System, 6/25/2002	MAMS working group develop Plan of Action with Milestones to be provided to OSD. MILDEPs develop draft policies and procedures to standardize special use airspace scheduling process. Policy Board will review draft guidance.	Establishment of Military Airspace Management System (MAMS) working group delayed. Other actions are on target.	ASD(NII)
<b>D-2002-121</b> , Security: Controls Over Biological Agents (U), 6/27/2002	Report is classified.	Extended time needed to coordinate policy and delay due to reorganization.	USD(AT&L), USD(I)

<p><b>D-2002-122</b>, Environmental Community Involvement Program at Test and Training Ranges, 6/28/2002</p>	<p>A new DoD Directive "Outreach and Community Involvement for Sustainable Readiness" is being developed to address the issues raised by the audit. An individual will be detailed to OSD to work with the Overarching Integrated Product Team and Working Integrated Product Team to implement the new Directive and Instruction.</p>	<p>Normal time required to develop and coordinate policy document.</p>	<p>USD(P&amp;R)</p>
<p><b>D-2002-124</b>, Allegations to the Defense Hotline on the Management of the Defense Travel System, 7/1/2002</p>	<p>Perform the analyses and develop the acquisition documents needed to assess the system's effectiveness and return on investment.</p>	<p>Additional time needed to comply with acquisition policy requirements for a major automated information system.</p>	<p>ASD(NII), DFAS</p>
<p><b>D-2002-125</b>, General and Flag Officer Quarters at the Pearl Harbor, Hawaii, 7/1/2002</p>	<p>Navy will implement forthcoming USD(C) guidance on the classification of plantation shutters and will direct coordination of the installation or replacement of such shutters with local SHPOs.</p>	<p>Normal time required to establish and implement policy.</p>	<p>Navy</p>
<p><b>D-2002-126</b>, Acquisition of the Evolved Seasparrow Missile, 7/5/2002</p>	<p>Include a cost element in the missile life-cycle cost estimate to account for demilitarization and disposal costs for the missile; revise the ORD to designate interoperability as a key performance parameter; and develop a C4I support plan.</p>	<p>Competing management priorities.</p>	<p>Navy</p>
<p><b>D-2002-127</b>, Audit Report on DoD Compliance with Internal Use Software Accounting Standards, 7/9/2002</p>	<p>A working group is developing interim solutions to improve internal use software reporting, including developing policy guidance; business processes will be reengineered and requirements for systems changes will be provided in to the OUSD(C); applicable guidance will be used to facilitate distinguishing between capitalized and expensed software when recording transactions; a system will be implemented to capture material internal software costs; DFAS will comply with existing DoD regulations mandating property accountability records for software over \$5,000, and will use property records as the subsidiary ledger for internal use software.</p>	<p>Long-term corrective action on target.</p>	<p>DFAS, USD(C)</p>

<b>D-2002-131</b> , Terminal Items Managed by the Defense Logistics Agency for the Navy, 7/22/2002	DLA will modify the existing stock retention policy to review terminal items that are excluded from the Defense Inactive Program (DIIP). In addition, plan to complete a new study to quantify the costs of inactive items.	Corrective actions are on target.	DLA
<b>D-2002-132</b> , Implementation of Government Information Security Reform by the Defense Finance and Accounting Service for the Civilian Personnel Resource Reporting Systems, 7/23/2002	Certify and accredit the Work Year Personnel Cost System.	Extended time needed to complete final certification and accreditation.	DFAS
<b>D-2002-133</b> , Global Command and Control System Readiness Assessment System Output Tool, 7/24/2002	Increase user involvement in requirements validation and develop quantifiable performance standards.	Alternative management action being implemented.	JS
<b>D-2002-134</b> , Implementing of Government Information Security Reform by the Defense Finance and Accounting Service Nonappropriated Fund Information Standard, 7/24/2002	Complete certification and accreditation for the Nonappropriated Fund Information Standard System.	Extended time needed to complete certification and accreditation.	DFAS
<b>D-2002-139</b> , Naval Facilities Engineering Command Environmental Services Contracting, 8/20/2002	The Navy initiated an effort to review and rewrite the Navy Acquisition Procedures Supplement (NAPS). As part of the effort, the Navy will address documentation and approval requirements for services contract periods in excess of 5 years.	Corrective actions are on target.	Navy

<p><b>D-2002-140</b>, Measurement of Water Usage by DoD Components Serviced by the DC Water and Sewer Service, 8/20/2002</p>	<p>Locate and test water meters that measure water service from the DCWASA; establish and implement procedures to verify that the DCWASA routinely inspects and reports results of inspections for DoD-owned water meters; develop and implement effective controls and procedures to verify that the DCWASA accurately reads water meters to ensure that estimated water and sewer bills are reliable; establish and implement a maintenance program to repair or replace inoperable water meters.</p>	<p>Long-term corrective action on target.</p>	<p>Army, Navy, AF, NIMA, WHS</p>
<p><b>D-2002-143</b>, Acquisition of the Army Land Warrior System, 9/5/2002</p>	<p>The Project Manager is collecting lessons learned from experiences with the use of other transaction agreements compared to previous experiences with FAR-based contracts, both from the perspective of the government and the Land Warrior Consortium. This information will be rolled into an after actions report which will be made available to the Army acquisition community following conclusion of the other transaction agreement.</p>	<p>An "After Actions" report is being drafted.</p>	<p>Army</p>
<p><b>D-2002-145</b>, Effect of the Raytheon Defense Business Acquisitions on Pension Plans and DoD- Funded Pension Assets, 9/11/2002</p>	<p>Request that Raytheon correct the financial reports for E-System's Salaried Plan to report the unauthorized withdrawal of \$7.9 million. Review and verify the E-Systems Supplemental Executive Retirement Plan asset balances as part of the CAS 413 reviews; review and verify the Texas Instruments pension plan asset balances; determine the cost impact to the government with regard to a Hughes noncompliance with CAS standards; revise the pension audit guidance program to require that periodic reviews of CAS 413 asset balances maintained by CAS covered government contractors are performed.</p>	<p>Competing management priorities.</p>	<p>DCMA, DCAA</p>

<p><b>D-2002-149</b>, Defense Logistics Agency Managed Items Supporting Air Force Weapon System, 9/18/2002</p>	<p>Establish controls to: ensure that National Stock Number (NSN) items supporting current weapon systems are not deleted from the supply system; ensure that inactive item review notifications are being reviewed and returned to DLA before an automatic retain notification is provided to DLA; and review DLA transactions deleting NSNs from the Air Force systems so that inappropriate deletion of required data from the Air Force supply system is prevented. Review items inappropriately deleted from supply system to determine only those requiring reinstatement.</p>	<p>Coordination of overlapping recommendations between the Air Force and DLA.</p>	<p>DLA, AF</p>
<p><b>D-2002-153</b>, Reprocessed Medical Single-Use Devices in DoD, 9/30/2002</p>	<p>ASD(HA) issue policy and guidance stating the DoD position on the reuse of single-use devices (SUD) and work with FDA to work toward clarifying SUD labeling requirements. The MILDEPs Surgeons General issue implementing guidance consistent with ASD(HA) policy and ensure adequate awareness and training is provided to Military Treatment Facility personnel regarding the use of SUDs.</p>	<p>Significant time required to address/resolve issues with FDA and Services.</p>	<p>ASD(HA)</p>
<p><b>D-2002-154</b>, Cooperative Threat Reduction Program Liquid Propellant Disposition Project, 9/30/2002</p>	<p>Take actions with regard to Russia to mitigate the risks of misuse of Cooperative Threat Reduction-provided assistance. Expedite the determination of the future of the heptyl disposition facility and request that Russia use the proceeds from the sale of heptyl for CTR Program purposes. Once access to facilities is obtained, perform more complete inspections of equipment provided to Russia to ensure proper usage. DTRA report risks annually, and as needed, to the USD(P).</p>	<p>Management corrective actions are on target.</p>	<p>USD(P), DTRA</p>

Acronyms:

AF	Air Force
ASD(HA)	Assistant Secretary of Defense (Health Affairs)
ASD(NII)	Assistant Secretary of Defense (Networks Information Integration)
ASD(RA)	Assistant Secretary of Defense (Reserve Affairs)
CAP	Civil Air Patrol
DAM	Director, Administration and Management
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DeCA	Defense Commissary Agency
DFAS	Defense Finance and Accounting Service
DIA	Defense Intelligence Agency
DISA	Defense Information Systems Agency
DLA	Defense Logistics Agency
DOT&E	Director, Operational Test and Evaluation
DSS	Defense Security Service
DSCA	Defense Security Cooperation Agency
DTRA	Defense Threat Reduction Agency
EUCOM	European Command
JFCOM	Joint Forces Command
JS	Joint Staff
MC	Marine Corps
NIMA	National Imagery and Mapping Agency
NGB	National Guard Bureau
NRO	National Reconnaissance Office
NSA	National Security Agency
PACOM	Pacific Command
TRANSCOM	Transportation Command
SOCOM	Special Operations Command
SOUTHCOM	Southern Command
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USD(C)	Under Secretary of Defense (Comptroller)
USD(I)	Under Secretary of Defense (Intelligence)
USD(P)	Under Secretary of Defense for Policy
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
USFJ	United States Forces - Japan
USFK	United States Forces - Korea
WHS	Washington Headquarters Services