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## **Military Pay**

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### **The Scenario**

An agency requested that the Department of Defense Inspector General conduct an audit of military pay and overseas travel because they noted a significant increase in CONUS service members traveling abroad to hazardous duty locations during the last few days of each month. The same service members' trips usually extended for one or two days into the proceeding month. Agency officials told the Inspector General's Office that service members were eligible to receive their base pay, hazardous duty pay, and qualified for payroll tax-exempt status, during the months they traveled to dangerous overseas locations. In addition, eligibility for additional payroll benefits was not contingent on the amount of time the service member stayed at a location(s). The agency's accounting records indicated that travel and payroll costs increased significantly in recent years.

The auditor requested base check in and check out logs (logs) for a calendar year for two military bases closely located in hazardous duty areas, Base A and Base B. Another log was requested for Base Fruit C, an overseas military installation that did not provide incentive pay for travelers. The logs contained detailed information on the names of CONUS service members, the dates of their visits, and the number of visits during the review period. Auditor review of the base logs, travel documentation, and interviews with agency officials disclosed the following trends:

- Seventy five percent more senior service members traveled to Base A and Base B, compared to the number of travelers to Base C. However, auditor's review of agency travel records disclosed that senior service members frequently traveled to Base C in the past. Agency officials stated that a significant number of civilian and military personnel were currently stationed at Base C and numerous mission critical projects were ongoing at the location.
- Over ten thousand service members made monthly three day overseas trips to the hazardous locations in the most recent calendar year.
- An additional fifty five hundred service members made monthly trips to one or both of the hazardous locations at the end of each month in the calendar year. Of the fifty five hundred service members, three thousand extended their trips for two days into the proceeding month.

The auditor requested travel authorizations for the service members that made the most frequent overseas trips to the hazardous locations. Some of the most common explanations for the purpose of the trips were to "boost the morale of the troops" or "see how the troops were doing." The auditor concluded that some of the service members might be involved with payroll benefit abuse because of the excessive and frequent number of trips made to Base A and Base B by agency service members during the past calendar year.

**General Comments / Lessons Learned.** Auditors should be aware of the indicators described in this scenario when conducting audits of military payroll and overseas travel. However, auditors must remember that not all military travel to hazardous locations should be considered suspect. There may be situations where a service member is required to make monthly visits to hazardous location (s) and/or scheduling may cause trips to overlap into the next month.

#### **ABUSE INDICATORS**

- **Excessive number of trips to locations where additional payroll benefits are offered.**
- **Trips occur during the last few days of each month and extend into the proceeding month.**
- **Trips are short in duration and reoccur frequently throughout the year.**
- **Agency representatives do not regularly travel to locations where mission critical work is performed and travel incentives are not offered.**
- **Purpose of the trip is not specific or the same broad justification is used repeatedly to justify travel to location(s) where additional payroll incentives are provided.**
- **Increases in agency payroll and travel costs occur; although, the agency's mission and responsibilities have not been effected by changes in the United States' political agenda or Department of Defense priorities.**