



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

DEC 18 1971

CIVIL DIVISION

GA000251



Dear Admiral Bender:

We have completed an examination of a statistical sample of the pay records of Coast Guard members who were separated from active duty during the period July 1 to December 31, 1970. Final pay and allowances to members who are separated includes cash settlement for unused leave and travel allowances to their home of record or place of entry in the service.

There were 115 errors amounting to \$2,526 in 61 of the 193 pay records included in our sample. A statistical projection of the results of our examination indicates that for the 3,473 members who separated from active duty between July 1 and December 31, 1970, there was a 95 percent probability that (1) the number of errors in the pay records ranged from 1,570 to 2,570 and was more likely to be 2,070 and (2) the dollar amount of these errors ranged from \$26,050 to \$64,900 and was more likely to be \$45,460. A summary of the types and amounts of errors is shown in the attachment.

About 32 percent of the pay records we examined contained errors. Although this high percentage shows a general need for greater care in the maintenance of pay records, we were unable to identify the cause of error in most cases because our review was limited to the records available at Headquarters. Therefore, we plan to begin a review in the near future of pertinent source documents and control procedures in the field.

During the examination we reported our findings in detail to the Payments and Claims Division so that corrective action could be initiated promptly. That Division has taken corrective action on all errors reported.

We appreciate the cooperation and courtesies extended to us by Headquarters officials during our examination.

Sincerely yours,

Richard W. Kelley
Richard W. Kelley
Assistant Director

Attachment

AG000164

Admiral Chester R. Bender
Commandant
The Coast Guard

715283

50TH ANNIVERSARY 1921-1971

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SUMMARY OF TYPES AND AMOUNTS OF ERRORS
LUMP-SUM LEAVE PAYMENTS AND ALLOWANCES
FOR 193 MEMBERS SEPARATED FROM ACTIVE DUTY
JULY 1 TO DECEMBER 31, 1970

<u>Type of Error</u>	<u>Number of Errors</u>	<u>Overpayment</u>	<u>Underpayment</u>	<u>Total</u>
Leave taken not recorded on leave record (a)	20	\$1,430.76		\$1,430.76
Leave taken incorrectly recorded on leave record (a)	24	293.89	\$.86.16	380.05
Mathematical error in computing leave record balance	6	40.06	30.50	70.56
Improperly allowing member to earn leave while in excess leave status	12	46.47		46.47
Over deduction of allowances in connection with excess leave	2		17.03	17.03
Excess leave incorrectly computed	3	6.51	1.51	8.02
Payment of basic allowance for quarters when not entitled because of grade or dependency status	2	85.00		85.00
Mileage allowance incorrectly computed	2	9.78		9.78
Leave rations not recorded on pay record	27		376.59	376.59
Leave rations incorrectly recorded on pay record	6	6.60	1.32	7.92
Leave rations improperly paid while in excess leave status	4	45.87		45.87
Improper payment for sea duty while on leave	5	28.30		28.30
Improper payment for basic allowance for subsistence while on leave	2	19.99		19.99
Total	<u>115</u>	<u>\$2,013.23</u>	<u>\$513.11</u>	<u>\$2,526.34</u>

(a) Includes both ordinary and delay en route leave