



Highlights of GAO-04-89, a report to the Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

In light of the recent mobilizations associated with the war on terrorism and homeland security, GAO was asked to determine if controls used to pay mobilized Army Guard personnel provided assurance that such pays were accurate and timely. GAO's audit used a case study approach to focus on controls over three key areas: processes, people (human capital), and systems.

What GAO Recommends

GAO makes a series of recommendations directed at immediate actions needed to address weaknesses in the processes, human capital, and systems currently relied on to provide active duty pay and allowances to mobilized Army Guard soldiers. In addition, GAO recommends action, as part of the Department of Defense's (DOD) longer-term system improvement initiatives, to ensure that reengineering efforts include the process, human capital, and systems issues identified in this report.

DOD concurred with GAO's recommendations and described actions recently completed, underway, and planned to correct the noted deficiencies.

www.gao.gov/cgi-bin/get rpt?GAO-04-89.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory D. Kutz at (202) 512-9505 or Kutzg@gao.gov.

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MILITARY PAY

Army National Guard Personnel Mobilized to Active Duty Experienced Significant Pay Problems

What GAO Found

The existing processes and controls used to provide pay and allowances to mobilized Army Guard personnel are so cumbersome and complex that neither DOD nor, more importantly, the mobilized Army Guard soldiers could be reasonably assured of timely and accurate payroll payments. Weaknesses in these processes and controls resulted in over- and underpayments and late active duty payments and, in some cases, largely erroneous debt assessments to mobilized Army Guard personnel. The end result of these pay problems is to severely constrain DOD's ability to provide active duty pay to these personnel, many of whom were risking their lives in combat in Iraq and Afghanistan. In addition, these pay problems have had a profound financial impact on individual soldiers and their families. For example, many soldiers and their families were required to spend considerable time, sometimes while the soldiers were deployed in remote, combat environments overseas, seeking corrections to active duty pays and allowances.

Pay Problems at Six Case Study Locations

Army Guard unit	Soldiers with pay problems			Comments
	Mobilization	Deployment	Demobilization	
Colorado Special Forces	56 of 62	61 of 62	53 of 62	34 soldiers were erroneously assessed debts averaging \$48,000 each
Virginia Special Forces	31 of 65	63 of 65	60 of 65	Injured soldiers denied active duty pay and medical benefits when orders not processed
West Virginia Special Forces	36 of 94	84 of 94	66 of 94	Sergeant came under enemy fire during 4-day trip to deliver pay records to correct errors
California Military Police	48 of 51	41 of 51	0 of 51	Majority of soldiers experienced delays in starting active duty pays
Maryland Military Police	75 of 90	64 of 90	3 of 90	Pays for 13 soldiers continued for 6 weeks after early release from active duty
Mississippi Military Police	21 of 119	93 of 119	90 of 119	88 soldiers mistakenly paid for two types of hardship duty pay

Source: GAO analysis.

The pay process, involving potentially hundreds of DOD, Army, and Army Guard organizations and thousands of personnel, was not well understood or consistently applied with respect to determining (1) the actions required to make timely, accurate pays to mobilized soldiers, and (2) the organization responsible for taking the required actions. With respect to human capital, we found weaknesses including (1) insufficient resources allocated to pay processing, (2) inadequate training related to existing policies and procedures, and (3) poor customer service. Several systems issues were also a significant factor impeding accurate and timely payroll payments to mobilized Army Guard soldiers, including (1) non-integrated systems, (2) limitations in system processing capabilities, and (3) ineffective system edits.