



Highlights of [GAO-06-657T](#), a report to Committee on Government Reform, U.S. House of Representatives

Why GAO Did This Study

In light of GAO's past four reports and testimonies on Army military pay and travel pay for soldiers who have served in the Global War on Terrorism (GWOT), GAO was asked to determine if weaknesses in Army processes for initiating and terminating active duty pay might result in erroneous payments and debt, including (1) overpayments to soldiers in the Fort Bragg Medical Retention Processing Unit (MRPU)—1 of 23 MRPU—and (2) overpayments and other errors that resulted in debt collection action against battle-injured soldiers who were released from active duty. GAO also was asked to develop case studies to illustrate the effects of these problems on soldiers and their families and to determine ways that Congress could make the debt collection process more soldier friendly.

What GAO Recommends

GAO's report on overpayments at Fort Bragg (GAO-06-384R) recommended that DOD determine whether the same problems had occurred at the other 22 MRPU and ensure that appropriate corrective action is taken. GAO's report on separated soldier debt (GAO-06-494) raised several matters for Congress to consider regarding legislation to provide uniform debt relief to injured soldiers and exemptions from credit bureau reporting and private collection agency action. DOD partially concurred on the Fort Bragg report and concurred on the soldier debt report.

www.gao.gov/cgi-bin/getrpt?GAO-06-657T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory D. Kutz at (202) 512-7455 or kutzg@gao.gov.

MILITARY PAY:

Military Debts Present Significant Hardships to Sick and Injured GWOT Soldiers

What GAO Found

Continuing pay problems resulted in overpayments and debt for sick and injured Army soldiers serving in GWOT. As with GAO's prior work, these pay problems resulted in significant frustration and financial problems for the soldiers and their families. Our audit of separated Army GWOT soldier debt identified nearly 1,300 separated battle-injured soldiers and soldiers who were killed in combat during the first 4 years of GWOT deployment who had incurred a total of \$1.5 million in debt as of September 30, 2005. DOD has authority to write off debts of deceased soldiers and generally does not pursue collection action on the debts of soldiers who were killed in action. However, we found that hundreds of battle-injured soldiers were pursued for repayment of military debts through no fault of their own, including at least 74 soldiers whose debts had been reported to credit bureaus and private collection agencies at the time we initiated our audit in June 2005. Although the Debt Collection Act gives DOD authority to use these debt collection tools, in response to our audit, the Army temporarily suspended collection action on debts of battle-injured soldiers until a determination could be made about whether these soldiers' debts were eligible for relief. In addition our investigation of pay problems related to Army National Guard and Reserve soldiers assigned to the Fort Bragg MRPU identified overpayments of approximately \$218,000 related to 232 sick and injured soldiers. Many sick and injured Fort Bragg soldiers faced garnishment of wages and other debt collection action resulting from their pay errors. The table below illustrates experiences of 3 case study soldiers.

Case Study Examples on Impact of Injured Soldier Pay Problems Resulting in Debt

Soldier	Injury	Debt	Impact of debt on soldier and family
Army Reserve Staff Sergeant	Lost right leg below the knee	\$2,231	This separated soldier spent 1-1/2 years on disputes and appeals before multiple debts and errors were resolved. Army debt, the only blot on the soldier's credit report, prevented him from obtaining a loan to purchase a house.
National Guard Staff Sergeant	Brain damage and post traumatic stress.	\$12,662	Failure to record this soldier's separation in the pay system resulted in forfeiture of 3 month's pay while the Army attempted to recover his debt. As a result, the soldier's utilities were turned off and his family was separated.
National Guard Staff Sergeant	Vehicle injury involving IED crater	\$2,050	This Fort Bragg MRPU soldier's hostile fire and hardship duty pay continued for about 6 months after he was processed into the MRPU. Pay deductions to recover military debt had a rippling effect on the soldier's ability to pay other basic household expenses.

Source: GAO analysis.

Congress recently gave the Department of Defense (DOD) authority to cancel some GWOT soldier debts. Because of restrictions in the law, debts of injured soldiers who separated at different times can be treated differently, and soldiers who paid their debts are not eligible for refunds. Also, because this authority expires in December 2007, soldiers and their families could face bad credit reports and visits from collection agencies in the future.