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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
2006 WASHINGTON BOULEVARD BUILDING
234 STATE STREET
DETROIT, MICHIGAN 48226

SEP 30 1971

Commanding Officer
Naval Ordnance Station
Louisville, Kentucky 40214

Dear Sir:

In a recent examination at the Navy Finance Center, Cleveland, we reviewed 30 of the military pay records that were irregularly closed by your disbursing officer in fiscal year 1971. We found 10 errors -- six involve leave and four withholding and FICA taxes. For example:

- an officer was underpaid \$260.10 because a 60-day quarters allowance was not included in his lump sum leave settlement.
- an enlisted member's taxable income was understated by \$270.78 because part of his basic pay was not reported as taxable income.

In a prior review of 13 pay records irregularly closed in the 6-month period ended December 31, 1969, we found similar errors on six records. We also examined military travel vouchers paid in this period and found a high incidence of error in payments for permanent change of station and temporary additional duty. We found errors on 22 of 56 vouchers examined.

We believe you and your disbursing officer should inquire into the causes of these errors and take action to prevent their recurrence. To assist you, we have enclosed copies of our notices of exception and informal inquiries on the more serious discrepancies and an appendix listing all of the errors. We will gladly provide any additional details you may need. We would appreciate your comments on our observations and advice of any actions taken.

We are sending copies of this report to the Comptroller of the Navy; the Director, Navy Military Pay System; the Commanding Officer,

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Great Lakes Navy Regional Finance Center; and the Director, Naval
Area Audit Service, Norfolk.

Sincerely yours,

~~C. H. Moore~~

C. H. Moore
Regional Manager

Enclosures--2

Appendix

Copies of notices of exception (2)
and informal inquiries (4)

U. S. GENERAL ACCOUNTING OFFICE
DETROIT REGIONAL OFFICE

APPENDIX

SUMMARY OF ERRORS
NAVAL ORDNANCE STATION, LOUISVILLE, KENTUCKY

IRREGULARLY CLOSED
MILITARY PAY RECORDS

July 1970 - June 1971

<u>Type of error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>
Excess leave - pay and allowances deducted for wrong number of days	2	\$ 7.14	\$ 35.65
Quarters allowance not included in leave settlement	1		260.10
Duplicate credit of leave rations	1	11.88	
Excess leave - pay and allowances deducted for 31st day of month	1		9.82
Hostile fire pay not deducted for excess leave period	1	8.67	
FICA tax deduction overstated	1		10.06
Taxable income computation	1		
Lump sum leave basic pay not included as taxable income	1		
Lump sum leave basic pay included as FICA wages	<u>1</u>		
Total	<u>10</u>	<u>\$ 27.69</u>	<u>\$315.63</u>

July - December 1969

Excess leave - pay and allowances deducted for wrong number of days	5	\$ 52.38	
Lump sum leave settlement for wrong number of days	1		\$ 18.37
Hostile fire pay not deducted for excess leave period	1	3.67	
Taxable income computation	<u>1</u>		
Total	<u>8</u>	<u>\$ 56.05</u>	<u>\$ 18.37</u>

MILITARY TRAVEL - PERMANENT CHANGE OF STATION

Per diem

Not paid for overseas travel	2		\$ 11.52
In mileage status - unauthorized	1	\$ 9.30	
Computation	1		9.30
Meals not deducted while awaiting transportation	1	3.36	

<u>Type of error</u>	<u>Number</u>	<u>Overpayment</u>	<u>Underpayment</u>
<u>Transportation</u>			
Incorrect distance	4	\$ 7.44	
Dislocation allowance paid for move to first permanent duty station	1	110.10	
Unauthorized terminal points	1	14.94	
<u>Reimbursable expenses</u>			
Paid excess allowances for travelers checks	1	8.00	
Paid mess charges while in per diem status	1	8.00	
Total	<u>13</u>	<u>\$161.14</u>	<u>\$ 20.82</u>

MILITARY TRAVEL - TEMPORARY ADDITIONAL DUTY

Per diem

In excess of constructive time	10	\$ 42.00	
Meals not deducted at temporary duty station	4	21.90	
Wrong rate	1	4.00	

Reimbursable expenses

Turnpike tolls not authorized while in mileage status	1	3.50	
Total	<u>16</u>	<u>\$ 71.40</u>	