



UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE  
8112 FEDERAL OFFICE BUILDING  
FIFTH AND MAIN STREETS  
CINCINNATI, OHIO 45202

AUG 29 1975

Major General Alfred F. Ahner  
Adjutant General  
Military Department of Indiana  
P. O. Box AR  
Indianapolis, Indiana 46241

Dear General Ahner:

This letter summarizes the results of our survey of military pay and allowances paid to members of the Indiana Army National Guard. The purpose of our survey was to evaluate the accuracy and timeliness of payments made to Guard personnel under the recently implemented centralized payroll system for reserve components (JUMPS-RC).

We found that most of your personnel were paid accurately and timely. However, we noted administrative discrepancies in 24 of the 371 pay accounts examined. Twenty-two of the errors involved computing and/or recording pay entry basic dates and discharge dates. The remaining two involved a payment for drills apparently not attended and an incorrect social security account number. These matters are discussed below.

Incorrect Pay Entry Basic Dates

Members of the National Guard are entitled to pay for the performance of inactive duty training according to their grade and cumulative years of creditable service. In order to be paid accurately, a member's pay entry basic date - the date used for determining length of service for computing pay - must be correct. We noted that the pay entry basic dates were incorrect for 15, or about four percent, of the 371 accounts examined. These dates were generally off by only a few months and in most cases had not resulted in any incorrect disbursements of pay. However, if not detected and corrected, such errors will eventually result in incorrect disbursements of pay.

We did not determine the cause of these errors, but it appears they resulted from misunderstandings and/or carelessness on the part of processing clerks. Accordingly, we believe the necessity of using diligent care should be continuously emphasized to all personnel who compute and certify the correctness of pay entry basic dates.

### Incorrect Discharge Dates

Under JUMPS-RC, members are automatically deleted from the payroll system based on the discharge date recorded on the master military pay file. Accordingly, when discharge dates are incorrectly recorded on JUMPS-RC, a member may remain on the payroll system beyond his actual date of discharge and possibly continue to receive pay. In our sample, we found seven incorrect discharge dates.

We were advised that errors in discharge dates resulted from the following actions:

- The accounts of members scheduled for discharge in January-February 1975 were established on JUMPS-RC in early 1975 and their discharge dates arbitrarily extended by one year. This decision was apparently based on the expectation that most members would extend or reenlist. The one case noted in this category resulted in the member being erroneously paid for drills scheduled subsequent to his discharge. The check was subsequently returned and cancelled.
- In April 1974, the Indiana Army National Guard instituted a new recruiting policy offering enlistees the option of three or four years active participation in the Guard with the balance of their six-year obligation to be performed in the individual ready reserve in a non-pay status. When the accounts of those enlistees were established on JUMPS-RC, their date of discharge was established as six years from their date of enlistment rather than based on the three or four years they would be participating in drills and in a pay status. Thus, these enlistees may remain on the JUMPS-RC payroll beyond their period of participation and could possibly receive payment for drills not attended. We found four errors of this type.
- The two other discharge date errors were apparently clerical oversights.

### RECOMMENDATION

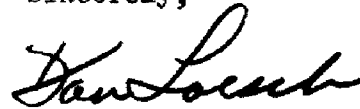
In view of the importance of correct pay entry and discharge dates, we recommend that your internal examination office make periodic reviews in these areas to assure that data is accurately recorded on the master military pay file.

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During the course of our field work we discussed the discrepancies noted in our review with the U. S. Property and Fiscal Officer for Indiana, and were advised that a complete field verification of pay entry basic dates, discharge dates, and social security account numbers was being initiated. We would appreciate you furnishing us the results of that verification as well as other actions you may take on matters discussed in this letter.

I appreciate the cooperation and courtesies extended to my staff during our survey.

Sincerely,



For Robert W. Hanlon  
Regional Manager

cc: Brigadier General W. J. Andrews,  
Commanding General, USAFAC  
Colonel R. J. Scoufos, National  
Guard Liaison Officer  
Colonel J. N. Owens, U. S. Property  
and Fiscal Officer for Indiana



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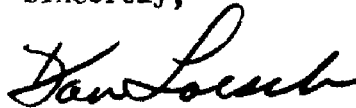
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