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Briefing Report to Congressional
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DOD CIVILIANS OVERSEAS

Information on Workyears Expended in Fiscal Year 1986



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**National Security and
International Affairs Division**

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July 15, 1988

The Honorable John C. Stennis
Chairman, Committee on
Appropriations
United States Senate

The Honorable Jamie L. Whitten
Chairman, Committee on
Appropriations
House of Representatives

Section 9043 of the Department of Defense (DOD) Appropriations Act for Fiscal Year 1987 (Public Law 99-500 as technically revised by Public Law 99-591) required DOD to limit civilian overseas workyears in fiscal year 1987 to the level of workyears used in fiscal year 1986. The DOD Manpower Requirements Report for fiscal year 1988, issued in February 1987 by DOD to help understand the DOD manpower program incorporated into the President's Budget, stated that 184,222 workyears were used overseas by DOD civilians in fiscal year 1986. However, the Assistant Secretary of Defense for Force Management and Personnel, in complying with the Conference Report's requirement, sent a June 5, 1987, letter to the Senate and House Committees on Appropriations and Armed Services reporting 188,496 workyears (an increase of 4,274 workyears) as the actual number of DOD civilian workyears used overseas in fiscal year 1986 and establishing that amount as the fiscal year 1987 ceiling.

Because of concern that the DOD overseas workyear figure of 188,496 reported to the Congress in June 1987 was overstated, the conference report that accompanied House Joint Resolution 395 (House Report 100-498) directed us to audit DOD's overseas civilian workyears used in fiscal year 1986. As a result of discussions with your staffs, we concentrated on determining which of the two reported figures was correct and how each number was reached. We briefed your staffs on the results of our work in April 1988. This report summarizes the information provided in that briefing.

We found that the figure of 184,222 workyears reported in February 1987 was actually an estimate. In addition, the figure of 188,496 workyears subsequently reported on June 5, 1987, contains overstatements. Data currently available show that DOD used 186,202 civilian

workyears overseas in fiscal year 1986, and 182,012 workyears in fiscal year 1987.

Basis for Workyears Reported in the Manpower Requirements Report

When the Congress, in the fiscal year 1987 DOD Continuing Appropriations Act, required DOD not to exceed the level of workyears used by DOD civilians overseas in fiscal year 1986, the Office of the Assistant Secretary of Defense for Force Management and Personnel (OASD/FM&P) found that no central source existed for this data. Therefore, to determine the total level of workyears, OASD/FM&P required DOD's 17 components with a civilian presence overseas (i.e., the Army; Navy, including the Marine Corps; Air Force; and 14 defense agencies) to gather workyear data on their respective components. OASD/FM&P then combined the data from all components into one figure.

Our discussions with representatives from the Army, Navy, and Air Force, which accounted for about 93 percent of the civilian overseas workyears in fiscal year 1986, established that only the Navy routinely gathered workyear data at the time OASD/FM&P initially requested this information, and was able to provide its input easily. The Army and Air Force were unable to quickly gather actual overseas workyear usage data. Instead, they estimated the workyears expended using formulas to interpolate readily available average end-strength figures.

The number arrived at through this initial data gathering effort for all 17 DOD components was 184,222 workyears used overseas by DOD civilians in fiscal year 1986. Although an estimate, this figure was published in the DOD Manpower Requirements Report for fiscal year 1988 (issued in February 1987) as the fiscal year 1986 DOD civilian overseas workyears used. OASD/FM&P then assigned the components fiscal year 1987 overseas civilian workyear ceilings based on this figure in the civilian personnel program budget decision (PBD 661) for fiscal year 1987.

Basis for Workyears Reported on June 5, 1987

Some of the services and agencies notified OASD/FM&P about inaccuracies in their reported figures after the 184,222 workyear figure was published in the DOD Manpower Requirements Report and OASD/FM&P had assigned their fiscal year 1987 overseas ceilings. In some cases, these inaccuracies were due to variances found between the original estimates and actual overseas workyear data that were subsequently collected. In other instances, the inaccuracies were due to incorrect personnel codings or omissions in the original submission.

In April 1987, as a result of these notifications, OASD/FM&P asked all 17 components to reexamine the number of overseas civilian workyears they had expended in fiscal year 1986 and submit a revised figure. This reexamination resulted in a revised figure of 188,496 workyears, an increase of 4,274 workyears from the original level. The revised figure was subsequently reported to the Senate and House Committees on Appropriations and Armed Services in a June 5, 1987, letter as the actual fiscal year 1986 overseas civilian workyears. OASD/FM&P allocated revised fiscal year 1987 overseas workyear ceilings among DOD components based on the new figure.

Errors Found in Reported Usage

Our review identified two inaccuracies in the revised figure of 188,496 workyears.

1. In combining the inputs from the DOD components, OASD/FM&P included a worldwide workyear figure for one DOD component rather than an overseas workyear figure for that component, resulting in an overstatement of 1,943 workyears.
2. The Army's input included an overstatement of 351 workyears. The Army attributed this error to inaccurate reporting by some commands who showed some stateside activities as overseas activities. These reporting errors were identified by the commands in an April 1988 headquarters-directed revalidation of fiscal year 1986 overseas workyears in anticipation of our inquiry.

OASD/FM&P officials informed us that they had accidentally used the worldwide rather than the overseas component figure, and had not previously been aware that the Army could not support 351 of its overseas workyears. They stated that after they became aware of the 1,943 workyear overstatement (shortly after they had submitted the 188,496 figure to the Committees in June 1987), they had made appropriate adjustments to the allocations to the components.

The number of workyears expended overseas by DOD civilians in fiscal year 1986 was 186,202, after adjusting for the two inaccuracies in the revised figure. OASD/FM&P officials agreed with this figure and stated that in fiscal year 1987, 182,012 civilian workyears were expended overseas, which was below the ceiling imposed by the Congress.

In conducting our work, we interviewed officials and obtained relevant documents at OASD/FM&P, service headquarters, and Defense Logistics Agency headquarters in Washington, D.C., from March to May 1988. Our analysis consisted of obtaining and comparing the two fiscal year 1986 overseas civilian workyear data submitted by the DOD components to OASD/FM&P, identifying those components whose revised submission exceeded their original submission by 100 or more workyears, and obtaining explanations from cognizant officials for the increases identified. We did not independently verify the input information. The components whose revised submissions exceeded their original submissions by more than 100 workyears each (the Army; Navy, including the Marine Corps; Air Force; Defense Logistics Agency; and Communications/Intelligence) were responsible for over 93 percent of the workyears expended by DOD civilians overseas in fiscal year 1986. Our work was conducted in accordance with generally accepted government auditing standards.

As requested, we did not obtain official DOD comments on this report; however, we discussed a draft with officials in OASD/FM&P, and from the Army, Navy and Air Force. Their comments have been incorporated where appropriate.

We are sending copies of the report to the Chairmen, Senate and House Committees on Armed Services; the Secretaries of Defense, the Army, Navy, and Air Force; and the Director, Office of Management and Budget. If you have any questions, please call me on 275-8412.



Martin M Ferber
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