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Report to the Chairman, Subcommittee  
on Readiness, Committee on Armed  
Services, House of Representatives

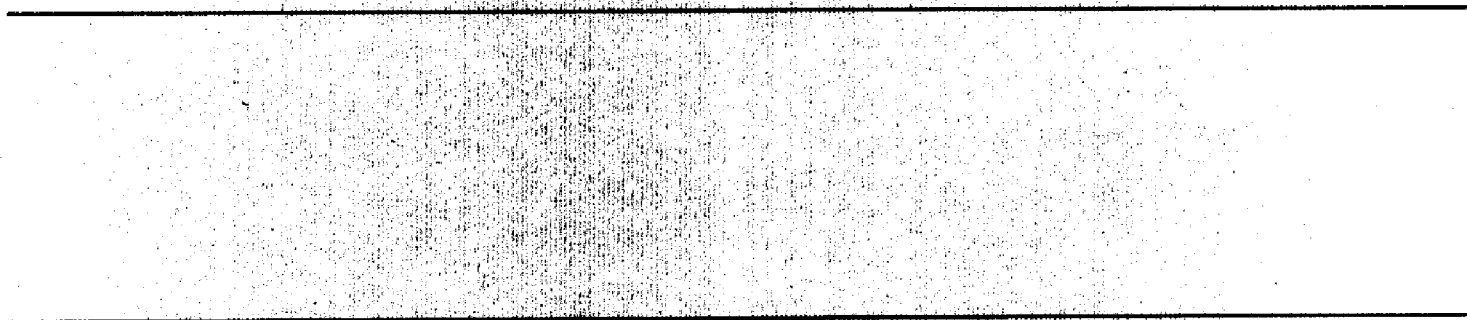
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August 1994

# NAVY INSPECTORS GENERAL

## Investigations of Complaints and Inspection Practices Need Strengthening





**Accounting and Information  
Management Division**

B-254934

August 24, 1994

The Honorable Earl Hutto  
Chairman, Subcommittee on Readiness  
Committee on Armed Services  
House of Representatives

Dear Mr. Chairman:

This report responds to your request that we examine a number of issues regarding the Department of the Navy Inspector General (IG) organization. The Navy IG organization is comprised of a statutory IG office within the Office of the Secretary of the Navy and administratively established IG offices at the various command levels within the Navy. The Navy IG organization differs in a number of ways from IGs created under the Inspector General Act of 1978. For example, Navy IGs do not have subpoena powers or the audit functions granted to the IGs by the Act.

Your concerns related to two primary responsibilities of the Navy IG organization: resolving complaints received from various sources and performing inspections of Navy units. Specifically, you requested that we review individual complaints investigated by the Navy IG organization to determine if (1) the staff who investigated complaints were independent, (2) investigative work was complete, (3) documentation of investigative work was complete, (4) investigations were handled in a timely manner, and (5) complainant confidentiality was maintained. You also asked us to review concerns about Navy IG organization inspections to determine whether (1) inspections were being performed in accordance with established procedures, (2) inspections covered economy, efficiency, and effectiveness issues and inspection reports were broadly disseminated, and (3) the Department of Defense Inspector General (DOD IG) performed any oversight of Navy IG inspection activities.

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**Results in Brief**

Our review of 98 individual complaint investigations and selected inspection activities found that the Navy investigation and inspection practices need to be strengthened. We also determined that while the Navy IG inspections addressed significant economy, efficiency, and effectiveness issues, a review of the Navy statutory IG by the DOD IG could result in constructive suggestions for achieving more efficient use of inspection funds and personnel.

We found weaknesses in how the Navy IG units we reviewed investigated individual complaints of waste, mismanagement, or improper actions by Navy personnel. Our detailed review of 98 randomly selected cases showed that 89 cases had at least one of the following weaknesses: (1) the complaint investigator was not independent, (2) the investigative work was not complete, (3) investigative documentation was not complete or was missing from the files, (4) the investigation was not timely, and/or (5) complainant confidentiality procedures were not followed. As a result, the Congress, DOD, and the public cannot be sure that the Navy IG organization is properly investigating allegations of waste, mismanagement, or improper actions by Navy personnel. To strengthen its investigations, the Navy statutory IG is developing a detailed investigation manual for investigators, and incorporating specific investigation procedural requirements into a planned IG training course.

We also found that Navy IG inspection activities have weaknesses. The Navy statutory IG did not inspect several major commands within the Navy's established 3-year cycle. Further, the IGs of these major commands did not identify trends in inspection results. As a result, systemic weaknesses may not have been identified.

The Navy IG has addressed significant economy, efficiency, and effectiveness issues. For example, an IG report on a major Navy command stated that savings of over \$100 million could be achieved if a command's program for cost reduction and productivity improvement was expanded to all of its units. However, except for the selected summaries that were part of the semiannual DOD IG report to the Congress, the Navy statutory IG did not routinely distribute information regarding its significant results outside the Navy. This information could be useful to decisionmakers, such as the Congress and DOD officials, in fulfilling their oversight and policy responsibilities.

Also, the DOD IG has not conducted a comprehensive oversight review of the Navy statutory IG inspection activities. An independent review of the Navy statutory IG by an external organization could offer constructive suggestions for achieving more efficient use of resources.

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## Background

The Office of the Naval Inspector General was created by statute in 1948. Under current law, this Office is a component of the Office of the Secretary of the Navy and, "when directed, shall inquire into and report on any matter that affects the discipline or military efficiency of the

Department of the Navy." The Office is currently under the command of a Vice Admiral.

Within the Navy's decentralized chain of command, unit commanders also have staff who perform IG investigative and inspection functions and serve as their confidential representatives. According to Navy cost and personnel data, which we did not verify, the Navy IG organization had operating costs of about \$20.3 million and involved about 209 full-time staff in conducting investigations and inspections during fiscal year 1993. Most commands also have staff who perform IG functions on a part-time basis, including the investigation of complaints. For example, an IG official at one major Navy command spent 20 percent of time on IG functions, with the remaining time devoted to the command's personnel activities.

The complaint investigation function relies heavily on a decentralized IG investigation system. After analyzing the seriousness of Navy-related complaints, the DOD IG refers most of these allegations to the Navy statutory IG who, in turn, refers most allegations to Navy commands. IGs at the commands can either conduct the investigation or task another unit in the command to perform the investigation, subject to supervision by the command IG.

While Navy regulations provide that the Navy statutory IG serves as an overall coordinator and monitor of the IG investigation and inspection functions, command level IGs report directly to their unit commanders and not to the Navy statutory IG. However, the Navy statutory IG is responsible for periodically assessing the investigation and inspection functions of the command level IGs to determine compliance with basic Navy policies and procedures pertaining to complaint investigations and inspections. The command level IGs, in turn, are to assess the investigation and inspection activities of their immediate subordinate commands.

While sharing general responsibility for helping to improve Navy operations, the Navy IGs differ from the DOD and civilian agency IGs created under the Inspector General Act of 1978. The DOD and civilian agency IGs are organizationally centralized, while the Navy IG organization is decentralized. In addition, the DOD and civilian agency IGs have statutory authorities (such as subpoena powers) and statutory responsibilities (such as performing, or deciding if an independent external auditor should conduct, financial statement audits under the Chief Financial Officers Act of 1990) that do not apply to the Navy or other military IGs. Also, the DOD and civilian agency IGs must conduct their audits in accordance with

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government auditing standards, while the Navy and other military IGs are not required to follow these standards.

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## Scope and Methodology

To review investigation and inspection issues, we visited the Navy statutory IG and the command level IGs of the Atlantic Fleet, Pacific Fleet, and Naval Supply Command. To address investigation issues, we used DOD and Navy investigation criteria to assess a random sample of 98 complaint cases that were closed during fiscal year 1992 by these 4 commands.<sup>1</sup> Our objective was to assess if the 98 individual investigations were conducted in accordance with applicable requirements. Consistent with the request, we divided our assessment into five categories (1) investigator independence, (2) completeness of investigative work, (3) documenting investigative work in the complaint file, (4) investigative timeliness, and (5) maintaining complainant confidentiality when requested.

We reviewed investigative records and, where we had questions, discussed cases with investigative personnel assigned to the locations where we did our work. However, we did not attempt to pursue issues not resolved by an investigator or determine whether the conclusions reached by investigative staff should have been different. Therefore, we do not question the result of any investigation. In addition, we were not able to establish the number of Navy-wide complaints because the Navy statutory IG does not track cases at all commands levels. As a result, our sample of 98 cases cannot be projected to all Navy IG investigations.

To address inspection issues, we reviewed inspection reports and procedures at these commands and observed two of their inspections. We conducted our field work from January 1993 through March 1994, in accordance with generally accepted government auditing standards. Appendix I provides further details on our scope and methodology.

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<sup>1</sup>Cases closed during fiscal year 1992 were the most recent universe of completed investigations as of the beginning of our fieldwork.

## Complaint Investigation Process Has Weaknesses

Eighty-nine of the 98 randomly selected Navy IG investigations that we reviewed had at least one of the weaknesses listed in table 1.

**Table 1: Weaknesses in the Complaint Investigation Process**

| Weakness                                | Number |
|-----------------------------------------|--------|
| Investigator not independent            | 19     |
| Investigative work not complete         | 34     |
| Case documentation incomplete           | 47     |
| Investigation not timely                | 72     |
| Confidentiality procedures not followed | 2      |

### Investigators Not Independent

For 19 of our 98 sampled cases, the complaint investigators were not independent because they were closely associated with the people involved in the complaint, subordinate to the accused, and/or part of the office or command identified or involved in the complaint. DOD instructions require that complaints be investigated by officials independent of the specific unit, office, or staff element specified in the complaint. Also, an applicable Navy independence standard states that the individual or organization performing the inquiry must be free, in fact and in appearance, from official, personal, professional, and financial impairments to independence, and examiners must have sufficient seniority in the matter under inquiry. The following examples illustrate independence issues.

- The DOD IG referred a complaint, alleging that government funds were being wasted at a Navy facility, to the Navy statutory IG. The DOD IG did not accept the initial Navy IG report, which did not substantiate the allegation, because the investigation had been conducted by staff from the organization alleged to have wasted funds. Also, the investigators reported to some of the individuals involved with the complaint. A second investigation by independent Navy officials from another Navy unit substantiated the allegation.
- A complaint alleged that a unit commander was improperly using government funds for personal reasons. The Navy IG investigation was conducted personally by a subordinate who reported to the accused. The report stated that the commander's secretary had erred and was counseled

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on complying with established procedures. Reimbursement to the government was made by the unit commander.

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## Investigative Work Was Not Complete

Investigative work in 34 of the 98 investigations was not complete.<sup>2</sup> DOD and Navy instructions require investigations to be complete, with investigation reports leaving no unanswered questions and not being open to question or misinterpretation. In addition, the DOD IG developed guidelines for assessing and reporting on the quality of completed investigations. These guidelines include: (1) Were all the allegations in the basic complaint addressed? (2) Were all key witnesses and subjects interviewed? (3) Were all relevant questions asked? (4) Did the investigator collect and review all pertinent documentation needed to support the findings and conclusions? and (5) Were legal opinions or technical expertise solicited when appropriate? We used these guidelines to assess whether investigative work met the completeness standard. The following examples illustrate the concerns we have about incomplete investigations.

- A complainant alleged that a \$2.8 million contract for lawn maintenance was awarded "at the whim" of a base commander. The investigator concluded that the allegation was not substantiated based solely on information obtained during a telephone conversation with a manager who was not assigned to the base. We discussed this case with responsible Navy investigative staff who agreed that additional work should have been done to assess the validity of the allegation.
- An officer and an enlisted person were alleged to be violating the Navy's policy against fraternization. The investigator interviewed the officer and enlisted person and reported that the allegation was unsubstantiated. However, the investigator did not obtain evidence to corroborate the statements of the subjects of the investigation. We discussed this case with a legal officer in the unit who told us that additional evidence should have been obtained to support the investigator's conclusion.

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## Investigative Files Lacked Sufficient Documentation

For 47 of our sample cases, the files provided to us by the Navy did not contain sufficient documentary evidence to fully support investigator findings and conclusions. DOD instructions require investigation files to

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<sup>2</sup>Some of these 34 investigations involved multiple allegations. While each of the 34 investigations had at least one allegation that was incompletely investigated, we do not conclude that all of the investigative work in these cases was incomplete. In addition, we did not attempt to pursue issues not resolved by the investigator, or determine whether the conclusions reached by the investigative staff should have been different. Accordingly, we do not question the results of the 34 cases.

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contain documentary evidence that fully supports investigators' findings and conclusions. Also, the investigator's file is to include the identities of all witnesses, the information provided during interviews, and the report. Because the report is frequently the only document that DOD and Navy IG reviewers have for use in evaluating the quality of the investigative effort, Navy guidance requires that the report present sufficiently detailed information on investigative findings and conclusions.

The following example illustrates the problems we found. An investigator reported that no evidence was found to substantiate an allegation of discrimination and harassment. While the examiner's report stated that the complainant and 39 other people were interviewed, the investigation files did not contain documentation showing the identities of, and information provided by, the 40 individuals who were interviewed.

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### Investigations Not Timely

Of the 98 investigations we reviewed, 72 took over 90 days to complete, including 39 that exceeded 180 days. The average time to complete a case was 176 days. Although extensions may be granted for unusual circumstances, DOD guidance states that Navy IG investigations are to be examined and completion reports of the results submitted within 90 days from the date the complaint was transmitted for action. The following is an example of a case that was not completed in a timely manner. A complaint about a Navy officer's obligation to provide adequate monetary support to a spouse took 376 calendar days from opening to closing. According to the reviewing official, the investigation was inadequate because the investigator did not thoroughly address all relevant aspects of the allegation in the submitted completion report. Of the 376 days, 216 days of the time were attributed to resolution of the reviewer's concerns.

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### Procedures to Protect Complainant Confidentiality Were Not Followed

Complainants requested confidentiality in 3 of the 98 sampled cases. In two of these cases, procedures to protect the confidentiality of the complainants were not followed. DOD instructions require that administrative controls and procedures be established to provide maximum protection for any complainant who requests confidentiality. Navy requirements also state that confidentiality is a consideration used to encourage full disclosure of information without fear of reprisal. Navy instructions permit the Navy statutory IG to release the identity of the complainant to the Navy investigator if it is required to conduct the investigation. In those cases where the Navy statutory IG releases the

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name, the identity of the complainant shall be protected to the utmost of the investigator's capabilities.

Based on our review of the following two cases, procedures to protect complainant confidentiality were not followed.

- A complainant requested anonymity and wanted to be contacted before any identifying information was released. However, the complainant's name was provided, without following established procedures, to persons who were not conducting the investigation. In addition, after reviewing the examination completion report, an IG reviewer wrote in the file that the complaint was "apparently malicious" and suggested that the complainant's supervisor be contacted. There was no documentation in the case file that indicated whether or not the supervisor was contacted.
- A complainant, who was employed at a Navy-provided child care center, requested confidentiality in making allegations of child abuse and harassment at the center. A Navy IG official determined that there was no need to maintain the complainant's confidentiality because the complainant was terminated from the child care center. Without following the required procedures, the Navy IG official then released the complainant's name to the Navy investigator who was going to conduct the inquiry.

In addition, as part of our observation of an IG inspection of a subordinate command, we reviewed the case file of an anonymous complaint<sup>3</sup> that was investigated by the command. The investigator's notes showed that 19 of 23 witnesses were asked to speculate as to the identity of the anonymous complainant. In reporting the investigation results to the commanding officer, the investigator stated that a majority of the interviewees suspected a person in the unit as being the complainant. The investigator recommended that the suspected complainant be counseled and, if no improvement was made, be terminated.

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## Navy Taking Corrective Actions

Navy statutory and command level IG officials told us that a primary reason for the problems we found was lack of detailed guidance and training. The Navy statutory IG had not issued a manual that detailed the procedures on how to conduct investigations. An IG official from a major command told us the command's biggest problem was that staff assigned to investigate complaints lacked investigative training, and a 3-day Navy IG training course did not cover how to conduct an investigation.

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<sup>3</sup>This complaint was not part of our 98 sampled cases.

While our review was in process, the Navy statutory IG developed a detailed interim investigations manual as well as plans for providing periodic training to IG officials on the manual's procedures. Navy IG officials told us that their intent was to establish procedures that will be consistently applied in conducting investigations and to provide comprehensive guidance to ensure that all required standards are met. The interim manual

- emphasizes that special care be taken to ensure that there is no real or apparent lack of impartiality on the part of the investigating unit,
- stresses the need to perform a complete inquiry, including obtaining sufficient corroborating evidence, in a timely manner, and
- calls for sufficient information to be obtained to permit responsible officials to hold, where appropriate, subordinates accountable for their actions and to correct systemic problems.

The issuance of the manual in final format and the related planned training could be especially beneficial to staff who do not perform complaint investigations on a full-time basis. Because investigations can be frequently assigned to staff as a collateral duty, we believe that the expectations and criteria for conducting quality investigations need to be emphasized. This could be done by requiring that individuals who investigate complaints, and their immediate supervisors, certify that they are aware of the requirements to be independent and to perform investigations in accordance with DOD and Navy requirements. These actions, coupled with periodic DOD IG quality assurance reviews, could help improve complaint investigations.

## Inspection Activities Had Weaknesses

We also found weaknesses during our review of the Navy IG inspection activities. First, the Navy statutory IG did not adhere to established Navy procedures in meeting periodic inspection requirements. Also, Navy Atlantic and Pacific Fleet IGs did not review inspection reports to identify trends that may indicate systemic weaknesses and use complaint reports in planning inspections. In addition, while Navy IG inspections addressed significant economy, efficiency, and effectiveness issues, this information was not always made available to the Congress and DOD decisionmakers who oversee major Navy programs and activities. Although selected summaries of inspection reports were submitted as part of the semiannual DOD IG report to the Congress, the Navy statutory IG has not routinely distributed information on inspections performed or the significant results

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outside the Navy. Lastly, the DOD IG has not conducted a comprehensive review of the Navy's inspection activities.

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### Periodic Inspections and Trend Analysis Not Routinely Conducted

The Navy statutory IG has established a 3-year cycle for inspecting major commands. However, two of these commands, the Atlantic and Pacific Fleets, have not been inspected since 1980 and 1982, respectively. These two fleets, with a fiscal year 1993 budget of about \$10 billion, provide the ships, submarines, and aircraft needed to ensure control of the sea and air in the Atlantic, Pacific, and Indian Oceans and the Mediterranean Sea—areas vital to our national interests. Together, they comprise about 535 ships, 3,700 aircraft, and almost 500,000 personnel. Navy statutory IG officials stated that these two fleets have not been inspected for over a decade because of other priorities, but said they would do so at the next change of command. While we recognize that the two fleets are subjected to periodic reviews by fleet personnel, the Navy statutory IG's comprehensive assessment would be independent of the inspections performed by fleet personnel.

During our visits to the two fleet commands, IG officials told us that they were not reporting patterns of problems found in lower units. Trend analyses of such patterns could provide management with indicators of how a unit is performing its mission over time and identify similar problems among other units and commands that indicate opportunities for improvement and inadequate policies and procedures on a broad scale.

The Navy statutory IG has recognized the benefits that could result from trend analyses. For example, during an inspection, the Navy statutory IG found that data was not being analyzed for emerging trends or problems that may affect other Navy units. The Navy statutory IG stated that analysis of information in the records of the unit being inspected could indicate medical, personnel, or morale problems that would be of interest to other Navy units. Similarly, the two fleet IGs do not use complaint results and trend analyses in planning inspections. A pattern in substantiated cases could indicate internal control problems that should be the subject of a more detailed examination.

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### Significant Issues Discussed but Dissemination Limited

Inspections by the Navy statutory and higher-level command IGs addressed significant economy, effectiveness, and efficiency issues. Their reports contain much worthwhile information for decisionmakers concerned with the efficient use of DOD resources and were typically distributed to about

20 Navy components. Copies were also furnished to Navy commands who need to take action on recommendations contained in the report. However, cognizant DOD management officials or other key decisionmakers were not routinely provided reports of significant results of inspections.

The following examples illustrate the types of significant issues discussed in IG reports.

- A report on the Naval Facilities Engineering Command discussed how savings in excess of \$100 million could be achieved if a Command program for cost reduction and productivity improvement was expanded to all of its units.
- A report on the Naval Sea Systems Command found that the Command's 1991 fiscal year \$353 million information technology budget submission was based on a procedure that resulted in a multitude of errors, weaknesses, and problems that were indicative of a lack of fundamental command-wide control and oversight. The report also criticized the Navy's manual accounting for certain shipbuilding and conversion appropriation accounts. Manual accounting records can increase the potential for errors and do not readily permit integration with automated accounting records for financial reporting.
- A report on the Naval Reserve Force Command said that a training program designed to improve and standardize training for the Naval Surface Reserve Force was poorly managed, ineffective, inefficient, and not based on training requirements.
- A report said that a maintenance activity was considered unsatisfactory because of large excess inventories, checks being issued without obtaining required signatures, and a lack of formal procedures to ensure personnel were properly trained in using a computerized maintenance management system.
- An inspection of a patrol wing found that over half of the enlisted aircrews arriving at the wing's squadrons had not completed their required training. The IG recommended establishing an appropriate policy to correct this problem.

In general, the results of Navy inspections would be useful to DOD officials and other key decisionmakers. While summaries of selected Navy inspections were included in the DOD IG Semiannual Report to the Congress, distribution of inspection reports outside the Navy was not routinely made. For example, a DOD IG Semiannual Report to the Congress summarized certain results of a 1992 inspection report on the Military

Sealift Command. The summary did not include an inspection finding that unauthorized persons, who were not in the Navy, were taking cash from ships used by the Command. The inspection report recommended that the Navy coordinate with the Joint Chiefs of Staff, the Secretary of Defense, and the Secretary of State to improve security measures for the Command's ships. Unless copies of the complete inspection report are provided to appropriate DOD policy officials, they may not be in a position to initiate prompt remedial measures. Also, the Congress could benefit from a semiannual list that summarizes inspections completed by the Navy statutory and command level IGS.

## DOD IG Oversight Could Benefit Navy IG Inspections

The DOD IG provides policy guidance and oversees the operations of internal audit and internal review functions within DOD. In doing so, the DOD IG has periodically reviewed the Navy IG's complaint investigation process, but has not reviewed its inspection activities. Comprehensive reviews by an outside organization can provide perspectives and suggestions that result in improved operations and performance. Outside reviews also provide a measure of accountability in ensuring compliance with established regulations or policies. For example, in the case of the Navy statutory IG, a review of inspection activities by the DOD IG could have helped to identify delays in the Navy IG's inspection of the two major fleets, determine the underlying cause of the delay, and develop recommendations to resolve it.

According to the DOD IG, it has not reviewed the inspection activities of the Navy statutory IG or the other military IGS because of resource constraints and other higher priorities. As discussed earlier, Navy IG inspections have addressed significant economy, efficiency, and effectiveness issues, and Navy inspection reports contain much worthwhile information for decisionmakers concerned with the efficient use of DOD resources. Due to the significance of the issues addressed by inspections, it is important that steps be taken within DOD to ensure that Navy IG inspections are performed as effectively as possible.

## Conclusions

The perceived integrity, timeliness, and quality of the complaint process is critical to its success. If individuals have doubts about the credibility or effectiveness of the complaint process, they may not bother to report instances of waste or mismanagement. As a result, the Congress, DOD, and the public cannot be sure that allegations are properly examined to minimize waste, mismanagement, and improper activities within the Navy.

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Navy IG inspections are important because they help to ensure the readiness, effectiveness, and efficiency of Navy commands and provide an assessment of the quantity, quality, and management of available resources. The Navy statutory IG needs to ensure that established inspection procedures are adhered to and complaint results are used in planning inspections. The Navy statutory IG could also better inform the Congress and key DOD decisionmakers by providing a wider distribution of inspection results. Also, the Navy statutory IG, like the commands it inspects, could benefit from a comprehensive external review by the DOD IG.

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## Recommendations

To strengthen the complaint and inspection activities of the Navy IG organization, we recommend that the Secretary of the Navy direct the Navy statutory IG to:

- Establish a requirement that all individuals who investigate complaints, and their immediate supervisors, certify that they are aware of the requirements to maintain independence and to perform their investigations in accordance with DOD and Navy directives.
- Effectively implement the planned Navy IG complaint corrective actions, particularly development of an investigations manual and the related training for IG staffs.
- Establish an IG quality assurance review process to ensure that complaint procedures are being followed and that complaint and inspection trends are used in planning inspections.
- Provide copies of Navy statutory IG reports to the cognizant Assistant Secretaries of Defense who have policy responsibility for the matters discussed in the report and send a semiannual list to cognizant congressional committees that summarizes inspections completed by the statutory and command level IGs.

We also recommend that the DOD IG perform, on a periodic basis, a comprehensive oversight review of the Navy statutory IG inspection activities.

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As agreed with your office, we did not obtain agency comments on a draft of this report. However, at the end of our fieldwork, we discussed the results of our work with DOD and Navy IG officials and have incorporated their views where appropriate. As arranged with your office, unless you publicly release the report's contents earlier, we plan no further

distribution until 30 days after the date of this letter. At that time, we will send copies of the report to appropriate congressional committees, the Secretary of Defense, and other interested parties.

Please contact me at (202) 512-9489 or Joseph H. Potter, Assistant Director, at (202) 512-5198 if you or your staff have any questions about this report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David L. Clark". The signature is stylized with a large, sweeping "D" and a prominent "X" at the end.

David L. Clark  
Director, Legislative Reviews  
and Audit Oversight



# Scope and Methodology

To evaluate the complaint and inspection issues, we reviewed previous DOD studies, DOD and Navy policy and procedural guidance, our prior reports,<sup>1</sup> and a 1980 task force study on the inspection, investigation, and audit components of DOD.

To assess how the Navy handled complaint investigations, we used DOD criteria as supplemented by Navy instructions. In May 1982, the Secretary of Defense set general operating procedures and standards for investigating complaints in DOD Directive 7050.1, which was updated in March 1987. Among other things, the directive and implementing Navy guidance requires that standards of investigator independence, investigation completeness, documentation sufficiency, timeliness, and complainant confidentiality be achieved during the course of an investigation. To assess whether investigations were complete, we also used DOD IG guidelines developed for performing quality assurance reviews of DOD agencies and service commands to ensure that investigations are conducted properly.

To address the investigation issues, we randomly selected 88 individual cases that were closed during fiscal year 1992 by the Atlantic Fleet, Pacific Fleet, and the Naval Supply Command IGs. We also selected a sample of 10 senior official cases examined by the Navy statutory IG. Since the Navy statutory IG does not track cases at all command levels, we were not able to establish the universe of complaints. However, the 4 commands that we sampled closed 624 cases in fiscal year 1992.

Using DOD and Navy criteria and guidelines, we reviewed each of the sampled cases—concentrating on evaluating investigator independence, the completeness of the investigation, the sufficiency of documentation to support findings and conclusions, investigation timeliness, and complainant confidentiality. Our work was limited to the review of the investigators' case files and related documentation provided to us by Navy personnel.

In addition, we discussed selected cases with a DOD IG official who has experience in conducting periodic quality assurance reviews of cases at major service commands. Our sample is not projectable to the universe of cases, but can provide a good indicator of how well complaints were handled in the units we reviewed.

<sup>1</sup>DOD Fraud Hotline: Generally Effective But Some Changes Needed (GAO/AFMD-86-9, Mar. 21, 1986) and Special Report: DOD Hotline Referrals (GAO/OSI-93-6BR, Apr. 9, 1993).

To address the inspection issues, we reviewed inspection reports and procedures at the Navy statutory IG, the Atlantic and Pacific Fleet IGs, the Naval Supply Command IG, and three major subordinate fleet command IGs. We also reviewed DOD semiannual reports covering April 1990 through September 1993, which included discussions of selected Navy IG reports. To gain an understanding of the approach and manner in which inspections were conducted, we observed inspections conducted by the Atlantic Fleet and Naval Supply Command IGs. During our review, we also provided the Navy statutory IG with our comments on a draft revision of inspection guidance.<sup>2</sup>

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<sup>2</sup>Observations and Suggestions on Navy IG Draft Revision of Inspection Instruction (GAO/AIMD-93-66R, Sept. 30, 1993).

# Major Contributors to This Report

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