



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

FEB 4 2014

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/
CHIEF FINANCIAL OFFICER, DOD
ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DIRECTOR, DEFENSE HEALTH AGENCY

SUBJECT: Audit of DoD Methodologies for Determining Improper Payment Rates Under the
Improper Payments Elimination and Recovery Act (Project No. D2014-D000CJ-
0105.000)

We plan to begin the subject audit in February 2014. Our objective is to determine whether DoD methodologies for determining improper payment rates in the DoD Annual Financial Report capture improper payments due to error, fraud, waste, and abuse. Specifically, we will review the Defense Finance and Accounting Service Commercial Pay and Military Health Benefits programs. We may review additional programs in future audits. We will consider suggestions from management on additional or revised objectives.

We will perform the audit at the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Defense Finance and Accounting Service; and Defense Health Agency. We may identify additional locations during the audit.

Please provide us with a point of contact for the audit within **10 days** of the date of this memorandum. The point of contact should be a Government employee—a GS-15, pay band equivalent, or the military equivalent. Send the contact's name, title, grade/pay band, phone number, and e-mail address to Audyorktown@dodig.mil.

You can obtain information about the Department of Defense Office of Inspector General from DoD Directive 5106.01, "Inspector General of the Department of Defense (IG DoD)," April 20, 2012; DoD Instruction 7600.02, "Audit Policies," April 27, 2007; and DoD Instruction 7050.03, "Office of the Inspector General of the Department of Defense Access to Records and Information," March 22, 2013. Our website is www.dodig.mil.

If you have any questions, please contact [REDACTED]

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Contract Management and Payments