



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

October 5, 2016

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION,
TECHNOLOGY, AND LOGISTICS
NAVAL INSPECTOR GENERAL

SUBJECT: Audit of Navy Leases for Energy Production Projects
(Project No. D2017-D000CI-0004.000)

We plan to begin the subject audit in October 2016. This is the second in a series of audits related to leases supporting energy production projects. We are conducting the series in response to an allegation reported to the Defense Hotline. Our objective is to determine whether the Department of the Navy properly awarded leases supporting energy production projects and obtained fair market value for the leases. We will consider suggestions from management on additional or revised objectives.

We will perform the audit at Navy Installations Command and Naval Facilities Engineering Command. We may identify additional locations during the audit.

Please provide us with a point of contact for the audit within **7 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 audcmp@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, as amended; DoD Instruction 7600.02, "Audit Policies," October 16, 2014, as amended; 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]

A handwritten signature in blue ink, appearing to read "M. J. Roark", is positioned above the typed name.

Michael J. Roark
Assistant Inspector General
Contract Management and Payments