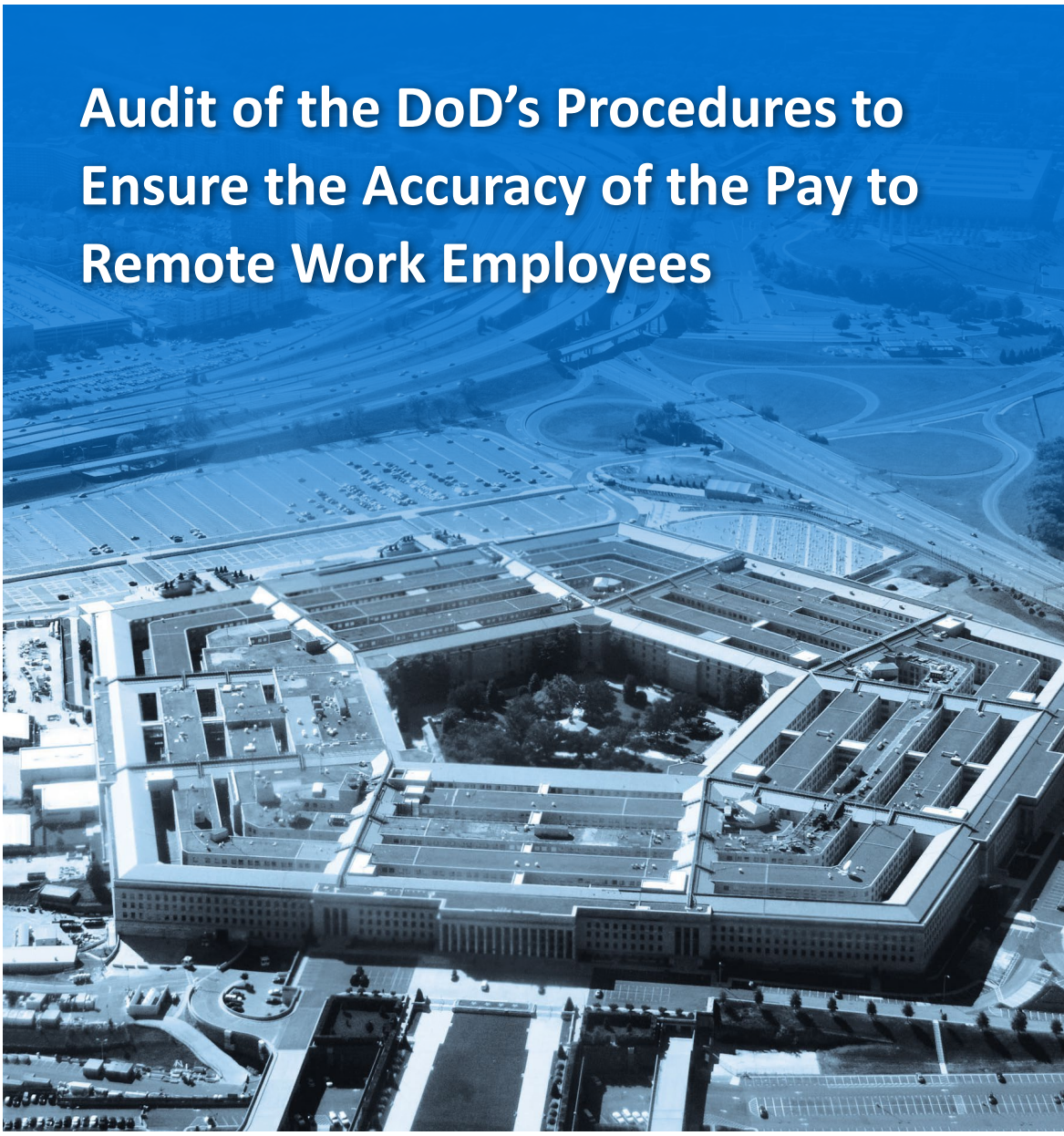
Report No. DODIG-2026-044

INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 15, 2026

Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees



INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY


INSPECTOR GENERAL
INTEGRITY
EFFICIENCY
DEPARTMENT OF DEFENSE

Results in Brief

Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees

January 15, 2026

Objective

The objective of this audit was to assess the effectiveness of the DoD's processes to ensure remote work employees received the correct locality pay in accordance with Federal law and requirements. Specifically, we focused on DoD civilian remote work employees and did not include military personnel in this audit.

Background

Remote work is an alternative work arrangement in which an employee works from an approved alternative worksite within or outside the locality pay area of an agency worksite and is not expected to perform work at an agency worksite on a regular and recurring basis. All employees approved for remote work must have a written remote work agreement. For individuals on remote work agreements, the official duty station is the approved alternative worksite where the employee regularly performs their duties.

Findings

The DoD lacked complete tracking and reporting over the data on civilian employees working remotely. For FY 2023, the DoD reported a total of 17,504 remote work employees. However, in FY 2024, the DoD reported a total of 60,315 remote work employees, which was a 245 percent increase from FY 2023. Defense Civilian Personnel Advisory Service (DCPAS) personnel calculated the FY 2024 total based on a review of timesheets rather than

Findings (cont'd)

actual remote work agreements, potentially overstating the number of remote work employees. This occurred because:

- DCPAS lacked documented control over the reporting and recordkeeping process;
- DoD Components created unique guidance that was not in accordance with overarching DoD and Office of Personnel Management guidance; and
- employees used incorrect timesheet codes.

As a result, Congress and the Office of Management and Budget (OMB) did not have accurate data to analyze the impact of remote work on the DoD's productivity and performance.

In addition, the DoD did not have effective processes to ensure remote work employees received the correct locality pay in accordance with DoDI 1035.01, "Telework and Remote Work," January 8, 2024, and Office of Personnel Management guidance on pay administration. This occurred because DCPAS did not centrally control the remote work process. In addition, DCPAS, in coordination with DoD Component Human Resource (HR) personnel, did not maintain and review documentation to ensure employees were paid according to their official worksite. As a result, of the 794 DoD employees sampled, DoD personnel paid 93 employees (12 percent) $128,068.80 in improper payments and had $537,174.40 in questioned costs paid to an additional 255 employees (32 percent).

Recommendations

To address the findings in this report, we made six recommendations, which included recommendations that the Director, Defense Civilian Personnel Advisory Service, implement a centralized system of records to maintain and retain remote work agreements, review potential incorrect payments, and make the necessary corrections to locality pay, as well as reiterate the preparation of proper timesheets.

Results in Brief

Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees

Management Comments and Our Response

The Director, Defense Civilian Personnel Advisory Service, agreed with two of the recommendations and addressed the specifics of those recommendations. Although the Director disagreed with the other four recommendations, the comments fully addressed the specifics of the recommendations. The recommendations are resolved but will remain open. We will close the recommendations when we verify that management has implemented corrective actions. Please see the Recommendations Table on the next page for the status of the recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Director, Defense Civilian Personnel Advisory Service	None	A.1.a, A.1.b, A.1.c, B.1, B.2.a, B.2.b	None
DoD Component Human Resource Offices	None	B.2.a, B.2.b	None

Note: The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – The DoD OIG verified that the agreed-upon corrective actions were implemented.


INSPECTOR GENERAL
INTEGRITY
EFFICIENCY
DEPARTMENT OF DEFENSE

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

January 15, 2026

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS
UNDER SECRETARY OF DEFENSE (COMPTROLLER)/
CHIEF FINANCIAL OFFICER, DOD
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees (Report No. DODIG-2026-044)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

The Director, Defense Civilian Personnel Advisory Service Agency, agreed to address two of the recommendations presented in the report and proposed actions that satisfy the intent of the remaining four recommendations; therefore, we consider the recommendations resolved and open. We will close the recommendations when you provide us documentation showing that all agreed-upon actions to implement the recommendations are completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to [redacted]

If you have any questions, please contact [redacted]

Lorin T. Venable

Lorin T. Venable, CPA
Assistant Inspector General for Audit
Financial Management and Reporting

Contents

Introduction

Objective

The objective of this audit was to assess the effectiveness of the DoD's processes to ensure remote work employees receive the correct locality pay in accordance with Federal law and requirements. Specifically, we focused on DoD civilian remote work employees and did not include military personnel in this audit. See Appendix A for the scope, methodology, and prior coverage related to the objective.

Background

Remote work is an alternative work arrangement in which an employee works from an approved alternative worksite within or outside the locality pay area (LPA) of an agency worksite and is not expected to perform work at an agency worksite on a regular and recurring basis. All employees approved for remote work must have a written remote work agreement. For individuals on remote work agreements, the official duty station is the approved alternative worksite where the employee regularly performs their duties.

The Office of Personnel Management (OPM) provides guidance on pay administration for civilian Federal employees. Civilian Federal employees receive a salary that consists of basic pay and locality pay. Basic pay is the fixed rate for the position that is set by applicable laws and regulations. Locality pay, also set by applicable laws, addresses identified pay disparities between rates of pay and the rates paid for the same levels of work by non-Federal workers in the same locality. Locality pay is a percentage of the base pay that varies depending on defined geographic areas and the location of the employee's official duty station.[1] For example, in 2024, the Washington, District of Columbia (D.C.), metropolitan area locality pay percentage was set at 33.26 percent, while the locality pay percentage for the Indianapolis, Indiana, area was set at 17.89 percent.[2] Civilian Federal employees whose official duty station was in the Washington, D.C., area were paid their basic pay plus an additional 33.26 percent of the basic pay as the locality pay.

In November 2021, OPM released the "2021 Guide to Telework and Remote Work in the Federal Government: Leveraging Telework and Remote Work in the Federal Government to Better Meet Our Human Capital Needs and Improve Mission Delivery" (2021 Guide). The 2021 Guide provided agencies with resources to help

[1] Section 5304, title 5, United States Code (U.S.C.). Title 5 Code of Federal Regulations (CFR) section 531 et seq.

[2] Washington-Baltimore-Arlington, DC-MD-VA-WV-PA and Indianapolis-Carmel-Muncie, IN areas.

contextualize the continued evolution of telework and remote work as critical workplace flexibilities, including a section on providing Federal agencies with additional policy guidance on remote work.

The 2021 Guide also stated that an agency's remote work policy should establish clear roles and responsibilities as well as effective lines of communication for accurate tracking of time and attendance, while simultaneously limiting micromanagement. Managers and supervisors are required to obtain reasonable assurance that employees who work remotely are working when scheduled and that time and attendance information accurately reflects time worked, absences requested, and absences approved.

Remote Work Responsibilities

The Defense Civilian Personnel Advisory Service (DCPAS) is responsible for policy and oversight of the DoD telework and remote work programs. DCPAS also provides advisory and consultation services for telework and remote work planning and policy development within the DoD.[3] Telework and remote work programs are administered by the DoD Components in accordance with DoD Instruction (DoDI) 1035.01, "Telework and Remote Work," January 8, 2024.

OPM reports to Congress annually on the extent and use of telework and remote work participation across the U.S. Government as required by Public Law 111-292, "Telework Enhancement Act of 2010," December 9, 2010. The OPM's Office of Workforce Policy and Innovation fulfills this requirement by distributing an annual data call among executive agencies that collects data on:

- telework and remote work participation, eligibility, and frequency;
- telework and remote work goal outcomes; and
- detailed telework and remote work explanations of significant variances from historical trends.

The data are analyzed and consolidated into an annual report which is provided to Congress and available to the public. For FY 2023, the DoD reported a total of 385,147 telework employees and 17,504 remote work employees.[4]

[3] Telework is an alternative workplace arrangement under which an employee performs the duties and responsibilities of the assigned position and other authorized activities from an approved alternative worksite. The official worksite for a telework employee is the agency worksite, as long as they were scheduled to report to the agency worksite at least 2 days per pay period.

[4] OPM, "Status of Telework in the Federal Government Report to Congress: Fiscal Year 2023," December 2024.

DoD Instruction 1035.01, "Telework and Remote Work"

DoDI 1035.01 establishes policy, assigns responsibilities, and prescribes procedures for implementing DoD telework and remote work programs. Approved remote work employees must have a documented remote work agreement. Remote work employees must have a designated workspace that is safe and conducive for the performance of their duties at the approved alternative worksite. Remote work agreements include the alternative worksite location and LPA (if it differs from the official worksite). Additionally, the Instruction states that reassignment of an employee from the originally assigned worksite may result in a change to the employee's locality pay because the approved alternative worksite may be in a different LPA than the originally assigned worksite. Personnel in the human resources office should complete an SF 50, "Notification of Personnel Action," documenting the approved alternative worksite location. Remote work employees are responsible for accurately reporting their work hours using their DoD Component's official time and attendance system.

Internal Control in the U.S. Government

The Government Accountability Office's, "Standards for Internal Control in the Federal Government," September 2014 (Green Book), provides managers with criteria for designing, implementing, and operating an effective internal control system. One of the controls established by the Green Book is appropriate documentation of transactions and internal control. The Green Book states that management should clearly document internal control, all transactions, and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records should be managed and maintained.

Executive Order on Return to In-Person Work

On January 20, 2025, the President issued Presidential Memorandum, "Return to In-Person Work," requiring Federal departments and agencies to require employees to return to in-person work at their respective duty stations on a full-time basis and to terminate remote work arrangements. Although the President's memorandum on the return to in-person work directed agencies to terminate remote work arrangements, OPM issued additional guidance that exempts military spouses and allows exceptions due to disabilities, qualifying medical conditions, or other compelling reasons. As a result, agencies will likely continue to have remote workers.

Finding A

The DoD Could Not Identify Remote Work Employees

The DoD lacked complete tracking and reporting over the data on civilian employees working remotely. In FY 2023, the DoD reported to OPM that it had 17,504 remote work employees. However, when asked for the total number of remote work employees, DCPAS provided a total of 60,315 remote work employees as of September 21, 2024. This showed a 245 percent increase from FY 2023. DCPAS personnel calculated the September 21, 2024, total based on a review of timesheets rather than actual remote work agreements; potentially overstating the number of remote work employees. This occurred because:

- DCPAS lacked documented controls over the reporting and recordkeeping process;
- DoD Components created unique guidance based on DoDI 1035.01 that was not in accordance with overarching DoD and OPM guidance; and
- employees used incorrect timesheet codes.

As a result, the DoD did not know how many employees were working remotely and could not ensure that remote workers were receiving the correct locality pay. The FY 2024 information that the DoD provided to Congress and OMB was not reliable to accurately reflect the impact of remote work on DoD productivity and performance. Additionally, because the data that was provided for this audit was unreliable, the numbers reported as improper payments in this report are limited and may not equal the actual amount.

The DoD Did Not Have a Reliable Record of Remote Work Employees

The DoD lacked complete tracking and reporting of the data on civilian employees working remotely.

The DoD lacked complete tracking and reporting of the data on civilian employees working remotely. According to DCPAS personnel, their biggest challenge was identifying remote work employees and ensuring timesheet codes were accurate. DCPAS personnel used information from employee timesheets and Defense Civilian Personnel Data System (DCPDS) Telework Eligibility Codes to determine the number of remote work employees as of September 21, 2024. DCPAS personnel uses employee timesheet information from the Defense Civilian Payroll System (DCPS) and information from DCPDS to determine the number of employees performing 100-percent telework or remote

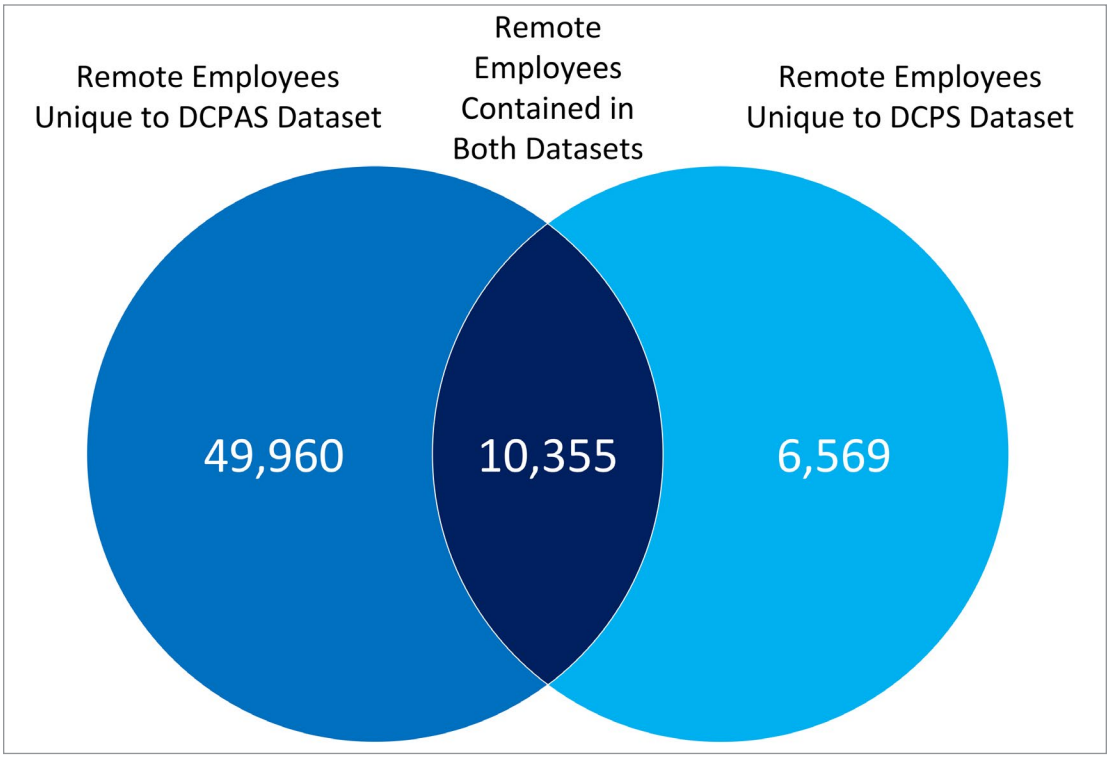
work each pay period. DCPS has four timesheet codes to show an employee is performing telework or remote work: Telework Medical (TM), Telework Situational (TS), Telework Remote (TR), or Telework Routine (TW). Because DCPAS personnel included employees with all four timesheet codes, instead of only TR, they potentially inflated the total quantity of remote work employees.

DCPAS personnel also used DoD Telework Eligibility Codes within DCPDS to capture remote work employees. However, DCPAS personnel stated that numbers from DCPDS did not align with the data sent to OMB because DoD Components were still entering inconsistent telework and remote timesheet codes.

DCPAS Did Not Have Documented Controls

For FY 2023, the DoD reported to OMB a total of 385,147 telework employees and 17,504 remote work employees. DCPAS personnel reported to the audit team that the DoD had 60,315 remote work employees as of September 21, 2024. When we followed the methodology explained by DCPAS on the data from DCPS to determine the number of remote work employees, our review identified only 16,924 remote work employees. In addition, only 10,355 employees were on the list provided by DCPAS personnel, and the remaining 6,569 individuals were not. The Figure shows the difference in the information received from DCPAS compared to information from DCPS.

Figure. Comparison of Remote Work Employees in DCPAS and DCPS



Source: The DoD OIG.

DCPAS did not have documented controls and procedures to reliably and accurately calculate the number of remote work employees.

This occurred because DCPAS did not have documented controls and procedures to reliably and accurately calculate the number of remote work employees. As a result, the DoD did not provide accurate and reliable data to Congress, the OMB, the DoD OIG, and other users of this information regarding its remote work employees.

DoD Component Policies and Procedures for Remote Work Were Insufficient

DoD Components developed their own Component-specific guidance for remote work as required by DoDI 1035.01. We reviewed the policies and procedures for 19 DoD Components and found some were inadequate. For example:

- five DoD Components did not have remote work policies or standard operating procedures in place to ensure remote work employees were correctly identified and received the correct locality pay in accordance with DoDI 1035.01, and
- four DoD Components did not have a process for designating and implementing remote work programs as required by DoDI 1035.01.

Therefore, the DCPAS Director should ensure that DoD Components are using consistent guidance for reliable reporting of remote work employees as required by the Telework Enhancement Act of 2010.

Summary of Civilian Employees Tested

Because the DoD was unable to provide complete and accurate data, we limited our audit procedures to looking at a subset of civilian employees who charged 80 hours (72 hours if there was a holiday) as a remote worker from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. This resulted in a total of 10,179 individuals who met our definition of full-time remote work employees. We identified 794 remote work employees, of the 10,179 individuals, that had potential errors in their pay based on various factors, such as employees with: (1) work LPAs that did not match their mailing address; (2) P.O. Box mailing addresses; (3) mailing addresses for which the LPA could not be determined; or (4) blank work LPAs. We then requested supporting documentation for those 794 remote work employees. We reviewed the supporting documentation related to civilian pay for the 794 remote work employees from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. The timesheets

for those employees indicated that they were working remotely, and their duty stations did not match the locality of their home addresses.[5] For details on the selection of these employees, please see Appendix A.

Employees Used Incorrect Timesheet Codes

DoD HR personnel provided supporting documentation for employees included in the DCPAS sample that showed those employees were not remote work employees. For example, the Department of Navy HR personnel stated that 81 Navy employees who coded their timesheets as TR were not actually remote work employees. The Department of Navy clarified that some of the employees using the TR timesheet code were teleworkers and that they were reporting to their official duty site a minimum of 2 days per pay period. This means that their employees were incorrectly coding their timesheet, which inflated DCPAS' number of remote work employees.

In multiple instances, DoD HR personnel provided only an approved telework agreement for employees. The documentation stated that the employees were not remote work employees and were instead telework employees using the wrong timesheet code. For example, a telework agreement for an employee showed they should report to their official duty station at least 2 days per pay period. However, their timesheet information showed that they were working remotely 5 days per week without reporting to their duty station. For temporary situations, such as an office closure or severe weather emergency, DoDI 1035.01 states that a Component may waive the requirement to report to the regular worksite twice per pay period. The inclusion of employees working under temporary circumstances would also contribute to overstating the number of remote work employees.

Therefore, the DCPAS Director should develop an alternative method to track remote work employees without the reliance on eligibility codes and timesheet codes. We also recommend that until an alternative method is developed, the DCPAS Director should reiterate to the DoD Components the need for remote work employees to properly prepare timesheets using the correct timesheet codes in accordance with DoD and OPM policies.

[5] A remote work employee's worksite is normally their home.

Recommendations, Management Comments, and Our Response

Recommendation A.1

We recommend that the Director, Defense Civilian Personnel Advisory Service, develop documented controls and procedures to accurately and reliably create a record of remote work employees. Specifically:

a. Ensure that DoD Components use consistent guidance for reliable reporting of remote work employees.

Director, Defense Civilian Personnel Advisory Service Comments

The Director, Defense Civilian Personnel Advisory Service (DCPAS), agreed with the recommendation. The Director stated that the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD [CPP]) will update the Telework and Remote Work Toolkit to provide guidance on tracking remote work employees, conduct monthly outreach meetings, and establish an annual review process to address reporting of remote work employees. DCPAS expects to implement these changes by April 2026.

Our Response

Comments from the Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation when the DASD (CPP) and DCPAS provide evidence that the Toolkit has been updated, monthly meetings have been scheduled and held, and an annual review process has been established.

b. Develop a standard process to track remote work employees without the reliance on eligibility codes and timesheet codes.

Director, Defense Civilian Personnel Advisory Service Comments

The Director, Defense Civilian Personnel Advisory Service (DCPAS), agreed with the recommendation. The Director stated that there is a pending requirement to expand Defense Civilian Personnel Data System fields and potential expanded interfaces with timesheet systems. In addition, business rules will be implemented for proper coding to track remote work employees.

Our Response

Comments from the Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation when DCPAS provides evidence of additional tracking of remote work employees.

c. Reiterate to DoD Components the need for remote work employees to properly prepare timesheets using the correct timesheet codes in accordance with DoD and Office of Personnel Management policies.

Director, Defense Civilian Personnel Advisory Service Comments

The Director, Defense Civilian Personnel Advisory Service (DCPAS), disagreed with the recommendation. Specifically, the Director stated that DCPAS lacks oversight of the time and attendance for the DoD, as the DoD Components were delegated this authority. However, the Director stated that the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD [CPP]) will coordinate with DoD Components to ensure the telework medical code has been deactivated and update the Telework and Remote Work Toolkit to provide guidance on time and attendance for remote work employees. The DASD (CPP) expects to implement these actions by April 2026.

Our Response

Comments from the Director addressed the specifics of the recommendation. Although the Director disagreed with the recommendation, the coordination with DoD Components and the update of the Telework and Remote Work Toolkit meet the intent of the recommendation. Therefore, the recommendation is resolved but will remain open. We will close this recommendation when the DASD (CPP) and DCPAS provide evidence that coordination with DoD Components has occurred, and the Toolkit has been updated.

Finding B

The DoD's Locality Pay Processes for Remote Work Employees Were Ineffective

The DoD did not have effective processes to ensure civilian remote work employees received the correct locality pay in accordance with DoDI 1035.01 and OPM guidance on pay administration. This occurred because DCPAS did not centrally control the remote work process. In addition, DCPAS, in coordination with DoD Component HR personnel, did not maintain and review documentation to ensure employees were paid according to their official worksite or that updates were made to personnel records.

The DoD did not have effective processes to ensure civilian remote work employees received the correct locality pay.

As noted in Finding A, we reviewed 794 DoD employees, identified as remote workers, with potential pay errors. We identified that DoD personnel paid 93 (12 percent) of the 794 DoD employees sampled $128,068.80 in improper payments (of which $97,101.60 could be put to better use if recouped) for payments made to remote work employees from the pay period ending June 29, 2024, through the pay period ending September 21, 2024.[6] The DoD also had $537,174.40 in questioned costs paid to an additional 255 (32 percent) employees due to insufficient documentation provided to determine the correct locality pay.[7]

Ineffective Remote Work Processes

The DoD did not have effective processes to ensure civilian remote work employees received the correct locality pay. Specifically, the results of our review of 794 remote work employees with potential pay errors showed that the:

- DoD paid 446 employees correctly,
- DoD paid 93 employees incorrectly, and
- DoD HR personnel did not provide sufficient documentation to determine if pay was correctly calculated for the remaining 255 employees.

[6] "Funds put to better use" means that funds could be used more efficiently if management takes action to implement and complete the recommendations in the audit report, including reducing outlays, de-obligating funds from programs or operations, implementing improvements to operations, or taking other identified actions that will result in avoiding costs or more efficiently using funds. Funds put to better use could be a one-time savings or a recurring amount.

[7] Questioned costs are incurred costs that are questioned because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; a finding that, at the time of the audit, such cost is not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Some Employees Received the Correct Locality Pay

DoD HR personnel either provided supporting documentation to show that 446 (56 percent) of the 794 remote work employees reviewed were paid the correct locality pay corresponding to the official worksites approved in their remote work agreements or the pay was determined to be correct based on further review of information in the pay system. For example, our review of the documentation for remote work employees with potential pay errors showed that:

- 209 remote work employees had addresses on their remote work agreements that were in the same locality as their work LPAs,
- 102 remote work employees had P.O. Boxes as their home address, but the supporting documentation provided a physical address to show they were paid correctly,
- 82 remote work employees had P.O. Boxes as their home address without supporting documentation for a physical address, but the city matched the duty station, and
- 53 remote work employees had clerical errors within their personnel documentation showing the incorrect duty station; however, their pay was correct for various reasons.

Although some remote workers were paid the correct locality pay, the supporting documentation was incorrect. For example, an employee with a work LPA of Detroit-Warren-Ann Arbor received the maximum salary amount (legally mandated pay cap) as a GS-15, step 10. Correcting the duty station to their remote location of Washington-Baltimore-Arlington would not change their pay as the salary would still be limited to the maximum amount. In addition, there were instances in which remote work employees had the wrong duty station listed but were in pay plans that did not include locality pay. Others received the locality pay that did not match their work LPA.

Some Employees Received the Incorrect Locality Pay

The DoD paid 93 (12 percent) of the 794 remote work employees the wrong locality pay. For these employees, the worksite was not updated in the payroll system to reflect the location from which the employee was working remotely. Instead, the employee was paid according to a prior work location, or the SF 50, "Notification of Personnel Action," contained the incorrect location. The SF 50 is the notification of personnel action for an employee. One of the items documented by an SF 50 is the duty station of an employee, which is where the employee performs their work and the basis for locality pay. For example, an employee moved from the

The DoD paid 93 (12 percent) of the 794 remote work employees the wrong locality pay.

Washington D.C., metropolitan area to the Cleveland, Ohio, area in 2017, yet the request to update the SF 50 was not processed with the updated duty station until March 27, 2025. Because the SF 50 was incorrect, that employee was not paid correctly from 2017 until the update occurred in 2025. This resulted in an overpayment of $4,004.00 for the pay period ending June 29, 2024, through the pay period ending September 21, 2024.[8]

In addition, DoD HR personnel provided telework agreements for 22 of the 93 remote work employees that showed they were not scheduled to report to the agency worksite. According to DoDI 1035.01, if an employee does not report to an agency worksite at least 2 days per pay period, they are considered a remote work employee and not a telework employee. This affects their pay because telework employees are paid according to their agency worksite address and not the address where they perform their work. Our review showed that these 22 employees were paid according to the location of their agency worksites instead of the addresses where they performed their work. In these cases, the alternative locations were in different LPAs from their work LPAs. For example, there was an employee working in Carmel, Indiana, being paid Annapolis, Maryland, locality pay. The locality pay for Annapolis is over 15 percent higher than the locality pay for Carmel. This resulted in an overpayment of $5,605.60 from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. In this instance the employee had an approved remote work agreement for Annapolis but had not updated their remote work location when they began working in Carmel in June 2024. Based on DoDI 1035.01, the remote work employee should have obtained a new approved remote work agreement, with their SF 50 updated for the new remote work location.

The DoD Lacked Sufficient Documentation to Validate the Correct Locality Pay to Its Remote Work Employees

DoD HR personnel did not provide sufficient documentation to support the locality pay for 255 remote work employees. Specifically, the following documentation was insufficient.

DoD HR personnel did not provide sufficient documentation to support the locality pay for 255 remote work employees.

- Remote work agreements that were effective from the pay period ending June 29, 2024, through the pay period ending September 21, 2024, for 35 remote work employees
- SF 50s that reflected the change in duty station for 220 remote work employees

[8] This total is based off the time period of information gathered for this project, so we do not have the data back to 2017 to calculate the entire amount of overpayment.

DoD HR personnel did not provide sufficient supporting documentation for the 255 remote work employees because the DoD did not have effective internal controls to maintain documentation for the remote work employees. For some remote work employees, DoD HR personnel stated that they did not have this information as the employees no longer worked for the respective DoD Component. For example, DoD HR personnel did not have access to employee remote work agreements or SF 50s after the employee retired, transferred to another DoD or non-DoD agency, or resigned. In addition, multiple DoD Components did not create or maintain remote work agreements because the DoD Components did not fully understand when a remote work agreement was required.

In some cases, DoD HR personnel provided remote work agreements or SF 50s that were not valid from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. Therefore, we were unable to determine whether the remote work employees were paid the correct locality pay or if the employees were approved to work remotely during those pay periods. Additionally, DoD HR personnel provided other documents, rather than the remote work agreements, to support employees' alternative worksites in certain cases. However, without an approved remote work agreement, we could not determine if the employee was approved for remote work or where the alternative worksite was located. For example, the Defense Counterintelligence and Security Agency (DCSA) provided DCSA Form 151, "Government Domicile-to-Duty Transportation Request," a government-owned vehicle form, for multiple employees to support employees' alternative worksites. This form is used when you are working away from your home and use the vehicle to travel to your duty location, not for remote work agreements. Additionally, DoD HR personnel did not have explanations or documentation for when employees coded their timesheets as remote work, when they were not actually remote work employees.

For 220 employees, DoD HR personnel did not provide the correct SF 50s for remote work employees. Specifically, DoD HR personnel did not provide the SF 50s created for changes in duty station. For example, DoD HR personnel provided SF 50s for employee personnel actions that were for adjustments other than change in duty station, promotion, or time-off award. These SF 50s did not show the personnel actions for the changes in duty station. As a result, we could not determine whether the remote work employees were paid correctly.

Because DoD HR personnel did not have sufficient supporting documentation, we could not determine whether the remote work employees were paid the correct locality pay, or if the employees were working remotely. This occurred because the DoD did not centralize the remote work process and implement controls to provide and retain all the remote work documentation in accordance with the Green Book.

As a result, the lack of sufficient supporting documentation created a risk that the DoD is improperly paying employees. Therefore, the DCPAS Director should coordinate with the DoD's HR offices to implement a centralized system of records to maintain and retain employee remote work agreements by each of the DoD HR offices.

Potential Monetary Benefits

DoD personnel paid 93 employees $128,068.80 improper payments (of which $97,101.60 could be put to better use if recouped.)

DoD personnel paid 93 employees $128,068.80 improper payments (of which $97,101.60 could be put to better use if recouped) for payments made to remote work employees from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. The DoD also had $537,174.40 in questioned costs paid to an additional 255 employees due to insufficient documentation provided to determine the correct locality pay. See Appendix B for details.

The DoD also had $537,174.40 in questioned costs paid to an additional 255 employees.

The potential monetary benefits only covered a span of seven pay periods, from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. Although our calculation was based on these seven pay periods, this number does not represent the full impact of the errors. The DoD may have incorrectly paid employees for several years using the locality pay for incorrect duty stations. For example, one employee's duty location was incorrectly changed back in 2020. After we requested supporting documentation for this employee, DCSA HR personnel noted that this was an error. Although they stated that they were in the process of correcting the pay, the DCSA paid the incorrect amount for at least 4 years.

The potential monetary benefits only covered a span of seven pay periods.

In addition, our review only included people that were coding the work hours in their timesheets as Telework Remote for the entire pay period. If a remote work employee was not using the proper Remote Work timesheet code in their timesheet or took leave during the pay period, they were not included in our review. Consequently, the number of employees receiving the incorrect locality pay could potentially be much greater.

Therefore, we recommend that the DCPAS Director coordinate with applicable DoD Components HR personnel offices and other appropriate agencies to review potential overpayments and underpayments listed in Appendix B, make the necessary corrections to duty stations, and determine whether there is additional pay due to an employee or owed by an employee. In addition, DoD Component HR offices should review on an annual basis each remote work employee's SF 50 and remote work agreement for the correct duty location to ensure correct pay and determine whether corrective actions are needed.

Recommendations, Management Comments, and Our Response

Recommendation B.1

We recommend that the Director, Defense Civilian Personnel Advisory Service, implement a centralized system of records to maintain and retain each employee's remote work agreement.

Director, Defense Civilian Personnel Advisory Service Comments

The Director, Defense Civilian Personnel Advisory Service (DCPAS), disagreed with the recommendation. Specifically, the Director stated that DoD Components have authority and oversight of their remote work programs, not DCPAS, but DoD Components should provide the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD [CPP]) remote agreements when requested. The Director also stated that there are pending requirements to expand the Defense Civilian Personnel Data System (DCPDS) fields, which would include the telework or remote agreement date, approved Geographic location site, and last remote eligibility date. Additionally, there is potential for expanded interfaces with timesheet systems. These actions would assist with the review and validation of remote work employees.

Our Response

Comments from the Director addressed the specifics of the recommendation. Although the Director disagreed with the recommendation, the expanded DCPDS fields address the specifics of the recommendation. Therefore, the recommendation is resolved but will remain open. We will close this recommendation when DCPAS provides evidence that DCPDS fields have been expanded.

Recommendation B.2

We recommend that the Director, Defense Civilian Personnel Advisory Service, in coordination with the applicable DoD Component Human Resource Office and other appropriate agencies:

a. Review potential overpayments and underpayments, make the necessary corrections to duty stations, and determine whether there is additional pay due to an employee or owed by an employee, and pay or recoup the funds.

Director, Defense Civilian Personnel Advisory Service Comments

The Director, Defense Civilian Personnel Advisory Service (DCPAS), disagreed with the recommendation. Specifically, the Director stated that DoD Components have authority and oversight of their remote work programs, not DCPAS. The Director also stated that the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD [CPP]) will coordinate and implement annual DoD Component remote work agreement reviews with validation to CPP. These reviews will identify overpayments, underpayments, and recouping of overpayments with CPP tracking and monitoring the resolution of any identified cases.

Our Response

Comments from the Director addressed the specifics of the recommendation. Although the Director disagreed with the recommendation, the coordination and implementation of annual Component remote work agreement reviews and identification of overpayments and underpayments, along with monitoring of identified cases, meet the intent of the recommendation. Therefore, the recommendation is resolved but will remain open. We will close this recommendation when DCPAS provides evidence that annual reviews of remote work agreements, with monitoring of identified cases of overpayments and underpayments, have been performed.

b. Review on an annual basis each remote work employee's SF 50 and remote agreement for the correct duty location to ensure correct pay and determine whether corrective actions are needed.

Director, Defense Civilian Personnel Advisory Service Comments

The Director, Defense Civilian Personnel Advisory Service (DCPAS), disagreed with the recommendation. Specifically, the Director stated that DoD Components have authority and oversight of their remote work programs, not DCPAS. The Director also stated that the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD [CPP]) will revise DoD Instruction 1035.01 to establish a mandatory

annual review of remote work agreements and require Components to submit annual reports on the results of the reviews along with any corrective actions. The DASD (CPP) expects to start the annual reviews by April 2026.

Our Response

Comments from the Director addressed the specifics of the recommendation. Although the Director disagreed with the recommendation, the establishment of mandatory annual reviews, with reports on those reviews, meets the intent of the recommendation. Therefore, the recommendation is resolved but will remain open. We will close the recommendation when the DASD (CPP) and DCPAS provide evidence that annual reviews of remote work agreements and annual reports have been performed.

Appendix A

Scope and Methodology

We conducted this performance audit from September 2024 through September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Universe and Selected Employees

We obtained a universe of DoD civilian employees who marked "TR" on their timesheets for 80 hours (72 hours if there was a holiday), indicating they were remote work employees from the pay period ending June 29, 2024, through the pay period ending September 21, 2024.[9] The universe excluded DoD OIG employees. We did not verify internet protocol addresses or physical locations where remote work employees lived, and we did not assess internal controls over telework.

For the universe we obtained, we limited our testing to the population of employees that had discrepancies between their home and official worksite locality pay areas. We then requested remote work agreements, SF 50s, and additional clarification for these employees. In addition, we held discussions with personnel from DCPAS and DoD Components. We reviewed each DoD Component's telework and remote work standard operating procedures to understand DoD internal controls over remote work employees and how the DoD gathers remote work data.

To develop our population, we:

- defined the full-time remote work population as individuals who coded "TR" (Telework Remote) in their timesheet,
- defined the population of possible remote work employees who may have been paid incorrectly,
- obtained data from the DCPS Self-Service Reporting Tool, and
- obtained LPAs that corresponded to mailing addresses.

This resulted in a total population of 10,179 individuals that applied to our definition of full-time remote work employees. See Table 1 for the number of full-time remote work employees in our universe.

[9] The DoD OIG Data Analytics Team obtained data from the Defense Civilian Pay System Self Service Reporting Tool.

Table 1. Number of Full-Time Remote Work Employees from the Pay Period Ending June 29, 2024, Through the Pay Period Ending September 21, 2024, by DoD Component

Agency	Number of Full-Time Remote Work Employees
Army	2,437
Navy	3,353
Air Force	1,146
Other Defense Agencies	3,243
Total	**10,179**

Source: The DoD OIG.

Using our population of 10,179 full-time remote work employees, we identified 794 employees that had potential errors in their pay. See Table 2 for details on the number of remote work employees with potential pay errors. The 794 employees were selected for review based on the following overarching reasons.

- The employee had an LPA corresponding to their workstation that did not match the LPA corresponding to their mailing address (mismatched LPAs).
- The employee's mailing address LPA could not be determined because they listed a P.O. Box (non-residential address).
- The employee's mailing address LPA could not be determined (indeterminate mailing address LPA).
- The employee's workstation LPA was blank (missing workstation LPA).

Table 2. Remote Work Employees with Potential Pay Errors

	Subsets That Contribute to the Total Mismatched LPAs				
DoD Component	Mismatched LPA	Non-Residential Address	Indeterminate Mailing Address LPA	Missing Workstation LPA	Total Amount of Mismatched LPAs
Army	135	50	18	2	205
Navy	159	76	22	1	258
Air Force	76	11	5	0	92
Other Defense Agencies	151	48	35	5	239
Total	**521**	**185**	**80**	**8**	**794**

Source: The DoD OIG.

Internal Control Assessment and Compliance

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed internal controls related to the DoD's process to ensure that DoD remote work employees receive the correct locality pay in accordance with Federal laws and requirements. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Use of Computer-Processed Data

We used computer-processed data from the DCPS Self Service Reporting Tool and the OPM Locality Pay Tables to perform this audit. We determined that the DoD's record of its remote work employee population could not be reasonably relied upon because DCPAS did not have systems and adequate controls in place to identify and separate remote work employees within the DoD. As a result, the Data Analytics Team provided computer-processed data from the DCPS Self Service Reporting Tool and supplemental geolocation data that we used to obtain the DoD remote work employee population. To further test the reliability of the population, and in coordination with the Data Analytics Team, we interviewed knowledgeable agency officials from DCPAS, analyzed OPM pay tables, and evaluated the Defense Finance and Accounting Service internal controls over civilian pay to confirm the completeness and reliability of the DoD remote work employee population. We were able to reconcile and confirm this DoD remote work employee population for sampling purposes and, therefore, we determined the computer-processed data extracted from the DCPS Self-Service Reporting Tool for the purposes of our audit objective were sufficiently reliable.

Use of Technical Assistance

The Data Scientists from the Data Analytics Team assisted with developing the project methodology, providing supporting datasets, and performing analyses to determine a population of DoD remote work employees who may not have been paid accurately based on LPA information.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO) issued one report discussing Federal remote work. Unrestricted GAO reports can be accessed at http://www.gao.gov.

Government Accountability Office

Report No. GAO-25-107363, "Federal Remote Work, OPM Guidance Could Help Relevant Agencies Evaluate Effects on Agency Performance," June 2025

The Government Accountability Office determined in June 2024 that there were 207,710 remote workers across the 24 Chief Financial Officers Act agencies, which comprised 9 percent of the total civilian workforce at these agencies. Remote workers were in all 50 states and the District of Columbia, and 84 percent of counties. Most agencies reported analyzing how remote work affected their ability to recruit and retain staff and found offering it likely had positive effects. OPM canceled its August 2024 guidance that agencies assess remote work's effects on their mission, recruitment, and retention, making it less likely agencies will understand its effects on outcomes and operations. Selected agencies took actions to reduce their office space holdings as telework and remote work led to fewer employees reporting to an office location from 2020 through 2024.

Appendix B

Potential Monetary Benefits

DoD personnel paid 93 employees $128,068.80 improper payments (of which $97,101.60 could be put to better use if recouped) for payments made to remote work employees from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. The DoD also had $537,174.40 in questioned costs paid to an additional 255 employees due to insufficient documentation provided to determine the correct locality pay. Table 3 and Table 4 are summaries of the potential monetary benefits previously discussed in Finding B—Table 3 shows improper payments, and Table 4 shows unsupported payments. In total, we identified improper payments of $128,068.80 and unsupported payments with questioned costs of $537,174.40.

Table 3. Summary Table of Improper Payments

DoD Component	Total Overpayment ($)	Total Under Payment ($)	Total Amount of Improper payments
Defense Contract Management Agency	$ 140.00	$ (817.60)	$ 957.60
Defense Finance and Accounting Service	266.40	(2,052.80)	2,319.20
Defense Health Agency	0	0	0
Defense Human Resources Activity	12,856.00	0	12,856.00
Defense Information Systems Agency	9,964.80	(4,681.60)	14,646.40
Defense Logistics Agency	0	(2,458.40)	2,458.40
Defense Media Activity	0	0	0
Defense Security Cooperation Agency	0	0	0
Defense Security Service	2,861.60	(124.80)	2,986.40
Defense Technical Information Center	0	(2,664.00)	2,664.00
Department of Defense Education Activity	2,902.40	0	2,902.40
Department of the Air Force	6,448.80	(2,616.80)	9,065.60

Table 3. Summary Table of Improper Payments (cont'd)

DoD Component	Total Overpayment ($)	Total Under Payment ($)	Total Amount of Improper payments
Department of the Army	30,281.60	(1,752.80)	32,034.40
Department of the Navy	22,079.20	(13,798.40)	35,877.60
Military Treatment Facilities Under DHA	0	0	0
Missile Defense Agency	3,718.40	0	3,718.40
Office of the Secretary of Defense	0	0	0
Uniformed Services University of the Health Sciences	5,582.40	0	5,582.40
Total	**$ 97,101.60**	**$ 30,967.20**	**$ 128,068.80**

Source: The DoD OIG.

Table 4. Summary Table of Unsupported Payments

DoD Component*	Total Overpayment ($)	Total Under Payment ($)	Total Amount of Unsupported payments
Defense Contract Management Agency	$ 201.60	0	$ 201.60
Defense Finance and Accounting Service	2,424.80	$(1,170.40)	3,595.20
Defense Health Agency	12,544.00	(6,322.40)	18,866.40
Defense Human Resources Activity	11,956.00	(5,415.20)	17,371.20
Defense Information Systems Agency	4,950.40	(806.40)	5,756.80
Defense Logistics Agency	4,278.40	(28.00)	4,306.40
Defense Media Activity	2,503.20	0	2,503.20
Defense Security Cooperation Agency	1,041.60	0	1,041.60
Defense Security Service	14,896.00	(5,045.60)	19,941.60
Defense Technical Information Center	0	0	0

Table 4. Summary Table of Unsupported Payments (cont'd)

DoD Component*	Total Overpayment ($)	Total Under Payment ($)	Total Amount of Unsupported payments
Department of Defense Education Activity	7,985.60	0	7,985.60
Department of the Air Force	30,004.80	(16,290.40)	46,295.20
Department of the Army	130,004.00	(54,874.40)	184,878.40
Department of the Navy	144,356.80	(55,512.80)	199,869.60
Military Treatment Facilities Under DHA	16,973.60	0	16,973.60
Missile Defense Agency	1,736.00	0	1,736.00
Office of the Secretary of Defense	5,852.00	0	5,852.00
Uniformed Services University of the Health Sciences	0	0	0
Total	**$ 391,708.80**	**$ 145,465.60**	**$ 537,174.40**

* Employee data was pulled from DCPS for pay periods ending June 29, 2024, through September 21, 2024, for each DoD Component. In some instances, Component HR personnel stated that they could not provide information for employees as they did not appear in their databases.

Source: The DoD OIG.

Based on our sample of 794 employees, we identified $128,068.80 in improper payments to 93 remote work employees. The DoD underpaid 30 employees $30,967.20, and it overpaid 63 employees $97,101.60 in funds that could be put to better use. Table 5 shows details about the supporting documentation and whether each remote work employee was overpaid or underpaid.

Table 5. Breakout of Improper Payments by Employee

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Defense Contract Management Agency	1	7.00	16.82	20.25	0	(817.60)
	2	7.00	19.63	18.92	140.00	0
Defense Finance and Accounting Service	3	3.00	17.89	19.26	0	(98.40)
	4	7.00	16.82	28.82	0	(1,859.20)
	5	7.00	17.89	16.82	235.20	0
	6	1.00	17.89	16.82	31.20	0
	7	7.00	16.82	17.35	0	(95.20)
Defense Human Resources Activity	8	7.00	22.02	18.92	1,131.20	0
	9	7.00	33.26	17.89	5,605.60	0
	10	7.00	37.24	31.62	1,786.40	0
	11	7.00	33.26	21.91	3,718.40	0
	12	6.00	33.26	26.91	614.40	0
Defense Information Systems Agency	13	2.00	33.26	16.82	1,318.40	0
	14	7.00	33.26	31.97	3,304.00	0
	15	7.00	18.49	34.72	0	(4,625.60)
	16	7.00	33.26	21.14	2,419.20	0
	17	7.00	21.8	22.01	0	(56.00)
	18	7.00	33.26	19.1	2,923.20	0
Defense Logistics Agency	19	7.00	21.91	33.26	0	(2,458.40)
Defense Security Service	20	2.00	33.26	34.72	0	(124.80)
	21	1.00	33.26	27.15	145.60	0
	22	7.00	30.81	18.05	2,716.00	0

Table 5. Breakout of Improper Payments by Employee (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Defense Technical Information Center	23	5.00	16.82	31.97	0	(2,664.00)
Department of Defense Education Activity	24	4.00	33.26	16.82	2,902.40	0
Department of the Air Force	25	1.00	18.46	34.72	0	(564.00)
	26	7.00	35.84	17.15	0	(89.60)
	27	7.00	33.26	37.24	890.40	0
	28	7.00	21.69	21.14	117.60	0
	29	7.00	33.05	33.26	0	(44.80)
	30	2.00	18.49	16.82	123.20	0
	31	7.00	18.49	16.82	347.20	0
	32	1.00	18.49	25.66	0	(204.00)
	33	4.00	19.73	16.82	275.20	0
	34	3.00	16.82	17.91	0	(96.00)
	35	7.00	19.26	16.82	492.80	0
	36	7.00	21.8	21.14	218.40	0
	37	7.00	21.14	21.69	0	(123.20)
	38	6.00	21.14	16.82	811.20	0
	39	7.00	16.82	17.91	0	(240.80)
	40	5.00	33.26	18.46	2512.00	0
	41	7.00	19.73	16.82	660.80	0
	42	7.00	16.82	23.45	0	(1,254.40)

Table 5. Breakout of Improper Payments by Employee (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Army	43	6.00	18.49	18.46	9.60	0
	44	1.00	31.97	16.82	446.40	0
	45	7.00	33.26	28.55	655.20	0
	46	7.00	33.26	16.82	3,500.00	0
	47	7.00	31.96	24.42	2,223.20	0
	48	7.00	33.26	28.55	565.60	0
	49	7.00	21.48	16.82	1,758.40	0
	50	7.00	30.81	16.82	1,416.80	0
	51	7.00	18.49	16.82	347.20	0
	52	7.00	21.9	21.48	50.40	0
	53	7.00	33.26	37.24	0	(1,400.00)
	54	7.00	18.65	16.82	520.80	0
	55	7.00	18.66	16.82	168.00	0
	56	7.00	21.9	16.82	1,316.00	0
	57	7.00	16.82	18.49	0	(352.80)
	58	7.00	33.26	16.82	5,230.40	0
	59	7.00	33.26	21.91	1,892.80	0
	60	5.00	33.26	18.46	2,464.00	0
	61	7.00	33.26	22.15	2,587.20	0
	62	7.00	33.26	16.82	1,355.20	0
	63	7.00	28.82	16.82	3,628.80	0
	64	7.00	33.26	31.97	145.60	0

Table 5. Breakout of Improper Payments by Employee (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Navy	65	7.00	33.26	22.01	4,004.00	0
	66	7.00	18.46	33.26	0	(4,099.20)
	67	5.00	30.81	18.46	1,472.00	0
	68	7.00	21.79	33.26	0	(302.40)
	69	5.00	19.1	33.26	0	(2,624.00)
	70	7.00	24.42	16.82	1,808.80	0
	71	6.00	30.81	16.82	1,492.80	0
	72	7.00	45.41	35.84	1,769.60	0
	73	4.00	33.05	16.82	1,852.80	0
	74	3.00	16.82	33.26	0	(1,406.40)
	75	7.00	33.26	34.72	0	(448.00)
	76	7.00	33.05	17.94	1,652.00	0
	77	7.00	27	29.16	0	(666.40)
	78	4.00	33.05	22.02	1,945.60	0
	79	7.00	33.26	25.66	1,148.00	0
	80	7.00	30.81	18.92	1,640.80	0
	81	7.00	35.84	33.05	1,047.20	0
	82	7.00	30.81	16.82	2,245.60	0
	83	5.00	20.78	28.82	0	(1,184.00)
	84	7.00	33.05	35.84	0	(711.20)
	85	7.00	33.05	35.84	0	(638.40)
	86	2.00	18.97	29.88	0	(888.00)
	87	2.00	21.79	33.26	0	(830.40)

Table 5. Breakout of Improper Payments by Employee (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Missile Defense Agency	88	7.00	21.48	16.82	1,125.60	0
	89	7.00	21.48	16.82	957.60	0
	90	7.00	21.48	17.91	901.60	0
	91	7.00	21.48	17.91	733.60	0
Uniformed Services University of the Health Sciences	92	6.00	35.84	18.49	2,784.00	0
	93	6.00	33.26	21.14	2,798.40	0
Total					**$ 97,101.60**	**$ 30,967.20**
						$ 128,068.80

Note: Federal pay periods are 2 weeks in length. We reviewed seven pay periods from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. The locality pay is based on the FY 2024 Locality Pay Tables.

Source: The DoD OIG review of DoD documentation.

Table 6 shows questioned costs to employees where DoD HR did not provide sufficient supporting documentation to support locality pay to remote work employees. Specifically, of the 794 employees in our sample, we identified 255 employees where the costs were questioned. Of the 255 employees, 167 employees were potentially overpaid $391,708.80, and 88 employees were potentially underpaid $145,465.60.

Table 6. Breakout of Unsupported Payments by Employees

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Defense Contract Management Agency	1	7	21.8	21.14	$ 201.60	0
Defense Finance and Accounting Service	2	7	22.01	16.82	1,176.00	0
	3	7	31.97	22.01	812.00	0
	4	7	18.49	16.82	201.60	0
	5	7	17.89	16.82	123.20	0
	6	7	17.89	16.82	112.00	0
	7	7	16.82	17.35	0	$ (78.40)
	8	7	16.82	17.89	0	(235.20)
	9	7	16.82	21.8	0	(856.80)
Defense Health Agency	10	7	33.26	21.9	3,399.20	0
	11	7	33.26	18.49	4,838.40	0
	12	7	33.26	16.82	4,166.40	0
	13	7	33.26	31.96	140.00	0
	14	7	29.88	30.81	0	(224.00)
	15	7	16.82	18.49	0	(397.60)

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Defense Health Agency (cont'd)	16	7	18.49	19.99	0	(414.40)
	17	7	16.82	18.49	0	(526.40)
	18	7	18.49	22.15	0	(806.40)
	19	7	18.49	21.9	0	(1,052.80)
	20	7	0	33.26	0	(2,900.80)
Defense Human Resources Activity	21	7	45.41	26.91	4,396.00	0
	22	7	33.26	21.91	3,416.00	0
	23	7	24.42	16.82	2,637.60	0
	24	7	30.81	25.66	1,349.60	0
	25	7	17.6	16.82	156.80	0
	26	7	16.82	23.45	0	(2,049.60)
	27	7	19.99	33.26	0	(3,365.60)
Defense Information Systems Agency	28	7	17.6	19.63	0	(683.20)
	29	7	29.88	19.73	3,136.00	0
	30	7	33.26	30.41	677.60	0
	31	7	18.49	16.82	498.40	0
	32	7	19.1	33.26	0	(123.20)
	33	7	19.63	16.82	638.40	0
Defense Logistics Agency	34	7	28.55	16.82	4,278.40	0
	35	7	21.8	22.01	0	(28.00)

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Defense Media Activity	36	7	33.26	26.91	1,562.40	0
	37	7	33.26	28.55	940.80	0
Defense Security Cooperation Agency	38	7	21.9	17.4	1,041.60	0
Defense Security Service	39	7	33.26	18.46	3,746.40	0
	40	7	45.41	33.26	3,074.40	0
	41	7	33.26	16.82	2,738.40	0
	42	7	24.42	16.82	2,021.60	0
	43	7	33.05	26.91	1,349.60	0
	44	7	37.24	30.81	1,282.40	0
	45	7	35.84	33.05	313.60	0
	46	7	18.05	16.82	201.60	0
	47	7	19.99	18.49	168.00	0
	48	7	16.82	17.35	0	(84.00)
	49	7	16.82	18.05	0	(296.80)
	50	7	17.4	18.46	0	(341.60)
	51	7	33.05	35.84	0	(464.80)
	52	7	33.26	35.84	0	(554.40)
	53	7	29.16	35.84	0	(1,601.60)
	54	7	33.05	45.41	0	(1,702.40)

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of Defense Education Activity	55	7	33.26	19.26	4,211.20	0
	56	7	33.26	17.89	3,774.40	0
Department of the Air Force	57	7	33.26	16.82	5,230.40	0
	58	7	33.26	18.46	4,569.60	0
	59	7	33.26	16.82	4,166.40	0
	60	7	37.24	21.8	3,606.40	0
	61	7	30.81	21.14	2,682.40	0
	62	7	35.84	26.91	2,576.00	0
	63	7	24.42	18.49	1,640.80	0
	64	7	33.26	27.15	1,551.20	0
	65	7	33.26	29.88	884.80	0
	66	7	18.49	16.82	476.00	0
	67	7	18.49	16.82	436.80	0
	68	7	18.49	16.82	375.20	0
	69	7	21.14	19.73	352.80	0
	70	7	18.49	16.82	302.40	0
	71	7	18.05	16.82	302.40	0
	72	7	18.46	16.82	296.80	0
	73	7	18.05	16.82	291.20	0
	74	7	17.94	16.82	134.40	0

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Air Force (cont'd)	75	7	17.94	16.82	128.80	0
	76	7	21.14	21.8	0	(190.40)
	77	7	29.88	30.81	0	(291.20)
	78	7	16.82	17.91	0	(330.40)
	79	7	16.82	18.49	0	(582.40)
	80	7	18.49	30.81	0	(3,203.20)
	81	7	18.49	33.26	0	(3,511.20)
	82	7	18.92	33.26	0	(3,864.00)
	83	7	0	18.49	0	(4,317.60)
Department of the Army	84	7	33.26	18.46	5,398.40	0
	85	7	33.26	18.49	5,252.80	0
	86	7	33.26	16.82	5,073.60	0
	87	7	34.72	18.65	4,832.80	0
	88	7	16.82	0	4,530.40	0
	89	7	33.26	16.82	4,328.80	0
	90	7	33.26	16.82	4,295.20	0
	91	7	33.26	16.82	4,166.40	0
	92	7	33.26	21.91	4,138.40	0
	93	7	33.26	0	4,121.60	0
	94	7	33.26	18.05	4,093.60	0

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Army (cont'd)	95	7	33.26	18.66	4,076.80	0
	96	7	33.26	21.91	3,836.00	0
	97	7	33.26	16.82	3,724.00	0
	98	7	16.82	0	3,584.00	0
	99	7	34.72	19.99	3,500.00	0
	100	7	16.82	0	3,360.00	0
	101	7	29.88	21.48	3,326.40	0
	102	7	22.02	18.92	3,208.80	0
	103	7	33.26	18.46	3,208.80	0
	104	7	26.91	16.82	3,119.20	0
	105	7	26.91	16.82	2,637.60	0
	106	7	45.41	33.05	2,637.60	0
	107	7	29.16	18.92	2,525.60	0
	108	7	37.24	28.55	1,797.60	0
	109	7	30.81	21.8	1,551.20	0
	110	7	33.26	28.55	1,551.20	0
	111	7	21.48	16.82	1,523.20	0
	112	7	28.82	18.92	1,366.40	0
	113	7	18.49	16.82	610.40	0
	114	7	35.84	25.66	1,299.20	0
	115	7	33.26	26.91	1,198.40	0

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Army (cont'd)	116	7	33.26	28.55	1,159.20	0
	117	7	33.26	29.88	1,041.60	0
	118	7	22.02	16.82	1,036.00	0
	119	7	21.9	16.82	1,013.60	0
	120	7	30.81	26.91	985.60	0
	121	7	37.24	28.55	980.00	0
	122	7	21.9	16.82	940.80	0
	123	7	19.73	16.82	851.20	0
	124	7	21.48	17.91	739.20	0
	125	7	18.49	16.82	436.80	0
	126	7	18.66	16.82	425.60	0
	127	7	18.66	16.82	414.40	0
	128	7	18.49	16.82	397.60	0
	129	7	33.26	31.97	369.60	0
	130	7	18.46	16.82	235.20	0
	131	7	18.66	16.82	229.60	0
	132	7	21.91	21.14	173.60	0
	133	7	18.66	16.82	168.00	0
	134	7	33.26	16.82	5,230.40	0
	135	7	16.82	18.49	0	(190.40)
	136	7	16.82	19.73	0	(263.20)

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Army (cont'd)	137	7	19.23	21.8	0	(263.20)
	138	7	21.9	23.45	0	(369.60)
	139	7	16.82	19.99	0	(369.60)
	140	7	33.26	34.72	0	(369.60)
	141	7	33.26	34.72	0	(532.00)
	142	7	16.82	21.69	0	(621.60)
	143	7	16.82	22.02	0	(683.20)
	144	7	16.82	20.78	0	(789.60)
	145	7	31.96	37.24	0	(907.20)
	146	7	16.82	21.48	0	(968.80)
	147	7	16.82	21.48	0	(1,293.60)
	148	7	23.45	33.26	0	(1,960.00)
	149	7	16.82	30.81	0	(2,032.80)
	150	7	33.26	24.42	0	(2,116.80)
	151	7	19.99	26.91	0	(2,234.40)
	152	7	16.82	33.26	0	(2,525.60)
	153	7	23.45	33.26	0	(3,214.40)
	154	7	16.82	35.84	0	(3,483.20)
	155	7	22.02	33.26	0	(3,712.80)
	156	7	16.82	34.72	0	(3,813.60)
	157	7	18.49	34.72	0	(3,858.40)

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Army (cont'd)	158	7	33.26	31.97	117.60	0
	159	7	0	19.73	0	(4,071.20)
	160	7	18.66	34.72	0	(4,172.00)
	161	7	16.82	33.05	0	(4,496.80)
	162	7	33.26	31.97	145.60	0
	163	7	16.82	33.26	0	(5,202.40)
	164	7	33.26	35.84	0	(358.40)
	165	7	31.62	31.62	9,038.40	0
Department of the Navy	166	7	34.72	0	9,469.60	0
	167	7	33.26	16.82	6,328.00	0
	168	7	0	0	5,790.40	0
	169	7	33.26	18.46	5,364.80	0
	170	7	35.84	16.82	5,152.00	0
	171	7	35.84	19.23	5,129.60	0
	172	7	33.26	16.82	5,079.20	0
	173	7	33.26	16.82	5,034.40	0
	174	7	33.26	18.46	4,849.60	0
	175	7	33.26	18.46	4,849.60	0
	176	7	28.82	16.82	4,720.80	0
	177	7	33.05	16.82	4,625.60	0
	178	7	35.84	19.23	4,474.40	0

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Navy (cont'd)	179	7	16.82	0	4,127.20	0
	180	7	33.05	16.82	4,110.40	0
	181	7	33.26	18.46	3,987.20	0
	182	7	33.26	18.46	3,869.60	0
	183	7	30.41	17.89	3,696.00	0
	184	7	33.26	16.82	3,612.00	0
	185	7	33.26	22.01	3,320.80	0
	186	7	33.26	23.45	3,208.80	0
	187	7	30.81	16.82	3,164.00	0
	188	7	33.26	21.14	3,147.20	0
	189	7	33.26	21.91	2,900.80	0
	190	7	33.26	18.46	2,878.40	0
	191	7	33.26	22.02	2,301.60	0
	192	7	33.05	22.01	2,290.40	0
	193	7	33.05	17.15	2,189.60	0
	194	7	28.55	33.26	1,999.20	0
	195	7	33.05	21.9	1,982.40	0
	196	7	33.05	16.82	1,892.80	0
	197	7	30.81	18.46	1,814.40	0
	198	7	30.81	16.82	1,803.20	0
	199	7	30.81	18.46	1,702.40	0

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Navy (cont'd)	200	7	18.46	21.8	1,607.20	0
	201	7	33.26	28.55	1,584.80	0
	202	7	23.45	16.82	1,489.60	0
	203	7	33.26	28.55	1,472.80	0
	204	7	31.97	16.82	1,355.20	0
	205	7	30.81	25.66	1,198.40	0
	206	7	33.26	28.82	1,075.20	0
	207	7	33.05	29.88	817.60	0
	208	7	21.91	18.46	806.40	0
	209	7	33.26	30.81	716.80	0
	210	7	35.84	33.05	408.80	0
	211	7	33.26	31.97	280.00	0
	212	7	35.84	34.72	229.60	0
	213	7	17.89	16.82	224.00	0
	214	7	21.8	21.14	156.80	0
	215	7	33.26	33.05	67.20	0
	216	7	31.62	31.97	0	(39.20)
	217	7	16.82	17.89	0	(235.20)
	218	7	16.82	18.46	0	(296.80)
	219	7	33.05	35.84	0	(347.20)
	220	7	19.26	21.14	0	(492.80)

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Navy (cont'd)	221	7	28.82	30.81	0	(515.20)
	222	7	33.05	35.84	0	(554.40)
	223	7	33.05	35.84	0	(666.40)
	224	7	33.05	35.84	0	(728.00)
	225	7	33.05	35.84	0	(862.40)
	226	7	16.82	22.02	0	(1,209.60)
	227	7	19.99	26.91	0	(1,215.20)
	228	7	18.46	24.42	0	(1,232.00)
	229	7	28.55	33.05	0	(1,388.80)
	230	7	16.82	23.45	0	(1,456.00)
	231	7	17.15	23.45	0	(1,545.60)
	232	7	18.46	30.41	0	(1,702.40)
	233	7	21.9	28.55	0	(1,786.40)
	234	7	16.82	33.26	0	(2,032.80)
	235	7	22.02	30.81	0	(2,296.00)
	236	7	21.9	31.97	0	(2,548.00)
	237	7	28.55	37.24	0	(2,615.20)
	238	7	20.25	37.24	0	(2,805.60)
	239	7	23.45	37.24	0	(3,214.40)
	240	7	19.73	35.84	0	(3,360.00)
	241	7	16.82	33.26	0	(3,628.80)

Table 6. Breakout of Unsupported Payments by Employees (cont'd)

DoD Component	Employee	Estimated Number of Pay Periods* Paid Based on Incorrect Duty Station	Incorrect Locality Payment (%)**	Entitled Locality Payment (%)***	Total Overpayment ($)	Total Under Payment ($)
Department of the Navy (cont'd)	242	7	19.1	33.26	0	(3,673.60)
	243	7	18.46	33.05	0	(4,099.20)
	244	7	21.8	35.84		(4,323.20)
	245	7	17.18	33.26	0	(4,642.40)
Military Treatment Facilities Under DHA	246	7	33.26	18.46	3,645.60	0
	247	7	35.84	19.23	3,595.20	0
	248	7	33.26	22.02	2,917.60	0
	249	7	21.91	0	2,822.40	0
	250	7	33.26	22.02	2,699.20	0
	251	7	23.45	19.73	464.80	0
	252	7	19.73	16.82	453.60	0
	253	7	33.05	30.81	375.20	0
Missile Defense Agency	254	7	21.48	16.82	1,736.00	0
Office of the Secretary of Defense	255	7	33.26	16.82	5,852.00	0
Total					**$ 391,708.80**	**$ 145,465.60**
						$ 537,174.40

Note: Federal pay periods are 2 weeks in length. We reviewed seven pay periods from the pay period ending June 29, 2024, through the pay period ending September 21, 2024. The locality pay is based on the FY 2024 Locality Pay Tables.

Source: The DoD OIG review of DoD documentation.

Management Comments

Defense Civilian Personnel Advisory Service

OFFICE OF THE ASSISTANT SECRETARY OF WAR
1500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-1500

MANPOWER AND
RESERVE AFFAIRS

MEMORANDUM FOR INSPECTOR GENERAL OF THE DEPARTMENT OF WAR

SUBJECT: Draft Report: Audit of the DoW's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees, Department of War Inspector General Project No. D2024-D000FV-0172.000

In response to the recommendations from the September 12, 2025, Draft Report, "Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees," Project No. D2024-D000FV-0172.000, the Department of War Inspector General recommended the Defense Civilian Personnel Advisory Service (DCPAS) implement a centralized system of records to maintain and retain remote work agreements, review potential incorrect payments, and make the necessary corrections to locality pay, as well as reiterate the preparation of proper timesheets.

DCPAS has provided a detailed response to each recommendation in the enclosed attachment. My point of contact for this action is [redacted], at [redacted] or [redacted].

FITZHUGH.WILLIA[redacted]
M.GRAYSON.1049
315623

William G. Fitzhugh
Acting Principal Deputy Assistant Secretary of
War for Manpower and Reserve Affairs

Attachment:
As stated

Defense Civilian Personnel Advisory Service (cont'd)

Attachment

Project No. D2024-D000FV-0172.000
"Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees" issued September 12, 2025
Defense Civilian Personnel Advisory Service Comments on DoWOIG Recommendations

RECOMMENDATION A.1.A.
The DoW OIG recommended that the Director, Defense Civilian Personnel Advisory Service (DCPAS), ensure that DoW Components use consistent guidance for reliable reporting of remote work employees.

Director, Defense Civilian Personnel Advisory Service Response to Recommendation A.1.a
Concur with comment. In accordance with Department of War Instruction (DoWI) 1035.01, dated January 8, 2024, "Telework and Remote Work," Section 2.7.a. OSW and DoW Component Heads "*Develop, implement, monitor, operate, and assess telework and remote work programs in accordance with the law; this issuance; the policies, procedures, and guidance issued by the DoD CIO and USD(I&S); Component-specific guidance; and other applicable DoD policies.*" Department of War Components were delegated the authority to manage their remote work employees. The Under Secretary for Personnel and Readiness through the Deputy Assistant Secretary of War for Civilian Personnel Policy (DASW(CPP)) pursuant to DoWI 1035.01, Section 2.2 promulgated DoW policy and procedures in coordination with DoW Components via the issuance management process and provided guidance to DoW Components.
Proposed Action: Consistent guidance is critical to ensure accurate and reliable reporting of remote work employees across DoW Components. Uniformity in reporting practices supports compliance with DoDI 1035.01, "Telework and Remote Work." DASW (CPP) will:

- Update the Telework and Remote Work Toolkit to include specific guidance for accurately tracking remote work employees.
- Conduct monthly outreach meetings with designated Telework/Remote Work Coordinators to reinforce consistent reporting practices.
- Establish an annual review process for reporting practices.

Implement: April 2026

RECOMMENDATION A.1.B
The DoW OIG recommended that the Director, Defense Civilian Personnel Advisory Service, develop a standard process to track remote work employees without the reliance on eligibility codes and timesheet codes.

Director, Defense Civilian Personnel Advisory Service Response to Recommendation A.1.b
Concur with comment. In coordination with the Defense Finance Accounting Service through the Under Secretary of War (Comptroller), DoD Component Heads partner on tracking remote work employees and reporting until such time the HR system is updated.
Proposed Action: Additional tracking for remote work employees will be implemented without relying on eligibility and timesheet codes. The use of an additional tool or enhancements to the HR system will be required. There is a pending requirement to expand Defense Civilian Personnel Data System (DCPDS) fields, implement Business Rules for proper coding and potentially expanded interface with timesheet systems. These new tracking requirements and procedures will be updated in telework and remote work policy accordingly.

Defense Civilian Personnel Advisory Service (cont'd)

Attachment

Project No. D2024-D000FV-0172.000
"Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees" issued September 12, 2025
Defense Civilian Personnel Advisory Service Comments on DoWOIG Recommendations

RECOMMENDATION A.1.C
The DoW OIG recommended that the Director, Defense Civilian Personnel Advisory Service, reiterate to DoW Components the need for remote work employees to properly prepare timesheets using the correct timesheet codes in accordance with DoW and Office of Personnel Management policies.

Director, Defense Civilian Personnel Advisory Service Response to Recommendation A.1.c
Non-concur. The Director, Defense Civilian Personnel Advisory Service, lacks oversight of Time and Attendance for the DoW enterprise. DoW Components were delegated authority in DoWI 1035.01, Section 2.7 and Section 4.6 outlines time and attendance procedures. Recommend the Director, Defense Finance Accounting Service (DFAS) through the Under Secretary of War (Comptroller) reiterate guidance to the DoW Components in partnership with DASW (CPP).
Proposed Action: DASW (CPP) will:

- Coordinate with DFAS and DoW Components to confirm that Telework Medical (TM) Code in the Time & Attendance System has been deactivated to prevent erroneous usage by employees.
- Update the Telework and Remote Work Toolkit to include Time & Attendance guidance for telework and remote work employees.

Implement: April 2026

RECOMMENDATION B.1.A
The DoW OIG recommended that the Director, Defense Civilian Personnel Advisory Service, implement a centralized system of records to maintain and retain each employee's remote work agreements.

Director, Defense Civilian Personnel Advisory Service Response to Recommendation B.1.a
Non-concur. Pursuant to DoWI 1035.01, Section 2.7, DoW Components have delegated authority and oversight to manage their internal remote work programs. Additionally, DoWI 1035.01, Section 4.3 sets forth guidance on remote work agreements and the responsibility for the employee and supervisor. When requested, DoW Components should provide DASW (CPP) with remote work agreements.
Proposed action: There is a pending requirement to expand DCPDS fields, implement Business Rules for proper coding and potentially expand interface with timesheet systems. The expansion of the fields will include the Telework Agreement date, Remote Work Agreement date, approved Geographic location code site for remote work, DETO location (state side duty location), and date of the last remote eligibility date, included on both the Request for Personnel Action and Person section in DCPDS. These can assist with the review and validation of Remote Work employees and their current location.

Defense Civilian Personnel Advisory Service (cont'd)

Attachment

Project No. D2024-D000FV-0172.000
"Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees" issued September 12, 2025
Defense Civilian Personnel Advisory Service Comments on DoWOIG Recommendations

RECOMMENDATION B.2.B
The DoW OIG recommended that the Director, Defense Civilian Personnel Advisory Service, review potential overpayments and underpayments, make the necessary corrections to duty stations, and determine whether there is additional pay due to an employee or owed by an employee, and pay or recoup the funds.

Director, Defense Civilian Personnel Advisory Service Response to Recommendation B.1.b
Non-Concur. Pursuant to DoWI 1035.01, Section 2.7, DoW Components have delegated authority and oversight to manage their internal remote work programs. Additionally, DoWI 1035.01, Section 4.3 sets forth guidance on remote work agreements and the responsibility for the employee and supervisor. Section 4.4. outlines guidance for executing and documenting duty station coding. When requested, DoW Components should provide DASW (CPP) with remote work agreements.
Proposed action: DASW (CPP) will:

- Coordinate and implement annual Component/DAFA Remote Work Agreement self-review process with validation to CPP. Components/DAFAs will identify and review cases of overpayments and underpayments related to duty station discrepancies, and recoup overpayment.
- Track and monitor resolution on identified cases.

CPP retains the right to conduct accountability reviews for compliance through DCPAS Accountability Team **Implement: Start annual review by the end of April 2026**

RECOMMENDATION B.2.C
The DoW OIG recommended that the Director, Defense Civilian Personnel Advisory Service, review on an annual basis each remote work employee's SF 50 and remote agreement for the correct duty location to ensure correct pay and determine whether corrective actions are needed.

Director, Defense Civilian Personnel Advisory Service Response to Recommendation B.2.c
Non-Concur. Pursuant to DoWI 1035.01, Section 2.7, DoW Components have delegated authority and oversight to manage their internal remote work programs. Additionally, DoWI 1035.01, Section 4.3 sets forth guidance on remote work agreements and the responsibility for the employee and supervisor. Section 4.4. outlines guidance for executing and documenting duty station coding.

Proposed action: DASW (CPP)will:

- Revise DoWI 1035.01, "Telework and Remote Work" to establish a mandatory annual review of remote work agreements by DoW Components.
- Require Components to submit annual reports on remote work agreement review results and corrective actions.

Defense Civilian Personnel Advisory Service (cont'd)

Attachment

Project No. D2024-D000FV-0172.000
"Audit of the DoD's Procedures to Ensure the Accuracy of the Pay to Remote Work Employees" issued September 12, 2025
Defense Civilian Personnel Advisory Service Comments on DoWOIG Recommendations

Implement: Begin DoWI 1035.01 issuance coordination process in January 2025; Start annual review by the end of April 2026

Acronyms and Abbreviations

DCPAS	Defense Civilian Personnel Advisory Service
DCPDS	Defense Civilian Personnel Data System
DCPS	Defense Civilian Payroll System
DODI	DoD Instruction
HR	Human Resources
LDC	Limited Dissemination Control
LPA	Locality Pay Area
OMB	Office of Management and Budget
OPM	Office of Personnel and Management
TR	Telework Remote

Whistleblower Protection
U.S. Department of Defense

Whistleblower Protection safeguards DoD employees against retaliation for protected disclosures that expose possible fraud, waste, and abuse in Government programs. For more information, please visit the Whistleblower webpage at www.dodig.mil/Components/Administrative-Investigations/Whistleblower-Reprisal-Investigations/Whistleblower-Reprisal/ or contact the Whistleblower Protection Coordinator at Whistleblowerprotectioncoordinator@dodig.mil

For more information about DoD OIG reports or activities, please contact us:

Legislative Affairs Division
703.604.8324

Public Affairs Division
public.affairs@dodig.mil; 703.604.8324

www.dodig.mil

DoD Hotline
www.dodig.mil/hotline

DEPARTMENT OF DEFENSE | OFFICE OF INSPECTOR GENERAL

4800 Mark Center Drive
Alexandria, Virginia 22350-1500
www.dodig.mil
DoD Hotline 1.800.424.9098