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Fraud and Waste

Approximately

1. In FY-1981 the Inspector General conducted 118 financial audits of Agency activities resulting in 235 recommendations. One hundred percent of these recommendations have been implemented.
2. In response to an Inspector General investigation in July 1981 of the Agency's Board of Review and the Overpayment Review Board, the Office of Finance strengthened the overall processes and cash handling.
3. During FY-1981 the Agency handled transactions totaling over \$1.9 billion; reported shortages/overages for this period totaled only \$24,000.
4. Our Commercial Audit Staff issued 1,459 audit reports on proposed contracts totaling \$244,672,411 and resulted in audit deduction recommendations of \$16,212,857, or 6.6 percent of the total amount audited.
5. The Agency established a Cost Reduction and Efficiency (CORE) working group in the summer of 1981 consisting of senior managers' review of cost reduction and efficiency measures. In December 1981 the Agency's Executive Committee reviewed nine CORE recommendations, approving five of them (including acquiring more efficient printing equipment, internal TEMPEST testing, consolidation of several activities, increased use of suggestion awards) and directing further study of several others (increased use of sea shipments, further use of commuted rate travel procedures, etc.).
6. Many activities included in the Agency's 1979 plan (attached) to eliminate waste, fraud, and error are ongoing.

During FY 81

Attachment
1979 Plan

① *summary of activities
recovery report*

② *contract staff - models*

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This document becomes UNCLASSIFIED when separated from attachment.