



**U.S. Department of the Interior
Office of Inspector General**

AUDIT REPORT

**VIRGIN ISLANDS NATIONAL GUARD,
GOVERNMENT OF THE VIRGIN ISLANDS**

**REPORT NO. 99-I-364
MARCH 1999**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

MAR 26 1999

AUDIT REPORT

Honorable Charles W. Turnbull
Governor of the Virgin Islands
No. 21 Kongens Gade
Charlotte Amalie, Virgin Islands 00802

Lieutenant General Russell Davis
Chief, National Guard Bureau
Department of the Army
111 South George Mason Drive
Arlington, Virginia 22204

Subject: Audit Report on the Virgin Islands National Guard, Government of the Virgin Islands (No. **99-I-364**)

Dear Governor Turnbull and Lieutenant General Davis:

This report presents the results of our limited review of payroll expenses of and lease fee collections by the Virgin Islands National Guard, Government of the Virgin Islands. The objective of our review, which was requested by the National Guard Bureau, U.S. Department of Defense, was to determine whether (1) members of the Virgin Islands National Guard who were also Virgin Islands police officers received dual compensation for active duty time after Hurricane Marilyn and (2) lease fees collected by the Virgin Islands National Guard for use of the Lionel A. Jackson Armory on St. Croix by nonprofit entities were adequately controlled and accounted for.

BACKGROUND

The Virgin Islands National Guard was established in 1973 pursuant to Title 23, Chapter 19, of the Virgin Islands Code. The National Guard's mission is to assist local civil authorities in the event of natural disasters, civil disturbances, and/or other emergencies. The National Guard may also be called to active duty as a part of the United States armed forces in the event of a national security need. The Governor of the Virgin Islands is the Commander in Chief of the National Guard and, among other duties, nominates to the President of the United States candidates to serve as the Adjutant General of the National Guard. By Executive Order dated October 10, 1987, the Governor established the Office of the Adjutant General as the oversight agency for the Virgin Islands National Guard and the Virgin Islands Territorial Emergency Management Agency.

On September 14, 1995, the Governor mobilized the National Guard into territorial active duty as an emergency protective measure to maintain the health, welfare, and safety of Virgin Islands residents because of the potential danger posed by Hurricane Marilyn as it approached the islands. The hurricane struck the Virgin Islands on September 15. At that time, the National Guard had 790 members, of which 37 were full-time police officers (19 on St. Thomas and 18 on St. Croix). Of the 37 police officers, 10 (8 on St. Thomas and 2 on St. Croix) were placed on territorial active duty status as a result of the hurricane. The National Guard remained on territorial active duty for at least 8 weeks after the hurricane.

The Lionel A. Jackson Armory on St. Croix is a Federally owned facility, the use of which has **been** licensed to the Government of the Virgin Islands for Virgin Islands National Guard purposes for a period of 50 years, ending June 2036. The license has conditions, among others, that (1) the Government of the Virgin Islands will share (75 percent Federal and 25 percent local) in the cost of operating and maintaining the Armory and (2) the Virgin Islands National **Guard**, with concurrence from the National Guard Bureau, may issue licenses to allow the short-term use of Armory facilities, such as meeting rooms, for government and nonprofit community service activities.

SCOPE OF AUDIT

The scope of the audit was limited to reviewing (1) payroll transactions related to Virgin Islands National Guard members who were also police officers during the period of September to November 1995 and (2) lease fee collections by the Virgin Islands National Guard for the use of the Lionel A. Jackson Armory by nonmilitary entities during fiscal years 1995 through 1998. Our review was conducted at the offices of the Virgin Islands National Guard, the Virgin Islands Police Department, and the Virgin Islands Department of Finance.

Our review was made, as applicable, in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances to accomplish our audit objective.

As part of our review, we evaluated the internal controls over payments to members of the National Guard who were also police officers and the collection of license fees for use of the Jackson Armory. The review disclosed that payments to National Guard members were in accordance with existing Virgin Islands law. However, we found internal control weaknesses related to the collection of lease fees, which are addressed in the Results of Audit section of this report. Our recommendations, if implemented, should improve the controls in these areas.

PRIOR AUDIT COVERAGE

The **Office** of Inspector General has not issued any prior audit reports on the Virgin Islands National Guard. However, in August 1998, the **Office** of Inspector General, Federal Emergency Management Agency (FEMA), issued an audit report (No. E-52-98) on its review of disaster assistance funds awarded to the Virgin Islands National Guard as a result of

Hurricane Marilyn. The report concluded that the National Guard used and accounted for disaster assistance funds of \$2.6 million in accordance with Federal regulations and FEMA guidelines.

RESULTS OF AUDIT

Ten National Guard members who were also police **officers** received compensation of \$12,265 from the National Guard for time served on territorial active duty **after** Hurricane Marilyn and also received compensation of \$38,674 from their regular jobs as police officers for periods during which they were also on duty with the National Guard. However, such payments appear to have been in accordance with Virgin Islands law. We also found that the National Guard needed to improve controls over the approval and collection of lease fees for the nonmilitary use of the Lionel A. Jackson Armory. The legal provisions related to the compensation of members of the Virgin Islands National Guard are contained in Title 23, Section 1524, of the Virgin Islands Code, and requirements related to the use of military property are defined in the license agreement between the Virgin Islands National Guard and the Department of the Army, Army Regulation 700-I 3 1 (“Loan and Lease of Army Materiel”), Virgin Islands Army National Guard Regulation 700-I 3 1 (“Loan and Lease of Army Property”), and internal rules and regulations of the Virgin Islands National Guard. The deficiencies related to lease fee collections occurred because there was inconsistency within the requirements, personnel involved in the facility leasing program were not aware of all of the requirements, and supervisory oversight of the individual who was responsible for administering the program was inadequate. As a result, lease fees estimated of at least \$632 relating to Federally owned equipment were deposited into a bank account in the Virgin Islands instead of being transferred to the Treasury of the United States.

Dual Compensation

The Virgin Islands National Guard was mobilized into territorial active duty by the Governor on September 14, 1995. Hurricane Marilyn struck the territory on September 15, 1995, causing significant damage to public and private property and resulting in a Presidential disaster declaration. Based on our review, we determined that 10 (out of 37) police officers who were also members of the National Guard were among the personnel included in the territorial active duty mobilization. These 10 individuals received \$12,265 in compensation from the National Guard for 912 hours of territorial active duty during September through November 1995. They also received \$38,674 in regular compensation as police officers for pay periods during which they were also on duty with the National Guard. However, the Government of the Virgin Islands interprets Title 23, Section 1524, of the Virgin Islands Code as allowing such dual compensation by stating:

- (a) An officer or employee of the Government of the Virgin Islands, its agencies, authorities and public corporations, is entitled to leave without loss in pay, time or performance or efficiency rating for each day, not in excess of 30 days in a calendar year in which he is on federal active duty, or training duty as a Reserve of the Armed Forces, or a member of the National Guard.

(b) An **officer** or employee of the Government of the Virgin Islands, its agencies, authorities and public corporations, is entitled to leave without loss in pay, time or performance or efficiency rating for each day in which he is on Territorial active military service.

At the December 22, 1998, exit conference on the preliminary draft of this report, National Guard officials stated that it was National Guard policy for Government ~~of the~~ Virgin Islands employees who are also National Guard members to be limited to 30 days of paid "military leave" each calendar year regardless of whether that leave was used for Federal or territorial active duty. However, because the **30-day** limitation is not explicitly provided for in Section 1524, subsection (b), of the Virgin Island Code, the officials could not ensure that all Government agencies were applying the 30-day limitation. Subsequent to the meeting, we verified that none of the IO National Guard members who received dual compensation after Hurricane Marilyn were on paid military leave for more than 30 days.

Based on our review, we determined that police officers who were on territorial active military service (referred to by National Guard personnel as "territorial active duty") with the National Guard were paid by the Police Department during the period of territorial active duty as though they had been on regular full-time duty as police officers. In addition, these police officers were paid by the National Guard for the number of hours they served while on territorial active duty. Compensation paid to members of the National Guard while on territorial active duty is funded by the Government's General Fund, as is regular compensation paid to police officers. However, because the activation of the National Guard during the period of September to November 1995 was due to a natural disaster that resulted in a Presidential disaster declaration, FEMA reimbursed the Government for 90 percent of the cost of activating the National Guard after Hurricane Marilyn.

National Guard officials told us that the activation of the National Guard after Hurricane Marilyn could have been handled more efficiently. They said, for example, that in subsequent hurricane-related activations of the National Guard, efforts were made to minimize the extent to which essential Government employees (particularly law enforcement officers) were among the National Guard members who were called to territorial active duty. Additionally, in June 1996, the National Guard developed a Territorial Emergency Plan, which provides that police officers and other essential Government employees would be activated during such emergencies only if they have significant supervisory roles within the National Guard.

Despite the subsequent efforts by National Guard officials to minimize the extent to which essential Government employees receive dual compensation during periods of territorial active duty, we believe that Title 23, Section 1524, of the Virgin Islands Code should be amended to limit military leave to a maximum of 30 days per calendar year. The existing law results in excess costs to the Government and appears to benefit only one group of National Guard members. With regard to private sector employees who are members of the National Guard, Title 23, Section 1525, of the Virgin Islands Code states only that "a person in the employ of a private employer shall, upon request, be granted a leave of absence by his employer for the period required to perform Territorial Active Military Service" and that

"[u]pon his release from that service,... such employee shall be permitted to return to his position with such seniority, status, pay grade and vacation as he would have if he had not been absent for such purposes."

Lease Fee Collections

The National Guard did not comply with existing rules and regulations for lease fees collected for the nonmilitary use of Federal property at the Jackson Armory.

Regulatory Requirements. The license agreement between the Virgin Islands National Guard and the Department of the Army (a branch of the U.S. Department of Defense) for National Guard use of the Federally owned Jackson Armory states that "the licensee may, upon the concurrence of the Director, Army National Guard [Chief, National Guard Bureau], issue licenses to nonprofit community service type activities under the same conditions as permitted to active Army installation commanders by existing Army regulations." Army Regulation 700- 13 1 prohibits the loan or lease of military equipment for purposes that include the following:

- (2) Events or activities that appear, directly or indirectly, to endorse, favor or selectively benefit private individuals, groups, commercial ventures, sects, political and **fraternal** groups, private or solely civilian religious or ideological movements, or activities or individuals associated with solicitation of votes in an election. ...
- (3) Events that are not open to the general public, or where admission is charged for profit purposes.
- (4) Where the use of loaned or leased equipment would be in competition with commercial enterprise/deny the employment of civilians in their regular profession.

In addition, the unsigned and undated "Virgin Islands National Guard Rules for Rental Program," which, according to a National Guard officer, was prepared by the Virgin Islands National Guard during 199 1 and adopted through practice by National Guard commanders, states:

Funds collected for use of the armory facility itself will not be co-mingled with funds collected for use of Federal property, such as tables, chairs, and other furnishings in the armories.

With the exception of the few cases when groups such as veterans organizations and scouting groups apply to use the Armories, Federally owned furnishings should not be made available to users of the armories if the items are also available for rent in the civilian sector. By allowing these items to be used, the VI [Virgin Islands] National Guard is competing with local businesses in violation of AR 700- 13 1 and Federal law.

In the event that such . . . items are not available [from commercial sources], fees for their use must be assessed which will reimburse the Federal government for "fair wear and tear."

The Board [Armory Board, as defined in the "Rules"] will direct all funds collected for use of the armory facility itself into an Armory Maintenance Fund. These fund [sic] will be used for minor repairs, beautification and similar projects at the armories. The Board will direct that all funds collected for use of Federally owned furnishings or other property will be by check, made payable to "Treasurer of the United States" and will forward these checks to the United States Property and Fiscal Office

These rules also provide that the Armory Board will establish rates for use of the armory and property located within the facility. Finally, the "Rules for Rental Program" defines the authorized users of the armory and Federally owned furnishings as follows: civic, military, and nonprofit service organizations; hospitals and other charitable organizations; Federal, state, or local government agencies; National Guard personnel for private nonprofit functions such as weddings and family gatherings; and private individuals for noncommercial, nonprofit activities.

Virgin Islands Army National Guard Regulation 700-13 1 was issued in April 1996 to supersede "all other VIARNG [Virgin Islands Army National Guard] regulations" related to the loan and lease of military property. The regulation defines the processing and approval responsibilities of National Guard **officials** with regard to requests for loan or lease of military property from various segments of the local community. The types of requesters specifically identified in the regulation are as follows: Army/Department of Defense activities, other Federal agencies, and non-Federal agencies. The regulation also states, "Leases will be made under fair monetary rental procedures based on prevailing commercial rates."

Lastly, the U.S. Property and Fiscal **Officer** for the Virgin Islands National Guard issued two policy memoranda on the loan and lease of military property. In a May 15, 1996, memorandum, the Officer reiterated the basic policies established in the "Rules for Rental Program." Specifically, the Officer stated that Federally owned furnishings in the Jackson **Armory** could be leased to outside organizations for a fair market rental charge and that payment for such rental should be by check made payable to the Treasurer of the United States. However, the Officer further stated, "These provisions do not apply to the Armory on St. Croix in that it is now supported by Federal funds for operation and maintenance. This facility may not be used for any non-military purpose." In a February 19, 1998, memorandum, the U.S. Property and Fiscal **Officer** revised the provisions of Virgin Islands Army National Guard Regulation 700- 13 1 and included, as Annex A, a price list for military equipment that was available for lease, such as **8-foot-long** banquet tables at \$7 each, folding chairs at \$1 each, and tents at \$250 to \$300 each depending on size.

We believe that some inconsistency exists among the regulatory criteria discussed in the preceding paragraphs as to what types of nonmilitary activities are acceptable uses of the

Jackson Armory and the military property at the Armory. Specifically, although Army Regulation 700-131 appears to prohibit the use of military equipment for private activities that are not open to the public and the Property and Fiscal Officer's May 15, 1996, memorandum specifically states that the Jackson Armory may not be used for nonmilitary purposes, the "Rules for Rental Program" states that private nonprofit activities by National Guard personnel and private individuals are acceptable uses of the Jackson Armory and equipment within the Armory. Further, Virgin Islands Army National Guard Regulation 700-131 and the Property and Fiscal Officer's February 1998 revision of that regulation do not address the lease of military equipment to private individuals. Because of this inconsistency, we believe that the Chief of the National Guard Bureau, Department of the Army, should issue a formal opinion as to what constitutes "acceptable use" of the Jackson Armory, other similar facilities, and Federally owned equipment under the control of the Virgin Islands National Guard.

Member Use. We found that 37 applications were filed for nonmilitary use of the Jackson Armory on St. Croix and equipment located at the Armory during the period of March 1995 to August 1998. Of the 37 applications, 20 applications were made by Federal and local government, community service, or other nonprofit organizations that were not charged for use of the facilities. The other 17 applications were made by members of the National Guard as private individuals. Of the 17 applications made by National Guard members, 7 individuals used the National Guard facilities and made appropriate payment of lease fees totaling \$1,170; 8 individuals did not use the National Guard facilities; and, as of June 30, 1998, there was no record of payment of lease fees by the 2 other National Guard members who had submitted applications.

Fee Deposits and Controls. Although the "Rules for Rental Program" states that funds collected for the use of Jackson Armory should not be commingled with funds collected for the use of Federally owned equipment and that fees related to the rental of equipment should be remitted to the Treasurer of the United States, the total amount of lease fees of \$1,170 was deposited into a local bank account known as the 104th Troop Maintenance Fund. Because records at the Jackson Armory did not contain sufficient details, we were unable to determine exactly what portion of the \$1,170 was related to the rental of the Jackson Armory and what portion was related to the rental of Federally owned equipment. However, based on our review of the available records, we estimated that at least \$632 was for the rental of Federally owned equipment and therefore should have been remitted to the Treasurer of the United States.

We also found that, although the "Rules for Rental Program" required the establishment of an Armory Board, which, among other duties, would be responsible for establishing appropriate lease fees, a Board was never established. Instead, prior to 1998, a flat fee of \$75 for the use of the Jackson Armory and its tables and chairs was established by the National Guard officer who was responsible for administering the rental program. This same individual also collected and deposited all fees, maintained all records for the rental program, and controlled expenditures from the bank account into which the collections were deposited. We believe that this practice represented a significant internal control weakness which

should be corrected through proper segregation of duties and that the operations of the rental program should be subject to regular supervisory oversight.

We also noted that although separate fees had been charged for the use of the Jackson Armory and for the use of equipment since 1998, collections were still commingled and were deposited into the local bank account. Additionally, lessees were not given receipts at the time of payment of the lease fees, and collections were not deposited in a timely manner. For example, a collection made on November 9, 1995, was not deposited until March 27, 1996, and a collection made on February 14, 1997, was not deposited until March 3, 1997. Further, the collections of \$1,170 included \$40 that was collected **from** an individual who was allowed to use Federally owned tables and chairs without having submitted the required rental application.

With regard to the 104th Troop Maintenance Fund into which the lease fees were deposited, the "Rules for Rental Program" states that funds received for use of the **Armory** should be used for maintenance and minor repairs. However, we found that funds deposited into this account were used for special gifts (such as upon retirement) for National Guard members and that, on one occasion, funds from the account were used to purchase meals for troops who were on an overtime detail. In addition, the account was losing funds because of a monthly bank service charge of \$8.50.

In addition to the lack of segregation of duties related to the operation of the rental program and the absence of regular supervisory oversight of the program, National Guard **officials** told us that they were not aware of the existence of the "Rules for Rental Program." Further, we did not find any documentation to support that the May 15, 1998, policy memorandum from the U.S. Property and Fiscal **Officer** was enforced by National Guard officials. At the December 22, 1998, exit conference on the preliminary draft of this report, National Guard officials stated that they had obtained copies of rental program policies used by other state National Guard units and were revising the local policies and procedures. They said that they expected the new guidelines to be completed by January 31, 1999.

Recommendations

We recommend that the Governor of the Virgin Islands:

1. Submit to the Legislature proposed legislation to revise Title 23, Section 1524, of the Virgin Islands Code to limit to a maximum of 30 days per calendar year the provisions which allow Government of the Virgin Islands employees to receive dual compensation from their employing agencies and from the National Guard during periods in which they are on Federal or territorial active duty with the National Guard.

2. Require the Adjutant General of the National Guard to review **internal** procedures for the rental of National Guard armories, facilities, and equipment and implement revised procedures that correspond with the general requirements of Army and National Guard Regulations 700-I 3 1 and the recommended opinion from the Chief, National Guard Bureau (see Recommendation 5). The revised procedures should include a clear description of the

types of nonmilitary uses that are considered acceptable, a formal fee schedule for the rental of various facilities and equipment, a description of the administrative and accounting duties related to the rental program which provide an adequate level of segregation of duties, and provisions for supervisory oversight of the rental program.

3. Require the Adjutant General of the National Guard to account for the lease fee collections in the 104th Troop Command Maintenance Fund and, consistent with the recommended guidance **from** the Chief, National Guard Bureau (see Recommendation 5), forward the appropriate portion of the funds to the Treasury of the United States.

4. Direct the Adjutant General of the National Guard to consult with **officials** of the banking institution to determine the feasibility of having the 104th Maintenance Bank Account exempted from monthly bank service charges.

5. Request **from** the National Guard Bureau, Department of the Army, a formal opinion as to what constitutes "acceptable use" of the Lionel A. Jackson Armory, other similar facilities, and Federally owned equipment under the control of the Virgin Islands National Guard and guidance as to how lease fees collected for the use of Federally owned National Guard facilities and equipment in the Virgin Islands should be processed and accounted for.

Virgin Islands National Guard Response and Office of Inspector General Reply

In its March 8, 1999, response (Appendix 2) to the draft report, the Virgin Islands National Guard presented an alternative action for Recommendation 1 and concurred with Recommendations 2, 3, and 4. Based on the response, we consider Recommendations 1, 2, and 3 resolved but not implemented and Recommendation 4 resolved and implemented. Accordingly, the unimplemented recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation. Regarding Recommendation 5, which was initially addressed to the Chief, National Guard Bureau, we request that the Governor obtain an opinion on the use of armory facilities. (See Appendix 3.)

Recommendation 1. Nonconcurrence.

Virgin Islands National Guard Response. The Virgin Islands National Guard stated that the recommendation "needs to clarify whether the [recommended limitation of] 30 days per calendar year apply to both Federal and Territorial active duty combined or 30 days federal and 30 days territorial active duty. . . . The National Guard recommends 30 days for federal military service and a separate 30 days for TAD [territorial active duty]. Employees who have exhausted the 30 days TAD with pay will have the option to use accumulated annual leave or leave without pay."

Office of Inspector General Reply. The original intent of Recommendation 1 was to limit paid active duty in the National Guard to a combined total of 30 days for Federal and

territorial active duty. This recommended limitation was based on discussions that occurred during the December 22, 1998, exit conference on the preliminary draft of this report (see page 4), during which National Guard **officials** stated that it was National Guard policy for Government of the Virgin Islands employees to be allowed 30 days of paid "military leave" each calendar year regardless of whether that leave was used for Federal or territorial active duty. However, in view of the justification presented in the response, we accept the National Guard's suggested alternative **of having** separate **30-day** limitations for Federal and territorial active duty.

The **Inspector** General Act, Public Law 94-452, Section 5(a)(3), as amended, requires **semiannual** reporting to the U.S. Congress on all audit reports issued, the monetary impact of audit findings (Appendix 1), actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

In view of the above, please provide a response to this report by April 30, 1999. The response should provide the information requested in Appendix 3 and be addressed to our Caribbean Field **Office**, Federal Building - Room 207, Charlotte Amalie, Virgin Islands 00802.

We appreciate the assistance of the management and **staff** of **the** Division of Personnel in the conduct of our audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eljay B. Bowron". The signature is fluid and cursive, with the first name "Eljay" being more prominent.

Eljay B. Bowron
Inspector General

cc: Major General Jean A. Romney,
Virgin Islands Adjutant General

CLASSIFICATION OF MONETARY AMOUNTS

<u>Finding Area</u>	<u>Funds To Be Put To Better Use</u>
Dual Compensation	\$12,265 *
Lease Fee Collections	<u>632</u> **
Total	<u><u>\$12,897</u></u>

* The amount represents local funds.

** The amount represents Federal **funds**.

HEADQUARTERS VIRGIN ISLANDS NATIONAL GUARD

**4031 LA GRANDE PRINCESSE, LOT 1B
CHRISTIANSTED, VI 00820-4353**

8th March 1999

**Honorable Charles W. Turnbull
Governor of the Virgin Islands
No. 21 Kongens Gade,
Charlotte Amalie, St. Thomas, VI 00802**

**US Department of the Interior
Office of the Inspector General
Caribbean Office
Federal Building Room 207
Charlotte Amalie, VI 00802**

**SUBJECT: Draft Audit report on the Virgin Islands National Guard, Government
of the Virgin Islands (Assignment No. V-IN-VIS-005-98)**

**I have reviewed the subject report in its entirety and I have prepared the
following responses to the recommendations as listed:**

**a. Recommendation #1. I still cannot concur with recommendation #1 as
written. The recommendation needs to clarify whether the 30 days per calendar year
apply to both Federal and Territorial active duty combined or 30 days federal and 30 days
territorial active duty. I believe territorial employees should be granted 30 days for
Federal active duty (which will include 15 days annual training and any additional other
federal military training required) and 30 days leave for Territorial Active Duty (TAD)
when called upon for disaster operations. If we limit employees to just 30 days
maximum leave overall, then we may be faced with an employee who has completed 15
days annual training and 15 days for other federal military training and may be called to
Territorial Active duty. That employee will then be forced to take annual leave or leave
without pay to support Territorial disaster operations. The VING recommends 30 days
for federal military service and a separate 30 days for TAD. Employees who have
exhausted the 30 days TAD with pay will have the option to use accumulated annual
leave or leave without pay. We will provide draft legislation to the Governor by 25
March 1999 for submission to the Legislature by 30 April 1999.**

**b. Recommendation #2. Concur. Revised procedures will be published by this
Headquarters 1 May 1999. These procedures will include a description of the types of
nonmilitary uses that are considered acceptable, a formal fee schedule for the rental of
various facilities and equipment, and detailed description of administrative and
accounting duties related to the rental program. The Director of Logistics is the point of
contact on the revised rules and procedures.**

c. Recommendation #3. Concur. We are in the process of assessing the amount of funds to be returned to the Treasury of the United States by 31 March 1999.

d. Recommendation #4. Concur. Corrective action has already been completed on this action. The Bank of Nova Scotia has exempted the 104th's Maintenance Bank Account from monthly bank service charges.

e. Recommendation #5. The VIARNG concurs with this recommendation. This will resolve the conflict between the Headquarters Staff and the USPRO on rental and leasing of National Guard facilities and equipment.

FOR THE ADJUTANT GENERAL


EDDY L. CHARLES
Colonel, General Staff
Chief of Staff

Cc: Lieutenant General Russell Davis
Chief National Guard Bureau

STATUS OF AUDIT REPORT RECOMMENDATIONS

Finding/Recommendation Reference	Status	Action Required
1, 2, and 3	Resolved; not implemented.	No further response to the Office of Inspector General is required. The recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.
4	Implemented.	No further action is required.
5	Unresolved.	Respond to the revised recommendation, and provide a plan identifying actions to be taken, a target date for implementation, and the title of the official responsible for implementation. If nonconcurrence is indicated, provide specific reasons for the nonconcurrence.

**ILLEGAL OR WASTEFUL ACTIVITIES
SHOULD BE REPORTED TO
THE OFFICE OF INSPECTOR GENERAL**

Internet/E-Mail Address

www.oig.doi.gov

Within the Continental United States

U . S. Department of the Interior
Office of Inspector General
1849 C Street, N.W.
Mail Stop 5341
Washington, D.C. 20240

Our **24-hour**
Telephone HOTLINE
1-800-424-508 1 or
(202) 2085300

TDD for hearing impaired
(202) 2082420 or
1-800-354-0996

Outside the Continental United States

Caribbean Region

U.S. Department of the Interior
Office of Inspector General
Eastern Division • Investigations
4040 Fairfax Drive
Suite 303
Arlington, Virginia 22203

(703) 235-9221

North Pacific Region

U.S. Department of the Interior
Office of Inspector General
North Pacific Region
415 Chalan San Antonio
Baltej Pavilion, Suite 306
Tamuning, Guam **96911**

(671) 6476060

Toll Free Numbers:

1-800-424-5081

TDD 1-800-354-0996

FTS/Commercial Numbers:

(202) 208-5300

TDD (202) 208-2420

HOTLINE

1849 C Street, N.W.

Mail stop 5341

Washington, D.C. 20240

