

**Testimony of Mike Jones, Before the Senate Financial and Contracting Oversight
Subcommittee on Fraud and Abuse in Army Recruiting Contracts**

February 4, 2014

Chairwoman McCaskill, Ranking Member Johnson, and members of the Subcommittee:

Thank you for inviting me to testify before you today.

I am Colonel retired US Army Mike Jones. I was invited to discuss the Recruiting Assistance Program. I am unable to fully address the reports of alleged widespread breakdown in oversight and accountability and alleged failure to follow multiple laws, regulations and policies, as I had never seen any of these reports until your staff gave them to me late Friday night. I was unable to process all the hundreds of pages of information in such a short time. Additionally, there were many documents referenced in the documents that were not provided. I can discuss my involvement in the launching and management of the G-RAP.

According to my officer record file and trying to remember all the dates from that long ago I do remember being the Deputy Division Chief in 2005 and becoming the Division Chief in late 2006 and served until some time in 2008 and detailed to other areas at that time. Due to the many years that have passed since I served in these positions I will do my best to remember to my best recollection the issues and circumstances involved. Many things have happened to me physically and mentally in these many years and many things I may not be able to remember but I will try my best.

I cannot address and have no knowledge about the program of any kind after the time I left the position several years ago.

In 2005 in order to leverage the National Guard's best source of recruiting assistance, the traditional National Guard Soldier. A process action team (with several states, lawyers, comptrollers, senior Army Guard leaders, National Guard Bureau Joint staff members, Recruiting and Retention Commanders and the Army Strength Division members) was formed to develop the concept and create a detailed Operations Order.

I am very proud of my service in the Army, at all levels and believe that the G-RAP concept was and is one of the most innovative programs ever created dollar for dollar to help military recruiting.

As best I can remember, throughout the phases of the planning and execution, while I was a member of the team, great thought and care was put toward creating an effective and efficient tool to help the Army Guard recruit and retain individuals to fill and deploy the combat units to Iraq, Afghanistan and throughout the world, homeland security missions and support to state missions.

The systems, reporting tools, quality assurance and control methods that were available

were used to build an effective program.

Throughout the process the team worked with elements of the various staff organizations to ensure that all elements of the program were appropriately reviewed. The fiscal law attorneys (legal review and authority) the contracting policy office, the contracting acquisition office had the authority for contract acquisition since it was separated from the Army Guard Directorate and was at the joint staff under the Chief, National Guard Bureau. We also worked with the comptroller for funding and distribution and other appropriate Army Guard staff offices. Each element was carefully analyzed and reviewed by those above offices.

During the time associated with the program, I remember that the program was in fact monitored on a routine basis to determine how it could be adjusted and improved for greater effectiveness. We were required to provide weekly and often daily updates of the programs results to the leadership at all levels of the Army Guard; additionally we provided routine updates to the Secretary of the Army, the Army G1 and all other relevant staff offices in the Army. Additionally, we briefed individuals inside of the Office of Secretary of Defense for Personnel and Readiness office. Information on the program was provided for congressional testimony products for both the Army Guard and Army that were used in testimony to the House and Senate. Many press/public related events for senior Army Guard and Army leaders to promote the program on a national level.

The program successfully used peer-to-peer recruiting to bring in a great number of high quality individuals who often tested at higher levels, often had low attrition from their enlistment to shipping to basic training and graduated basic training successfully. Then a great many of these who had been recruited by a current Army Guard member himself or herself became involved to recruit individuals from within their sphere of influence.

After a period of time and the demand on all services to recruit members during a prolonged period of war, the Active Army, the Army Reserve and the Air Guard reviewed the program through their appropriate staffing channels (legal, policy, comptroller, contracting, leadership) and decided to adopt the program as an additional part of their recruiting programs.

To my knowledge and understanding of the unique structure of the Army Strength Division as a part of the Army National Guard Directorate being a US Code Title 10 organization and the state Army Guard commands being in a state status under US Code Title 32 there exist no command, supervisory or authority available to the Army Strength Division to supervise local commanders.

On the government side, speaking just to the members of the military. I believe that a great many techniques, training, fraud prevention steps, what to do if anyone was found to be in violation of any program elements, and other guidance were developed and provided to the states.

Additionally, a comprehensive website was used with instructions and verification tools provided to the state commands. This was done because the requirement to provide oversight of Title 32 Army Guard recruiters was explicitly laid out in law, policy and regulations. That authority was with the state adjutant general.

From the beginning of the program the state commands were expected to specifically provide monthly program updates to state senior leaders, conduct continuous program risk assessment, identify program related risk/fraud and take immediate corrective action, notify state chain of command, and to investigate allegations of fraud and take appropriate corrective actions.

At appropriate opportunities such as briefings, monthly video teleconferences with the state Adjutant Generals, training sessions, state visits or other relevant events we would discuss this program in great detail and reinforce that all available actions, safeguards and reviews should be routinely exercised in order to protect government resources and effectively manage the program.

Furthermore, we stated that when potential wrongdoing was found that it should be handled swiftly following all appropriate legal procedures with the agencies available.

As far as potential wrongdoing on part of subcontractor individuals, I believe we were told that we did not have the ability to talk subcontractors about issues like this. If ever we heard of an isolated report we would ask the contractor what was being done to prevent that action and catch any individual doing anything not in accordance with the contract. We were told that they investigate any and all possible wrongdoing and if not verified to be found cleared would suspend that individual, close their account access and conduct further reviews. Then if they found potential criminal activity they were referred to the Criminal Investigative Division or other appropriate agencies. They also provided us with a quite extensive quality assurance and control plan that detailed how they were working to mitigate potential fraud within the subcontractor population. They stated that because of this rigorous process individuals would be found out and when potential criminal wrongdoing was suspected would coordinate with the Criminal Investigate Division for further investigation.

The best I can remember the facts of the period I do not recall the criminal investigation division providing ASM with reports or recommendations of corrective actions nor updates on the issues they were seeing. If I had known of any alleged widespread issues I would have taken actions within my authority to respond, advised all appropriate senior military leaders and worked with the Joint Staff (legal, contracting), Army Guard staff offices and comptroller with the proper authority to take corrective actions.

To the best of my knowledge and remembrance, the team inside of the Army Strength Division who oversaw the daily G-RAP program for the Army Guard did use government databases for checks and balances that were used to verify that we had received an accession through the program. Additionally, we required that additional time elapse between when the individual was verified in the Army recruiting system of record, called

ARISS, and when they were paid. Payments would not be authorized until the individual had been fully loaded into the Army Guard strength system of record, called SIDPRS. This provided additional time to confirm the enlistment data and systems were correct.

Each subcontractor had to first complete an online training program and take an exam that confirmed that they were fully aware of what fraud was, what the rules were and the parameters that they were expected to operate. They also were briefed on the expectation on their part as a recruiting assistant and had to verify that they understood that and would do those tasks. As a refinement to these measures we later asked that all subcontractors in the program be required to conduct sustainment program retraining, validation of their responsibilities and ethics training before they could load any additional individuals.

Anyone who submitted an individual had to certify that they affirmed that they had personally contacted and discussed the benefits of serving in the Army Guard with that individual. This had to be done every time any name was submitted.

When I left the Army Strength Division I was not aware of any widespread or chronic issues in the G-RAP program.

Response to Audit Report

My name is Mike Jones and this is a supplement to my testimony because I received documents after that testimony was submitted.

The Audit report is flawed in several areas.

Generally speaking, the Audit Report that I reviewed bases its conclusions solely on possibilities. More problematic is that basing definitive conclusions on what “could be” or “may have happened” is puzzling. Such as “anything is possible” approach places the auditor’s report into the same category as conspiracy theories.

Without appearing flippant or disrespectful, the auditor’s report—if complete and if the entire report—seems illustrative of what I would term “audit error” because of glaring deficiencies. It appears that the auditor may have been influenced improperly not to investigate or discover a totality of facts and circumstances for the simple reason that the auditor never opted to interview me personally. I would never allow my staff when I was working in the federal government to write or make accusations without (1) have a complete and full investigation of both sides; and (2) having at least some fact of consequence to support a conclusion.

Holding my staff accountable is what America expects of me and asking departments that support our mission when they expect to fulfill their support roles is part of everyday life in the military, the government, and the private sector.

Accountability for fulfilling one's duties does not constitute any grounds to raise some vague and unknowable notion of "undue pressure," "command influence," or "command pressure". Unfortunately, the audit report makes those terms meaningless and none of the 74 pages in the report speak to any factual basis that might otherwise inform one of what is meant by these vague terms. There are no methods set out in the report to describe how this happened or exactly what happened to constitute some sort of improper standard of accountability. Even the following quotation from a contract officer to suggest improper pressure is strange: "I don't care, get it done." This *oft-used phrase in the military* was purportedly said by unknown ASM leadership. Seen in isolation, even as intentionally laid out in the report, speaks to no other meaning than that the contracting officer was apparently not fulfilling their duty to support ASM and someone at ASM did not want to hear any more of their excuses. But this is not all.

The report goes on to suggest the absurd proposition that even Congress asserted too much pressure. To conclude, there is nothing improper about ensuring that one's staff follows their duties in a timely manner. There is nothing improper about communicating with other departments who are supporting your mission to determine when they will fulfill their job duties and responsibilities. I appropriately led my command

Strangely, the Audit report forgets to tell us what the 15-6 Investigation against me concluded.

I cannot speak to both of the 15-6 investigations because the second one concerned someone else who was in ASM leadership after me. In terms of the 15-6 investigation, the auditor forgot to note that the Army Inspector General found that allegations against me (i.e., fraud, waste, abuse of position, or misconduct in any contracting process) was found completely and absolutely unsubstantiated at all. Given that I was in the National Guard Bureau and that I did not know whom the Army IG was, the report bears independent credibility. The letter exonerating me is attached.

Claiming that Poor Planning Existed Speaks to Ignorance of What Planning Documents Contain

The audit report fails to specifically describe what was 'poor planning' and it does not account for a need to modify a constantly changing, wartime environment. The auditor's conclusions that ASM leadership needed to be herculean in its ability to plan, if remotely true, would mean that the U.S. government would never have to hire contractors because the U.S. government could always predict what will happen in the economy or in a war and take corrective action. What is apparent is that the auditor appears never to have even glossed over the GRAP program documents such as the Frequently Asked Questions and the other many documents. Had the auditor done so, the auditor would have seen that not only was extensive planning done in advance, *but also the planning required to continuously monitor the changing environment.*

Incumbent should not be able to win an award and Guard personnel should not have a working relationship with incumbent contractors.

The auditor's objections are here, as with other points in the report are conclusory and do not make any sense in terms of what is meant by "close working" relationship. One could say that a close working relationship is important in a war or peacetime environment in any federal contract. Such a relationship is simply not, without more, improper.

Purported rampant fraud activities of recruiters.

Based on the document that I reviewed, the auditor jumps to the conclusion that fraud exists because, out of 10,901 recruiters associated with the recruitment program, 368 are either "still under investigation" or literally, "adjudicated" (guilty or innocent we do not know). Once again, the conclusions drawn by the auditor are unclear and do not support any notion of wide spread anything.