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## United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

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June 18, 2018

The Honorable James Mattis  
Secretary of Defense  
1000 Defense Pentagon  
Washington, D.C. 20301-1000

Dear Mr. Secretary:

I am writing to ask that you abide by your commitment to stamp out waste in the Department of Defense (DoD).

Your commitment was laid out in a department-wide memo, dated July 21, 2017. The message was crystal clear: Waste will not be tolerated. It was triggered by a report that \$28 million had been wasted on totally useless camouflage uniforms for the Afghan army. You said: "Cavalier or casually acquiescent decisions to spend taxpayer dollars in an ineffective and wasteful manner **are not to recur** ... I expect all DoD organizations to use this error as a catalyst to bring to light wasteful practices -- and take **aggressive steps to end waste** in our department."

Mr. Secretary, when I saw your message, I was so encouraged and hopeful. I thought the war on waste was finally about to begin in earnest.

Well, I think I found \$81.2 million of potential waste that looks like it is being tolerated. It needs high-level attention.

The alleged waste is documented in DoD Office of the Inspector General (IG) audit report # 2018-084, dated March 4, 2018. I have reviewed that report and questioned the IG about it. The waste comes in the form of \$81.2 million in overpayments to TRICARE providers in 2015-16. Admittedly, the IG deserves credit for reporting the improper payments. However, after dutifully making that report, the IG seems to have declared "mission accomplished" and walked away. The IG did not take "**aggressive steps to end waste.**" He did not initiate action that should have led to the recovery of the money and held responsible officials accountable for what happened. Instead, the IG allowed the agency responsible for the mess to essentially do whatever it deemed appropriate. As result, only a small fraction of the money -- \$17,631.61 -- has been recovered. Furthermore, this fact was not known by the IG until May 31, 2018. I suspect the IG made some inquiries after I started asking questions. That tells me he is not aggressively watch-dogging the problem.

Mr. Secretary, the \$81.2 million in overpayments were caused by sloppy accounting and weak or non-existent internal controls in a payment office. These two problems and their result should never be tolerated. Once they were discovered and verified, the IG should have taken "aggressive steps to end the waste." He failed to do so. If he thought he lacked the authority to do what had to be done, he should have come to you or your deputy for help. It's just common sense: Every penny must be recovered. The taxpayers deserve nothing less. And those responsible for making these careless and erroneous payments should be held accountable. Until heads roll, this kind of misuse of tax dollars will never stop.

Sincerely,

*Chuck*

Charles E. Grassley

Chairman

Committee on the Judiciary

PS: General Mattis.

I know you have a big, big job.  
Your approach to discouraging waste  
is admirable.

All that needs to be done is make sure  
your principles filter down  
to the lowest levels of DOD bureaucracy.

Sincerely  
CEG