



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VA 22202-4704**

Ref: 10-0052
November 5, 2009

OCCL

Mr. Steven Aftergood
Federation of American Scientists
1725 DeSales Street NW, #600
Washington, DC 20036

Dear Mr. Aftergood:

This is in response to your November 3, 2009, Freedom of Information Act (FOIA) request "...a copy of recent (2009) DoDIG reports on the 2005 decision by the Base Realignment and Closure (BRAC) Commission to close Fort Monmouth, New Jersey." Your request was also received November 3, 2009.

Please find enclosed the documents you requested. I am, however, withholding portions of these records under the provisions of Exemptions 6 and 7(C) of the Freedom of Information Act, specifically 5 U.S.C. § 552 (b)(6), which pertains to information, the release of which, would constitute a clearly unwarranted invasion of personal privacy and 5 U.S.C. § 552(b)(7)(C), which pertains to information compiled for law enforcement purposes, the release of which could reasonably be expected to constitute an unwarranted invasion of the personal privacy of third parties.

If you are not satisfied with this action, you may submit an administrative appeal to Mr. John R. Crane, Assistant Inspector General, Office of Communications and Congressional Liaison, Room 1021, 400 Army Navy Drive, Arlington, VA 22202-4704. Your appeal should be postmarked within 60 days of the date of this letter, should cite case number 10-0052, and should be clearly marked "Freedom of Information Act Appeal."

Sincerely,

Dave Henshall
Senior Advisor, Information
and Privacy

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H08L106854060

September 21, 2009

Inspector General

United States
Department of Defense



**ALLEGED MISCONDUCT:
DR. CRAIG E. COLLEGE,
DEPUTY ASSISTANT CHIEF OF STAFF,
INSTALLATION MANAGEMENT,
DEPARTMENT OF THE ARMY**

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SEP 21 2009

ALLEGED MISCONDUCT:
DR. CRAIG E. COLLEGE,
DEPUTY ASSISTANT CHIEF OF STAFF,
INSTALLATION MANAGEMENT, DEPARTMENT OF THE ARMY

I. INTRODUCTION AND SUMMARY

The Principal Assistant Attorney General, Department of Justice, forwarded for our review allegations of misconduct raised in a letter, dated January 16, 2008, from five members of the New Jersey delegation to the U.S. Congress. Members of the delegation alleged that while serving as the Director of The Army Basing Study (TABS) group, Dr. Craig E. College, Deputy Assistant Chief of Staff for Installation Management, Department of the Army, "blocked the Army Audit Agency (AAA) from scrutinizing the Army's cost estimates for the closure of Fort Monmouth, New Jersey, or otherwise sought to skew data presented to the 2005 Base Realignment and Closure (BRAC) Commission" in support of the DoD recommendation to the BRAC Commission that Fort Monmouth be closed. Based on our review of that complaint, we focused our investigation on allegations that Dr. College:

- Obstructed or impeded an official proceeding or audit, in violation of Federal law and Army Regulation; and
- Engaged in conduct prejudicial to the Government, in violation of Federal regulation.

We did not substantiate the allegations. Fort Monmouth did provide amended information concerning its cost of operations that would, if true, result in a significant diminution of expected savings resulting from the closure. We concluded Dr. College's decision not to audit the information or to inform his superiors of Fort Monmouth's new information did not constitute obstruction or prejudice the Government. Despite the potentially substantial difference in the savings expected to result from the closing of Fort Monmouth if the installation's amended information were used in the final cost models, we were persuaded that the difference would not have affected the result of the BRAC Commission's deliberations.

Nevertheless, we believe the more appropriate course of action would have been for Dr. College to inform Army leadership of Fort Monmouth's amended data, so the Department could have been better informed when responding to questions after DoD had publicly released its closure and realignment recommendations.

II. BACKGROUND

On January 15, 2003, the Department of the Army established the TABS group under the leadership of the Deputy Assistant Secretary of the Army for Infrastructure Analysis (DASA (IA)), who was then Dr. College.¹ The purpose of the TABS Group, with Dr. College as its

¹ DASA (IA) was part of the Office of the Assistant Chief of Staff for Installation Management. It was later transformed into "Strategic Infrastructure," because after BRAC there was no longer a need for infrastructure analysis.

director, was to examine issues surrounding realignment and closure of Army installations, and to make recommendations to the Secretary of the Army and Chief of Staff, Army, concerning potential realignments and closures. The BRAC statute established eight selection criteria for the 2005 BRAC round. Priority consideration was given to the first four criteria, which concerned military value; the remaining "other considerations" concerned potential costs and savings, economic impact, infrastructure capabilities, and environmental impact.

The fifth criterion, concerning the extent and timing of potential costs and savings, was evaluated by the Cost of Base Realignment Actions (COBRA) model previously used in the 1995 BRAC rounds. The model was updated by enhancing the algorithms and functions to capture new technologies, business practices, and Joint Service requirements, and was used by all of the Services in preparing their recommendations to the BRAC Commission.

The COBRA model helped illustrate closure or realignment scenarios by calculating potential costs -- reflected as a positive Net Present Value (NPV); potential savings -- reflected as negative NPV; and estimated payback year of proposed realignment and closure actions. The COBRA Users' Manual explained the payback year as "the point in time where savings generated equal (and then exceed) costs incurred," or the point when the realignment/closure had paid for itself and net savings started to accrue. The COBRA model made its calculations based on the input provided by the installations in response to over one thousand questions issued over several data calls throughout the year. The model sought to distill the complex processes and values involved to a reasonably comparable standard among all of the Services' installations by means of mathematical algorithms. The questions concerned everything from auditorium space and number of hospital beds to armaments, airfield descriptions, and financial data.

TABS required that "each person who is in a position the duties of which include personal and substantial involvement in the preparation and submission of information" to certify the information provided in response to a data call as accurate and complete to the best of the certifier's knowledge and belief. Fort Monmouth² submitted its data call responses through the Commanding General of the Communications Electronics Life-Cycle Management Command (CECOM LCMC),³ or his Deputy, who in turn certified the data call responses from Fort Monmouth, and sent the information through the Army Materiel Command (AMC) to the TABS group. The purpose of the data calls was to accumulate data upon which the Army might evaluate a scenario and recommend a particular action based upon that data. There was no established procedure for submitting a correction to certified data after the recommendations were officially made to the BRAC Commission.

² Throughout this report, we refer to Fort Monmouth and its employees collectively as "Fort Monmouth." To avoid confusion, community representatives or entities opposing the closure of Fort Monmouth in a private capacity, and having no other official connection to the DoD or the Army, are collectively referred to as the "Fort Monmouth community."

³ Witnesses also refer to CECOM LCMC as CE-LCMC. An LCMC performs life-cycle management over the initial and follow-on procurement and materiel readiness functions for items and weapon systems in support of the Army in the field. It is subordinate to the Army Materiel Command. CECOM LCMC, of which Fort Monmouth garrison was then a part, was also a tenant on the Fort Monmouth installation. Fort Monmouth hosted and supported a number of CECOM organizations.

Data Call Question #811, issued in 2004 in the second data call, asked for Base Operations Support (BOS) costs.⁴ On or around June 7, 2004, Fort Monmouth provided a certified response to the question. In June 2005, after DoD had provided to the BRAC Commission, and also released to the public, its installation closure and realignment recommendations, Fort Monmouth personnel determined that the initial response to Question #811 had been incorrect. Fort Monmouth, therefore, sought to provide a new response that was lower in amount than its previous BOS response by an average of \$37 million per year.

On or around July 6, 2005, the Internal Review and Audit Compliance (IRAC) personnel at Fort Monmouth told [REDACTED], the Managing Auditor of the AAA field office in New Jersey, that they wished to correct the numbers previously submitted by the installation. [REDACTED] called [REDACTED] the AAA Program Director for Acquisition, Research, and Development Audits. On July 6, 2005, [REDACTED] wrote an e-mail to Dr. College stating that Fort Monmouth personnel requested that AAA “validate some revised data” and asking if there was a TABS point of contact (POC) with whom Fort Monmouth personnel should discuss the discrepancy. [REDACTED] stated that he did not see a need to accept the audit request at that point, but noted that TABS should be aware of the potential discrepancy. [REDACTED] also offered to validate the data if Dr. College needed him to do so. Dr. College responded by e-mail declining AAA involvement, stating that AAA’s work “would become part of the community argument against the Army” and providing two POCs to [REDACTED]

On July 14, 2005, Fort Monmouth certified the new data and submitted it through AMC to TABS. Although Dr. College had the new data run through the COBRA model to analyze the effect of the new information upon the recommendation, Dr. College did not revise the original COBRA model to reflect Fort Monmouth’s newly certified information, and did not provide the newly certified data to the BRAC Commission.

III. SCOPE

We interviewed Dr. College and 22 witnesses. We reviewed archived BRAC documents, e-mail files, Army and DoD BRAC guidance and instructions, Government Accountability Office (GAO) audits and statements, and BRAC legislation. In addition, we reran the Army and BRAC final Fort Monmouth COBRA models using the new certified data provided by Fort Monmouth. We did not evaluate either of Fort Monmouth’s certified data submissions for accuracy or responsiveness.

⁴ BOS includes all of the activities required to accomplish the missions and functions of assigned and tenant units and activities at the installation level.

IV. FINDINGS AND ANALYSIS

A. Did Dr. College obstruct or impede an official proceeding or audit?

Standards

Title 18, United States Code, Section 1512, “Tampering with a witness, victim, or an informant”

Section (c) states that whoever “obstructs, influences, or impedes any official proceeding, or attempts to do so,” shall be subject to criminal penalties.

Title 18, United States Code, Section 1505, “Obstruction of proceedings before departments, agencies, and committees,”

Whoever corruptly, or by threats or force, or by any threatening letter or communication influences, obstructs, or impedes or endeavors to influence, obstruct, or impede the due and proper administration of the law under which any pending proceeding is being had before any department or agency of the United States, or the due and proper exercise of the power of inquiry under which any inquiry or investigation is being had by either House, or any committee of either House or any joint committee of the Congress . . . [shall be subject to criminal penalties].

Defense Base Closure and Realignment Act of 1990, Public Law 101–510, Division B, Title XXIX, Part A (§2901 *et seq.*)

Section 2903(c)(5) states that when submitting information to the Secretary of Defense or the Commission concerning the closure or realignment of a military installation, the Secretaries of the Military Departments, the heads of the Defense Agencies, and each person who is in a position, the duties of which include personal and substantial involvement in the preparation and submission of information and recommendations concerning the closure or realignment of military installations . . . shall certify that such information is accurate and complete to the best of that person’s knowledge and belief.

Department of Defense Directive (DoDD) 7600.2, “Audit Policies,” dated February 2, 1991

Paragraph 6.5, “Independence” states “DoD audit organizations and individual auditors shall be free from personal and external impairments to independence and shall be independent organizationally.” It further provides that the head of the DoD audit organization “shall be permitted to make an independent determination as to the nature and scope of audits to be performed and the content of all audit reports,” and that “[d]eterminations on appointments, assignments, merit pay, performance awards, or promotions for individual audit personnel may not be controlled by officials from a staff or program management element subject to audit by, or who manage the funds subject to audit by, the audit organization.”

Charter for The Army Basing Study (TABS) Group, dated January 15, 2003

“Responsibilities,” Section h., states, “[a]s required, request AAA attestation/audit Services to review the accuracy and validity of the processes, methodology, assumptions, calculations, and data used.”

“Coordinating Instructions,” states that the “Assistant Secretary of the Army (Installations and Environment) is responsible for policy and oversight of all base realignment and closure initiatives.”

Army Regulation (AR) 690-700, “Personnel Relations and Services (General),” dated November 15, 1981

Chapter 751, “Discipline,” Table 1-1, “Table of Penalties for Various Offenses,” Item 19 “Refusal to testify; interference or obstruction,” establishes as an offense, “Attempting to impede investigation or to influence investigating officials.”

AR 36-2, “Audit Services in the Department of The Army,” dated September 19, 2007

Paragraph 1-5a states, “The Auditor General reports to the Secretary of the Army and is responsible to the Secretary for the operational performance of USAAA [U.S. Army Audit Agency].”

Paragraph 1-9c states that the Auditor General will provide objective and independent audit service to all levels and functions throughout the Army covering issues and subject matter relevant to the Army.

Paragraph 2-1d states, “The USAAA is independent and unrestricted in selecting audits it will perform, determining the scope of audits it will undertake, and selecting the material it will review or examine during planning, survey, and audit execution.”

Paragraph 2-4, “Requests,” states “The USAAA may schedule and perform audits under the authority of The Auditor General or base them on requests from the Army Secretariat, Army Staff, ACOMs [Army Commands], ASCCs [Army Service Component Commands], DRU [Direct Reporting Units], and other Army activities. . . . The Auditor General is the authority for determining the need for and timing of audits.”

Facts

The TABS group was chartered on January 15, 2003, by the Acting Director of the Army Staff and the Administrative Assistant to the Secretary of the Army. The TABS charter provided that the TABS Group would accomplish the planning and execution of the Army’s responsibilities in the development of BRAC recommendations for BRAC 2005. Its mission was to examine the issues surrounding the realignment and closure of Army installations and “make

recommendations to the Secretary of the Army and the Chief of Staff, Army, concerning potential realignments and closures.” The charter also provided that TABS would “conduct a comprehensive, detailed military value assessment of Army installations; evaluate base realignment and closure alternatives; and develop, document, and publish base realignment and closure recommendations to be submitted to the Office of the Secretary of Defense (OSD) and the Commission.” As part of that process, Joint Cross Service Groups and Services (TABS acted for the Army) issued a series of data calls, each containing a number of questions for the installations, the answers to many of which functioned in the COBRA program to model potential costs and benefits of various installation closure scenarios.

TABS required that “each person who is in a position the duties of which include personal and substantial involvement in the preparation and submission of information” to certify the information provided in response to a data call as accurate and complete to the best of the certifier’s knowledge and belief. The TABS guidance on data certification requirements emphasized that certification was an indication that the work was done professionally, used sound methodology, had made reasonable inquiries, and that the certifier did not know of exceptions or omissions that made the data inaccurate. The guidance stated that the certification was not a certification of perfection, but was a statement that the certifier was “satisfied that he or she has done sound professional work and any flaws that turn up are not the result of negligence or known misstatements, but of factors beyond the certifier’s knowledge or control.”

Dr. Chien Huo, SES, U.S. Army, a program analyst for Army Research, Development, Test and Evaluation (RDT&E) and the Army TABS POC working on RDT&E with the Joint Cross Service Groups, testified that Dr. College went “by the book” and that the instructions throughout the process were “very clear: [if] it’s not certified data, don’t use it.” He testified that he trusted the certification process and that Dr. College “right from the get-go made sure . . . we should not take on any uncertified data to produce results to report to him.”

[REDACTED] Data Support Team, TABS, testified that she believed one of the Joint Cross Service Groups developed Question #811 to obtain values for BOS costs. The Joint Cross Service Groups were established to evaluate data across the Services in six discrete areas.⁵ Question #811 was issued to the installations in the second data call issued on or before May 5, 2004. It required the Fiscal Years (FY) 2001-2003 “BOS non-payroll obligations for [the] installation and the number of personnel authorized to this function.” It further explained that the response required “BOS obligations, not including military or civilian payroll”; “environmental costs for compliance, pollution prevention, and conservation”; “family programs, audio visual/communication costs if they were tracked separately, force protection and any BOS service contract costs.” It excluded additional funding for the Global War on Terror (GWOT), sustainment costs, family housing costs, or flight operations. Clarification data issued on May 5, 2004, specified that the BOS should include direct, indirect, and reimbursable costs, including any tenant BOS obligations for the installation.

⁵ The Joint Cross Service Groups were Intelligence, Education and Training, Headquarters and Support Activities, Industrial, Medical, Supply & Storage, and Technical, which generated individual reports. Each military Service had its own group, similar to TABS, which could take the JCSG findings into account in formulating Service recommendations.

The Commanding General, CECOM LCMC, was the certifying official for Fort Monmouth data. CECOM LCMC is the command superior to U.S. Army Garrison (USAG) Fort Monmouth, and also a tenant on the installation. On May 18, 2004, [REDACTED], an employee of the CECOM LCMC IRAC office, reviewed Fort Monmouth's proposed response to Question #811 in which it provided values for FY01 of \$47,973,241.22; for FY02, of \$50,702,182.37; and for FY03, of \$51,204,455.42. CECOM LCMC IRAC notified Fort Monmouth that the BOS amount it had provided needed to have the non-pay reimbursable amount included in the totals. On or around May 21, 2004, Fort Monmouth modified its response and responded to Question #811 with values for FY 01 of \$72,562,111.99; FY 02, \$94,134,573.75; and FY 03, \$94,497,759.13. On June 7, 2004, these numbers were entered into the database from which the COBRA model would later be run.

The Base Operations entry in the COBRA is based upon the average of the FY05 dollar values of the three submitted fiscal years. The amount entered, in thousands, into the COBRA calculations for Fort Monmouth was \$93,444.08, or approximately \$93 million. That BOS information was used in the COBRA model, and the resulting information concerning cost, payback period, and savings was reflected in the DoD's final recommendations pertaining to Fort Monmouth.

Major General (MG) William Russ, U.S. Army, CECOM Commander and certifying official, certified these numbers. Prior to so doing, on May 26, 2004, MG Russ specifically confirmed that Fort Monmouth was comfortable with the response to Question #811.

In response to MG Russ' confirmation inquiry, [REDACTED] a Budget Analyst in the Resource Management Branch who prepared the response, explained to [REDACTED] Deputy Garrison Commander by e-mail dated May 27, 2004, how the Question #811 funding response was calculated. He stated that he used the certified Defense Finance and Accounting Service "218" accounting data reports to account for funding, and that he removed all known one-time funding; all non-Fort Monmouth reimbursable dollars (Lakehurst, McGuire, Fort Dix, [Corps of Engineers], etc); all moneys given to Tobyhanna Army Depot, Fort Belvoir, and Fort Huachuca; and also ensured that all dollar issues were coordinated with Deputy Chief of Staff for Resource Management (DCSRM) personnel before final submission.

MG Michael Mazzuchi, U.S. Army, and MG Russ' successor as certifying official for Fort Monmouth, explained that Fort Monmouth personnel were "extremely thorough" and that the process of data collection was "difficult and arduous." He stated that Fort Monmouth personnel "checked and made sure we [Fort Monmouth personnel] did as accurate a job in representing the situation as we could. And I mean that seriously across the board . . . Because, literally, it was thousands of questions, a tremendous effort." He added that, at the time data was being collected, "we really couldn't fully appreciate the use of the data." He testified that Fort Monmouth "tried to maintain as factual based information as [it] could" although Fort Monmouth personnel "didn't quite understand the, the genesis of the questions, which sometimes unless you know why, focusing your answers were difficult." He added that from his perspective, Fort Monmouth "over-exceeded in trying to be precisely correct in our responses."

On May 13, 2005, the DoD submitted its recommendations for military installation closure and realignment to the BRAC Commission. The Army recommended the closure of Fort Monmouth, projecting through the COBRA model a payback in 6 years, a -\$1,025M NPV, and a one-time cost of \$822.3M. A negative NPV indicated potential savings. The DoD recommendations incorporated those of the Department of the Army, forwarded by the Secretary of the Army.

An e-mail dated June 16, 2005, from [REDACTED] an employee of the CECOM LCMC Deputy Chief of Staff for Operations (DCSOPS), to [REDACTED], stated that another DCSOPS employee found Fort Monmouth's numbers for BOS obligations "suspiciously high." [REDACTED] noted, "this is a big deal, because if the lower numbers are the right ones, and we can prove it, then the timeframe to recoup savings from Fort Monmouth just got a LOT longer." On June 23, 2005, [REDACTED] described the BOS submission to [REDACTED] Chief of Resource Management for Fort Monmouth garrison as "artificially high compared to larger installations like Meade and Belvoir." On June 28, 2005, [REDACTED] e-mailed [REDACTED] that, "We'll need some additional info to confirm & justify these much lower (and more realistic, when compared to the other installations) numbers."

According to the Installation Summaries contained in the BRAC Library and the Data Call responses posted to the DoD 2005 BRAC website, Fort Belvoir, Virginia, had a population of 20,428, but had a BOS value⁶ of around \$35M. Schofield Barracks, Hawaii, had a population of 20,398 but a BOS value of \$101M. Fort Meade, Maryland, had a population of 30,204, and a BOS value of \$28M. Aberdeen Proving Ground (APG), Maryland, had a population of 15,294, but a BOS value of only \$94K. Fort Monmouth had a population of 8,330 with a BOS value of \$93M.

An e-mail dated June 21, 2005, from [REDACTED], CECOM LCMC DCSOPS, to [REDACTED], an Operations Research Analyst with the same office, referenced an opportunity to speak with the TABS analysts concerning the COBRA and stated although CECOM personnel had "been able to figure out most of what we need to know about how the model works, are there any questions that occur to you for them to answer?" A later e-mail, dated June 22, 2005, responded to this question, "We need to be careful what we put in front of the analysts ... just need to call attention to the error as it is very real and so our planning calculations will be substantially lower."

We found no e-mail or other source documents suggesting that someone asked the TABS group whether Fort Monmouth had misunderstood the scope of the original question and its clarifications, and we found no documentation of guidance provided by the TABS group concerning Question #811 after the DoD recommendations had been provided to the BRAC Commission in May 2005.

On June 23, 2005, [REDACTED] Chief of Resource Management for Fort Monmouth garrison, e-mailed [REDACTED] stating she was "pulling numbers from the financial

⁶ Calculated by averaging the FY05 values for the 3 fiscal years, yielding a single number comparable to Fort Monmouth's \$93M COBRA Screen 4 entry.

records” but “didn’t have much analysis of what they represent” and adding that the Deputy Garrison Commander told her “to concentrate on FY03 because that’s what the COBRA is based on.”

On June 30, 2005, Dr. Huo forwarded a set of 22 additional questions from the BRAC Commission clearinghouse, dated June 6, 2005, through command channels to Fort Monmouth for their assistance in responding to questions numbered 9-14, 16 and 18. Question #7, for which TABS did not request garrison input, asked, “Are there any concerns regarding the payback portion which states: ‘The total estimated one-time cost to the Department of Defense to implement this recommendation is \$822.3M. The net of all costs and savings to the Department of Defense during the implementation period is a cost of \$395.6M. Annual recurring savings to the Department after implementation are \$143.7M with a payback expected in 6 years.’”

Dr. Huo testified that the questions were forwarded to the Communications and Electronics Research, Development, and Engineering Center (CERDEC), through AMC. CERDEC was a subcommand of the Army Research Development and Engineering Command (RDECOM) and was located at Fort Monmouth. In fact, AMC sent the questions to both RDTECOM and CE-LCMC personnel. Fort Monmouth submitted its newly certified responses through AMC and then to TABS. AMC reviewed the proposed submission, ensured the responses were in good order, and forwarded them to TABS. The information provided was required to be certified. Dr. Huo testified that when he received the information as certified information, he was free to answer the questions of the BRAC Commission clearinghouse.

On July 6, 2005, CE-LCMC IRAC initiated an evaluation of a proposed revised answer to BRAC Data Call Question #811 at the behest of [REDACTED]. [REDACTED] IRAC auditor, testified that on July 6-7, 2005, three IRAC auditors did a “spot check” on the numbers. He stated that IRAC “didn’t really audit the numbers, but evaluated them to see if there was a ‘reasonable assurance’ so that the command could certify them and submit them.” He said IRAC’s understanding of what was supposed to be in the number was the non-pay base operating support costs for just Fort Monmouth, “not the installations outside of Fort Monmouth that we got reimbursable dollars for.”

[REDACTED] testified he did not have the guidance from the TABS group that said that the reimbursables at issue should not have been included in the original total, and did not know where it was articulated that Fort Monmouth should submit new numbers without reimbursables included. He added that IRAC was asked to make sure that the correct figures were calculated and forwarded for resubmission to form the corrected answer. In doing so, [REDACTED] testified, IRAC looked for whether the garrison in the revised answer took out those reimbursable costs. [REDACTED] stated,

If the amount of the changes to the numbers could have changed the BRAC Commission’s decision on whether to close Fort Monmouth, then I think it would have been a prudent thing for an independent audit activity, independent of Fort Monmouth to look up and say, “Oh, well, okay these are accurate numbers or reasonable at least.”

On July 6, 2005, ██████████ sent an e-mail to Dr. College stating,

The Managing Auditor of our New Jersey Field Office received a call from Ft. Monmouth personnel today requesting that we validate some revised data (something to do with including reimbursables that shouldn't have been included in the earlier data calls, and it's considered significant). As you will recall, Ft. Monmouth was not one of the locations where we validated capacity and military value data. Is there a TABS POC that they should discuss this issue with? I do not see any need for us to accept their request at this point, but TABS needs to be aware if there's a potential discrepancy. Then, if you need AAA to validate the data, we can. Please advise as quickly as possible.

Dr. College responded on that date, "This strikes me as something AAA should not participate in. Your work would become part of the community argument against the Army! ██████████ [TABS data team] should be your contact. Dr Huo also kept an eye on Monmouth."

██████████ replied, "Agree. We'll inform Ft. Monmouth to address their issue to ██████████ (██████████ believe he's on leave until next Monday) and Dr. Huo. ██████████ --I'll call ██████████ at Ft. Monmouth and let him know who he should contact." (██████████ was the Chief of the CECOM LCMC IRAC office.)

██████████, the Managing Auditor, AAA Fort Monmouth Field Office, stated that he did not know if the numbers were significant or not; that was simply the information that was passed on to him by Internal Review.

██████████ testified that when he received the July 6, 2005, e-mail response from Dr. College, his "main concern" was whether Dr. College wanted him to provide audit support "and the answer from this was no -- which was where I was already." He testified that "obviously, the implication was that their costs were overstated" and that "if their costs were less, then it wouldn't have proven to be a beneficial move" to relocate Fort Monmouth. He added, "But . . . until you clean up the data and take it back through the process, you know I don't think you can draw that conclusion. That would be one reason why it wouldn't be -- my immediate knee-jerk reaction wouldn't be, 'I've got to go out and audit this.'" ██████████ testified that the "appropriate reaction" in his mind was to have Fort Monmouth personnel "talk to the TABS study group about their issues with their data, so somebody can figure out what the significance of the impact is." He pointed out that "the term 'significance' in this email" was "Fort Monmouth's words, not mine nor Dr. College's."

In a document dated July 8, 2005, Fort Monmouth provided a lengthy response to the 22 questions sent by Dr. Huo a week earlier through command channels. Fort Monmouth also provided a response to #7, which changed some of the data previously provided to TABS upon which the COBRA was run. The response stated that Fort Monmouth had "started with a blank page and begun to recalculate what the responses to question #811 should have been." The

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b(5)
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response also stated that final certifiable numbers had not been computed but estimated a “correct value for BOS to be between \$50M and \$60M.”

On July 12, 2005, [REDACTED] informed [REDACTED] that the new BOS numbers should be recertified through the command chain, adding “with roughly 180M per yr in recurring annual savings for Ft. Monmouth, this reduction by itself may not save us, but in conjunction with other flaws in the analysis that the community has identified, maybe it can influence things--we have nothing to lose by simply trying to correct a mistake.”

By document dated July 12, 2005, the Army provided responses on the 22 questions to the BRAC Commission. The response to #7 read:

Any concerns pertaining to Fort Monmouth savings would derive from recent changes in personnel or facilities from the certified data established beyond what’s archived in the data call. These changes to the best of our knowledge would cause small changes in payback period and would not cause the Army to reconsider the recommendation.

An e-mail dated July 13, 2005, from [REDACTED] to a POC at AMC -- the intermediary command between Fort Monmouth and TABS – stated that [REDACTED] of the Fort Monmouth Garrison spoke to Dr. Chien Huo and [REDACTED] of the TABS office on July 6, 2005, to inform them that “the correct average BOS Non-Pay figure would be approximately \$50M per year.”

[REDACTED] testified that at the time the alleged error in reported BOS values was discovered, he was the head of Internal Review and was the head auditor. [REDACTED] verified the numbers, and notified AAA that the prior numbers were wrong. He stated he was told to “back off,” implying that persons at the Pentagon or Dr. College had influenced the audit process, but he had no immediate recollection of having had a conversation with a TABS member. [REDACTED] also stated that he was told internally that when Fort Monmouth told the TABS group that the numbers were wrong, Dr. College’s people told Monmouth “it was noted.”

On July 14, 2005, [REDACTED] Deputy to the Commanding General, Communication Electronics Life-Cycle Management Command at Fort Monmouth, submitted to TABS via AMC newly certified data that amended the original BOS submissions to 44,117.58 for FY01; 50,553.04 for FY02; and 55,917.60⁷ for FY03. The new numbers were forwarded from AMC to TABS on July 15, 2005. [REDACTED] testified that he did not know how the [CECOM LCMC] Internal Review personnel agreed that the second submission was the more correct one.

[REDACTED] testified that AAA had issued 66 audit reports over the 2 years of the BRAC process preceding Fort Monmouth’s new BOS submission, including one on the TABS process and procedures. He acknowledged that during the audits there were “problems with

⁷ The amended BOS submission carried the calculation to five decimal places. We have rounded to the nearest hundredth.

data, and there were actions to identify what appeared to be systemic type problems.” He also stated that the audit results and observations were provided to the TABS group through discussion during the audits, and the TABS group would act on the auditor’s observations to mitigate any risk. ██████████ testified that Fort Monmouth was not one of the sites AAA sampled for either capacity data or military value data, and reasoned that if Fort Monmouth had issues with their data at this point, he thought it was appropriate that the TABS people be aware of it: “the ball was in their court.” ██████████ testified that much of the determination of what would be a significant discrepancy “would go to professional judgment.”

██████████ stated that the Audit agencies had already issued audit reports over the previous 2 years on the Army process, data, tools, and the like. He testified that when Fort Monmouth sent the July 6, 2005, e-mail, the closure recommendations had already left DoD and were at the Commission. ██████████ testified that for that reason Dr. College “probably was not looking for an audit” at that point in time. He added that the TABS people were involved in the detailed analysis that went into making the recommendations and would “be able to assess the impact of incorrect data, to assess the risk of that data in the terms of the cost data that was supporting the recommendations they had made.”

██████████ opined that once the BRAC recommendations had left DoD, if there was a problem with that data then it needed to go to the TABS group or from the installation that has the problem to the TABS group, and that the TABS group had to let DoD know, and DoD would let the Commission know.

He testified that since the recommendations were at the BRAC Commission, the Government Accountability Office (GAO) was the only audit organization that had the “Congressional mandate” to look into the process.

██████████ testified that he felt free to conduct an audit at Fort Monmouth, and could have conducted an audit even if Dr. College did not want him to, at no cost to his career. ██████████ interpreted the “community argument” comment as “just a perception that if anybody perceives that there’s tainted data in the process” and “if they don’t like the outcomes in terms of BRAC recommendations, that actually turns into an argument that, ‘You didn’t look at our data in a fair process.’ ”

Dr. College testified that he “took the attitude that said these folks thought they had found a mistake. I tried to ask, if indeed the mistake is true, would it have made an impact? And I thought the answer was no and still do.”

Dr. College testified that it was unclear to him from a legal perspective whether the process permitted respondents or the TABS group to continue to certify data, given that DoD had already transferred the recommendations to the BRAC Commission and the control of the BRAC decision-making process had been transferred to the BRAC Commission. Dr. College equated the situation to determining whether or not hitting a ball out of the park after the end of the game still qualified as a home run. He stated he did not know “technically whether it’s certified data or not,” elaborating that his guess was that “since the process was complete and we were no longer in that mode . . . it was not certified data” although that was the process Fort Monmouth

had used to try to present the data to TABS. He stated that “the process at that point didn’t permit me actually to even go back and ask” whether or not data should be adjusted, adding, “We were done with our gathering and use of the certified data.”

Dr. College testified that he did not make decisions to close, realign, or restructure any locations, units, or installations. He testified that he was not “the decision maker,” but was “running an analytical process.” He testified that his expectation was that he would keep his subordinates informed so that if the Chief or Vice Chief of Staff, U.S. Army, or the Secretary or Under Secretary of the Army, had an opinion, it would then be “transmitted to OSD and become part of the discussion.” He stated that in TABS, there were three steps: first, to create a way to calculate the military value of individual installations so that they could be contrasted and compared to see what made sense for potential BRAC decisions; second, to gather the data necessary to evaluate whether particular proposals made sense in terms of either military value or cost or other attributes; and third, to package options for the Army senior review group and the OSD Infrastructure Steering Group (ISG) to review the analysis that had been done.

Dr. College testified that in accepting the newly certified data and rerunning that number through COBRA, it was one of just hundreds of numbers that were used in COBRA. He stated that in his judgment, “it didn’t make a sufficient difference, particularly since the primary reason for doing this was military value and operational impacts . . . so it didn’t seem to me that it made any sense to go back to OSD, to try to have a big meeting, to try to get the deputy secretary or the secretary and ask, ‘do you want to change?’ ” He added, “It was pretty obvious to me that this was not a necessary thing to do.” He added that “in [his] view, going from a billion dollars at NPV to several hundred millions in NPV is still a big enough impact that [he] didn’t think the change in cost would outweigh the benefits on the military value or the upside.” He further explained,

Clearly, if instead of having a billion dollars in savings, this was going to cost me a billion dollars in costs, I think that would have been significant enough that I would have to go run somewhere and have the discussion. But when I still have something like 5 or 600 million in savings, whatever the number was, that struck me as still a pretty significant number to add to the military value and the operational impact.

Concerning his actions with regard to Fort Monmouth’s newly certified numbers, Dr. College concluded that in view of the remaining savings of several hundred million dollars, it seemed to him to be a big enough savings that it was “still a really good proposal.” He concluded, “I thought from a policy perspective if [Fort Monmouth’s] number was correct, it still wasn’t going to have a big enough impact to make a change.”

Dr. Huo testified that in July 2005 Fort Monmouth stated it made a mistake and wanted TABS to accept new information. Dr. Huo testified that TABS “took a number in and reran the COBRA but that didn’t really make much difference in terms of savings.” His recollection of the difference in savings after rerunning the model was “not significant” because he was looking for a 20 or 30% difference and he saw that it was “somewhere in neighborhood like, you know, 5 to 10%” and “does not really make a big impact.” Dr. Huo testified that he believed that at the

time, TABS did not do anything with the additional data because the recommendation was already submitted to the BRAC Commissioners. He noted that “unless there’s a tremendous change in data that there’s no reason for us to look for it” and stated that they used certified data received in 2004 as submitted by the garrison through AMC. He testified that he reported back to Dr. College and “we kind of sat on it”; the guidance was essentially to “just wait for the direction of the BRAC Commission.”

The Auditor General is the authority for determining the need for and timing of audits. [REDACTED] was supervised by the Deputy Auditor General for Acquisition & Logistics Audits, who reported through the Principal Deputy Auditor General to the Auditor General, who himself was on the staff of the Army Chief of Staff. Mr. College was supervised by Mr. Geoffrey Prosch, the Principal Assistant Secretary of the Army for Installations and Environment.

[REDACTED] stated that Dr. College welcomed AAA, making audit support part of the TABS charter, and that AAA served as the liaison between the GAO; the Deputy Inspector General for Auditing, Office of the DoD Inspector General; and TABS. He added that AAA also did audits itself, some of them at Dr. College’s request.

Concerning Dr. College’s e-mailed response to [REDACTED] of July 6, 2005, Dr. Huo testified that he thought Dr. College referred to the fact that “the data we used was certified data for our initial submissions. The data and the recommendation [were] already hand[ed] over to the BRAC Commission and we just cannot do anything unless BRAC Commission tells us something.”

Dr. College reiterated that he had “no authority” to tell AAA or [REDACTED] “what to do or what not to do,” adding that AAA did not work for him and “had already come to me and said ‘We don’t see any need to accept this request,’ ” and that in his e-mail he “came back and agreed with them.” He stated that [REDACTED] was asking his opinion in the e-mail. He testified that by May 15, 2005, DoD had already transferred the recommendations and the data to the BRAC Commission, and that TABS was by then in the process of supporting requests from the Commission as they came in. He explained that from the Army perspective, the database was essentially closed. He testified that he was permitted to use certified data to respond to the BRAC Commission, which was available within the current database. He pointed out that Fort Monmouth’s request was made around July 6, 2005, and the process at that point did not permit him to go back and investigate whether they should be changing data, because TABS was done with its gathering and use of the certified data.

Concerning the comment about AAA becoming part of the “community argument,” Dr. College explained that while he might have been “imprecise,” he testified “when we talk about the community when we’re talking about BRAC things, that’s usually code speak for the installation, the folks who live off-post, the congressmen that have oversight,” meaning “the folks who are affected by the decision.” He testified that “because the Army was out of the process at this point, it did not make sense to me to expend AAA resources and by doing so appear to be on the side of the community against the BRAC Commission and the Army and DoD.” Dr. College explained that in his view there was a process for the Fort Monmouth community to take their message to the Commission, have their say and try to influence the

outcome, but at that point in the process the Army no longer had a say: the Commission was in charge, and Dr. College did not want it to appear that AAA was between TABS, the Army, and the community in trying to influence the Commission's review of the Secretary of Defense's recommendations.

Dr. College testified that there was a little conflict by July 2005 because the community and installation did not want Fort Monmouth closed despite the DoD and the Army recommendation, so he "was concerned about whether AAA as an independent auditor should even get involved in that discussion and appear to be trying to influence at this point the BRAC Commission who frankly now had the authority to be doing what needed to be done to complete the process."

Dr. College testified that if the discrepancy in the Fort Monmouth BOS had a significant impact on the COBRA run,

I would have had to go back to OSD and say hey, I've got a problem. I've not yet had a chance to check the veracity of the number that's being proposed. But if this number is correct, it's made such a big change in cost that we at least got to get the ISG back together and have the discussion. And then Pete Potochney⁸ and I would have had to decide okay. If that's a big enough deal, should we begin to do an analysis of the data to see what the heck's going on? Do we believe the number, or should we wait until we have the ISG? But, see, at this point, these aren't Army recommendations. At this point, they are Secretary of Defense recommendations. And so I would have had to work very closely with OSD to make sure that they were comfortable with where that was going. So if I had thought that there was a big enough problem that needed to be addressed, that would have been what we would have done.

██████████ U.S. Army, TABS Operations Research Systems Analysis Analyst, recalled "several installations came up with different numbers after the May 15th Army recommendations came out." He stated that it was "a pretty big deal to change, especially so late in the game because you're thinking, 'Well, jeez, now an installation is telling - especially in the Monmouth situation, where they were recommending closure -- well, now they want to change the numbers.'" He added that one needed to look at proffers of new data "with a pretty critical eye because obviously, they have an ulterior motive to want to change their number." He added that if it were just Fort Monmouth sending emails saying that the number is wrong, "you can send all the email you want. You need to come up with some evidence. You need to come up with somebody signing a piece of paper saying, 'We screwed up and this is the reason why.'" "

██████████ asserted that every installation on the closure list could come up with a counter-argument to closure, and "they'll start throwing numbers at you." He stated that new numbers had to be considered "with a critical eye," and that "sometimes you have to say, 'No,

⁸ Director, Base Realignment and Closure, Deputy Under Secretary of Defense for Installations and Environment.

sorry. You gave me these numbers. You certified these numbers. I've got to go with what you've got.'” He stated that in such a fashion, everyone was treated fairly because if, for instance, Fort Monmouth produces new numbers and thereby changed the attractiveness of closure, the reaction of other installations resulted in “dueling numbers.” He characterized that situation as “very dangerous,” emphasizing that “it's got to be something that's got to be very compelling to change that number.” He asserted that Dr. College's referral of the matter to Mr. Wright under the circumstances was appropriate.

██████████ testified he had no recollection of the events at issue.

██████████ testified that at the end of each data call, the Data Support Team ensured that all of the information they had received was certified by the commanders and that no changes were submitted. Then, she stated, the database was locked. She testified that the installations were given time after the end of the data call to ask for clarification and provide additional information prior to the database having been locked, and that all installations were given the same amount of time. She stated that if an installation discovered an error, it would be required to have the information formally recertified. ██████████ pointed out that “if [the installations] were allowed to change their data [then] we would need to allow everyone else to renew and change their data as well, so that the analysis was completed accurately for all installations.” She believed that once the decisions were made, meaning the TABS and DoD recommendations, that the BRAC Commission would have the authority to unlock the database.”

██████████ an analyst with the BRAC Commission's Army Team, testified that to his knowledge, “every installation that came out on the closure list began arguing as soon as the list was released.”

On August 20, 2005, Mr. Francis J. Harvey, Secretary of the Army, testified before the BRAC Commission that the NPV of savings of closing Fort Monmouth “exceeds \$1 billion.”

On August 24, 2008, during a final deliberation session of the Commission, BRAC Commissioner General James T. Hill, U.S. Army, Retired, described the closure of Fort Monmouth as “the single-largest Army savings generator, at \$1 billion over 20 year NPV savings, with a 6-year payoff.”

Commissioner Philip Coyle testified that he would have liked to have known of the discrepancy, but that prior to accepting the numbers, he would have wanted Fort Monmouth's second submission to be audited.

Mr. Geoffrey Prosch, Principal Deputy Assistant Secretary of the Army for Installations and Environment, was Dr. College's supervisor and a member of the ISG. He stated that if Dr. College thought the amount of potential lesser savings was “out of the box, and it made an impact,” he “would think Dr. College would have brought that up to the chain of command through the installation steering group, through the Joint Technical Cross Service Group, and would tell them that this new information came in.” Mr. Prosch described \$500M as “not insignificant, obviously,” and “a lot of money.” Mr. Prosch did not recall the issue being raised or if Dr. College told him or Secretary Harvey about it. He testified that though he would think

he would recall being told of such an amount, he did not recall. Mr. Prosch testified that if Fort Monmouth submitted additional data, he would expect Dr. College to do a thorough analysis, and to figure out if the data had an impact on the Army's recommendation to the Joint Cross Service Group, and to make sure the Chair of the Technical Joint Cross Service Group (TJCSG) knew what Dr. College had done.

Dr. Ronald Sega, then Director, Defense Research & Engineering and Chair of the TJCSG testified that he did not clearly recall having any contact with Dr. College or having been informed of a potential discrepancy in potential savings concerning Fort Monmouth.

Mr. Prosch testified that Dr. College was a "two-star, flag-level official in charge of the Army base study team," and that "we trusted him to report out what we thought we needed to know to make our decisions at the Army level, the joint cross service level, and then at the [Deputy Under Secretary of Defense for Acquisition, Technology and Logistics] level." Mr. Prosch also noted that Dr. College "didn't have any specific written guidance" that told Dr. College, "This is how high you can jump; this is how far you can jump." He stated that the correct thing for Dr. College to do would have been to bring it up to the ISG, and that he "trusted Dr. College would do the right thing with the chain of command, with working this type of information."

Discussion

We concluded that Dr. College did not suppress an audit or interfere with a Federal proceeding.

Considering all of the July 6, 2005, e-mails in conjunction with ██████████'s testimony, we found that on July 6, 2005, ██████████ was himself disinclined to conduct an audit. He initiated the communication with Dr. College, stating, "I do not see any need for us to accept [Fort Monmouth's] request at this point." He extended the offer of future services at Dr. College's discretion, and requested Dr. College's opinion on whether AAA should audit. Dr. College's response, "this strikes me as something AAA should not participate in" was not directive in nature; neither was his opinion that AAA's work would "become part of the community argument." Dr. College provided two TABS points of contact to ██████████ as requested, which he in turn provided to Fort Monmouth personnel.

██████████'s e-mail reply clearly stated he agreed with Dr. College. We found no evidence that Dr. College was in a position to influence ██████████ in the performance of his duty or that he tried to do so. We concluded that ██████████ was not himself inclined to audit Fort Monmouth at that time, but would not have felt constrained had he felt an audit necessary.

We did not find Dr. College's stated belief on July 6, 2005, that AAA might become "part of the community argument" to be evidence of intent to obstruct a potential audit or the proceedings of the BRAC Commission. Witnesses testified that several installations attempted to change their data submissions after the fact, although Fort Monmouth appears to have been the only installation seeking to re-certify BOS submissions at such a late date. Fort Monmouth personnel stated that they discovered the alleged discrepancy by comparing Fort Monmouth to

other installations; however, our comparison of such installations found a considerable variance in reported BOS values even among installations of similar population and size. We found that such an abstract comparison was not necessarily a reliable indicator of the accuracy of Fort Monmouth's own numbers.

Therefore, considering the late timing of the new certification, and the fact that Fort Monmouth personnel gauged the accuracy of its own BOS values by comparison to those of other installations, the immediate dispatch of AAA to assist the installation in establishing the validity of uncertified and tentative data could reasonably make AAA appear to actively assist with discrediting Fort Monmouth's earlier -- and presumably truthful -- submission. It would place AAA in the awkward position of actively working to establish that a process it and other audit resources had determined to be adequate was flawed. Contrary to ██████████'s testimony, the e-mail timestamps establish that IRAC was already involved in validating the new data by the time AAA declined to audit, and that it was not directed to do so in response to AAA's lack of interest. Fort Monmouth itself did not finish its own reconsideration of the numbers and certify them until 8 days after the e-mail exchange between Dr. College and ██████████

We also note that ██████████'s response to the e-mails between ██████████ and Dr. College remarking that they were "interesting" did not indicate a particular concern with the exchange. Were Fort Monmouth deeply concerned at that point with whether the later data submission was more responsive to the question than it had been a year previously, it could submit not only an official request in writing justifying the request from the certifying official or garrison commander, but could also submit a request anonymously by e-mail or contact the Army or DoD Inspector General with its concerns.

Moreover, the TABS Charter, although providing for requesting audit assistance "as required," left within the Director's discretion the determination as to what might be "required." Dr. College assumed the validity of the new BOS submission for the purpose of evaluating the potential impact of Fort Monmouth's changed numbers. In his estimation, because the potential result did not constitute a change of the magnitude that would cause the Army to change its recommendations, the actual accuracy or responsiveness of the newly certified data was not at issue. Likewise, because the TABS Charter contained no instructions concerning data submitted after the data call process was complete and recommendations already made, there was no situation-specific standard by which to judge that Dr. College failed to take a required action. Finally, Dr. College reran the COBRA calculations in the good-faith assumption that Fort Monmouth's new certified data was correct, which eliminated the need to question the validity of the responses at all.

We found that the actual responses to the data calls were not routinely provided to the BRAC Commission. Often, data upon which a particular recommendation was based would be forwarded to the BRAC Commission, but the Army's recommendation was not based upon the later Fort Monmouth information. We concluded that Dr. College had no independent duty to forward Fort Monmouth's certified later submission, notwithstanding its certified status, as it did not comprise part of the basis for the Army's recommendation.

We also found that Dr. College did not “cover up” the information. He did not conceal or reject the new certified data out-of-hand, but tested the new information in the COBRA model openly within TABS. He testified that he found no reason to amend the Army’s submission. Dr. Huo concurred, although we could not fully reconcile his recollection of the actual delta to our own COBRA run using Fort Monmouth’s new numbers. Likewise, when the Secretary of the Army and the Secretary of Defense forwarded the recommendations concerning Fort Monmouth to the BRAC Commission in May 2005, neither had any knowledge of a discrepancy, and neither submitted false information to the Commission.

We determined that it would be improper for the Army to have included Fort Monmouth’s answer to Question #7 in its answer to the 22 questions forwarded via the BRAC Clearinghouse. The entire evaluation process relied upon obtaining the best data possible from the installations. To that end, only certified information was used to respond to BRAC Commission inquiries. Until TABS received newly certified data on July 15, 2005, Fort Monmouth’s July 8, 2005, response deviating from the certified information previously provided was little more than a speculative estimate of potential error. Nevertheless, having notice by virtue of the BRAC Commission’s June 6, 2005, 22 questions, and Question 7 in particular, Dr. College had reason to know that the matter was of some interest to the BRAC Commission. Although Dr. College could not, on July 12, 2005, use Fort Monmouth’s data to respond to the Commission, considering the numerical specificity of the question, Dr. College would have been well advised to seek guidance regarding the best response to Question #7.

However, although certified data was generally accepted without question, an audit by an independent agency in these circumstances would have been prudent. Dr. College seems to have assumed that the potential discrepancy arising from two competing certified data responses was not only immaterial to his recommendations, but would likewise be of little interest to his superiors, who also had a role in the recommendation process.

On the contrary, Secretary Harvey emphasized that the NPV savings of closing Fort Monmouth exceeded \$1 billion. General Hill also stressed billion-dollar savings. We interpret this as an indication that the billion dollar figure was attractive to both.

Applying the new certified data to the original Army recommendation COBRA model resulted in a diminution of \$487M in projected NPV savings over an additional 2 years and a \$10M difference in one-time costs. Although adjusting the Army COBRA with the later certified BOS costs still resulted in projected NPV savings of \$538M, a delta of 47.5% from the original estimate was a potential difference in amplitude that should have been brought forward: Secretary Harvey was responsible for testifying to the BRAC Commission and was entitled to the best information then available. The sizeable potential delta⁹ in NPV, whether or not it affected Dr. College’s opinion, should been brought to the attention of his superiors. While Secretary Harvey was not required to accept the new certified data, or to assume its veracity, we believe reasonable effort could have been made to inform the Secretary of Fort Monmouth’s unique effort to change its data. We were persuaded that an issue potentially halving such an

⁹ Witnesses tended to agree that \$500M was a large sum, independent of the issue of whether or not that amount of change in NPV would cause the Department to change its recommendation for the closure of Fort Monmouth.

attractive savings would be a matter of import to Secretary Harvey, if only to keep him apprised of potentially controversial issues concerning the recommendations upon which he was required to testify.

Mr. Prosch testified that he would expect Dr. College to do a thorough analysis of the impact of the data upon the Army's recommendation to the TJCSG, and to make sure the Director of that group knew of the issue. We found this a reasonable expectation. Mr. Prosch also stated, had he known of Fort Monmouth's issue, he would have brought the matter up at the infrastructure steering group and gotten Dr. College's actions ratified.

Dr. College testified that it was "obvious" to him that he did not need to seek input from his superiors. However, witnesses recalled Fort Monmouth as being the only installation to submit late but newly certified information, and Dr. College was uncertain of the legality of accepting newly certified information. Dr. College's uncertainty as to whether or not new certified data was acceptable might easily have been answered by consulting his superiors.

Finally, we disagreed with Dr. College's assertion that Fort Monmouth and the Fort Monmouth community were essentially the same entity by July 2005. While the community appeared well aware of a potential cost issue, and provided a number of documents suggesting that the Army's projected costs and savings were wrong, we also note that Fort Monmouth was not at liberty to submit its new information to the BRAC Commission through non-Army channels. Fort Monmouth was not a private entity, but part of the Army establishment. We found no reason to believe that Fort Monmouth was acting as, or on behalf of, a private community entity, or had any independent opportunity to present its new certified information to the BRAC Commission.

We concluded that Dr. College did not suppress an audit or interfere with a Federal proceeding. However, we believe the more appropriate course of action would have been for Dr. College to inform Army leadership of Fort Monmouth's amended data, so the Department could have been better informed when responding to questions after DoD had publicly released its closure and realignment recommendations.

B. Was Dr. College's conduct otherwise prejudicial to the Government?

Standards

Title 5, Code of Federal Regulations, Part 735, "Employee Responsibilities and Conduct"

Section 735.203 states that "an employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government."

Facts

The COBRA model for the DoD/Army recommendation for the closure of Fort Monmouth projected a payback in 6 years, an NPV of -\$1,025M, and a one-time cost of \$822.3M. A COBRA model for the closure scenario using Fort Monmouth's newly certified data projected a payback in 8 years, an NPV of -\$538,367M, and a one-time cost of \$811,380M. The difference in NPV represented an increase of $\approx .5B$.¹⁰

██████████ stated the COBRA was an estimating tool "to estimate and compare." He explained that because the model used historical data to project forward, there was some data in the model that was more sensitive than other data.

The BRAC Report, Vol. I, dated September 8, 2005, includes the first four statutory final selection criteria for BRAC 2005. These four criteria concerned military value, and the BRAC report emphasized that these criteria were given priority consideration. Criterion #5, the "extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs" is provided as an "Other Consideration." Witnesses also testified that military value was the primary consideration, while cost, though an important consideration, was not the primary concern.

Dr. College testified that he did not ask whether or not the information provided by Fort Monmouth in 2005 concerning BOS costs was reasonably reliable, but asked himself, "if I assume that the data are accurate, are they significant enough to cause the decision makers in OSD to wish to change their recommendation." He continued,

I didn't think it made a big enough difference. If it had made a huge difference, one that we thought we had to respond to, then it would have been, you know, AAA and a whole bunch of other folks descending on Fort Monmouth to ask okay: Show me the data that you're using, what definitions are you using to leave costs either in or out, why weren't these provided to us back in August of '04? My God, we've been doing this for 11, 12 months. What happened?

Dr. Huo testified that the main objective of the TJCSG was to form a Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) center. He testified that the TJCSG saw there were "some footprints on the technical side" already existing in Aberdeen: an Army development testing center and a research, development, testing, and evaluation command. He explained that what the TJCSG wanted to accomplish was "to move all C4ISR Army assets into Aberdeen" and to "move the Army testing headquarters, currently down at Alexandria, also to Aberdeen," which would result in a research development area and a test command relocating to Aberdeen, which offered the advantage of working "in the existing footprints, which is RDT&E command, so [as] to make a nice package." He also

¹⁰ The delta between the original Army COBRA and the COBRA run with the new Fort Monmouth BOS numbers was -\$487M. The difference between the final BRAC COBRA (reflecting the Commission's adjustment to the Army recommendation) and the COBRA run with the new Fort Monmouth BOS numbers was -\$529M.

testified that Fort Monmouth was the only installation that attempted to provide new certified data.

██████████ served on the TABS group under Dr. College as Chief of the Analysis Cell. He testified that “if the Joint Cross-Service Group basically emptied an installation then there was no additional reason for us to maintain it open. And that’s really what happened with Monmouth.” He stated that “reimbursables” were “one piece of information amongst hundreds,” describing the fact that one piece of information was left in or left out as “trivial.” He added, “I cannot think of a single action we did that was that height. In other words, it wasn’t based on one piece of information. So I would say that regardless of what came out of reimbursables it probably wouldn’t make a difference at all.”

██████████ a contractor with the TABS group responsible for running the COBRA analyses with incoming data, recalled that the TJCSG was moving things out of Fort Monmouth, which factor led TABS to consider closing it. He stated there was no set threshold, but that at the conclusion of the calculations, TABS ran closure scenarios on everything that had been in the bottom quartile in military value. ██████████ recalled that Fort Monmouth was more complex than most of the installations due to the TJCSG’s involvement, as the TJCSG had determined that much of Fort Monmouth’s technical structure should be relocated.

██████████ recalled that the people at Fort Monmouth did not want the installation to close, and he did not feel that there was any added value by consolidating that operation with other AMC scientific operations. He also recalled that AMC “was pretty adamant in the fact that they needed to consolidate those operations for certain efficiencies in the operation.”

Mr. Barry Holman, Director, Defense Infrastructure Issues, GAO, testified before the BRAC Commission on July 18, 2005. Mr. Holman noted that the GAO took a broad look at the BRAC process and was struck, in talking to the installation people, at the number of differing perspectives of cost to implement BRAC recommendations. He stated that he believed the Commission and staff would have to reconcile these perspectives as decisions were made. Mr. Holman recognized there were some disconnects between some of the projected costs and suspected they would get worked out over time, or be reconciled between BRAC, DoD, and the affected installations.

BRAC Commissioner General Hill stated at the BRAC Commission hearings on August 24, 2005, that “the consolidation and co-location of all land . . . activities at Aberdeen is critical” to the future development, acquisition and testing of new technologies for the Army. He continued, “I believe the Department has made that case,” adding, “it’s about modernized infrastructure and the ability to expand and grow.”

██████████, the TABS operations research systems analysis analyst, stated that Fort Monmouth was largely enclosed by a big and growing suburban area that was “squeezing” Fort Monmouth. He pointed out that Aberdeen Proving Ground was “kind of out in the middle of nowhere,” adding, “which in Army terms is good.”

██████████ testified that Dr. College treated the July 6, 2005, e-mail concerning audit of Fort Monmouth properly by referring the proponents of Fort Monmouth's new data to ██████████. He testified that military value was the chief consideration:

Monmouth doesn't win that [military value] argument. . . . [E]ven if Monmouth is cheaper and even if you put that number in there, and [say], "Oh my God, look at all the money you're saving," the other argument is that Monmouth is just not in as good position right now as a place like Aberdeen, as a place like Belvoir, where some of that stuff is going to. And that's the thing that you also need to take a look at. . . . And if you read the BRAC charter, military value is supposed to be the primary consideration. Now, they talk about - when they talk about it in the press, they talk about money. And you know why they talk about money because, you know, that's what they're thinking about. But we're trying to keep installations open that we think we can use in the future. And you know, off the top of my head, I think Monmouth loses that argument.

██████████ testified that, based on his experience with the BRAC Commission, he did not believe that a savings of \$500M vice \$1B would have resulted in a different decision concerning Fort Monmouth, because "savings was only one of the issues looked at in the analysis." He added that "there was also the impact of the smoothness of future operations for the Army by combining those activities and other issues." He testified that he did not consider the change in NPV to be significant from his perspective as an analyst because "it still showed an overall cost savings in closing the base and there were intangible gains for the future combining all of those scientific types of operations in closer proximity to each other."

MG Mazzucchi, former CE-LCMC commanding general, testified "much of what was asked was fragmented. I don't know that there was ever a holistic view of the decision-making process . . . So to suggest that some data about the amounts of dollars or savings or time would have been substantial enough to make the decision different, my personal opinion is it wasn't going to make a difference."

The BRAC Commission e-library contained a document entered as "notes and research (General) Ft. Monmouth, NJ, by ██████████ of the ARMY Team," entitled, "Questions to be posed to the Secretary of the Army by the BRAC Commission on August 20, 2005." ██████████ stated that if an item in the BRAC library bore his name, he likely saw it, although he may not have authored it. Under the heading, "Inaccurate Data - Commissioner Coyle," a question reads

We have been informed that when Fort Monmouth reviewed the published DoD BRAC data, it noticed that the cost data associated with operating the post was significantly in error, and submitted revised certified data on July 12th [2005]. Although that data was received by [the Army], it was never forwarded to the Commission regardless of the fact that it resulted in a \$40M reduction in the previously calculated Fort Monmouth annual operating costs. Do you have any knowledge of this? If so, why was that

information, or the impact thereof on the DoD recommendations, never provided to the Commission?

Commissioner Coyle testified that he recalled that question, but did not recall if he asked it and did not recall receiving a response to it. The question does not appear in the transcript of the BRAC hearing on August 20, 2005.

Commissioner Coyle testified that cost was “one of several important criteria” and that “if a base was going to not save money but actually cost the taxpayer money, obviously that would be a concern to the Commission.” He added that the Commission had nevertheless voted “for some closures that took a very long time to save money or perhaps didn’t save money at all . . . where we and the Army felt that it was a smart thing to do anyway. Not simply for cost savings *per se*, but generally cost savings was a very important factor.” He testified that a savings of \$500M with a 9-year payback would be favorable towards closing a base. However, somewhat inconsistently, he also testified that a discrepancy in the NPV of Fort Monmouth, which resulted in a savings of \$500M over 9 years, would “possibly” have been enough of a discrepancy to keep Monmouth open, “because the whole point of the BRAC process was to save money and if a proposed closure wasn’t going to save money, that would be important.”

Commissioner Coyle testified that when the Commission found that the proposed closure did not meet the DoD’s own criteria, the Commission generally did not support that closure. He also testified that the Commission had numerous questions about the payback of various proposed closures, not only with the Army but with the other Services, concerning how they calculated cost savings. He noted that he “got the impression” he could not rely on the figures that the military departments had sent over and noted that a section of the BRAC Commission’s final report spoke at some length to the difficulties the Commission had with how DoD calculated claimed savings.

Two BRAC Commissioners, including Commissioner Coyle, voted against the closure of Fort Monmouth, although six of the Commission voted for it and one abstained.

Commissioner Samuel Skinner stated at the BRAC hearing on August 20, 2005, that he looked at the consolidation and the cost of the consolidation in both one-time and capital/operating costs, determining that there was either a savings or not a savings. He acknowledged, “you may go ahead anyway because of value, but let’s assume there’s savings for a minute.” He stated that in that case, he looked at the one-time cost of moving or getting the incoming installation ready, as well as any other cost at the receiving installation to get it ready. He stated, “Then we put all these costs together and we really see. And if it comes up to a cost savings, whether it goes back to the taxpayers, or whether it goes to another mission of the Defense Department, that’s up to the Congress. We’ve done our job as we performed that analysis.”

██████████ Army Team Leader, BRAC Commission, testified that he was not aware of the issue with Fort Monmouth’s BOS submissions. He stated that if they were given additional certified information, he “suspect[ed]” the BRAC Commission would have considered it. He stated that the military values were the first four criteria, and the others were down below,

but “cost was important.” He noted that some of the senior leaders, including Secretary Harvey and possibly the Secretary of Defense, indicated they were trying to transform the Army or the Services. In view of that, he stated, cost was important, but it was not the only consideration. He testified that \$500M in savings was important, and opined that the Commissioners would have found a \$500M delta in the expected NPV “significant enough to reconsider,” but did not know if it would have changed their vote. He testified that when the Commissioners voted, they voted “based on what they felt was . . . the right answer to the whole thing.” He pointed out that the Commission’s vote was substantially for the closing of Fort Monmouth, which he felt indicated “a lot of people that were convinced that that was the right thing to do.” He pointed out that the Commission had itself made changes to the Army’s proposal on Fort Monmouth.

On July 8, 2005, the Fort Monmouth community submitted a formal rebuttal to the DoD recommendation to close Fort Monmouth. In Annex 7 of the rebuttal, the community provided a breakdown of BOS costs and contended that the Fort Monmouth response to Question #811 was incorrect and that the COBRA model was faulty. The Fort Monmouth community contended that the correct 3-year average of the BOS costs requested in Question #811 was \$48,641M.

Mr. Prosch testified:

Let’s say we trust the COBRA model, and now it’s a \$500 million versus \$1.025 billion [NPV]. You combine that with the scientific, technical population base you’ve got around Baltimore and Johns Hopkins and University of Maryland, you couple that with an installation that’s going to give you the capability to do one-stop shopping for development of all your communications and electronics facilities, as you look to the 21st century, that is a much better option than Fort Monmouth, which is suffering from encroachment on [Interstate 95], price, cost of living going up in New Jersey. I think the BRAC Commission would make the same decision.

Mr. Prosch stated that BRAC was the “strategic lever” to transform the Army.

The 2005 Defense BRAC Commission Report, Volume I, Chapter 2, “Issues for Further Consideration,” stated that the COBRA analysis were viewed by the Commission as “illustrative examples of what a realignment or closure might cost or save, but are not to be viewed as part of the official report and are not directive in nature.” It also noted that DoD’s differing information collection systems “complicated the Commission’s review and analysis” and led to “inconsistencies in individual responses to the questions within a service.”

In a GAO statement, “Military Bases Observations on DoD’s 2005 Base Realignment and Closure Selection Process and Recommendations,” dated July 18, 2005, before the Defense BRAC Commission, the Comptroller General of the United States emphasized in “Issues Related to Projected Savings” that there was “uncertainty regarding the magnitude of savings likely to be realized in other areas, given unvalidated assumptions regarding . . . projected savings from sustainment, recapitalization, and base operating support.”

Secretary Harvey testified in a public hearing before the BRAC Commission on May 18, 2005, that Aberdeen Proving Grounds gave the Army maneuver space and testing capability and allowed the Army to have research and development, test, evaluation, and acquisition all in one spot.

Seventy-six (44%) of BRAC actions entailed savings of less than \$100M. Forty-four (25%) entailed savings between \$100M and \$500M; 13 (8%) entailed savings between \$500M and \$1B; 11 (6%) entailed savings greater than \$1B; and 30 (17%) actions resulted in NPV costs, not savings. Some installations slated for closure had no payback period at all. Some listed installations were closed at a payback period of 36 years, and a net cost to the Government.

Dr. College testified, "In the calculus that we did here in the building, there were eight different things to look at. And cost and savings was the least important of them on that list. It was all about military value and operational impact."

Discussion

We concluded that Dr. College's decision not to inform his superiors of Fort Monmouth's newly certified data did not prejudice the Government. Mr. Prosch and Mr. Dinsick stated that the intent of the Army was to use BRAC as a transformational tool. Witnesses testified that AMC needed to consolidate operations; that the Army required modernized infrastructure and the ability to expand and grow; and that the Army was trying to keep installations with future expansion capability. Even Commissioner Coyle testified that some installations were closed at no savings where the Commissioners and the Army determined that it was "a smart thing to do anyway." In short, if these goals of the BRAC process and the Army were adversely affected by Dr. College's decision not to advise his superiors, his actions would have been prejudicial to the Government.

██████████ testified that the TJCSG had affected Fort Monmouth by moving other entities off the installation, making it less attractive to keep open when many of its units could efficiently be placed elsewhere. ██████████ and Mr. Prosch testified generally to the fact that Fort Monmouth had little space for expansion, again making it a less favorable location than those in less congested areas. In addition, assuming the validity of Fort Monmouth's later certified data, an Army recommendation using a COBRA based on the later BOS numbers would extend the payback period 2 years and project savings of over \$538M¹². That amount of projected savings would have exceeded those offered by at least 86% of the other installations on the closure or realignment list. Cost, however, was not among the primary statutory criteria to be judged in making BRAC recommendations; and, to the extent it was a factor, Fort Monmouth would still be competitively placed for closure. We found by a preponderance of the evidence that, even had the Army provided notice of a change in NPV of \$487M, closure of Fort

¹² The BRAC Commission made some adjustments to the Army recommendation in its final report. Using Fort Monmouth's newly certified data in the COBRA applicable to the BRAC Commission's final recommendations results in an NPV savings projection of greater than \$606M and a 3-year extension of the payback from 5 to 8 years.

Monmouth would have been consistent with Army and DoD interests and Fort Monmouth would more than likely have remained on the BRAC closure list.

Therefore, considering

- the still-substantial savings offered by the closure of Fort Monmouth;
- the importance of factors other than cost;
- the actions of the TCJSG in moving units off the installation;
- the BRAC Commission concurrence in an adjusted closure recommendation notwithstanding its mistrust of DoD data;
- the BRAC Commission's own recommendation to close Fort Monmouth despite recognizing that DoD itself deviated from required criteria; and
- the GAO statement making clear the tentative nature of the COBRA analysis;

we were persuaded that even if Dr. College had notified his superiors of the possible error in Fort Monmouth's BOS costs, it would not have affected the Army's recommendation or the final outcome of the closure recommendation. Accordingly, we concluded that Dr. College's actions did not prejudice the Government.

V. CONCLUSIONS

- A. Dr. College did not obstruct or impede an audit or a Federal proceeding.
- B. Dr. College's actions in not informing his superiors of Fort Monmouth's new certified BOS values were not prejudicial to the Government.

VI. RECOMMENDATIONS

We have no recommendations in the matter.