



November 2015

# MILITARY RECRUITING

## Army National Guard Needs to Continue Monitoring, Collect Better Data, and Assess Incentives Programs

## Why GAO Did This Study

Recruiters are often referred to as the “face” of the ARNG. In the past, there have been allegations of recruiter misconduct and misuse of financial incentives, making it important for recruiters to ensure procedures are followed when working with applicants and that incentives to join the ARNG are awarded properly and effectively.

House Report 113-446 included a provision for GAO to review the ARNG’s recruiting practices. This report evaluates the extent to which (1) ARNG has provided oversight of its recruiting process; (2) ARNG met its goals for recruiting, completion of initial military training, and initial term of service; and (3) OSD, Department of the Army, and ARNG have conducted oversight of ARNG’s enlistment financial incentives programs. For this work, GAO reviewed DOD and ARNG recruiting policy and procedures and interviewed cognizant officials. GAO analyzed data on recruiting from FY2010 through FY2014, training from FY2011 through FY2014, and initial term of service for FY2015. GAO visited four states representing a range of size and locations.

## What GAO Recommends

GAO recommends, among other things, that ARNG take actions to collect consistent, complete, and valid data on soldiers who do not complete training and initial term of service, and evaluate and document its incentives programs. DOD concurred with GAO’s recommendations but stated that it did not concur with the report due to GAO’s depiction of waivers. GAO disagrees with DOD’s characterization as discussed in the report.

View [GAO-16-36](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or [farrellb@gao.gov](mailto:farrellb@gao.gov).

## MILITARY RECRUITING

### Army National Guard Needs to Continue Monitoring, Collect Better Data, and Assess Incentives Programs

## What GAO Found

The Army National Guard (ARNG) has taken steps to increase oversight of its recruiting process primarily conducted by recruiters dispersed at the state-level but has not established a permanent program to monitor state-level recruiting activities. In June 2014, the ARNG created a Recruiting Standards Branch that has started to conduct inspections of state offices. The Recruiting Standards branch completed inspections in 16 states from October 2014 through July 2015 and found that 2 states did not achieve full compliance in their inspections. However, this is not a permanent program, and ARNG officials stated that they are using positions to staff it intended for use in other areas. The ARNG is seeking approval for permanent staff by early 2017 to continue its oversight. Continued monitoring of state-level recruiting activities, such as through a permanent recruiting standards branch, will be important to ARNG’s oversight functions.

The ARNG had mixed results in meeting its overall recruiting goals and nearly met its goals for initial military training; however, the ARNG does not track whether soldiers are completing their initial term of service or military obligation. The ARNG met its recruiting goals in 2 of the 5 years from fiscal years (FY) 2010 through 2014. While the ARNG nearly met its goals for training completion from FY 2011 through 2014, GAO found that the ARNG does not have complete, consistent, and valid data on why soldiers do not complete training and when they separate during training. Without consistent, complete, and valid data, decision makers do not have information to determine why a higher number of soldiers are not completing training. The ARNG also does not track whether soldiers are completing their initial term of service. GAO’s analysis shows that about 40 percent of enlisted soldiers who joined the ARNG from FY 2001 through 2007 did not complete their initial term of service. Without tracking completion of initial term of service, ARNG officials cannot assess whether their programs are effective in meeting personnel requirements and do not have visibility to ensure the ARNG is maximizing its investment in its soldiers.

The Office of the Secretary of Defense (OSD), Department of the Army (Army), and ARNG have not fully conducted their oversight responsibilities of ARNG enlistment financial-incentives programs. OSD has not enforced a requirement that ARNG report incentives obligated through the ARNG incentives programs. Further, although Army and National Guard regulations require evaluations of the effectiveness of the ARNG financial incentives programs, the Army and ARNG have not evaluated and documented the effectiveness of the programs. Without evaluating and documenting the effectiveness of ARNG incentives programs, officials may not know whether changes are needed for effective use of incentives or they may determine that certain financial incentives are not needed. Moreover, the ARNG has not ensured that recruiters have an understanding of available financial incentives. Financial incentives are a tool available to recruiters and agency policy states that incentives are available to assist in meeting and sustaining readiness requirements and to assist in filling critical shortages. ARNG has not provided recruiters with training on using financial incentives. With additional training, recruiters could better understand when and how to offer financial incentives to fill critical positions.

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**Abbreviations**

DOD	Department of Defense
NGB	National Guard Bureau
ARNG	Army National Guard
ARNG-HRM	Army National Guard-Personnel Programs, Resources, and Manpower Division
NDAA	National Defense Authorization Act
SIDPERS	Standard Installation/Division Personnel System
GIMS	Guard Incentive Management System
OSD	Office of the Secretary of Defense
SRIP	Selected Reserve Incentives Programs

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November 17, 2015

### Congressional Committees

The nearly 15 years of deployment of U.S. troops in a wartime environment has proved challenging for recruiting servicemembers for the Department of Defense (DOD). At the height of Operations Enduring Freedom and Iraqi Freedom, the Department of the Army and the National Guard Bureau (NGB) allowed applicants with lower aptitude scores or prior felony convictions to enlist in order to ensure that the Army National Guard (ARNG) and Active Army could meet their respective missions. However, since the end of Operation Iraqi Freedom and a significant drawdown from Afghanistan, the Department of the Army and NGB have issued guidance prohibiting approval of waivers for applicants with prior criminal offenses, such as certain types of sexual offenses<sup>1</sup>, as well as increasing the applicant aptitude score standards. These changes and other factors such as a less physically fit youth population have reduced the pool of qualified applicants for the ARNG and make it more difficult for recruiters to meet defined recruiting goals.

The ARNG primarily relies upon recruiters dispersed at the state-level to conduct its recruiting process. Recruiters are often referred to as the “face” of their respective military component. and any type of recruiter misconduct could have significant implications for DOD. In the past, there have been allegations of recruiter misconduct with applicants resulting in negative perceptions about military service. This makes it important for recruiters to ensure that proper procedures are followed when interacting with applicants and that recruiters correctly assess applicant eligibility. Further, the ARNG has had trouble in the past meeting its recruiting

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<sup>1</sup> See e.g. Director of Military Personnel Management Memorandum, Suspension of Enlistment Waivers (Apr. 09, 2012). Additionally, Congress enacted two provisions related to this issue in 2013, the latter of which provides that persons convicted of certain felony sex offenses under Federal or State law may not be processed for commissioning or permitted to enlist in the Armed Forces. See 10 U.S.C. § 657 and the National Defense Authorization Act for Fiscal Year 2013, Pub. L. No. 112-239 § 523 (2013, repealed). On June 2008 OSD issued Directive-Type Memorandum (DTM) 08-018 – Enlistment Waivers which established policy and provided guidance regarding enlistment waivers for applicants for the Military Services and provided standardized terminology for the tracking and reporting of waiver data to be implemented in fiscal year 2009. According to OSD officials, waiver data prior to fiscal year 2009 is inconsistent and unreliable.

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goals, which inherently applies more pressure for recruiters to enlist applicants. With the Army's downsizing and the current fiscal environment, including the Budget Control Act of 2011,<sup>2</sup> DOD faces an uncertain future where personnel decisions may prove even more important and where there is particular need for effective measures such as financial incentives to help the ARNG meet its recruiting mission and readiness requirements.

House Report 113-446 accompanying a bill for the National Defense Authorization Act for Fiscal Year 2015<sup>3</sup> included a provision for us to review the ARNG's recruiting practices and report to the defense committees. This report evaluates the extent to which (1) the ARNG has provided oversight of its recruiting process; (2) the ARNG met its goals for recruiting, completion of initial military training,<sup>4</sup> and completion of initial term of service<sup>5</sup> in recent years;<sup>6</sup> and (3) the Office of the Secretary of

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<sup>2</sup>The Budget Control Act of 2011, Pub. L. No. 112-25 (2011), established, among other things, a congressional Joint Select Committee on Deficit Reduction to propose legislation that would reduce federal deficits by \$1.5 trillion over 10 years (fiscal years 2012–2021), and two sequestration procedures: a sequestration procedure originally to be ordered by the President on January 1, 2013 to ensure that the level of deficit reduction would be achieved in the event that the Joint Committee failed to reach agreement to reduce the deficit by at least \$1.2 trillion, and an additional sequestration procedure triggered if appropriations exceed established discretionary spending caps in a given fiscal year between fiscal years 2012 and 2021. The sequestration in fiscal year 2013 used the former procedure, triggered because the Joint Committee did not reach agreement.

<sup>3</sup>H.R. Rep. 113-446 (May 13, 2014).

<sup>4</sup>Initial military training refers to basic and advanced training to qualify for a soldier's military occupational specialty. Basic training is the first introduction to the military for each of the services and includes instruction for new recruits on order and discipline, practices and procedures in their specific military services, combat preparedness, as well as instruction to enable new recruits to meet service-specific fitness requirements. Advanced training is career-specific training that prepares soldiers for their military occupations.

<sup>5</sup>By DOD Instruction, each person who becomes a member of an armed force, subject to certain exceptions, will initially serve in the armed forces for a total of 8 years in some combination of active and reserve status. See DOD Instruction 1304.25, *Fulfilling the Military Service Obligation (MSO)* (Oct. 31, 2013) implementing 10 U.S.C. § 651. According to the ARNG Accession Options Criteria, non-prior-service soldiers will be enlisted for 8 years and can commit to active participation in the ARNG for the entire duration or for a portion of the time (minimum of at least 3 years), serving the remainder of the 8 years in the Individual Ready Reserve. The amount of time prior-service soldiers commit to active participation in the ARNG varies depending on the length of time the soldier previously served in the Active, Reserve, or National Guard components. For the purposes of this report, we define initial term of service as the length of the soldier's initial commitment in active participation in the ARNG.

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Defense (OSD), Department of the Army, and ARNG have conducted their oversight responsibilities of the ARNG's financial incentives programs. Also, the House report included two additional provisions: (1) a provision for us to assess the extent to which contracting vehicles used to support ARNG recruiting were in compliance with DOD and Department of the Army policies and regulations, and (2) a provision for us to assess the numbers of individuals who complete basic and advanced individual training and the average length of time between when a person enlists in the ARNG and when the person completes initial military training. To address the first of these two additional provisions, we reviewed findings from and the status of recommendations by the U.S. Army Audit Agency and the Office of the Deputy Assistant Secretary of the Army for Procurement to improve contracting processes at NGB. A Deputy Assistant Secretary of the Army for Procurement official determined that this information is sensitive but unclassified so we provided a briefing in October of 2015 separately to the committees. To address the second provision, we have included results of our analyses in appendixes II, III, IV, and V.

For our first objective, we obtained and reviewed DOD guidance regarding ARNG oversight of its recruiting process and interviewed officials from ARNG. To describe how states conduct oversight over the recruiting process, we selected a nongeneralizable sample of four states based on varying factors such as state ARNG assigned end-strength,<sup>7</sup> the total number of enlistments, and geographic locations. We selected Texas and Pennsylvania as two states with a large-size ARNG end-strength, Virginia as a state with a medium-size end-strength, and Idaho as a state with a small-size end-strength. We obtained and reviewed applicable state and local recruiting and retention guidance and interviewed recruiting officials at each of these four selected states. The observations from these four selected states are not generalizable to all states and territories but provide important insight into ARNG oversight of its recruiting process.

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<sup>6</sup>We evaluated the extent to which the ARNG met its goals for recruiting from fiscal years 2010 through 2014, completion of initial military training from fiscal years 2011 through 2014, and completion of initial term of service as of May 2015 for fiscal year 2015. Appendix I provides additional details on the fiscal years included in our review.

<sup>7</sup>End-strength represents the actual number of personnel on board at the end of a fiscal year.



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For the second objective, we obtained aggregate recruiting data and associated goals from the ARNG. We compared data on the ARNG's annual recruiting goals for enlistments with the number of enlistments in the ARNG for fiscal years 2010 through 2014, respectively. We chose fiscal year 2010 as the start date because our prior work discussed the extent to which the ARNG met its recruiting goals from fiscal years 2000 through 2009.<sup>8</sup> We chose fiscal year 2014 as the end date because it was the most recently available data at the time of our review. To determine the extent to which the ARNG met goals for completion of initial military training, we compared the ARNG's goals for completion of initial military training with ARNG-reported completion rates for fiscal years 2011 through 2014. We were not able to assess the extent to which the ARNG met its goals for completion of initial military training prior to fiscal year 2011 either because the goals were not available or the goals in place were not comparable to the completion rates provided for fiscal years 2004 through 2014. We chose fiscal year 2014 as the end date because it was the most recently available data at the time of our review. Lastly, to determine the extent to which the ARNG met goals for completion of initial term of service, we compared the ARNG's fiscal year 2015 attrition goal for completion of initial term of service with the ARNG's completion rate as of May 2015, which was the most recently available data. We could not assess the extent to which the ARNG met goals prior to fiscal year 2015 because ARNG officials stated that the goals have changed over time and could not provide goals for previous fiscal years.

For our third objective, we obtained and analyzed relevant policy and guidance documents to identify oversight responsibilities for ARNG incentives programs. We interviewed officials from the ARNG to gain an understanding of how incentives policies and guidance are being applied. We interviewed officials from OSD, the Department of the Army, and the ARNG about how they conduct oversight of ARNG incentives programs. To gain an understanding of how incentives are being implemented during recruiting and retention activities, we obtained and analyzed

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<sup>8</sup>GAO, *Military Personnel: DOD Needs Action Plan to Address Enlisted Personnel Recruitment and Retention Challenges*, [GAO-06-134](#) (Washington, D.C.: Nov. 17, 2005); *Military Personnel: Army Needs to Focus on Cost-Effective Use of Financial Incentives and Quality Standards in Managing Force Growth*, [GAO-09-256](#) (Washington, D.C.: May 4, 2009); *Military Recruiting: Clarified Reporting Requirements and Increased Transparency Could Strengthen Oversight over Recruiter Irregularities*, [GAO-10-254](#) (Washington, D.C.: Jan. 28, 2010).

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applicable state and local incentive policies and interviewed recruiting and retention officials from the four selected states.

Further, to assess the number of individuals who complete basic and advanced individual training and the average length of time between when a person enlists in the ARNG and when the person completes initial military training, we obtained and analyzed record-level data on enlisted soldiers.<sup>9</sup> Appendix I provides additional information on our scope and methodology. We elaborate on the results from our analysis in appendixes II and III and provide additional analysis related to the length of time soldiers who did not meet their initial term of service stayed in the ARNG in appendix IV, and provide the reasons why soldiers left the ARNG prior to completing their initial term of service in appendix V.

To assess the reliability of the data used in this report, we analyzed the data for inconsistencies, incomplete data fields, and outliers. We also reviewed relevant documentation about the data systems and guidance provided to the states and territories on how to report recruiting and retention data. We followed up with the ARNG to discuss limitations we identified and requested revised data or made adjustments to our analysis, when possible, to mitigate these limitations. We noted any limitations in the report, where appropriate. We determined that the data were sufficiently reliable for the purposes of describing the extent to which enlisted soldiers completed their initial military training; the length of time it took for these soldiers to complete their initial military training and become qualified for their military occupational specialty; the extent to which enlisted soldiers completed their initial term of service; the length of time enlisted soldiers who did not complete their initial term of service served in the ARNG; and the reasons why enlisted soldiers who graduated from their training but did not complete their initial term of service left the ARNG. We identified some data limitations, which we discuss in this report.

We conducted this performance audit from August 2014 to November 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for

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<sup>9</sup>We analyzed information from a soldier's first enlistment in the ARNG. If a soldier joined more than once, we only analyzed information from the first enlistment.

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our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The ARNG performs both federal and state missions<sup>10</sup> and is one of two reserve components of the Department of the Army, the Army Reserve being the other reserve component. The ARNG provides trained and equipped units ready to (1) defend property and life to the 54 states and territories and (2) respond to overseas combat missions, counterdrug efforts, reconstruction missions, and more, as needed. The Secretary of the Army<sup>11</sup> is responsible for creating overarching policy and guidance for all of components of the Army, including the ARNG. The Chief of NGB is, among other responsibilities, the official channel of communication between the Department of the Army and the 54 states and territories in which the ARNG has personnel assigned, and is responsible for ensuring that ARNG personnel are accessible, capable, and trained to protect the homeland and to provide combat resources to the Army.<sup>12</sup>

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## Roles and Responsibilities

NGB has issued guidance to ARNG personnel within the states and territories for recruiting and retention, and the adjutants general of each state are generally responsible for developing and implementing programs or policies that are consistent with NGB guidance.<sup>13</sup> The Chief of NGB issued the National Guard regulation that is intended to integrate all of the recruiting and retention programs, policies, and procedures necessary for developing, implementing, and monitoring the ARNG

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<sup>10</sup>When guardsmen serve on active duty (including service in certain DOD headquarters functions) or are otherwise called to active service of the federal government, they typically serve in federal status and are under the command and control of DOD. However, under most other circumstances, guardsmen serve in state status and are under the command and control of the governor of their respective states or territories through their respective adjutants general.

<sup>11</sup>The Department of the Army consists of the Active, Reserve, and National Guard components.

<sup>12</sup>Title 10 U.S.C §10501 provides that the NGB shall, among other things, be the channel of communication between the Department of the Army and the states and territories.

<sup>13</sup>See, for example, National Guard Regulation 601-1, *Army National Guard Strength Maintenance Program*, § 1-4 (Apr. 28, 2006).

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strength maintenance program in the states and territories.<sup>14</sup> Appendix VI shows selected instructions, regulations, and other criteria related to recruiting and retention. Although the Director, ARNG, has overall responsibility for maintaining policy and programs for the ARNG recruiting programs, OSD requires certain recruiting-related reports to be submitted. These include reports on the numbers of enlistment waivers, recruiting resources, recruiting production data, and recruiter irregularities.

Each year, Congress, through the National Defense Authorization Act, provides the ARNG with an overall authorized end-strength.<sup>15</sup> Subsequently, the Director, ARNG, develops a recruiting mission with a goal of fully utilizing that overall authorized end-strength. The Director, ARNG, provides individual end-strength goals and recruiting missions to the adjutants general of the 54 states and territories. In order to help the states and territories achieve state-level end-strength goals, the Chief of NGB, through the ARNG Strength Maintenance Division, provides the state-level ARNG in each of the 54 states and territories with funding, personnel, guidance, and training. Further, financial incentives<sup>16</sup> are available in order to help personnel in the states and territories in meeting and sustaining ARNG end-strength goals. Within the Department of the Army, the Office of the Deputy Chief of Staff for Personnel is responsible for reviewing, monitoring, and evaluating the effectiveness of ARNG incentives programs. The Director, ARNG, is responsible for exercising staff supervision and management of financial incentives programs pertaining to ARNG soldiers. Within the ARNG, the ARNG-Personnel Programs, Resources, and Manpower Division (ARNG-HRM) is responsible for developing budget requests for financial incentives,

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<sup>14</sup>National Guard Regulation 601-1, *Army National Guard Strength Maintenance Program* (Apr. 28, 2006).

<sup>15</sup>End-strength is the maximum number of personnel each component of the military services is authorized to have on the last day of a given fiscal year. See, for example, The Carl Levin and Howard “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-66, § 411 (2015). In addition to end-strength limitations for Active, Reserve, and Guard components, Congress also generally assigns an end-strength minimum for the Active components.

<sup>16</sup>According to National Guard Regulation 600-7, *Selected Reserve Incentive Programs* (Aug. 12, 2014), financial incentives within the Selected Reserve incentive program include enlistment bonuses, reenlistment bonuses, military occupational specialty conversion bonuses, the student loan repayment program, officer accession and affiliation bonuses, and critical skill retention bonus, among others. For the purposes of this report, we use the term incentive to refer to financial incentives that fall within this description.

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developing and implementing policy, and conducting oversight. Within each state and territory, the adjutant general<sup>17</sup> is responsible for development and implementation of the state strength maintenance program and has a recruiting and retention battalion that manages recruiting and retention personnel<sup>18</sup> and day-to-day operations. ARNG recruiters are assigned to a recruiting and retention battalion in the 54 states and territories, and each battalion commander issues an annual mission for enlistment based on various factors with a goal of achieving the state annual end-strength goal. Military Entrance Processing Stations are responsible for testing and conducting physical examinations on applicants prior to their joining a military component. At each Military Entrance Processing Station, an ARNG Guidance Counselor is responsible for processing ARNG applicants and ensuring that all paperwork is complete and that the applicant meets eligibility standards.

In contrast to how active-Army recruiters are only responsible for recruiting, ARNG recruiters are responsible for recruiting, retention, and attrition for their assigned area of operations in their assigned state or territory.<sup>19</sup> To achieve the goal of fully utilizing the ARNG's overall authorized end-strength ceiling, the ARNG-HRM works with state-level military personnel officers and recruiting and retention battalions in the 54 states and territories and adjusts annual recruiting and reenlistment missions as necessary. Further, ARNG applicants generally are placed in unit vacancies within a 50-mile radius of an applicant's home. This approach generally limits the pool of applicants to positions in close proximity to the applicants' homes, while active-Army applicants are not limited to a specific geographic region and are recruited for positions where available worldwide.

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<sup>17</sup>The ARNG Strength Maintenance Division does not have direct chain-of-command authority over the adjutants general of each of the respective 54 states and territories.

<sup>18</sup>The recruiting and retention personnel include recruiters, guidance counselors, educational service office personnel, and retention noncommissioned officers.

<sup>19</sup>According to National Guard Regulation 601-1, *Army National Guard Strength Maintenance Program* (Apr. 28, 2006), recruiting is defined as the act of replenishing and reinforcing our armed commands with prior service and non-prior service personnel; retention is defined as maintaining ARNG membership through extension of their expiration of term of service or immediate reenlistment; and attrition is defined as separation of ARNG soldiers prior to achieving their expiration of term of service.

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## Prior GAO Work on DOD Recruiting Practices

Our prior work has reviewed military recruiting practices and made a number of recommendations to address recruiting-related issues, such as improving the use of financial incentives and oversight of recruiter activities:

- In November 2005,<sup>20</sup> we reported that DOD lacked information on financial incentives provided for certain occupational specialties, making it difficult for the department to determine whether financial incentives were being targeted effectively. We recommended that the DOD components, including the ARNG, report all of their over- and underfilled occupational specialties, including the reasons why the occupational specialties are over- and underfilled, and to justify their use of enlistment and reenlistment bonuses provided to servicemembers in occupational specialties that have more personnel than authorized. In addition, we recommended that DOD develop a management plan to address recruiting and retention challenges. DOD partially concurred with our recommendations but did not implement them.
- We reported in May 2009<sup>21</sup> that the Army had substantially increased its recruiters and funding for incentives, although it had not used existing research to identify and set bonuses at dollar amounts that are the most effective. We recommended that the Department of the Army take a number of steps to ensure cost-effective measures are taken, and DOD concurred with three recommendations and partially concurred with the fourth. DOD implemented one of our recommendations regarding building on currently available analysis to help set bonus amounts.
- We reported in January 2010<sup>22</sup> that the military components were not consistently reporting cases of recruiter irregularities and that greater oversight by OSD was needed. We made four recommendations regarding increasing visibility and tracking of recruiter irregularities, and DOD concurred with all of the recommendations. DOD implemented three of our recommendations regarding clarifying, sharing, and tracking of recruiter irregularity data but did not

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<sup>20</sup>[GAO-06-134](#).

<sup>21</sup>[GAO-09-256](#).

<sup>22</sup>[GAO-10-254](#).

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implement our recommendation to include appropriate disclosures concerning data limitations in recruiter irregularity reports.

- We reported in July 2015<sup>23</sup> that Army reserve components did not have complete, accurate, and timely information to report soldiers' nonavailability rates and that multiple systems did not interface in a way to allow for timely updates between all systems. We made four recommendations regarding data reliability, and DOD concurred with all of the recommendations.

Appendix VII identifies our recommendations from selected prior reports and the status of DOD's implementation.

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## The ARNG Has Recently Taken Steps to Increase Oversight of the Recruiting Process but Has Not Permanently Established a Program to Monitor State-Level Activities

The ARNG Strength Maintenance Division has recently taken steps to increase oversight of how states and territories adhere to recruiting policies and procedures; however, the ARNG Strength Maintenance Division has not permanently established the Recruiting Standards Branch to ensure ongoing monitoring of state-level recruiting activities. The ARNG Strength Maintenance Division and the selected states we visited conduct reviews of a portion of packets from recruits. Additionally, in June 2014, the ARNG Strength Maintenance Division began a pilot effort through its Recruiting Standards Branch to conduct inspections to help provide oversight of state-level recruiting activities, but the branch has not been permanently established to ensure ongoing monitoring.

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<sup>23</sup>GAO, *Army Reserve Components: Improvements Needed to Data Quality and Management Procedures to Better Report Soldier Availability*, [GAO-15-626](#) (Washington, D.C: July 31, 2015).

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## The ARNG and Selected States Have Recently Taken Steps to Provide Oversight by Reviewing Selected Enlistment Packages to Address Errors or Recruiting Irregularities

ARNG Strength Maintenance Division and selected state officials stated that steps have recently been taken to provide oversight over enlistment packets<sup>24</sup> at the national and state levels. ARNG Strength Maintenance Division officials stated that a portion of their oversight of the recruiting process includes a review of selected enlistment packages at the national level to help identify any errors in paperwork and any irregularities involving recruiters. Officials stated that, since fiscal year 2010, the ARNG Strength Maintenance Division has conducted reviews of 10 percent of packets from enlistees and soldiers starting military training.<sup>25</sup> ARNG Strength Maintenance Division officials stated that they review every document within the selected packets and maintain electronic records of the results. In addition, officials stated that if there are deficiencies identified in the review, the ARNG Strength Maintenance Division sends a training team to help correct them and to provide retraining for staff as necessary.

According to National Guard regulation,<sup>26</sup> state-level recruiting officials are to conduct quality checks over enlistments. At the four selected states we visited, there were multiple reviews of packets for enlistments, and officials stated that these reviews are intended to help minimize errors and recruiter irregularities.<sup>27</sup> According to National Guard regulation,<sup>28</sup> recruiters are responsible for initial prescreening of the applicant, which involves a background review, an initial determination of physical eligibility, and a review of prior education, among other things. In the four selected states that we visited, recruiters use checklists to screen applicants and submit applicant packets to their respective supervisors for review prior to the packets going to Military Entrance Processing Stations

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<sup>24</sup>Enlistment packets include source documents that substantiate basic eligibility criteria such as evidence of education, proof of citizenship, and proof of age, among other documents.

<sup>25</sup>The reviewing entities include the Military Entrance Processing Station regional managers.

<sup>26</sup>National Guard Regulation 601-1, *Army National Guard Strength Maintenance Program* (Apr. 28, 2006).

<sup>27</sup>During our selected state visits, we met with officials to discuss their quality-control processes. However, we did not independently verify that these officials conducted quality-control reviews over all enlistment packages.

<sup>28</sup>National Guard Regulation 601-1, *Army National Guard Strength Maintenance Program*. (Apr. 28, 2006).



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where an applicant is tested, examined, and processed for enlistment into the ARNG. In the four selected states we visited, recruiting personnel had to electronically submit enlistment packets to the Military Entrance Processing Station a minimum of 48 to 72 hours before each applicant arrived at the Military Entrance Processing Station for processing.

According to National Guard regulation and the ARNG's Military Entrance Processing Station Operations Guide, each Military Entrance Processing Station is to be assigned guidance counselors who are responsible for quality-control checks designed to help prevent entry of anyone not qualified for the ARNG.<sup>29</sup> The regulation and guide state that the Military Entrance Processing Station guidance counselors are responsible for reviewing all applicants' enlistment packets submitted by recruiters for the ARNG. The Military Entrance Processing Station guidance counselor's primary role, according to National Guard regulation, is to ensure that all qualified persons applying for ARNG enlistment complete the process, that applicants obtain a reservation for training, if necessary,<sup>30</sup> and that incentive agreements are valid, among other things.<sup>31</sup> ARNG Strength Maintenance Division officials noted that three regional managers oversee the guidance counselors at the Military Entrance Processing Stations and help ensure that the guidance counselors at each station are following applicable policy and guidance. Also, applicants must complete a test, called the Armed Forces Vocational Aptitude Battery, to determine the applicant's qualification for enlistment, and a Military Entrance Processing Station physician conducts a medical examination to determine whether the applicant meets physical health standards. When the applicant has met the qualifications for military enlistment, the guidance counselor conducts another check of the paperwork, and the applicant signs an enlistment contract and is sworn into the ARNG.

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<sup>29</sup>National Guard Regulation 601-1, *Army National Guard Strength Maintenance Program* (Apr. 28, 2006), and National Guard Bureau Strength Maintenance Division, *National Guard Bureau Military Entrance Processing Station Operations Guide* (July 1, 2012).

<sup>30</sup> An applicant with prior service might not need a training seat and may be exempted from attending all or part of the initial military training.

<sup>31</sup> National Guard Regulation 600-7, *Selected Reserve Incentive Programs* (Aug. 12, 2014).

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## The ARNG Has a Pilot Effort to Help Provide Oversight of States' Recruiting Activities but Has Not Permanently Established a Program to Ensure Ongoing Monitoring

In June 2014, the ARNG Strength Maintenance Division began a pilot effort through its Recruiting Standards Branch to help provide oversight over state-level recruiting activities, but the branch has not been permanently established to ensure ongoing monitoring. Officials from the ARNG Recruiting Standards Branch stated that the branch was established in response to GAO's findings in a prior report<sup>32</sup> and a Department of the Army Inspector General's report.<sup>33</sup> Specifically, in January 2010, we found that the ARNG's data on recruiter irregularities—or, wrongdoings on the part of recruiters—were incomplete and recommended that DOD take actions to increase visibility and track recruiter-irregularities.<sup>34</sup> DOD concurred with our recommendations and took steps to clarify, share, and track recruiter irregularity data. Later, in February 2012, the Department of the Army Inspector General found errors in processing enlistment packages and recommended that the ARNG create an entity to provide oversight of recruiting standards.

In response, the ARNG Recruiting Standards Branch was established as a pilot program and completed its first official inspection in October 2014. As of July 16, 2015 this office had completed inspections in 16 states. An ARNG Recruiting Standards Branch official stated that the goal is to complete at least 12 state inspections each year. The ARNG Recruiting Standards Branch uses a four-tiered standard scale for compliance and reporting. Each inspection results in one of four ratings: Non-Compliant, Pending Compliance, Full Compliance, or a Program of Excellence Award; the excellence award is the highest rating. The state inspections include a review of state-level recruiting procedures and programs to determine compliance with overarching guidance and a review of accession packages to determine compliance with eligibility standards and policy. Following each inspection, the ARNG Recruiting Standards Branch requires states and territories to submit corrective-action plans to address any identified deficiencies, which an official stated are used in subsequent re-inspections to demonstrate state efforts to resolve the deficiencies. Nine of the 16 states inspected as of July 16, 2015 had submitted their respective corrective-action plans to address any deficiencies identified during their inspection, regardless of the inspection

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<sup>32</sup> [GAO-10-254](#).

<sup>33</sup> Special Inspection of Accessions Policies, Processes, Procedures and Reporting Related to the Army National Guard (ARNG) Accessions Reporting (Feb. 14, 2012).

<sup>34</sup> [GAO-10-254](#).

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rating.<sup>35</sup> The Recruiting Standards Branch plans to conduct a re-inspection of each state or territory that does not meet at least the Full Compliance standard. The ARNG Strength Maintenance Division Chief is informed of the inspection results, and results are included in a newsletter sent to all states and territories.

According to an ARNG Recruiting Standards Branch official, the inspections program can be effective even though ARNG does not have direct chain-of-command authority over the states and territories.<sup>36</sup> The official stated that the state inspections and any associated corrective-action plans can help ARNG recruiters to comply with policy. This official cited the Army Inspector General inspection, which recommended the creation of a recruiting standards entity, as a sign of leadership's support. The official noted that although there is no direct chain-of-command authority, state officials to date have participated in the inspections. An ARNG Recruiting Standards Branch official stated that if a state is unwilling to participate in the inspections process, the ARNG's Chief of Staff will work with the respective state's or territory's Chief of Staff.

ARNG Strength Maintenance Division officials stated that the inspections to date have been helpful in determining whether states and territories are in compliance with guidance and current policy. Of the 16 states inspected as of July 2015, 2 received a rating of Program of Excellence, 12 received a rating of Full Compliance, and 2 received a rating of Pending Compliance on their inspections.<sup>37</sup> ARNG Strength Maintenance Division officials stated that the findings from the inspections conducted to

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<sup>35</sup>Seven states that had been inspected had not yet reached the deadline for submission of their respective corrective-action plan.

<sup>36</sup>When guardsmen serve on active duty (including service in certain DOD headquarters functions) or are otherwise called to active service of the federal government, they typically serve in federal status and are under the command and control of DOD. However, under most other circumstances, guardsmen serve in state status and are under the command and control of the governor of their respective states or territories through their respective adjutants general.

<sup>37</sup>ARNG Recruiting Standards Branch inspections evaluate whether the state or territory is in compliance with 113 critical tasks and provides the state or territory with a rating based on how many of the 113 the ARNG Recruiting Standards Branch determines to meet compliance. When the state or territory is in compliance with (1) 100-113 critical tasks, it is rated a Program of Excellence; (2) 80-99 critical tasks, it is rated Full Compliance; (3) 70-79 critical tasks, it is rated Pending Compliance, and 4) 69 or fewer critical tasks, it is rated Non-Compliant.

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date, along with the issues identified in our January 2010 report and the February 2012 Department of the Army Inspector General report noted above, highlight the continued need for the ARNG Recruiting Standards Branch to conduct inspections. However, the ARNG Recruiting Standards Branch remains in a pilot phase and is working to seek approval for permanent staff by the Director, ARNG, and subsequently the Department of the Army. The approval for permanent staff may not take place until early 2017. ARNG Strength Maintenance Division officials stated that they believe that continued oversight of state recruiting activities is important and that currently they are using positions for the ARNG Recruiting Standards Branch that are intended for use in other areas. Officials stated that the ability to permanently assign individuals to the ARNG Recruiting Standards Branch is very important in the ARNG's ability to continue to exercise its oversight role. The Director, ARNG, has overall responsibility for maintaining policy and programs for the ARNG recruiting programs, and *Standards for Internal Control in the Federal Government* states that agencies should have control activities in place for ensuring that management's directives are carried out.<sup>38</sup> Without permanently establishing an entity, such as the ARNG Recruiting Standards Branch or other entity, to conduct inspections of state-level recruiting activities, the Director, ARNG may be limited in its ability to ensure that ARNG policies and procedures are being properly implemented by the states.

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<sup>38</sup>Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives. They help ensure that actions are taken to address risks, and control activities are an integral part of an entity's planning, implementing, reviewing, and accountability for stewardship of government resources and achieving effective results. See [GAO/AIMD-00-21.3.1](#).

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## The ARNG Has Had Mixed Results in Meeting Goals for Recruiting and Nearly Met Goals for Completing Training, but Does Not Track Completion of Initial Term of Service

The ARNG had mixed results in meeting its overall recruiting goals and nearly met its goals for initial military training; however, the ARNG does not track whether soldiers are completing their initial term of service or military obligation. The ARNG met its recruiting goals in two of the five years from fiscal years 2010 through 2014. Further, from fiscal years 2011 through 2014, the ARNG nearly met its goals for completion of initial military training, but we found that the ARNG does not have consistent, complete, and valid data on why soldiers do not complete training and when soldiers separate during the training process. We also found that while the ARNG sets and tracks goals to keep the loss of soldiers in their initial term below a maximum percentage, the ARNG does not track whether ARNG soldiers who join in a given fiscal year complete their initial term of service. Finally, ARNG Strength Maintenance Division has not periodically estimated the full cost of recruiting and training soldiers who do not complete their initial term of service.

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## From Fiscal Years 2010 through 2014, ARNG Met Overall Recruiting Goals in Only 2 Years but Generally Fully Utilized End-Strength Authorizations

ARNG data show that from fiscal years 2010 through 2014 the ARNG met its annual overall recruiting goals in 2 of the 5 years but stated that the purpose of the recruiting goals is to fully utilize the authorized end-strength in the National Defense Authorization Act, which data show the ARNG nearly met or slightly exceeded over this time period. ARNG Strength Maintenance Division officials stated that, in addition to recruiting goals, managing losses and setting goals for reenlistments play key roles in the ARNG's ability to meet its goal of fully utilizing its authorized end-strength.

ARNG manages its end-strength, in part, by setting goals for each state and territory to recruit a certain number of individuals to enlist in the ARNG.<sup>39</sup> GAO's leading practices in strategic human-capital management<sup>40</sup> and *Standards for Internal Control in the Federal Government* states that agencies should establish goals and monitor the extent to which they are met.<sup>41</sup> Prior GAO work has shown that historically the ARNG has had mixed results in meeting its recruiting

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<sup>39</sup>The ARNG generally establishes these goals near the beginning of the fiscal year, but the ARNG can make adjustments to the goals throughout the year, when necessary.

<sup>40</sup>GAO, *A Model of Strategic Human Capital Management* [GAO-02-373SP](#) (Washington, D.C.: Mar. 15, 2002).

<sup>41</sup>[GAO/AIMD-00-21.3.1](#).

goals. Specifically, in November 2005, we reported that the ARNG exceeded its annual recruiting goals from fiscal years 2000 through 2002 but fell short of its goals in fiscal years 2003 through 2005, achieving only 80 percent of its goal in 2005.<sup>42</sup> In May 2009, we reported that the ARNG made progress in meeting its annual recruiting goals since fiscal year 2005, meeting more than 95 percent of its goal in both fiscal years 2006 and 2007 and exceeding its goal in fiscal year 2008.<sup>43</sup> We then noted in a January 2010 report that the ARNG met its recruiting goal in fiscal year 2009.<sup>44</sup> Our analysis for fiscal years 2010 through 2014 is consistent with this historical trend as ARNG only met its recruiting goals in 2 of the 5 years. Officials stated that the purpose of the state and territory goals for recruiting is to fully utilize the ARNG’s authorized end-strength. Table 1 shows the extent to which the ARNG met annual recruiting goals as compared to the end-strength authorized by the National Defense Authorization Acts from fiscal years 2010 through 2014, as reported by ARNG.<sup>45</sup>

**Table 1: Extent to Which the Army National Guard (ARNG) Met Recruiting Goals and Its National Defense Authorization Act (NDAA) End-Strength Ceiling (Fiscal Years 2010 through 2014)**

Fiscal year	Total ARNG recruiting goal for ARNG (in thousands)	Total number of ARNG enlistments (in thousands)	Percentage of ARNG recruiting goal met (percent) <sup>a</sup>	NDAA authorized end-strength for ARNG (in thousands)	ARNG actual end-strength (in thousands)	Percentage of NDAA authorized end-strength (percent)
2010	60.0	56.3	93.8%	358.2	362.0	101.1% <sup>a</sup>
2011	53.0	48.6	91.7	358.2	361.6	100.9 <sup>a</sup>
2012	46.0	48.0	104.3	358.2	358.1	100.0
2013	49.0	49.3	100.6	358.2	357.7	99.9
2014	47.9	47.1	98.3	354.2	354.1	100.0

Source: The ARNG-reported data. | GAO-16-36

<sup>a</sup>The President is permitted by section 123a of Title 10 of the United States Code to waive the NDAA end-strength limitations under certain circumstances. Pursuant to a delegation of that authority, the Army granted the ARNG a waiver to exceed the NDAA authorized end-strength in fiscal years 2010 and 2011.

<sup>42</sup>GAO-06-134.

<sup>43</sup>GAO-09-256.

<sup>44</sup>GAO-10-254.

<sup>45</sup> We analyzed data from fiscal years 2010 through 2014 because we reported in January 2010 the extent to which the ARNG met its recruiting goals in fiscal year 2009.

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ARNG-Personnel Programs, Resources, and Manpower Division (ARNG-HRM) officials stated that ARNG's recruiting goals have generally decreased from fiscal years 2010 through 2014, in part because the ARNG's authorized end-strength also decreased over this time period. The President is permitted by section 123a of Title 10 of the United States Code to waive the NDAA end-strength limitations under certain circumstances. Pursuant to a delegation of that authority, the Army granted the ARNG a waiver to exceed the NDAA authorized end-strength in fiscal years 2010 and 2011. However, the officials stated that the waiver was no longer granted in fiscal years 2012 through 2014, thus requiring the ARNG to stay below the authorized end-strength and to reduce its annual recruiting goals.

While the ARNG met its recruiting goals in only 2 of the 5 years from fiscal years 2010 through 2014, the ARNG achieved or nearly achieved its goal of fully utilizing its authorized end-strength in all of the years as shown in table 1. When setting goals for the states and territories, the ARNG emphasizes that attrition management has a significant effect on the ARNG's ability to utilize its authorized end-strength and that, in addition to setting recruiting goals, the ARNG meets its end-strength by setting goals for managing losses and retaining existing personnel. Since fiscal year 2009, the ARNG has established annual goals for the states and territories to reenlist a certain number of individuals nearing the end of their term of service. ARNG data showed that it either exceeded or nearly exceeded its reenlistment goal in 4 of the 5 years from fiscal years 2010 through 2014.<sup>46</sup> Table 2 shows the extent to which the ARNG met reenlistment goals from fiscal years 2010 through 2014.

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<sup>46</sup>We previously reported in May 2009 that the ARNG used attrition rates—the number of losses from a component during a given time period compared to the component's average end-strength during that period—as a measure of retention, striving to keep attrition below an established maximum rate, or ceiling. We found that the ARNG's attrition rates were either below the ceiling or were within the margin of variance allowed by DOD from fiscal years 2005 through 2008, staying around 19 or 20 percent in each of those years. The ARNG continues to use attrition rates as a measure of retention and reported that ARNG attrition rates have ranged between about 13 and 15 percent from fiscal years 2010 through 2014. ARNG officials attributed the lower attrition rates, in part, to better preparation of soldiers to attend initial military training, reducing the number of soldiers who separated during training.

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**Table 2: Army National Guard (ARNG) Reenlistment Goals and Number of Reenlistments for Fiscal Years 2010 through 2014**

<b>Fiscal year</b>	<b>Total reenlistment goal for the ARNG (in thousands)</b>	<b>Total number of ARNG reenlistments (in thousands)</b>	<b>Percentage of reenlistment goal met (percent)<sup>a</sup></b>
2010	30.5	31.7	104.0%
2011	39.8	39.8	100.0
2012	48.4	49.3	101.7
2013	59.2	51.1	86.3
2014	43.8	43.3	98.8

Source: The ARNG-reported data. | GAO-16-36

<sup>a</sup>Percentage may not equal comparison of two previous columns in table due to rounding.

ARNG-HRM officials stated that the ARNG has increased its reenlistment goal over time because the number of individuals who joined the ARNG greatly increased from fiscal years 2006 through 2009, in part, due to the Grow the Force initiative.<sup>47</sup> The officials stated that the increased number of soldiers who joined during this time period became eligible to reenlist from fiscal years 2012 through 2014, thus increasing the population of soldiers eligible for reenlistment. ARNG Strength Maintenance Division officials noted that the ARNG achieved a lower percentage of its reenlistment goal in fiscal year 2013 because ARNG wanted to emphasize reenlistments in this year and set a more aggressive goal in comparison to other years. For example, in fiscal year 2012, the ARNG set a goal to reenlist 48,446 soldiers out of an eligible population of 125,785 soldiers, while in fiscal year 2013 set a goal to reenlist 59,233 soldiers out of an eligible population of 121,624 soldiers.

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<sup>47</sup>In January 2007, the President announced the Grow the Force initiative which was intended to expand the size of the Army in order to meet strategic demands and help reduce stress on the force.



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The ARNG Nearly Met Goals for Completing Initial Military Training but Does Not Have Consistent, Complete, and Valid Data on Why and When Soldiers Do Not Complete Training

Goals for Completing Training Nearly Met

The ARNG nearly met its goals for completion of initial military training from fiscal years 2011 to 2014; however, we identified inconsistencies in how states recorded reasons that soldiers did not complete their training and found that available Army training data does not provide the ARNG with complete data on the timing of when soldiers leave during the training process. Further, while the ARNG uses an internal database to collect information on why soldiers do not complete training and when they separate during the training process, ARNG officials stated that they could not determine whether the data were valid.

The ARNG nearly met its goals for completion of initial military training, which includes basic and advanced individual training,<sup>48</sup> from fiscal years 2011 through 2014. From fiscal years 2011 through 2014, the ARNG set a goal of at least 84 percent and achieved a completion rate of approximately 81 to 82 percent in each of those years. The ARNG sets and tracks several goals that focus on states' and territories' ability to prepare their recruits to attend initial military training. One such goal is based on the percentage of soldiers who completed initial military training (both basic and advanced) compared to the number of soldiers who began training and did or did not complete training for a rolling time period covering the past 12 months. By law members of the ARNG that have not completed the minimum training required to deploy within 24 months must be discharged.<sup>49</sup> ARNG Strength Maintenance Division officials stated that they have not separately set a goal for the extent to which soldiers complete basic training because the ARNG is primarily concerned with soldiers completing both basic and advanced training to become qualified for their military occupation. Table 3 shows the ARNG's goal for completion of initial military training, when available, and ARNG completion rates from fiscal years 2011 through 2014.

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<sup>48</sup>Basic training is the first introduction to the military for each of the services and includes instruction for new recruits on order and discipline, practices and procedures in their specific military services, combat preparedness, as well as instruction to enable new recruits to meet service-specific fitness requirements. Advanced training is career-specific training that prepares soldiers for their military occupations. ARNG officials stated that the ARNG assigns soldiers to his or her unit during enlistment, while the Army Active Component assigns its soldiers to a training account until completion of advanced training and subsequently assigns soldiers to his or her unit.

<sup>49</sup>Army National Guard Combat Readiness Reform Act of 1992, Pub. L. No. 102-484, § 1115 (1992 as amended) (appended as a note below 10 U.S.C. § 10105).

**Table 3: Army National Guard (ARNG) Goals for Soldiers to Complete Initial Military Training, and ARNG-Reported Completion Rates (Fiscal Years 2011 through 2014)**

<b>Fiscal year</b>	<b>The ARNG's percentage goal for soldiers to complete initial military training</b>	<b>Percentage of ARNG soldiers completing initial military training (percent)</b>
2011	≥84%	81.8
2012	≥84	82.2
2013	≥84	81.5
2014	≥84	80.8

Source: ARNG-reported data. | GAO-16-36

Note: The ARNG calculates the completion goal and rate by the percentage of soldiers who completed initial military training compared to the total number of soldiers who began training and did or did not complete training for a rolling time period covering the past 12 months.

The percentage of ARNG soldiers who completed their initial military training has generally increased annually from about 70 percent in fiscal year 2004 to about 81 percent in fiscal year 2014.<sup>50</sup> ARNG Strength Maintenance Division officials attributed the improvements in completion of training largely to the ARNG Recruit Sustainment Program, which began in fiscal year 2005. The purpose of the ARNG Recruit Sustainment Program is to increase the likelihood that ARNG soldiers will complete initial military training by ensuring that recruits are mentally prepared and physically fit prior to attending training. The program aims to provide recruits with realistic training that is similar to the first 3 weeks of basic training. In addition, recruiters stated that the ARNG Recruit Sustainment Program allows the ARNG to maintain contact with recruits while they wait to attend training and to monitor their conduct and educational progress to help ensure they stay eligible to join. For states or territories that struggle to meet ARNG's goal for training completion, ARNG Strength Maintenance Division officials stated that they share best practices from states that are meeting or exceeding ARNG's goal or send out ARNG mobile training teams to the states or territories to help address challenges.

<sup>50</sup>We also obtained and analyzed record-level data on non-prior-service, enlisted soldiers who joined the ARNG from fiscal years 2004 through 2013 and analyzed the extent to which they completed their initial military training. Our analysis similarly showed that completion rates for initial military training generally improved over this period. See app. II for the results of our analysis.

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Inconsistent Reporting by Selected States and Incomplete and Invalid Data on Soldiers Who Do Not Complete Training

We identified inconsistencies in how the four selected states we visited recorded reasons that soldiers did not complete their initial military training.<sup>51</sup> ARNG regulation and guidance require states and territories to report the reasons why soldiers leave the ARNG in the ARNG personnel database of record known as the Standard Installation/Division Personnel System (SIDPERS).<sup>52</sup> Although not generalizable to all states and territories, we found that states we reviewed varied in whether they selected only a general category in the system about the timing of a soldier leaving initial training versus selecting a category noting the specific reason each soldier left training prior to completion. When soldiers leave training prior to completion, officials from states and territories are to select the reason why the soldier left the ARNG from a list of over 100 pre-predetermined categories, such as alcohol or other drug abuse or medically unfit at the time of appointment. In interviews with officials from the four selected states that we visited, officials provided different responses about how they select a category regarding why soldiers left the ARNG before basic or during basic or advanced training. For example, one official stated that he selected general categories about timing, such as if a soldier left before attending basic training or left during basic or advanced training; however, that state's officials did not select a category that specified the reason why the soldier left the ARNG.<sup>53</sup> In contrast, officials in another state stated they have selected 13 categories about specific reasons and use the general categories about timing for soldiers that left before basic training or during basic or advanced training from April 2014 through March 2015. Table 4 below shows the contrasts in how these two state officials chose general or specific categories regarding soldiers leaving training.

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<sup>51</sup>Consistency is a key characteristic of reliable data and refers to the need to obtain and use data that are clear and well defined enough to yield similar results in similar analyses. For example, if data are entered at multiple sites, inconsistent interpretation of data-entry rules can lead to data that, taken as a whole, are unreliable. GAO, *Assessing the Reliability of Computer-Processed Data*, [GAO-09-680G](#) (Washington, D.C.: July 2009).

<sup>52</sup>Army National Guard Pamphlet (AR) 25-10, *Standard Installation/Division Personnel System Army National Guard Data Element Dictionary* (Jun. 30, 2014), and PPOM 14-008, *Synchronization of Assignment/Loss Reason Codes with Enlisted Personnel Separation Authority Reasons* (Feb. 18, 2014).

<sup>53</sup>The general category used to describe soldiers who left before training is "Pre-Initial Active Duty for Training Discharge Program," and the general category used to describe soldiers who left during training is "Trainee Discharge Program Release from Initial Active Duty for Training."

**Table 4: Comparison of How Two States Selected Categories for Why Soldiers Who Joined in Fiscal Year 2014 Left the Army National Guard (ARNG) before or during Initial Military Training**

Category selected to describe why soldiers left the ARNG	State 1		State 2
	Number leaving ARNG before or during initial military training (total of 322)	Number leaving ARNG before or during initial military training (total of 229) <sup>a</sup>	
General category about soldiers leaving before basic training	179		6
General category about soldiers leaving during basic or advanced training	134		99
Other general or specific categories	9		119

Source: GAO analysis of ARNG data. | GAO-16-36

Note: Our analysis includes non-prior service, enlisted soldiers who joined the ARNG in fiscal year 2014 but separated from the ARNG before or during initial military training as of April 15, 2015. The analysis excludes enlisted soldiers who later became officers. State 1 officials stated that they only select one general category for soldiers who leave before attending training and one general category for soldiers leave during training. State 2 officials stated that they select a number of different categories—both general and specific—for those who leave before or during training.

<sup>a</sup>Numbers do not add to 229 because five soldiers did not have a category reported in the database.

Further, we found that available Army training data do not provide the ARNG with complete data on the timing of when soldiers leave during the training process.<sup>54</sup> According to GAO’s leading practices on strategic human-capital management, reliable data help enable an agency’s decision makers to evaluate the success of their human-capital approaches and to identify opportunities for enhancing agency results.<sup>55</sup> The Army’s training system of record known as the Army Training Requirements and Resources System contains soldiers’ training records, including the dates soldiers completed basic training and advanced training. However, we found that this system was missing completion dates from basic training for a significant number of soldiers who should have had dates listed. Specifically, we found that of the 134,293 non-prior-service enlisted soldiers who joined the ARNG from fiscal years 2010 through 2014 and completed their initial military training as of April 15, 2015, 36,644—or 27 percent—were missing basic training completion dates. ARNG-HRM officials attributed this missing information, in part, to data on the soldiers who attended basic and advanced training at the

<sup>54</sup> Completeness is a key characteristic of reliable data and refers to data elements being populated appropriately. [GAO-09-680G](#).

<sup>55</sup> [GAO-02-373SP](#).

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same training site—referred to as One Station Unit Training,<sup>56</sup> leading the school to only record one date for completion of both basic and advanced training. ARNG-HRM officials stated that they use the information on basic training completion in the Army system to track whether recruits are completing basic training but that they understood there were data limitations due to the missing information in the system. The level of incompleteness in the data for basic training completion, however, raises concerns about whether ARNG can use this system to determine the timing of when soldiers left during their initial military training. Further, we found that when the One Station Unit Training sites report discharges from training, the reports do not indicate whether the soldiers were discharged during basic training or advanced training. According to a fiscal year 2014 discharge report for the Army training schools, of the 3,352 soldiers who were discharged from training sites, 1,037 soldiers—or 31 percent—were discharged from a One Station Unit Training site. As a result, the ARNG would not have visibility into whether these soldiers were discharged during basic training or advanced training.

ARNG Strength Maintenance Division officials acknowledged that the databases of record for ARNG personnel and Army training data do not offer the level of detail they need to determine the reasons why soldiers left before or during initial military training or when soldiers separated during the training process. ARNG Strength Maintenance Division and ARNG-HRM officials stated that they were aware that there could be inconsistencies in how states and territories select the category to describe the reason why soldiers left the ARNG before or during training. The officials attributed the inconsistency in part to the availability of the general categories in SIDPERS for soldiers who leave before beginning basic training or prior to completion of advanced training. ARNG-HRM officials noted that the 54 states and territories each enter the information into SIDPERS, which likely result in inconsistencies in data entry across the states. Further, as noted above, the system of record for data on soldiers' training records is the Army Training Requirements and Resources System, and the system of record for data on why soldiers leave the ARNG is SIDPERS, rather than one centralized data source. In July 2015, we reported that multiple data systems used to track soldier availability data did not interface in a way to allow for timely updates

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<sup>56</sup> One Station Unit Training combines basic training and advanced training into one location, and soldiers stay with the same class throughout initial military training.

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between all systems to ensure the relevance and value of the data that management uses to make soldier availability-related decisions.<sup>57</sup> We recommended that the Secretary of the Army develop and implement ways that the Army reserve components can facilitate timely updates of availability data between all data systems through the current system interfaces to improve the relevance and value of the data that management is using to make soldier availability-related decisions, and DOD concurred with our recommendation.

Recognizing the gap in information on why soldiers did not complete training and the timing of when they separated during the training process, ARNG Strength Maintenance Division officials stated that they started to collect this information in fiscal year 2010 by modifying a management tool—known as the Vulcan Recruit Sustainment Program Database—used to track recruits while they are in the training process. ARNG Strength Maintenance Division officials emphasized that the database is an internal management tool and not a database of record and is therefore generally not used to report information outside of ARNG. According to the officials, the ARNG modified the tool to capture when a soldier separated during the training process, such as before basic training, during basic training, or during advanced training, as well as the reason for the loss. The officials stated that while the categories for reasons are similar to those in SIDPERS, ARNG removed the two general categories for separating before or during initial military training to require the states and territories to select the specific reason why the soldier left the ARNG. ARNG Strength Maintenance Division officials stated that they did not modify SIDPERS to capture this information because the Army is in the process of transitioning to an Army-wide personnel database, the Integrated Personnel and Pay System-Army. The officials stated that they have not been allowed to make changes to SIDPERS since at least 2007 in anticipation of the new system. In February 2015,<sup>58</sup> we reported that the full deployment of the Integrated Personnel and Pay System-Army is not expected until April 2020, and that the Army had not developed any portion of the system as of November 2014.

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<sup>57</sup>GAO-15-626.

<sup>58</sup>GAO, *Defense Major Automated Systems: Cost and Schedule Commitments Need to Be Established Earlier*, GAO-15-282 (Washington, D.C.: Feb. 26, 2015).

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As part of a broader review of the ARNG Recruit Sustainment Program, in September 2008 the U.S. Army Audit Agency reported that the Vulcan database sometimes did not provide accurate and timely data for Recruit Sustainment Program managers.<sup>59</sup> The U.S. Army Audit Agency found that the Vulcan database provided useful information, but its effectiveness was limited because program managers at the state level sometimes did not update or use the system as the preferred management tool. According to the report, the program managers did not use the Vulcan database because it did not provide information that the states needed to monitor recruit status, the database was not user-friendly, and the ARNG did not routinely provide formal training to users. The U.S. Army Audit Agency concluded that the data in the Vulcan system were not reliable for making sound management decisions and made four recommendations to address the issues identified, including developing and providing routine formal training to Vulcan users and ensuring that state ARNG organizations use the Vulcan database to manage the Recruit Sustainment Program and not locally developed systems. The ARNG agreed with the report's recommendations and, according to ARNG Strength Maintenance Division officials, the ARNG has taken steps that are intended to address the report's recommendations. For example, ARNG Strength Maintenance Division officials stated that states' use of the Vulcan database is continuously managed by means of daily reviews and validated during the branch leadership's accreditation process. Further, ARNG Strength Maintenance Division officials stated that, since the U.S. Army Audit Agency audit, the ARNG instituted the role of training liaison officers who act as liaisons to the Active component training facilities in order to manage ARNG recruits at training as well as contracted administrative support for the Recruiting Sustainment Program. According to ARNG Strength Maintenance Division officials, both the training liaison officers and Recruit Sustainment Program contract support staff now play a role in maintaining information in the Vulcan database. In July 2015, the U.S. Army Audit Agency started a follow-on review of the ARNG Recruit Sustainment Program, which includes reexamining the Vulcan database and evaluating the measures that the ARNG has taken to address the deficiencies described in the September 2008 report.

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<sup>59</sup>U.S. Army Audit Agency, *Army National Guard Recruit Sustainment Program*, A-2008-0250-FFF (Alexandria, VA: Sept. 10, 2008).

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The ARNG's personnel database of record, SIDPERS, and the Army's database of record on training, the Army Training Requirements and Resources System, do not provide ARNG with full visibility into why soldiers do not complete initial military training and when they separate during the training process. Further, while ARNG has modified its internal Vulcan database to capture this information, ARNG-HRM officials stated that they could not determine the information to be valid because inputting the information is voluntary, and the Vulcan database is not the database of record on losses from the ARNG. According to GAO's leading practices on strategic human-capital management, a critical success factor is using consistent, complete, and valid data to determine key performance objectives and goals.<sup>60</sup> The Director, ARNG, has overall responsibility for maintaining policy and programs for the ARNG recruiting programs, and ARNG-HRM officials stated that they use the data on reasons why individuals left the ARNG to develop policies to help retain soldiers. Without consistent data about specific reasons soldiers left the ARNG before or during training in the ARNG database of record, officials will continue to be limited in their ability to identify actual reasons for separation. Further, without complete information on when soldiers separate during the training process, ARNG cannot know the extent to which soldiers are leaving during basic or advanced training. Such limitations hinder the Director, ARNG's ability to develop policies and programs intended to help create an environment in which a higher number of soldiers complete training.

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**ARNG Does Not Track Whether Soldiers Complete Their Initial Term of Service and Has Not Periodically Estimated the Costs to Recruit and Train a Soldier**

Completion of Initial Term of Service Is Not Tracked

ARNG Strength Maintenance Division does not track whether ARNG soldiers complete their initial term of service. When individuals join the

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<sup>60</sup>GAO-02-373SP.



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ARNG, they sign a contract to actively serve in the ARNG for a specified amount of time, which varies by soldier.<sup>61</sup> For example, while a non-prior-service enlisted soldier must enlist in the ARNG for a total military service obligation of 8 years, a portion of the 8 years can be active service in the ARNG with the balance being in the Individual Ready Reserve.<sup>62</sup> On an ongoing basis, the ARNG Strength Maintenance Division tracks initial-term attrition rates—the number of soldiers in their initial term who leave the ARNG during a given period compared to the average number of soldiers who were serving in their initial term over that same period—with the goal of keeping attrition below an established maximum rate. For the purposes of tracking initial-term attrition rates, the ARNG does not track all enlisted soldiers who join, but defines soldiers in their initial term as enlisted soldiers who have completed initial military training<sup>63</sup> and have less than 6 years in service. ARNG Strength Maintenance Division officials stated that they establish the goal based on the ARNG’s historical performance and that the metric is adjusted over time to encourage incremental improvement. ARNG officials have established an attrition goal of a percentage of less than or equal to 12 percent for soldiers leaving during their initial term of service, and as of May 2015 the ARNG had an attrition rate of 8.1 percent.<sup>64</sup> According to the ARNG, managing

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<sup>61</sup>By DOD Instruction, each person who becomes a member of an armed force, subject to certain exceptions, will serve in the armed forces for a total of 8 years in some combination of active and reserve status. See DOD Instruction 1304.25, *Fulfilling the Military Service Obligation (MSO)* (Oct. 31, 2013) implementing 10 U.S.C. § 651. According to the ARNG Accession Options Criteria, non-prior-service soldiers will be enlisted for 8 years and can commit to active participation in the ARNG for the entire duration or for a portion of the time (minimum of at least 3 years), serving the remainder of the 8 years in the Individual Ready Reserve. The amount of time prior-service soldiers commit to active participation in the ARNG varies depending on the length of time the soldier previously served in the Active, Reserve, or National Guard components. For the purposes of this report, we define initial term of service as the length of the soldier’s initial commitment to active participation in the ARNG.

<sup>62</sup>The Individual Ready Reserve is a subcategory of the Ready Reserve of the Army Reserve. Members of the Individual Ready Reserve include individuals who were previously trained during periods of active service, but have not completed their service obligations; individuals who have completed their service obligation and voluntarily retain their reserve status; and personnel who have not completed basic training. Most of these members are not assigned to organized units, do not attend weekend or annual training, and do not receive pay unless they are called to active duty.

<sup>63</sup>As noted above, the ARNG separately tracks the extent to which soldiers complete initial military training.

<sup>64</sup>The ARNG refers to these percentages as first-term attrition loss rates.

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attrition has a significant effect on the ARNG's ability to achieve its end-strength goal, and ARNG Strength Maintenance Division officials stated that they track initial-term losses in this way because it helps states and territories manage their respective end-strengths by better anticipating future losses and the ARNG can include the most recent enlistments in its analysis for initial-term losses.

While the ARNG's calculation of the initial-term attrition rate provides ARNG Strength Maintenance Division with some information that helps officials manage end-strength, the ARNG Strength Maintenance Division does not regularly track whether all soldiers who join in a given fiscal year ultimately complete their initial term of service. We obtained data on enlisted soldiers who joined the ARNG from fiscal years 2001 through 2007, and analyzed whether they ultimately completed their initial term of service; we found that about 40 percent of these soldiers did not complete their initial term of service (see table 5).<sup>65</sup>

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<sup>65</sup>We analyzed enlisted soldiers who joined from fiscal years 2001 through 2007 because non-prior-service, enlisted soldiers typically joined the ARNG with a 6-year initial term of service based on our analysis of the data. As a result, after fiscal year 2007, a significant number of soldiers were still in the process of completing their initial term of service. We also analyzed the length of time enlisted soldiers who joined the ARNG from fiscal years 2001 through 2007 and did not complete their initial term of service stayed in the ARNG and report our analysis in appendix IV. In addition, we analyzed the reasons these soldiers separated from the ARNG, when possible, and report our analysis in app. V.

**Table 5: Completion of Initial Term of Service for Enlisted Soldiers Who Joined the Army National Guard (ARNG) from Fiscal Years 2001 through 2007**

Fiscal year	Number who completed initial term of service (in thousands)	Number who did not complete their initial term of service (in thousands)	Percent of soldiers who did not complete their initial term of service (percent) <sup>a</sup>
2001	33.3	20.9	38.6%
2002	34.1	20.9	38.0
2003	27.6	18.4	40.0
2004	24.0	16.8	41.2
2005	25.3	16.2	38.9
2006	34.6	23.9	40.8
2007	32.9	23.8	42.0

Source: GAO analysis of ARNG data. | GAO-16-36

Note: We analyzed information from the first enlistment of soldiers who joined from fiscal years 2001 through 2007 and whose initial term end dates occurred before September 30, 2014. The length of a soldier's initial term of service varies by soldier, but we found that over half of non-prior-service, enlisted soldiers joined with an initial term of service of about 6 years. We counted soldiers who had an attrition date within 30 days of their initial term end date as completing their initial term of service. In addition, we excluded (1) soldiers who were missing a date for the end of their initial term of service; (2) soldiers who enlisted into the ARNG but later became officers; and (3) soldiers who left the ARNG to join the Active component, another Reserve component, or the Inactive Guard, among other things, because these soldiers may have later completed their initial term of service in those capacities, but we did not have visibility into whether they did so.

<sup>a</sup>Percentage may not equal comparison of two previous columns in table due to rounding.

According to GAO's leading practices on strategic human-capital management, valid data help enable an agency's decision makers to evaluate the success of their human-capital approaches and to identify opportunities for enhancing agency results.<sup>66</sup> ARNG Strength Maintenance Division officials stated that there could be some advantages to tracking the extent to which soldiers complete their initial term of service by those who join in a given fiscal year, but it may be viewed as redundant reporting given that the ARNG already tracks attrition rates for initial-term soldiers. Further, ARNG Strength Maintenance Division officials stated that tracking soldiers from the date of their enlistment to their final completion is a complex task. However, regularly tracking the extent to which soldiers who join the ARNG in a fiscal year and complete their initial term of service can help the ARNG understand what human-capital decisions may have led to certain trends in data. For example, ARNG Strength Maintenance Division officials

<sup>66</sup>[GAO-02-373SP](#).

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stated that multiple factors may have contributed to 40 percent of soldiers we identified as not completing their initial term of service from fiscal years 2001 through 2007. The officials noted that this time period was at the height of the troop surge in Iraq, where many of the quality metrics were loosened across the Army in order to meet expanded end-strengths. As noted above, the officials stated that the Recruit Sustainment Program, the program to which they attribute higher completion rates for initial military training since fiscal year 2005, was not in full force until the latter part of this time period. Further, tracking completion by soldiers who join in a given fiscal year can help the ARNG identify the points in time during soldiers' enlistments when they are more likely to separate from the ARNG. Without the ARNG regularly tracking the extent to which soldiers complete their initial term of service and understanding trends in the data, officials do not have full visibility into the effect the ARNG's programs and initiatives have in helping states meet their strength and readiness requirements.

#### Costs to Recruit and Train a Soldier Are Not Estimated

In addition to not tracking the extent to which soldiers are not completing their initial term of service, the ARNG had not estimated the total costs to recruit and train an ARNG soldier.<sup>67</sup> In response to our review, ARNG Strength Maintenance Division officials estimated that in fiscal year 2014, it cost the ARNG approximately \$62,000 to recruit and train an ARNG soldier for those soldiers who attended basic training and advanced training at separate training sites or approximately \$51,000 for soldiers who attended basic training and advanced training at the same training site.<sup>68</sup> According to officials, a portion of these estimates includes the salary paid to the soldier while in training but also includes enlistment incentives and the administrative costs to process the soldiers, among other things. ARNG Strength Maintenance Division officials stated,

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<sup>67</sup>In September 2013, we reported that DOD's Cost Assessment and Program Evaluation office had not established business rules for estimating the cost of part of DOD's total workforce—Reserve and Guard Personnel—and recommended that DOD develop business rules for estimating the full cost of these personnel. DOD partially concurred with our recommendation, stating that it was assessing the potential need for reserve manpower costing models and would develop reserve costing models, if appropriate, after it gained a more thorough understanding of the questions to be addressed by reserve cost estimates. GAO, *Human Capital: Opportunities Exist to Further Improve DOD's Methodology for Estimating the Costs of Its Workforces*, [GAO-13-792](#) (Washington, D.C.: Sept. 25, 2013).

<sup>68</sup>We did not independently assess the reliability of the ARNG's cost estimate to recruit and train a soldier.

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however, that the estimate includes costs other than those that support recruiting, such as resources used to manage attrition and retain personnel and that additional analysis is needed to further refine this estimate. For active-duty soldiers in the Army Active Component, the Army has estimated that recruiting and training cost about \$72,000 per soldier who attended basic training and advanced training at separate training sites or about \$54,000 for soldiers who attended basic training and advanced training at the same training site in fiscal year 2014.<sup>69</sup>

As mentioned above, the ARNG has recruited about 190,000 soldiers from fiscal years 2011 through 2014, and not all of these individuals completed initial military training. However, ARNG Strength Maintenance Division had not estimated the ARNG's costs for recruiting and training soldiers, and officials stated they would have to frequently update the calculation because the associated costs change over time. While we recognize costs for recruiting and training a soldier can change over time, it is important for the ARNG to periodically estimate these costs, such as during an annual budget cycle or other time period as appropriate, because it would better enable the ARNG to know how it is spending its resources. According to GAO's leading practices on strategic human-capital management, agencies should have valid data for determining whether they are maximizing their human-capital investments and that data gathered are kept current.<sup>70</sup> Without periodically estimating the cost to recruit and train an ARNG soldier, ARNG Strength Maintenance Division does not know the extent of its investment in soldiers and the potential loss of investment when soldiers do not complete training or their initial term of service. Having this information could be particularly important in light of our analysis above showing that about 40 percent of soldiers who joined from fiscal years 2001 through 2007 did not complete their initial term of service.

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<sup>69</sup>We did not independently assess the reliability of the Army Active Component's cost estimate to recruit and train a soldier. ARNG officials noted that the Active Army estimate would not be comparable to the ARNG estimate because the ARNG estimate also includes some resources that support attrition management and retention.

<sup>70</sup>[GAO-02-373SP](#).

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## ARNG Has Not Ensured That Recruiters Understand Financial Incentives, and OSD, Army and ARNG Have Not Conducted Oversight of ARNG's Financial Incentives Programs

The ARNG has some internal controls for processing its financial incentives<sup>71</sup> but has not ensured that recruiting officials understand available financial incentives to fill critical military positions, and OSD, the Department of the Army, and ARNG-HRM have not exercised all of their oversight responsibilities for ARNG financial incentives programs. OSD has not monitored the costs associated with ARNG incentives programs, which the services are required to report by DOD instruction. In addition, the Department of the Army and ARNG-HRM have not evaluated and documented an evaluation of the effectiveness of the financial incentives. Department of the Army and National Guard regulations require the Department of the Army Office of the Deputy Chief of Staff for Personnel and ARNG-HRM to evaluate the effectiveness of the financial incentives programs.

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## The ARNG Has Implemented Some Internal Controls for Processing Its Financial Incentives

The ARNG has a system of internal controls to help monitor compliance with financial incentives contracts.<sup>72</sup> Beginning in fiscal year 2012, ARNG-HRM implemented the Guard Incentive Management System (GIMS) to help establish internal controls when awarding financial incentives and processing incentives payments. The management system was implemented in response to a 2010 study<sup>73</sup> that a contractor conducted for the ARNG, which found deficiencies in quality controls for its previous incentives processing system. For example, the study found that it was not clear how many people had access to or how frequently they used the incentives system. Further, the 2010 study found that the previous system did not capture all requests for payments, creating the inability to accurately manage the funding for the programs, and found that the

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<sup>71</sup>According to National Guard Regulation 600-7, *Selected Reserve Incentive Programs* (Aug. 12, 2014), financial incentives within the selected reserve incentive program include enlistment bonuses, reenlistment bonuses, military occupational specialty conversion bonuses, the student loan repayment program, officer accession and affiliation bonuses, and critical skill retention bonus, among others. For the purposes of this report, we use the term incentive to refer to financial incentives that fall within this description.

<sup>72</sup>Soldiers who are awarded an incentive enter into a contractual agreement with the ARNG that contains specific requirements for the soldier to complete in order to remain eligible for the incentive.

<sup>73</sup>*iMARC Feasibility Study: Bonus and Incentives Program* (Oct. 29, 2010).

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system did not monitor and validate that a soldier remained qualified to receive an incentive.

Financial incentives are to be awarded and monitored within GIMS, which (1) establishes control by setting user levels and limitations on transactions that users are able to complete regarding incentives; (2) monitors a soldier's compliance with his or her incentives contract, and can change the incentive payments to an on-hold status and withhold payments until violations can be addressed (if at all); and (3) processes and releases payment notifications per the contract schedule, assuming the soldier's incentive payment is not flagged as in on-hold status. Some controls within GIMS<sup>74</sup> are similar to control activities suggested by the *Standards for Internal Control in the Federal Government*,<sup>75</sup> which states that attributes to internal control activities include dividing key duties and responsibilities among different people in order to reduce the risk of error, waste, or fraud.

ARNG officials at all four selected states we visited said that GIMS reduces the possibility that soldiers are awarded incentives that are not in accordance with regulation. For example, the state-level incentives manager has the responsibility to monitor incentives awarded within his or her respective state and only officials within the incentives managers' office have the authority to review and approve incentives actions, while the Military Entrance Processing Station guidance counselor is responsible for issuing incentives to a soldier. Officials stated that GIMS does not allow for individuals to perform duties outside of their responsibility, which greatly reduces the risk of fraud and improper incentives activities. Further, officials at all four selected states we visited said that GIMS greatly reduces the possibility that soldiers are awarded incentives or receive incentive payments if they do not meet the requirements for the respective incentive. For example, officials stated that soldiers cannot receive additional incentive payments until the soldier passes his or her physical training test. Officials stated that in order to receive a payment, GIMS requires the soldier's commander to verify that the soldier has passed the most recent test. If the soldier has not passed

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<sup>74</sup>Assessing the effectiveness of internal controls within GIMS was outside of the scope of this review.

<sup>75</sup>[GAO/AIMD-00-21.3.1](#).

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the most recent physical training test, GIMS will flag the soldier as ineligible for receiving payment.

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### The ARNG Has Not Ensured That Recruiters Have an Understanding of Available Financial Incentives

GIMS utilizes an algorithm that considers factors such as unit fill rate and time until deployment that determines which positions, when filled, provide the applicant with incentives. The algorithm also determines the amount of the financial incentive that the applicant will receive if the applicant meets the eligibility requirements for that position. Recruiters access the information in GIMS to determine whether an available position has an incentive attached. According to the ARNG's financial incentives policy,<sup>76</sup> positions are assigned an incentive tier level corresponding to how critical the position is.<sup>77</sup> For example, a position scored as a tier level 1 is considered most critical and has the greatest amount of incentives, while a position scored as a tier level 7 is considered not critical and does not have any incentives. Further, according to the policy, recruiting and retention financial incentives are intended to assist in filling critical shortages. The policy also states that ARNG-HRM is to develop and implement policy for ARNG incentives programs and that the Chief of NGB, through the ARNG Strength Maintenance Division, is responsible for developing strength maintenance guidance, programs, and training.

ARNG officials from all of the four selected states that we visited stated that they did not understand which vacant ARNG positions were considered critical and had incentives attached. These state recruiting officials stated that because they did not understand which positions were considered critical and had a financial incentive attached, it was difficult to utilize financial incentives as a recruiting tool. For example, during our review the algorithm within GIMS was initially being updated on a daily basis and officials stated that the constant change was a contributing factor in making it very difficult to understand which positions have a financial incentive. ARNG-HRM officials stated that, based on feedback, the algorithm was changed in January 2015 and was now being updated on a monthly basis instead of a daily basis. However, ARNG-HRM

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<sup>76</sup>Acting Director, Army National Guard Memorandum, *FY14 Selected Reserve Incentive Policy (SRIP) Endorsement* (May 22, 2014).

<sup>77</sup>On February 9, 2015, the ARNG issued guidance that identified certain military occupational specialties as "critical" for the purposes of affiliation bonuses.



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officials stated that the algorithm change to being updated on a monthly basis confused state-level recruiting personnel as to how positions that become vacant within the month are considered for criticality and incentives between the monthly updates. ARNG-HRM officials stated that there are tools, such as a search function, within GIMS for state recruiting personnel that would assist in understanding which positions are considered critical and have an incentive. However, officials stated that the tools are not being fully utilized, which is another contributing factor in not understanding which positions have a financial incentive.

Part of the reason for confusion is that the ARNG Strength Maintenance Division and ARNG-HRM has not provided recruiters with training to help enable them to effectively use financial incentives to fill critical positions. The ARNG's training curriculum instructs recruiters to identify the motivator for each applicant and to use that motivator as leverage to gain the applicant's commitment to join the ARNG. For example, some applicants may be motivated to join the ARNG in order to gain certain job skills or family tradition of service in the ARNG. Recruiters we interviewed stated that they are trained to persuade applicants to join the ARNG based on areas other than financial incentives, such as service to country and skills training, but the training did not teach recruiters how to use financial incentives to fill critical positions. While officials maintain that recruiters should primarily utilize motivators to gain the applicant's commitment to join the ARNG, ARNG Strength Maintenance Division and ARNG-HRM officials stated that additional training for recruiters on how to utilize tools to understand which positions have incentives may help in more effective use of financial incentives. Financial incentives are a tool available to recruiters, and ARNG incentives policy states that the incentives assist leadership in meeting and sustaining ARNG readiness requirements and provides incentives to assist in filling critical shortages. Incentives are to be implemented in those situations where other less costly methods have proven inadequate or ineffective in supporting unit and skill staffing requirements. *Standards for Internal Control in the Federal Government*<sup>78</sup> states that it is necessary to provide personnel with the right training and tools, among other items, to ensure operational success. Without providing recruiters with training on how to utilize available tools, such as use of financial incentives to fill positions, recruiters may not have an understanding of which military positions are

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<sup>78</sup>[GAO/AIMD-00-21.3.1.](#)

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considered critical and are not best positioned to utilize available financial incentives to fill these positions.

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### OSD Has Not Monitored the Amounts of Financial Incentives Obligated through ARNG Incentives Programs

OSD has not monitored the amounts of incentives obligated through the ARNG incentives programs. A DOD instruction requires the tracking and reporting of recruiting resources throughout DOD, including the obligation of incentives to, among other things, help ensure that DOD is using the most efficient and cost-effective processes in the recruitment of new personnel.<sup>79</sup> For example, these reports must contain information on the amount of obligations on college-fund contributions, enlistment bonuses, and student loan repayments, among other recruiting costs. According to the instruction, the information collected through the required reports is intended to help formulate policy guidance and oversight and ensure mission success. OSD has collected information on recruiting resources for the Active components through these reports, but OSD officials stated that the information does not include the amounts obligated through the incentives programs in the National Guard and Reserve components. The requirement for the National Guard and Reserve components to report this information to OSD has been in effect since at least 1991, but officials stated that turnover in staff and office reorganizations that began sometime after 2004 resulted in OSD no longer collecting and reviewing the information. In response to our review, in July 2015 the officials stated that OSD has plans to include information on the amounts of incentives obligated from the National Guard and Reserve components in the next reporting cycle of October 2015 and in future reports. Without information on the amounts obligated through National Guard- and Reserve-component incentives programs, OSD cannot effectively develop policies and guidance to help ensure that recruiting resources are used efficiently and in a cost-effective manner throughout DOD.

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<sup>79</sup>According to the instruction, the military services are required to submit, at a minimum, two reports annually. The first report is due within 45 days of when the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer receives the OSD budget estimate submission from the Office of Management and Budget. The second report is due within 45 days of when the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer receives the OSD President's Budget from the Office of Management and Budget. Department of Defense Instruction 1304.32, *Military Services Recruiting Related Reports* (Mar. 26, 2013).

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The Department of the Army and the ARNG Have Not Evaluated and Documented the Effectiveness of the ARNG's Financial Incentives Programs

The Department of the Army has reviewed and approved the ARNG's financial incentives policy and has recently issued a directive that expands its oversight; however, the Department of the Army and ARNG-HRM have not evaluated and documented the effectiveness of the financial incentives programs in achieving overall objectives. The ARNG obligated about \$836 million in financial incentives from fiscal years 2012 through 2014, which includes enlistment bonuses, student loan repayment, and reenlistment bonuses, among other incentives. The amount obligated for ARNG incentives programs decreased over this time period, from \$348 million in fiscal year 2012 to \$206 million in fiscal year 2014. ARNG officials noted that obligations related to ARNG financial incentives programs decreased over this time period because of budgetary constraints. According to Department of the Army regulation,<sup>80</sup> the Department of the Army Office of the Deputy Chief of Staff for Personnel has responsibility for conducting a semiannual review of the financial incentives program. Further, in September 2015 the Secretary of the Army issued a directive<sup>81</sup> that requires all new accession incentives created by Department of the Army components, including the ARNG, to be reviewed and approved by the Department of the Army. In addition, the directive requires all Department of the Army components to submit all current incentives programs for Department of the Army review and approval. A Department of the Army official stated that it meets its review requirement by ensuring that ARNG financial incentives policy complies with applicable laws and Army regulations. The official stated that if the ARNG determines that no midyear updates are necessary, then the Department of the Army does not conduct an additional review of ARNG incentives policy.

As previously noted, the ARNG Strength Maintenance Division and ARNG-HRM have not ensured that recruiting officials receive training and understand available financial incentives to fill critical military positions, and ARNG-HRM officials stated that they are aware that there is some confusion at the state level over which positions are considered critical. In November 2005, we reported that of the 1,500 enlisted occupational specialties across DOD, 19 percent were consistently overfilled and 41

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<sup>80</sup>Army Regulation 135-7, *Army National Guard and Army Reserve Incentives Programs* (Apr. 15, 1996).

<sup>81</sup>Army Directive 2015-36, *Review and Approval Authority for Army Accession Incentives and Programs* (Sep. 15, 2015).

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percent were consistently underfilled from fiscal years 2000 through 2005.<sup>82</sup> Moreover, we found that active-duty components provided bonuses to servicemembers in consistently overfilled occupational specialties.<sup>83</sup> We recommended that DOD require its 10 components to report annually on all (not just critical) over- and underfilled occupational specialties; provide an analysis of why occupational specialties are over- and underfilled; and report annually on and justify their use of enlistment and reenlistment bonuses provided to servicemembers in occupational specialties that exceed their authorized personnel levels. DOD partially concurred with our recommendation, stating that it has visibility over skills deemed most critical for retention and that our definition for over- and underfilled specialties was unreasonably strict. Our recommendation was not implemented.

Our current review found that in the ARNG, incentives are not always being used to fill military occupational specialties that are consistently below authorized levels and that incentives are being sometimes used for military occupational specialties that are consistently above approved levels. Specifically, we found that there were several military occupational specialties that were consistently below 80 percent of approved rates from fiscal year 2012 through fiscal year 2014. These military occupational specialties were in areas including electronic warfare, explosives ordnance disposal, and special forces, which have all been identified as important to DOD. For example, data provided by ARNG showed that while one special forces military occupational specialty was only at 70, 66, and 69 percent filled from fiscal years 2012 through 2014, respectively, only 14 contracts<sup>84</sup> containing incentives were approved for individuals in these occupational specialties during that time frame. ARNG officials stated that, depending on the demographics of a given area in close proximity to a unit and the requirements to fill positions within a particular unit, it may be difficult to find applicants who meet the qualifications of an available position. Further, data provided by the ARNG also showed that some military occupational specialties were consistently filled over approved levels yet hundreds of contracts

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<sup>82</sup>[GAO-06-134](#).

<sup>83</sup>Our 2005 report only analyzed bonus data for active duty components in this report since bonuses for reserve and National Guard components depend on geographic locations due to their geographic recruiting limitations and state missions, respectively.

<sup>84</sup>These contracts represent approximately 2 percent of approved levels.

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containing incentives were approved for individuals in these positions from fiscal years 2012 through 2014.<sup>85</sup> For example, one supply military occupational specialty was at 118, 116, and 113 percent of authorized levels from fiscal year 2012 through 2014, respectively, and yet over 880 contracts<sup>86</sup> containing incentives for these positions were awarded during that time frame. Officials stated that incentives can be awarded to positions even when the national authorized level is above 100 percent if, for example, the unit or state-level fill rates are low.

Furthermore, the Department of the Army and ARNG-HRM have not exercised their oversight responsibilities to evaluate and document the effectiveness of the ARNG's financial incentives program in achieving overall objectives. A Department of the Army official stated that he believed that it was not the role of Department of the Army to monitor and evaluate the effectiveness of the ARNG's financial incentives program, and that he believed that it was the ARNG-HRM's responsibility to do so. According to ARNG-HRM officials, the effectiveness of the incentive programs is evaluated on a regular basis. However, ARNG-HRM officials have not documented results of any evaluations or documented that their current financial incentives programs are meeting overall objectives. Department of the Army and National Guard regulations<sup>87</sup> state that the Department of the Army Office of the Deputy Chief of Staff for Personnel and ARNG-HRM, respectively, will monitor and evaluate the effectiveness of the ARNG financial incentives program in achieving overall objectives. A National Guard regulation<sup>88</sup> states that ARNG incentives serve as extraordinary measures to assist the ARNG in meeting and sustaining personnel requirements, help meet quality and skill-match objectives,

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<sup>85</sup>Information related to incentives contracts approved include all types of incentives as defined by Army Regulation 135-7, *Army National Guard and Army Reserve Incentives Programs* (Apr. 15, 1996). The Regulation allows for incentives to be approved in certain situations where national fill rates are at approved levels and unit fill rates are below approved levels. Officials stated that the algorithm within GIMS can determine that a position will have an incentive in cases where national fill rates are at or above approved levels and when state or unit-level fill rates are below approved levels.

<sup>86</sup>These contracts represent approximately 3 percent of approved levels.

<sup>87</sup>Army Regulation 135-7, *Army National Guard and Army Reserve Incentives Programs* (Apr. 15, 1996), and National Guard Regulation 600-7, *Selected Reserve Incentive Programs* (Aug. 12, 2014).

<sup>88</sup>National Guard Regulation 600-7, *Selected Reserve Incentive Programs* (Aug. 12, 2014).

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stabilize the ARNG through longer service commitments, assist in filling critical skill shortages, and support deploying and high-priority units. However, Department of the Army and ARNG-HRM officials have not documented that the ARNG incentives programs are meeting the goals listed in the National Guard regulation.

Moreover, recruiting officials at all of the four selected states we visited stated that there are cases where applicants enlist in the ARNG for nonfinancial reasons, such as service to country, and have still been awarded financial incentives. Without the Department of the Army and ARNG-HRM evaluating and documenting the effectiveness of ARNG incentives programs in meeting its goals and documenting the results, they may not know whether incentives are being used effectively to meet and sustain program goals and whether incentives are being awarded to fill critical occupational specialties.

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## Conclusions

In light of the Department of the Army's downsizing and ongoing fiscal uncertainty, and given the importance of the ARNG to help meet Army missions, it is critical for the ARNG to oversee its recruiting process and to maximize its return on investment it incurs with recruits. In response to findings from our prior work as well as others, the ARNG has taken steps to increase its oversight of the recruiting process. However, the Recruiting Standards Branch, which has played a key role in ARNG oversight of state-level recruiting activities, is in a pilot phase awaiting approval and is not permanently established. In addition to continued attention on oversight, the ARNG must have relevant, timely information that provides visibility over a soldier's career, including the recruiting process and training for his or her military occupation, through the soldier's completion of his or her initial term of service. While the ARNG has increased its percentage of soldiers who complete initial military training, available data do not provide the ARNG with full visibility into when or why a soldier does not complete initial military training or may not be reliable. Further, the ARNG's approach to tracking soldiers does not include whether soldiers who join in a given fiscal year complete their initial term of service. Moreover, the ARNG has not periodically estimated the total cost to recruit and train a soldier. Such information could be useful to decision makers to help understand the return on investment in recruiting and training a soldier. Although the ARNG implemented a new financial incentives system in fiscal year 2012, the ARNG has not provided training to help ensure that recruiters understand what financial incentives are available to help fill critical positions. Moreover, OSD, the Department of the Army, and the ARNG have not fully conducted their oversight

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responsibilities of ARNG incentives programs. Though the National Guard and Reserve components are required to provide information on their incentives programs, OSD has not enforced the requirement since around 2004, and while the Department of the Army and ARNG are required to assess the effectiveness of the ARNG financial incentives programs, they have not evaluated or documented their assessments of the programs. Given the number of occupations that are not at full strength and given the current constrained fiscal environment, it is critically important for DOD to know that incentives are being obligated effectively and that they are achieving the goal of helping to fill critical positions.

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## Recommendations for Executive Action

We recommend that the Secretary of the Army take the following six actions:

- To aid ARNG officials in conducting their oversight of the states and territories, direct the Director, ARNG, to establish a permanent program for monitoring state-level recruiting activities either by extending the Recruiting Standards Branch or establishing some other similar program.
- To aid ARNG officials in understanding the effectiveness of efforts to meet force requirements, direct the Director, ARNG, to do the following:
  - Take steps to help ensure that the ARNG collects consistent, complete, and valid data on the specific reasons why soldiers do not complete initial military training and when these soldiers separate from the ARNG during the training process. Such steps could include modifying SIDPERS to capture this information or if unable to modify SIDPERS, taking actions to ensure that information collected in the Vulcan Recruit Sustainment Program database is valid.
  - Regularly track whether ARNG soldiers who join in a given fiscal year complete their initial term of service.
  - Periodically estimate, such as on an annual basis or other time period as appropriate, the total cost of recruiting and initial training for a soldier who joins the ARNG.
- To help ARNG officials in using financial incentives to fill critical positions as required by Army and National Guard regulation, direct the Director, ARNG, to provide recruiters with training to better enable the use of available financial incentives.

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- To help determine whether ARNG officials are effectively using financial incentives, in conjunction with the Director, ARNG, exercise their oversight responsibilities by evaluating and documenting the effectiveness of ARNG's incentives program in meeting its goals. The evaluation should also determine whether incentives are being effectively awarded in military occupational specialties that have been under or over authorized levels, and whether changes are needed to effectively use existing incentives.

Given that the reporting of information related to the amounts of incentives obligated has been a requirement but not carried out in recent years, we recommend that the Office of the Secretary of Defense take the following action in order to ensure continued reporting in the future:

- Enforce its requirement for the National Guard and Reserve Component to submit information on the amounts of incentives obligated and incorporate the required information in the recruiting resources reports.

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## Agency Comments and Our Evaluation

We provided a draft of this report to DOD for review and comment. In its written comments, DOD concurred with all seven of our recommendations, but stated that it did not concur with our report due to our description of recruiting policies that were in place during the last nearly 15 years of war. DOD's comments are reprinted in appendix VIII. DOD also provided technical comments that we considered and incorporated as appropriate.

Regarding its statement that the department does not concur with our report, DOD stated that we portray both Army and ARNG recruiting efforts as being targeted at sexual offenders and that we assert that during hostilities in Iraq and Afghanistan that both the Army and ARNG made standard practice of issuing enlistment waivers for convicted sexual offenders. We disagree with that assertion. In our report, we describe the recruiting policies that were in place during a difficult time for military recruiting and have since changed. Further, in the technical comments provided to us, DOD stated that "At the height of Operations Enduring Freedom and Iraqi Freedom, the Department of the Army and the National Guard Bureau (NGB) accepted lower quality applicants (lower aptitude scores and moral waivers) and offered significantly higher incentives in order to ensure that the Army National Guard (ARNG) and Active Army could meet their respective missions, achieve end strength goals and provide ready units to combatant commanders." DOD also provided additional context regarding factors that have made the



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recruiting environment increasingly more challenging. Based on DOD's technical comments, we have added context to our final report regarding our description of the Army and ARNG's past recruiting efforts. Specifically, our report now states that, "since the end of Operation Iraqi Freedom and a significant drawdown from Afghanistan, the Department of the Army and NGB have issued guidance prohibiting approval of waivers for applicants with prior criminal offenses such as certain types of sexual offenses, as well as increasing the applicant aptitude score standards. These changes and other factors such as a less physically fit youth population have reduced the pool of qualified applicants for the ARNG and make it more difficult for recruiters to meet defined recruiting goals." In April 2012, the Director of Military Personnel Management issued a memorandum entitled Suspension of Enlistment Waivers, which stated that in an effort to reinforce and ensure compliance with Office of the Undersecretary of Defense (Personnel and Readiness) policy issued in 2009, the "enlistment or commissioning of any individual with a conviction or adverse adjudication for a felony or misdemeanor sexual offense is prohibited and no waivers are authorized." The memorandum also suspends enlistment waivers in areas of major misconduct, positive drug/alcohol tests at military entrance processing stations, and misconduct or juvenile major misconduct for drug use, possession, or drug paraphernalia, to include marijuana.

DOD agreed in its comments that not enlisting individuals with felony issues does shrink the pool of eligible recruits but stated that the accession mission for the ARNG has not been in jeopardy. However, as we note in this report, while ARNG met end-strength goals from fiscal years 2010 through 2014, the ARNG met overall recruiting goals in only 2 of the 5 years. We noted in our report that several factors have reduced the pool of qualified recruits, all while end-strength goals have remained constant. This in itself makes it inherently more difficult for recruiters to meet defined recruiting goals. Further, officials we interviewed during this engagement stated that their reduced ability to process waivers for certain law violations has made meeting the recruiting mission more difficult. We also note in our report that in June 2008 OSD issued a Directive-Type Memorandum (DTM) 08-018 – Enlistment Waivers, which established policy and provided guidance regarding enlistment waivers for applicants for the Military Services and provided standardized terminology for the tracking and reporting of waiver data to be implemented in fiscal year 2009. According to OSD officials, waiver data prior to fiscal year 2009 is inconsistent and unreliable.

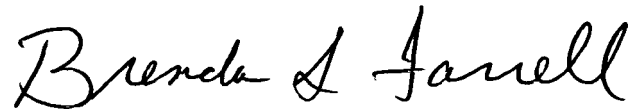
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With regard to our seven recommendations, DOD concurred with all of them and described actions it plans to take to implement them.

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We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Secretary of the Army, the Chief, NGB; and the Director, ARNG. In addition, this report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3604 or at [farrellb@gao.gov](mailto:farrellb@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix IX.



Brenda S. Farrell  
Director  
Defense Capabilities and Management

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*List of Committees*

The Honorable John McCain  
Chairman  
The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Mac Thornberry  
Chairman  
The Honorable Adam Smith  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Honorable Thad Cochran  
Chairman  
The Honorable Richard J. Durbin  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

The Honorable Rodney Frelinghuysen  
Chairman  
The Honorable Pete Visclosky  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

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# Appendix I: Objectives, Scope and Methodology

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The objectives of our review were to evaluate the extent to which (1) the Army National Guard (ARNG) has provided oversight of its recruiting process; (2) the ARNG met its goals for recruiting, completion of initial military training,<sup>1</sup> and completion of initial term of service<sup>2</sup> in recent years;<sup>3</sup> and (3) the Office of the Secretary of Defense (OSD), Department of the Army, and ARNG have conducted their oversight responsibilities of the ARNG's financial incentives programs. Also, House Report 113-446 accompanying a bill for the National Defense Authorization Act for Fiscal Year 2015<sup>4</sup> included two additional provisions: 1) a provision for us to assess the extent to which contracting vehicles used to support ARNG recruiting were in compliance with Department of Defense (DOD) and Department of the Army policies and regulations, and 2) a provision for us to assess the numbers of individuals who complete basic and advanced individual training and the average length of time between when a person enlists in the ARNG and when the person completes initial military training. To address the first of the two additional provisions, we reviewed findings from and the status of recommendations by the U.S. Army Audit Agency and the Office of the Deputy Assistant Secretary of the Army for Procurement to improve contracting processes at the National Guard Bureau (NGB). A Deputy Assistant Secretary of the Army for

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<sup>1</sup>Initial military training refers to basic and advanced training to qualify for a soldier's military occupational specialty. Basic training is the first introduction to the military for each of the services and includes instruction for new recruits on order and discipline, practices and procedures in their specific military services, combat preparedness, as well as instruction to enable new recruits to meet service-specific fitness requirements. Advanced training is career-specific training that prepares soldiers for their military occupations.

<sup>2</sup>By DOD instruction, each person who becomes a member of an armed force, subject to certain exceptions, will initially serve in the armed forces for a total of 8 years in some combination of active and reserve status. See DOD Instruction 1304.25, *Fulfilling the Military Service Obligation (MSO)* (Oct. 31, 2013) implementing 10 U.S.C. § 651. According to the ARNG Accession Options Criteria, non-prior-service soldiers will be enlisted for 8 years and can commit to active participation in the ARNG for the entire duration or for a portion of the time (minimum of at least 3 years), serving the remainder of the 8 years serving in the Individual Ready Reserve. The amount of time prior-service soldiers commit to active participation in the ARNG varies depending on the length of time the soldier previously served in the Active, Reserve, or National Guard components. For the purposes of this report, we define initial term of service as the length of the soldier's initial commitment to active participation in the ARNG.

<sup>3</sup>We evaluated the extent to which the ARNG met its goals for recruiting from fiscal years 2010 through 2014, completion of initial military training from fiscal years 2011 through 2014, and completion of initial term of service as of May 2015 for fiscal year 2015.

<sup>4</sup>H.R. Rep. 113-446 (May 13, 2014).

Procurement official determined that this information is sensitive but unclassified so we provided this information separately to the committees. To address the second provision, we included results of our analyses in appendixes II, III, IV, and V.

To describe the steps the ARNG has taken to provide oversight of the ARNG recruiting process, we obtained and reviewed guidance and policy documents regarding oversight of recruiter activities and interviewed officials from the ARNG. Although not generalizable to all states and territories, we selected a nongeneralizable sample of four states based on factors such as size, the total number of accessions, and geographic locations to understand and describe how states conduct oversight. We selected Texas and Pennsylvania as two states with a large-size ARNG end-strength, Virginia as a state with a medium-size end-strength, and Idaho as a state with a small-size end-strength. We obtained and reviewed applicable state and local recruiting and retention policy documents and interviewed recruiting and retention officials at each of these four selected states. The observations from these four selected states are not generalizable to all states and territories but provide important insight into ARNG oversight of its recruiting process.

To determine the extent to which the ARNG met goals for recruiting, completion of initial military training, and completion of initial term of service, we obtained aggregate recruiting data and associated goals from the ARNG. We compared data on the ARNG's annual recruiting goals for enlistments to the number of enlistments in the ARNG for fiscal years 2010 through 2014, respectively. We chose fiscal year 2010 as the start date because our prior work discussed the extent to which the ARNG met its recruiting goals from fiscal years 2000 through 2009. We chose fiscal year 2014 as the end date because it was the most recently available data at the time of our review. In addition, we compared ARNG's goals for completion of initial military training to ARNG-reported completion rates in fiscal years 2011 through 2014. We could not assess the extent to which ARNG met its goal for completion of initial military training in fiscal years prior to 2011 because the goals in place for those years were not available or not comparable to the completion rates provided by the ARNG. We tried to analyze data on the reasons why soldiers did not complete their initial military training and when these soldiers separated during the training process; however, we found that states inconsistently recorded the reasons why soldiers left before beginning or prior to completion of training and that training data did not provide full visibility into when soldiers separated during the training process, as we discuss in greater detail in the report. Lastly, we compared ARNG's fiscal year 2015

attrition goal for soldiers nearing the end of their initial term to the ARNG's initial term attrition rate as of May 2015, which was the most recently available data at the time of our review. We could not assess the extent to which the ARNG met goals prior to fiscal year 2015 because ARNG officials stated that the goals have changed over time and could not provide goals for previous fiscal years. In addition to analyzing available data, we interviewed ARNG officials and officials from the four states we visited for their perspectives on trends and issues we identified in analyzing the data.

To determine the extent to which OSD, the Department of the Army, and the ARNG have conducted oversight of the ARNG's incentives programs, we obtained and analyzed relevant policy and guidance documents to identify oversight responsibilities for ARNG incentives programs. We interviewed officials from the ARNG to gain an understanding of how incentives policies and guidance are being applied. We interviewed officials from OSD, Department of the Army, and the ARNG to gain an understanding of how OSD, the Department of the Army, and the ARNG conduct oversight of ARNG incentives programs. To gain an understanding of how incentives are being implemented during recruiting and retention activities, we obtained and analyzed applicable state and local incentives policies and interviewed recruiting and retention officials from our four selected states. Although not generalizable to all states and territories, we selected a nongeneralizable sample of four states based on factors such as size, the total number of accessions, and geographic locations to understand and describe how states are implementing and utilizing incentives programs in the recruiting process.

Further, to assess the number of individuals who complete basic and advanced individual training and the average length of time between when a person enlists in the ARNG and when the person completes initial military training, we obtained and analyzed data on enlisted soldiers to determine the extent to which they completed their initial military training.<sup>5</sup> We elaborate on the results from our analysis in appendixes II and III and we provide additional analysis related to the length of time soldiers who did not meet their initial term of service stayed in the ARNG in appendix IV and the reasons why soldiers left the ARNG prior to completing their

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<sup>5</sup>We analyzed information from a soldier's first enlistment in the ARNG. If a soldier joined more than once, we did not analyze information from subsequent enlistments due to limitations in the data.

initial term of service in appendix V. We analyzed data from 365,431 non-prior-service enlisted soldiers who joined the ARNG from fiscal years 2004 through 2013 to determine the extent to which they completed their initial military training. We also calculated the length of time it took non-prior-service, non-split-option<sup>6</sup> soldiers who enlisted during this time period to complete their initial military training and become qualified for their military occupational specialty. In addition, we analyzed data from 380,736 enlisted soldiers who joined the ARNG from fiscal years 2001 through 2007 to determine whether they completed their initial term of service. For those soldiers who joined during this time period but did not complete their initial term of service, we analyzed the length of time they stayed in the ARNG and the reasons for their separation. Because states inconsistently recorded the reason for soldiers who left the ARNG before completing training, we could only analyze the reasons for soldiers who completed training but left before the end of their initial term of service.

To assess the reliability of the data used in this report, we analyzed the data for inconsistencies, incomplete data fields, and outliers. We also reviewed relevant documentation about the data systems and guidance provided to the states and territories on how to report recruiting and retention data. We followed up with the ARNG to discuss limitations we identified and requested revised data or made adjustments to our analysis, when possible, to mitigate these limitations. We noted any limitations in the report, where appropriate. Except in the case of reasons why soldiers left the ARNG before completing their military training and data on when soldiers separated during the training process, we found that the data were sufficiently reliable for the purposes of determining (1) the extent to which enlisted soldiers completed their initial military training; (2) the length of time it took these soldiers to complete their initial military training and become qualified for their military occupational specialty; (3) the extent to which enlisted soldiers completed their initial term of service; (4) the length of time enlisted soldiers who did not complete their initial term of service served in the ARNG; and (5) the reasons why enlisted soldiers who graduated from their training but did not complete their initial term of service left the ARNG.

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<sup>6</sup>The split-training option is an enlistment option for those who cannot complete basic training and advanced training in one continuous cycle because of school or seasonal employment.

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We conducted this performance audit from August 2014 to November 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



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# Appendix II: Completion of Initial Military Training by Non-Prior Service Enlisted Soldiers

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For individuals who joined the Army National Guard (ARNG) within a given fiscal year, we analyzed whether they completed their initial military training and found that the percentage of ARNG soldiers who completed their training generally increased annually from 63.7 percent in fiscal year 2004 to 80.5 percent in fiscal year 2013.<sup>1</sup> ARNG Strength Maintenance Division officials attributed the improvements in completion of training largely to the Recruit Sustainment Program, which began in fiscal year 2005. The purpose of the Recruit Sustainment Program is to increase the likelihood that ARNG soldiers will graduate initial military training by ensuring that recruits are mentally prepared and physically fit prior to attending training. The program aims to provide recruits with realistic training that is similar to the first 3 weeks of basic training. In addition, recruiters stated that the Recruit Sustainment Program allows the ARNG to maintain contact with recruits while they wait to attend training and to monitor their conduct and educational progress to help ensure they stay eligible to join. Table 6 shows our analysis of the extent to which non-prior-service enlisted individuals who joined the ARNG from fiscal years 2004 through 2013 completed their initial military training.

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<sup>1</sup>We chose fiscal year 2004 as the start date because the Recruit Sustainment Program started in fiscal year 2005. We chose fiscal year 2013 as an end date because 36 percent—or 13,716 soldiers—who joined in fiscal year 2014 were still in the process of completing their initial military training as of April 15, 2015.

**Appendix II: Completion of Initial Military Training by Non-Prior Service Enlisted Soldiers**

**Table 6: Completion of Initial Military Training for Non-Prior-Service Enlisted Soldiers Who Joined the Army National Guard (ARNG) (Fiscal Years 2004 through 2013)**

<b>Fiscal year</b>	<b>Number of ARNG soldiers who completed initial military training (in thousands)</b>	<b>Number of ARNG soldiers who did not complete initial military training (in thousands)</b>	<b>Percentage of ARNG soldiers who completed their initial military training (percent)<sup>a</sup></b>
2004	16.7	9.5	63.7%
2005	18.7	7.8	70.5
2006	30.1	10.9	73.5
2007	29.9	10.8	73.4
2008	31.7	10.7	74.7
2009	29.2	8.4	77.6
2010	30.2	8.6	77.8
2011	26.4	7.0	79.1
2012	28.5	7.4	79.4
2013	30.1	7.3	80.5

Source: GAO analysis of ARNG data. | GAO-16-36

Note: Our analysis includes non-prior service, enlisted soldiers who joined the ARNG from fiscal years 2004 through 2013 and did or did not complete training as of April 15, 2015. Our analysis excludes enlisted soldiers who later became officers and 5,405 soldiers who were still in the process of completing their initial military training at the time of our analysis. Due to limitations in soldiers' training records, we could not separately determine the extent to which soldiers completed basic training.

<sup>a</sup>Percentage may not equal comparison of two previous columns in table due to rounding.

# Appendix III: Average Length of Time for Enlisted Soldiers to Qualify for Their Military Occupations

The average length of time for non-prior-service enlisted soldiers who joined the Army National Guard (ARNG) from fiscal years 2004 through 2013 to complete initial military training and become qualified for their military occupation for the top 15 military occupational specialties varied from 254 to 357 days. See table 7.

**Table 7: Average Length of Time It Took Non-Prior-Service Enlisted Soldiers Who Joined the Army National Guard (ARNG) from Fiscal Years 2004 through 2013 to Complete Training and Qualify for Their Military Occupation for the Top 15 Occupations**

Military occupational specialty	Number who completed initial military training and became qualified for their military occupational specialty	Average time to complete initial military training and become qualified for military occupational specialty (days)	Approximate length of basic and advanced training for soldiers' military occupation (days) <sup>a</sup>
Infantryman	27,648	270	98
Motor Transport Operator	16,115	263	119
Military Police	15,103	313	140
Health Care Specialist	10,616	357	182
Automated Logistical Specialist	8,045	297	154
Combat Engineer	7,962	262	112
Light-Wheel Vehicle Mechanic	6,812	318	140
Wheeled Vehicle Mechanic	6,748	297	161
Unit Supply Specialist	6,589	287	126
Food Service Specialist	6,029	284	133
Cannon Crewmember	5,632	254	119
Human Resources Specialist	5,293	291	133
Chemical, Biological, Radiological, and Nuclear Specialist	5,066	309	140
Signal Support Systems Specialist	4,991	357	196
Cavalry Scout	4,827	269	112
Overall total and average for non-prior-service, non-split-option enlistments	211,085	303	

Source: GAO analysis of ARNG data. | GAO-16-36

Note: We determined the top 15 military occupations based on the total number of non-prior service, enlisted soldiers who completed training and became qualified for their military occupation. These 15 occupations sum to 137,476. The total shown includes all occupations.

Our analysis includes non-prior-service enlisted soldiers who joined the ARNG from fiscal years 2004 through 2013 and had completed their initial military training as of April 15, 2015. This table excludes 30,406 non-prior-service, enlisted soldiers who joined under the ARNG's split-training option, which is an enlistment option for those who cannot complete basic training and advanced training in one continuous cycle because of school or seasonal employment. The amount of time it took to complete training is calculated from the date of the soldiers' enlistment in the ARNG to the date the soldiers' pay status indicated that the soldier had been trained. We could not use soldiers' training records to

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**Appendix III: Average Length of Time for  
Enlisted Soldiers to Qualify for Their Military  
Occupations**

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identify the date they completed their initial military training due to limitations in the availability of the data. ARNG officials stated that there could be a time lag of up to a few weeks from the date a soldier graduated from initial military training to the date that a soldier's pay status indicated that he or she was trained

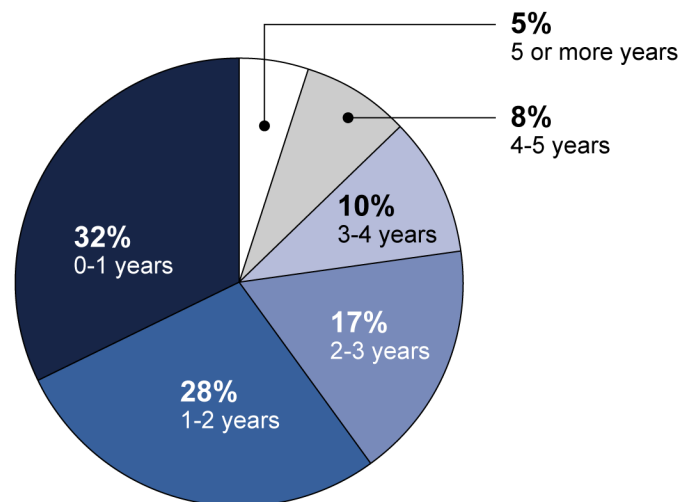
<sup>a</sup>Non-prior service, enlisted soldiers attend both basic training and advanced training for their military occupational specialty. Prior to attending advanced training—which varies based on a soldier's military occupation, the soldiers generally attend basic training for 10 weeks or approximately 70 days.

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# Appendix IV: Length of Time Enlisted Soldiers Who Left Before Their Initial Term Served in the Army National Guard

Enlisted soldiers who joined the Army National Guard (ARNG) from fiscal years 2001 through 2007 and did not complete their initial term of service typically left within the first 2 years of joining the ARNG. Figure 1 shows the length of time enlisted soldiers who joined from fiscal years 2001 through 2007 and did not complete their initial term of service stayed in the ARNG.

**Figure 1: Length of Time Enlisted Soldiers Who Left before the End of Their Initial Term Served in the Army National Guard (ARNG), for Those Joining from Fiscal Years 2001 through 2007**



Source: GAO analysis of Army National Guard data. | GAO-16-36

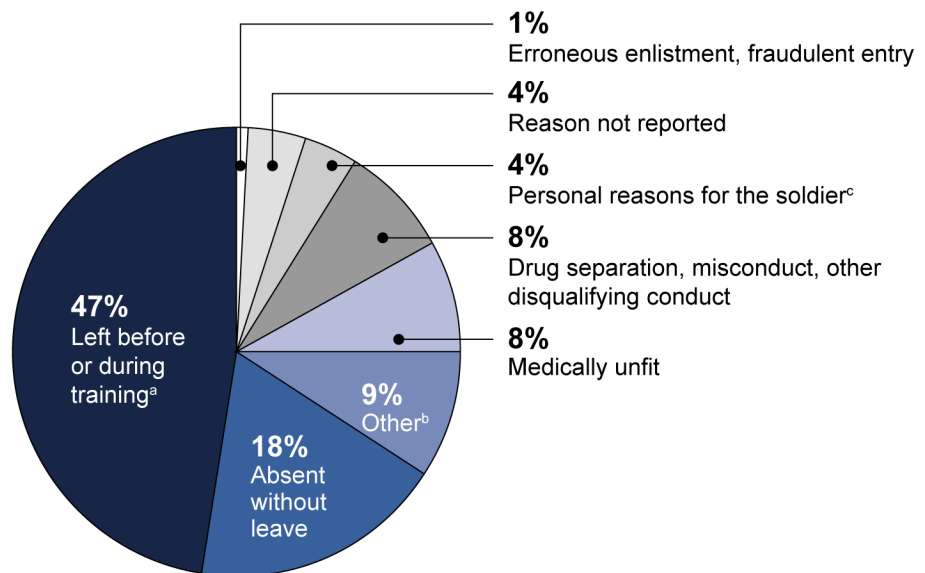
Note: We analyzed information from the first enlistment of soldiers who joined from fiscal years 2001 through 2007 and whose initial-term end dates occurred before September 30, 2014. We counted soldiers who had an attrition date within 30 days of their initial-term end date as completing their initial term of service. In addition, we excluded (1) soldiers who were missing a date for the end of their initial term of service; (2) soldiers who enlisted into the ARNG but later became officers; and (3) soldiers who left the ARNG to join the Active component, another Reserve component, or the Inactive Guard, among other things, because these soldiers may have later completed their initial term of service in those capacities, but we did not have visibility into whether they did so.

# Appendix V: Reasons Why Enlisted Soldiers Did Not Complete Their Initial Term

We also analyzed the reasons why soldiers did not complete their initial term of service and found that soldiers left for a variety of reasons.<sup>1</sup>

Figure 2 shows the reasons why soldiers did not complete their initial term of service for those who joined from fiscal years 2001 through 2007.

**Figure 2: Primary Reasons Enlisted Soldiers Did Not Complete their Initial Term of Service for Those who Served in the Army National Guard (ARNG) from Fiscal Years 2001 through 2007**



Source: GAO analysis of ARNG data. | GAO-16-36

Note: Percentages in the figure do not sum to 100 percent due to rounding. We analyzed information from the first enlistment of soldiers who joined from fiscal years 2001 through 2007 and whose initial term end dates occurred before September 30, 2014. We counted soldiers who had an attrition date within 30 days of their initial term end date as completing their initial term of service. In addition, we excluded (1) soldiers who were missing a date for the end of their initial term of service; (2) soldiers who enlisted into the ARNG but later became officers; and (3) soldiers who left the Army National Guard to join the Active Component, another Reserve Component, or the Inactive Guard, among

<sup>1</sup>Army regulation states that depending on the nature of the soldier's service while in the ARNG and the reason for the separation, a soldier can receive an honorable, general, dishonorable, or uncharacterized discharge, and may be required to repay unearned incentives. Further, Army regulation states that the ARNG should generally determine the characterization of a soldier's discharge based on pattern of behavior rather than an isolated incident. The way in which a soldier's discharge is characterized affects certain benefits, such as future reenlistment into military service, obtaining civilian employment, and receipt of veteran's benefits. In addition, the ARNG may recoup incentives from soldiers who received unearned portions of monetary payments, such as enlistment bonuses, that were paid in advance.

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**Appendix V: Reasons Why Enlisted Soldiers  
Did Not Complete Their Initial Term**

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other things, because these soldiers may have later completed their initial term of service in those capacities, but we did not have visibility into whether they did so.

<sup>a</sup>We found that states were not consistently selecting the category in the Standard Installation/Division Personnel System for why soldiers left either before or during initial military training, and, as a result, we were not able to analyze the reasons these soldiers left. In addition, due to limitations in soldiers' training records in the Army Training Requirements and Resources System, we could not identify whether a soldier left during basic or advanced training. For the purposes of our analysis, we consolidated the data for soldiers who joined from fiscal years 2001 through 2007 and left before or during training into the "Left before or during training" category. Those soldiers who completed their training but left before the end of their initial term are categorized by their respective reason in the chart.

<sup>b</sup>The "Other" category includes reasons such as felony conviction, death, and maximum allowable age.

<sup>c</sup>The "Personal reasons for the soldier" category includes soldiers who left for a reason such as commuting distance, hardship or religious reasons, and inability to perform duties due to parenthood.

# Appendix VI: Department of Defense (DOD), Department of the Army, and Army National Guard (ARNG) Policies and Procedures Related to Recruiting and Retention

Reference	Source	Description	Publication date
DOD Instruction 1304.32, <i>Military Services Recruiting Related Reports</i>	DOD	Establishes policy, assigns responsibilities, and provides procedures regarding the tracking and reporting of various recruiting-related data (including the tracking and reporting of enlistment waivers and tracking and reporting of recruiter irregularities).	March 26, 2013
DOD Instruction 1145.01, <i>Qualitative Distribution of Military Manpower</i>	DOD	Establishes policies and assigns responsibilities for qualitative distribution of manpower accessions, and defines certain DOD quality measures for accessions.	December 12, 2013, incorporating change September 22, 2014
Army Regulation 601-210, <i>Active and Reserve Components Enlistment Program</i>	Department of the Army	Governs eligibility criteria, policies, and procedures for enlistment and processing of persons into the Regular Army, the Army Reserve, and the ARNG, among other things.	March 12, 2013
<i>Army National Guard Accession Options Criteria</i>	ARNG	Dictates the different types of enlistment or accession programs for enlisted, officers, and warrant officers.	June 1, 2014
Army Regulation 40-501, <i>Medical Services, Standards of Medical Fitness</i>	Department of the Army	Provides information on medical fitness standards for induction, enlistment, appointment, retention, and related policies and procedures.	August 4, 2011
Army Regulation 135-7, <i>Army National Guard and Army Reserve Incentive Programs</i>	Department of the Army	Establishes a single reference for incentives authorized within the ARNG and Army Reserve and establishes responsibilities for Department of the Army regarding incentives within the ARNG and Army Reserve.	April 15, 1996
National Guard Regulation 601-1, <i>Army National Guard Strength Maintenance Program</i>	ARNG	Integrates all of the recruiting and retention programs, policies, and procedures necessary for developing, implementing, and monitoring a successful strength maintenance program at the state or territory level.	April 28, 2006
National Guard Regulation 600-7, <i>Selected Reserve Incentives Programs (SRIP)</i>	ARNG	Governs policies and procedures for the administration of the ARNG SRIP Programs.	August 12, 2014

Source: DOD, Department of the Army, and ARNG. | GAO-16-36



# Appendix VII: Recommendations from Selected Prior GAO Work on Military Recruiting and the Status of Their Implementation

Report title	Report issuance date	Recommendation	Status of Department of Defense's (DOD) implementation
Military Personnel: DOD Needs Action Plan to Address Enlisted Personnel Recruitment and Retention Challenges	November 17, 2005	To provide greater understanding of the recruiting and retention issues and improve the department's oversight for these issues, the Secretary of Defense should direct the Under Secretary of Defense for Personnel and Readiness, in concert with the Assistant Secretary of Defense for Reserve Affairs, to require the 10 components to report annually on all (not just critical) over- and underfilled occupational specialties, provide an analysis of why occupational specialties are over- and underfilled, and report annually on and justify their use of enlistment and reenlistment bonuses provided to servicemembers in occupational specialties that exceed their authorized personnel levels.	Not implemented
		To provide greater understanding of the recruiting and retention issues and improve the department's oversight for these issues, the Secretary of Defense should direct the Under Secretary of Defense for Personnel and Readiness, in concert with the Assistant Secretary of Defense for Reserve Affairs, to develop a management action plan that will help the components to identify and address the root causes of their recruiting and retention challenges.	Not implemented
Military Personnel: Army Needs to Focus on Cost-Effective Use of Financial Incentives and Quality Standards in Managing Force Growth	May 4, 2009	Should the Army decide to offer incentives to officers in the future, the Secretary of Defense should direct the Secretary of the Army to build on currently available analyses that will enable the Army, with the direction and assistance of the Secretary of Defense, to set cost-effective bonus amounts and other incentives.	Not implemented
		To enable the most efficient use of recruiting resources, the Secretary of Defense should direct the Secretary of the Army to collect data on the cost-effectiveness of the Army's conduct waiver policies—including costs associated with the waiver review and approval process and with future separations of soldiers with conduct waivers for adverse reasons—and use these data to inform the Army's waiver policies.	Not implemented
		To enhance its existing processes to recruit and retain sufficient numbers of enlisted personnel and to avoid making excessive payments to achieve desired results, the Secretary of Defense should direct the Secretary of the Army to build on currently available analyses that will enable the Army to set cost-effective enlistment and reenlistment bonuses.	Implemented

**Appendix VII: Recommendations from  
Selected Prior GAO Work on Military  
Recruiting and the Status of Their  
Implementation**

<b>Report title</b>	<b>Report issuance date</b>	<b>Recommendation</b>	<b>Status of Department of Defense's (DOD) implementation</b>
		To enable the Army to make informed decisions regarding the management of its officer corps over time, the Secretary of Defense should direct the Secretary of the Army to track—and if necessary correct—any effects that its actions to alleviate shortages may have on the officer corps, particularly in cases in which the Army has deviated from benchmarks established in the Defense Officer Personnel Management Act.	Not implemented
Military Recruiting: Clarified Reporting Requirements and Increased Transparency Could Strengthen Oversight over Recruiter Irregularities	January 28, 2010	The Secretary of Defense should direct the Secretaries of the Army and Navy to identify mechanisms for the regular sharing of the recruiter irregularity data throughout all levels of command.	Implemented
		The Secretary of Defense should direct the Under Secretary of Defense for Personnel and Readiness to complete and issue the instruction on tracking and reporting data on recruiter irregularities to clarify the requirements for the types of recruiter irregularities to be reported and the placement of recruiter irregularity cases and actions taken into reporting categories.	Implemented
		The Secretary of Defense should direct the Under Secretary of Defense for Personnel and Readiness to direct the relevant offices within the National Guard Bureau to adjust their reporting procedures in ways that will provide transparency in the data reported to OSD and any limitations on the data.	Implemented
		The Secretary of Defense should direct the Under Secretary of Defense for Personnel and Readiness to include the appropriate disclosures concerning data limitations in the recruiter irregularity reports that OSD produces on the basis of the National Guard data for the Congress and others.	Not implemented

Source: GAO. | GAO-16-36

# Appendix VIII: Comments from Department of Defense



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
MANPOWER AND RESERVE AFFAIRS  
111 ARMY PENTAGON  
WASHINGTON, DC 20310-0111

20151022

Ms. Brenda S. Farrell  
Director, Defense Capabilities Management  
U.S. Government Accountability Office  
441 G Street, NW  
Washington DC 20548

Dear Ms. Farrell,

This is the Department of Defense response to the GAO Draft Report GAO-16-36, "MILITARY RECRUITING: Army National Guard Needs to Continue Monitoring, Collect Better Data and Assess Incentives Programs," dated September 24, 2015 (GAO Code 351957).

The Department is providing official written comments for inclusion in the report. Whereas the Army concurs with the recommendations made by the GAO, the Army does not concur with this report. The GAO's portrayal of both Army and Army National Guard (ARNG) recruiting efforts as being targeted at sexual offenders is inflammatory, not supportable, and unnecessarily out of context for this report. Your report indicates that during hostilities in Iraq and Afghanistan, both the Army and ARNG made standard practice of issuing enlistment waivers for convicted sexual offenders. That with the Army's decreasing combat role, both the Army and ARNG, "have determined that they would no longer approve waivers for applicants with prior criminal offenses such as certain types of sexual offenses." It is Army policy that convicted sex offenders are not eligible for enlistment and may not enter or reenter the Army. Whereas not enlisting individuals with adult major misconduct (felony) issues does in fact shrink the pool of eligible recruits, the Accession mission for both the Army and the Army National Guard has not been in jeopardy. We formally request to see the data used by GAO that led to the issuance of the statement on page 1 of your report.

Sincerely,

Anthony J. Stamilio  
Deputy Assistant Secretary of the Army  
(Military Personnel and Quality of Life)

Enclosures  
1) Army Comments  
2) Technical Comments

GAO DRAFT REPORT DATED SEPTEMBER 24, 2015  
GAO-16-36 (GAO CODE 351957)

“MILITARY RECRUITING: ARMY NATIONAL GUARD NEEDS TO CONTINUE  
MONITORING, COLLECT BETTER DATA AND ASSESS INCENTIVES  
PROGRAMS”

DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATION

**RECOMMENDATION:** To aid ARNG officials in conducting their oversight of the states and territories, the GAO recommends that the Secretary of the Army direct the Director, ARNG, to establish a permanent program for monitoring state-level recruiting activities either by extending the Recruiting Standards Branch or establishing some other similar program.

**ARMY RESPONSE:** Concur. In addition to continuing to provide Title 10 oversight of State recruiting through the Military Entrance Processing Station Guidance Counselors, the ARNG will continue the pilot program in the interim and complete the process to document and resource the Recruiting Standards Branch at the earliest possible date.

**RECOMMENDATION:** To aid ARNG officials in understanding the effectiveness of efforts to meet force requirements, the GAO recommends that the Secretary of the Army direct the Director, ARNG, to:

- Take steps to help ensure that the ARNG collects consistent, complete, and valid data on the specific reasons why soldiers do not complete initial military training and when these soldiers separate from the ARNG during the training process. Such steps could include modifying SIDPERS to capture this information or if unable to modify SIDPERS, take actions to ensure that information collected in the Vulcan Recruit Sustainment Program database is valid.
- Regularly track whether ARNG soldiers who join in a given fiscal year complete their initial term of service.
- Periodically estimate, such as on an annual basis or other time period as appropriate, the total cost of recruiting and initial training for a soldier who joins the ARNG.

**ARMY RESPONSE:** Concur. ARNG will develop the functionality in personnel and/or training management systems to collect consistent, complete, and valid data on the specific reasons why Soldiers do not complete initial military training and when these Soldiers separate from the ARNG during the training process. Additionally, the ARNG will begin tracking on an annual basis the percentage of ARNG Soldiers from a given years enlistments that complete their initial term of service. Finally, the ARNG will, for each fiscal year, refine the current estimate of the total cost of recruiting and training an ARNG.

**RECOMMENDATION:** To help ARNG officials in using financial incentives to fill critical positions as required by Army and National Guard regulation, the GAO recommends that the Secretary of the Army direct the Director, ARNG, to provide recruiters training to better enable the use of available financial incentives.

**ARMY RESPONSE:** Concur. In addition to the current training on selling the features and benefits of service, the ARNG will add a training module into the basic recruiter course, the 79T Conversion Course and the NCOIC course (currently under development) on efficient and effective use of available financial incentives to fill critical vacancies starting FY17. The delayed implementation accounts for the requirement to develop training material, approve through Army Training and Doctrine Command, and revise the course to include the material.

**RECOMMENDATION:** To help determine whether ARNG officials are effectively using financial incentives, in conjunction with the Director, ARNG, the GAO recommends that the Secretary of the Army exercise its oversight responsibilities by evaluating and documenting the effectiveness of ARNG's incentives program in meeting its goal. The evaluation should also determine whether incentives are being effectively awarded in military occupational specialties that have been under or over authorized levels, and whether changes are needed to effectively use existing incentives.

**ARMY RESPONSE:** Concur. As of August 2015, the ARNG has initiated a robust plan to evaluate and document the effectiveness of the ARNG's incentive programs. The annual review will ensure incentive policy aligns with strategic goals and are only implemented in specific situations where other, less costly, methods have proven inadequate or ineffective in accordance with DoDD 1205.20. The ARNG's measures of effectiveness are based on the DARNG's strategic lines of effort. The evaluation plan includes recommending quarterly changes to incentive policy. Effectiveness of the quarterly analysis and evaluation cycle will be reviewed annually. The first annual incentives evaluation (FY16) will be completed December 2016 and will identify if additional changes are needed to meet the DARNG's strength maintenance goals. Additionally, per Army Directive 2015-36 (Review and Approval Authority for Army Accession Incentives and Programs), to ensure oversight of accessions programs expending federal funds, all components must submit all accessions incentives and programs to the Assistant Secretary of the Army (Manpower and Reserve Affairs) for review of return on investment and validation of management controls.

**RECOMMENDATION:** Given that the reporting of information related to the amounts of incentives obligated has been a requirement but not carried out in recent years, the GAO recommend that the Office of the Secretary of Defense take the following action in order to ensure continued reporting in the future:

- Enforce its requirement for the National Guard and Reserve Component to submit information on the amounts of incentives obligated and incorporate the required information in the recruiting resources reports.

**DoD RESPONSE:** Concur. The Office of the Secretary of Defense (OSD), as cited in the report, has already collected the data from the National Guard and Reserve Components for the next report. Those data will be included in future reports. However, incentive obligation information is presented through DoD to congress biannually and published in the Department of the Army Budget Estimates: Justification Book. The Justification Book summarizes end strength goals through management of recruiting, retention and attrition. Incentive obligations are reported as actuals for the previous year, as estimates for the current year and as requests for the upcoming year. The same data and analysis submitted during staffing the Justification Book will be shared with the recruiting resource reports required by DoDI 1304.32.

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# Appendix IX: GAO Contact and Staff Acknowledgments

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## GAO Contact

Brenda S. Farrell, (202) 512-3604 or [farrellb@gao.gov](mailto:farrellb@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Vincent Balloon, Assistant Director; Amie Lesser; Richard Powelson; Terry Richardson; Christine San; Jared Sippel; Norris "Traye" Smith; Sabrina Streagle; Elizabeth Van Velzen, and Michael Willems made key contributions to this report.

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# Related GAO Products

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*Military Recruiting: Clarified Reporting Requirements and Increased Transparency Could Strengthen Oversight over Recruiter Irregularities.* [GAO-10-254](#). Washington, D.C.: January 28, 2010.

*Military Personnel: Army Needs to Focus on Cost-Effective Use of Financial Incentives and Quality Standards in Managing Force Growth.* [GAO-09-256](#). Washington, D.C.: May 4, 2009.

*Military Personnel: DOD Needs Action Plan to Address Enlisted Personnel Recruitment and Retention Challenges.* [GAO-06-134](#). Washington, D.C.: November 17, 2005.

*Military Attrition: DOD Needs to Better Analyze Reasons for Separation and Improve Recruiting Systems.* [GAO/T-NSIAD-98-117](#). Washington, D.C.: March 12, 1998.

*Military Recruiting: DOD Could Improve Its Recruiter Selection and Incentive Systems.* [GAO/NSIAD-98-58](#). Washington, D.C.: January 30, 1998.

*Military Attrition: DOD Could Save Millions by Better Screening Enlisted Personnel.* [GAO/NSIAD-97-39](#). Washington, D.C.: January 6, 1997.



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