



## DEFENSE FINANCE AND ACCOUNTING SERVICE

8899 EAST 56<sup>TH</sup> STREET  
INDIANAPOLIS, IN 46249-0201

May 7, 2024

The Honorable Charles Grassley  
President Pro Tempore Emeritus  
United States Senate  
Washington, D.C. 20510-1501

Dear Senator Grassley:

Thank you for your letter dated March 19, 2024. As you know, financial controls are very important to the Department of Defense and the Defense Finance and Accounting Service (DFAS).

In June 2023, the Army Criminal Investigation Division (CID) made DFAS aware of the potential fraud on the CHYLD/Mello payments. In early August 2023, as the DFAS Director, I became aware DFAS was supporting an investigation into an alleged fraudulent activity. In October 2023, DFAS met with both the Army CID and the Internal Revenue Service. DFAS is unaware of any Department of Defense-wide (DoD) Hotline complaints regarding this issue.

In this situation, Janet Yamanaka (Mello) was identified as being associated with the IMCOM G9 Child and Youth Services (CYS) Program as the CYS Financial Program Manager since August 2017. During this time, she presented CHYLD as a government entity. Ms. Mello used a FS Form 7600A or B "United States Government Interagency Agreement between Federal Agencies" which did not require a Taxpayer Identification Number for CHYLD.

To initiate the payments at issue, the Army provided signed documentation to DFAS of a Non-Appropriated Fund Instrumentality (NAFI) purchase from a government entity (CHYLD). The signed Memorandums and SF 1080's submitted for payment were permitted mechanisms by which to obtain payment to CHYLD per the DoD Financial Management Regulation (FMR) Volume 13 which allows for other signed documents to be used by a NAFI to support payments to a government entity. *See Department of Defense (DoD) Financial Management Regulation (FMR) Volume 13, Chapter 3, Section 5.0, paragraph 5.3.* The requests for payment were submitted into the document management system by authorized IMCOM G9 personnel. DFAS routinely receives similar instructions from Army for other Army NAF programs.

In processing all CHYLD/Mello payments at issue, DFAS complied with applicable provisions of the DoD FMR as well as DoD policy. Specifically, all payments made were supported by documentation provided by the Army, which was consistent with the FMR and DoD policy. All payments were made with commercial bank check stock using non-appropriated funds.

Sincerely,

DAVIS.AUDREY.YV  
ONNE.1060604955

Digitally signed by  
DAVIS.AUDREY.YVONNE.10606  
04955  
Date: 2024.05.07 10:23:20 -04'00'

Audrey Y. Davis  
Director