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May 23, 2018

Mr. Glenn A. Fine
Principal Deputy Inspector General
Department of Defense
4800 Mark Center Drive
Alexandria, VA 22350

Dear Mr. Fine:

I am writing to raise questions about Department of Defense (DoD) Inspector General (IG) audit report No. 2018-084, dated March 14, 2018, on TRICARE overpayments.

This report uncovered improper payments of up to \$81.2 million. These overpayments were made by the Defense Health Agency (DHA) to TRICARE providers in 2015-16. The report makes two recommendations: 1) DHA, which manages TRICARE, should conduct annual reviews of claims to ensure that they are fully supported by required documentation, starting with those involving overpayments of \$81.2 million in 2015-16, and continuing in future years; and 2) DHA should "pursue appropriate action, such as recouping any overpayments, on the claims in our [DoD IG] sample for which there was insufficient or no documentation." DHA appears to concur with both recommendations.

I have seven questions about this audit as follows:

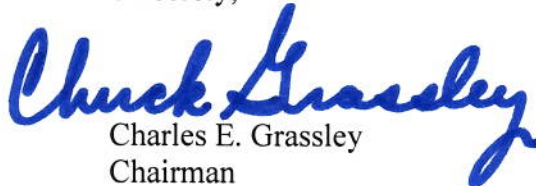
- 1) The language used in the OIG's second recommendation is broad and general and inexact: There is no action other than recoupment that is acceptable, correct?
- 2) Why do the \$81.2 million in overpayments need to be re-reviewed by DHA?
- 3) OIG auditors identified up to \$81.2 million in potential overpayments; So why didn't the OIG auditors complete the job, validate the numbers, and then hand it off to DHA for collection?
- 4) DHA was supposed to be watch-dogging the money but failed in that responsibility; Why does OIG have confidence that DHA will correct the problem? What's the timetable?
- 5) Under existing DoD regulations, DHA is required to maintain effective internal controls; Regular reviews designed to detect overpayments should be part of that process; Since DHA failed to follow those rules, why didn't the DoD OIG recommend that responsible officials at DHA be held accountable for failing to properly control the taxpayers' money? Making \$81.2 million in overpayments is a sign of carelessness and negligence and must not be tolerated.

- 6) Has anyone been held accountable for such careless waste and misuse of precious tax dollars? If not, why?
- 7) Since this oversight work began in February 2017 and the true scope of the problem was well-known by January 2018, the recovery process should be well underway; To date, what portion of the \$81.2 million in overpayments has been recovered? If none has been recovered, when will the recovery process begin?

A response to my seven questions is requested by Friday, June 1, 2018.

Your continuing support of my oversight work is appreciated.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary