

CIVIL AIR PATROL INSPECTOR GENERAL

IG AUDIENCE

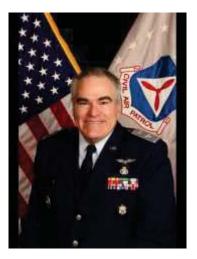
Volume 6 Issue 1

January 2015

FORWARD THIS NEWSLETTER TO ALL UNITS IN YOUR WING!

A note from Col Tom Kettell, CAP/IG: The IG Audience has evolved from a newsletter

to being the Education Journal for the IG Program. Each quarterly issue has introduced a quality tool (or two) that will be implemented into program operations. The use of these tools by Wing IGs (first) and then Wing/Unit Commanders (with mentorship and assistance from IG) will be a contributing element towards moving CAP in the direction of continuous improvement and the establishment of a quality culture.



Getting Out in Front of It

by Col Tom Kettell, CAP/IG

Since being appointed the National Inspector General of the Civil Air Patrol in August, I placed a great deal of focus in my first 90 days in developing a strategic plan that is designed to shift the focus of how we look at compliance. In November I presented the outline of this plan to the CAP Senior Advisory Council (CSAG) as well as the Civil Air Patrol Board of Governors (BoG) in December.

When you look at our program today, much of the activity and energy that surrounds compliance comes at the tail end of our process. For example, most of the activity spent toward Compliance/Subordinate Unit Inspections happens just before the inspection and immediately following. The overwhelming majority of our units prepare for an inspection a month or two prior to the inspection date. The result is often a flurry of activity and long hours cramming to prepare for the event. Subsequently, after the inspection, a great deal of energy is spent closing discrepancies and bringing the unit back into compliance. Our goal is to provide systems and training to aid in creating a compliance culture year round by providing every unit with access to training and systems that provide them a snapshot of their compliance picture at any point in time. In the Complaint Resolution program it is essential to train commanders and IGs on their roles and responsibilities in their compliance program and how to avoid the traps and pitfalls that lead to complaints.

The strategic plan consists of five elements, all designed to shift the organization's focus and energy to the beginning of the compliance process:

- 1. Increase the competency level of the IG Corps this will be accomplished by training and managing expectations of Region IGs to effectively execute their primary responsibilities of:
 - Oversight and guidance to the Wing IGs in both Q and I functions
 - Implement and manage a high quality complaint resolution program
 - Manage the Inspection program in their region
 - Become a member of the SAV inspection team
 - Be a competent advisor to their commander

- 2. Increase understanding of the role and responsibility of the commander in their Inspector General Program One of a commander's primary responsibilities is compliance. I have seen over the years that commanders who have invested in training (IGSC, IGC) have better compliance performance in both complaint resolution and inspections than those without training. This fiscal year we will provide and fund an IG Senior Course at the summer command council for any commander who has not had formalized IG training in the last five years. I believe the results of a fully trained command corps will go a long way in shifting the compliance culture to an everyday event vs. once every four years.
- 3. Complete implementation of the inspection process our data show that our new compliance process has significantly reduced cost and volunteer hours while increasing our member's visibility on compliance. In the coming years we will complete this process in providing inspection criteria for flights, regions, and the overseas units.
- 4. Plan and implement Phase II of the Inspection Process the next phase of our compliance program will move us to a data driven compliance structure. Our IG program collects a vast amount of data but being data rich and information poor makes all that data useless. Our goal is to design and implement data mining tools that can manage all the data collected from CIs and SUIs and display the information in a pictorial format that would allow commanders to take a snapshot of their compliance in any area and any given point in time. Data analytics tools will provide commanders with trend analysis at the touch of a button.
- 5. Update the 123-series regulations providing better definitions on our whistle blower policy and fraud, waste, and abuse, defining and providing recourse for commanders when a member is abusing the IG system by submitting frivolous complaints.

As we implement this plan over the next few years there will be some bumps in the road. It will take the combined effort of the IGs and commanders to see this through. Once completed, I am confident that we naturally shift our organization's compliance focus to the beginning of the compliance process, keeping us compliant everyday – "getting out in front of it".

IG Summit Recap

by Lt Col Craig Gallagher, CAP/IGT

The IG Summit was held November 22-23, 2014 at Hill AFB in Utah. The attendees were the CAP and CAP-USAF IG staffs, CAP Region IGs, CAP-USAF CI team members and CAP CI team members.

Col Tom Kettel (CAP/IG) presented his Strategic Plan and CI Process Scoreboard for the CAP Inspector General Program.

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Strategic Plan

- 1. Increase Competency of the IG Corps (50% complete)
 - a. Prepare Region IGs to manage the compliance culture:
 - i. Oversight and guidance of the Wing IGs in both Q and I functions
 - ii. Implement and manage a high quality complaint resolution program
 - iii. Manage the Inspection program in their region

- 2. Increase understanding of the role and responsibility of the commander in their Inspector General Program (50% complete)
 - a. Decentralize the senior level course
 - b. Yearly IG College
- 3. Complete implementation of the inspection process
- 4. Update 123 series regulations (20% complete)
- 5. Maximize IT systems and tools

CI Process Scoreboard

- 1. Reports published in 14 days or less (100% complete)
- 2. Trends in CI Discrepancies over the last year (50%)
- 3. Trends in SUI Discrepancies since July 2014 (0%)
- 4. SUI compliance is up from 42% to 75% on the way to 100% (60% complete)
- 5. At least two qualified SUI inspectors for every SUI and enough inspectors so that no one has to participate in more than four SUIs each year (50% complete)
- 6. Reduce the average duration and number of open complaints (30% complete Progress will increase when CAP/IT resources are freed up)
- 7. Stronger OPR Coordination Future CAP regulations will have an attachment for the CI/SUI Checklist including metrics for mission requirement evaluation (30% complete)
- 8. Control of budgets by CAP and CAP-USAF IGs and Region IGs
- 9. Open CI Discrepancies are all less than 8 months old down from 40 months and has dropped from more than 1,400 in August 2012 to a stabilized 120 for several months.
- 10. Reduction in hours per CI:
 - a. CI Team on site 2 days versus 3, still 2 days of travel
 - b. Average day for CI Team member on site down from 14 to 9 hours
 - c. Eight of 17 tabs are completed prior to on site visit, reducing wing manpower by approximately 16 man-hours
 - d. Wings are reporting that their preparation time has been cut in half
- 11. Reduction in costs per CI:
 - a. ~\$350 for CAP
 - b. ~\$575 for CAP-USAF

SUI Process Improvements

Man-hours per SUI have dropped from an estimated 140 to less than 70 for unit staff and inspection team combined.

Col Kettel then presented a refresher on the duties and relationship of IGs and their Commanders, starting off with a review of IGs and where they fit within the CAP organization and the definition of their duties:

- 1. Advisor eyes and ears of the Commander (not the mouth)
- 2. Establish and manage an Inspection Program
- 3. Establish and manage a Complaint Resolution Program
- 4. Teaching and Training

The Commander has a duty to appoint a qualified IG who will be part of the Commander's inner circle and provide advice when requested.

Complaint Resolution

Col Jack Schupp (IGQ) gave a presentation on the status of CAP's Complaint Resolution Program. There are still some complaints that are not being resolved as fast as they should be; however, overall the times from complaint receipt to resolution has dropped dramatically. The IGQ continues to emphasize the value of doing a thorough Complaint Analysis in a timely manner resulting in one of the five actions:

- 1. Assist
- 2. Transfer
- 3. Refer
- 4. Dismiss
- 5. Investigate (least favorable option)

Continuous Improvement

Lt Col Robert Griffith (CAP-USAF/IG) gave a presentation on continuous improvement where he discussed improvement tools used by organizations like the National Transportation Safety Board to effect continuous improvement. Tools like the 8-Step Process and 5 Whys used to make the initial improvements in the CI and SUI processes are now allowing CAP to make Data-Driven decisions based on facts rather than just theories. Col Griffith pointed out how CAP is a cost effective solution to USAF non-combat mission needs:

- CAP's volunteer force conducts missions at 1/10th the cost of contracted support
- Provides annual equivalent of \$155M in volunteer labor
- Flies 75% of AFNORTH Daily ATO; 90% of all Inland Search & Rescue
- Increasingly the Resource of Choice for Federal agencies
- Active Participant in HLS and DSCA events GAO validated
- Air Sovereignty Alert fighter intercept training
- National Level and COCOM sponsored exercises
- Heavily relied upon by FEMA, USGS, State and local authorities
- Tremendous success supporting Green Flag East & West exercises
- International award winning Cadet & Aerospace Education programs
- Received \$250K in National Defense Education Program funds
- Received multiple grants from FLIR/AFA/etc. for STEM initiatives

CI/SUI Updates

Col Steve Miller (IGI) gave a presentation on the changes that have been made to the CI and SUI processes and then gave a demonstration on how to update worksheets and inspection reports. He also showed the attendees how wings and units can look things up on the CAP Knowledgebase to help in answering Discrepancies identified during inspections and then how the IGI and CAP-USAF IG close them.

IG Training

Lt Col Craig Gallagher (IGT) presented an analysis of the issues (location, curriculum, timing, etc.), involved in the next IG College and transitioning it from a biannual to an annual event. He also talked about recent and future IG Senior Courses (IGSC) and the next revision to be released in January 2015.

The IGT is still developing a qualified team of instructors for IGSC by tracking activity levels and recent training.

SUI Teams

The IGT gave a presentation on what we expect from our SUI Teams:

- Professionalism
- Qualified team chiefs and team members
- Time to devote for preparation and onsite visits
- Quality of work

He described the SUI process from its beginning 60 days prior to the on-site date to the reports completion date less than 2 weeks later.

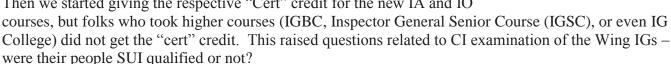
After the presentations, the floor was opened up to questions from the attendees that centered mostly on Compliance Inspection issues.

IG Course Credit

by Don Barbalace, CAP/IGTA

Because of some ambiguity in the IG Training Report with the introduction of the new IA (Inspection Augmentee) and IO (Investigating Officer) courses, the IGT staff has been re-thinking the definitions of course credit.

Some of you have "SUI Cert" (certification) credit or "IO Cert" credit from completing the old 3-part Inspector General Basic Course (IGBC) in 2012. Then we started giving the respective "Cert" credit for the new IA and IO



Complicating matters even further, we had announced that the 2012 "SUI Cert" from the 3-part IGBC would expire at the end of 2013. To continue in the SUI program, the team members would have to take the full IGBC that was then offered on-line in the Learning Management System (LMS). So what do we do with the "SUI Cert" notation in the IG Training Report?

What we decided is to leave it. We will continue to recognize the 2012 "cert" – making life a little easier for CI inspectors and for the wing IGs – and to ADD the SUI or IO "cert" for those taking the IA or IO course, respectively, and also for everyone who took the IGBC, IGSC, or IG College. This change went into effect in December. The date shown in the "Cert" column will be the most recent course.

Wing IG Responsibility

The Wing IG bears primary responsibility for seeing that the SUI team members are current in their inspection qualifications and could still get a Discrepancy on a CI if the team member hasn't had an IG course since the "SUI Cert" of 2012 and has not been participating regularly in inspections. The content of the old courses is out of date. Team members must keep up with new procedures and that must show in the SUI Reports. If it doesn't, expect a longer conversation during your next CI. The Wing IG should keep records of SUI participation by each team member to show active participation (implying that they are keeping up with new methods) even if the coursework is old.



IA Course Credit

The purpose of the Inspection Augmentee Course – the whole point of it – is for people to learn the new SUI procedures using the new worksheets and grade calculator. It defeats the purpose when, as some did, the inspection is conducted using an old SUI Guide and the old report format. To get course credit, you MUST use the worksheets to conduct the inspection. That is now the only way to properly conduct an SUI.



Inspector General Complaint Trends

by Col Jack Schupp, CAP/IGQ

I am always surprised, and not particularly amused, by the fact that CAP has so many IGs (and lawyers) who spend so much time attending to the "Q" or complaint side of the two major roles of the Inspector General Program. With ECIM in use, tracking such data and producing charts allows the National IG/Q to see information and trends that are worthy of sharing with the IG community.

Cases filed for the past four years average 124 in number and are fairly consistent. If applied to the total membership, this represents 0.21% of the members have filed complaints which have been logged into the ECIM data base. Looking at 897 cases that have been filed since 2006 through November 2014, the major issues alleged have been "abuse of authority" with "cadet protection issues" and "conduct and ethics code" allegations having the dubious honor of a tie for second place. There is also a surprise that while we are in the complaint resolution business, our "assists" number only 39 or 4% of the total cases. The allegations of violations of CAP standards represent 37% of the total complaints logged. So far in 2014, with 122 cases logged to date, "abuse of authority" allegations lead with 22% of the claims followed closely by "cadet protection issues" and "conduct and ethics code matters", all of which is consistent with the six year trend. Also striking is the fact that in 65% of the 897 cases reviewed, no action was taken; in 15%, the issue(s) were referred to wing or region commanders for resolution.

What is the "take away" from these data (aside from the possibility that IGs may be entering incorrect or insufficient data into category fields of ECIM)? It is that CAP membership perceives that commanders are abusing their authority and perhaps lack management and leadership skills that are necessary to meet the demands of this volunteer organization. Secondly, the number of cadet protection issues being raised demonstrates that some additional training of cadet leaders needs to be made and that cadet expectations need to be addressed. Coming as a close third, there is a perception that we may not be adhering as much to the CAP core values of membership conduct and ethics as we believed.

The number of entries of "no action taken" over the years, given the serious nature of the majority of complaints, again points to command issues which need to be addressed. As IGs, we are supposed to be the "eyes and ears of the commander" to report facts for command action. The summary of issues and resolutions (or lack of action) from a mass of data that you IGs enter is another opportunity to assist your commanders to make our organization better. We must also be certain that the entries into the various data fields of ECIM are correct and are supplemented with case notes as may be necessary. ECIM data has little value to IGs or commanders if incomplete and/or incorrect as the issues and trends that are so important as management tools would be misleading. Please be especially mindful to do your part to make the ECIM utility a valuable resource.

Using the New SUI Checklists for Program Grading

by Lt Col Les Manser, CAP/IGTA

The new SUI Checklists have been implemented for just over a half year now - so it's only natural (to me) from a process improvement standpoint to accomplish a CHECK on how it's going so far regarding their use by Inspectors for program grading. (Remember Plan-Do-Check-Act from last year?)



The checklist contains two areas that impact the overall program grade:

- Answers to questions that the NHQ Office of Primary Responsibility (OPR) has determined to be the mission-critical compliance items for the program.
- Mission Requirements rating(s) for the program

The determination of a YES or NO answer for the mission-critical compliance questions is well defined and therefore objective for determining compliance. On the other hand, determining the mission requirements rating(s) for the program is not so objective at this time; as a result, it may be based on the valid evidence/measures available from various sources:

- eServices: Commanders Dashboard Metrics, applicable Unit Reports
- Unit: Program Materials, Continuity Book, Website

The "big picture" of the entire program is needed to determine mission ratings as well as identify Benchmarks, Commendables and/or Areas of Concern (AOC). For this reason, asking questions directly related to the program's mission elements (activities, curriculum, management, operation, training, etc., as applicable) to make this determination is totally appropriate.

There would appear to be a belief by some out in the CAP Community that the compliance questions in the new checklist are now the <u>only</u> questions that an Inspector is allowed to ask. This is not true. These questions only determine the level of unit compliance. If they were the only ones that could be asked, then it would eliminate all follow-up questions from document reviews and typical questions such as "How's it going with managing the program?" and "Is there anything more about the program that you'd like to show me?"

Another false belief by some is that if additional questions were asked, they would lead to more discrepancies. Again, not true. There is the provision for Higher Headquarters (HHQ) Discrepancies when documentation provided by the unit via eServices upload or reviewed during an inspection conflict with the program's directives – it can't be ignored by the Inspector – but it certainly should not be perceived as "digging until a discrepancy is found." HHQ Discrepancies do not factor into the grading but must be addressed by the OPR at the appropriate HHQ level.

Step #3 in the SUI Quality Assurance Checklist states two things:

- "Use AOC and Commendable to justify mission ratings higher or lower than "Meets".
- When compliance rating is driving a Marginal or Unsatisfactory rating, the mission rating maybe lowered without using an AOC."

Notes supporting the mission rating(s) should be recorded in the staffing and mission notes area by Inspectors for reference by the Team Chief and/or Wing IG. No special report entry is required for the

rating of "Meets Mission Requirements." For all other ratings, at least one of three types of mission report entries - Benchmark, Commendable and/or Area of Concern - is required. The wording of these entries needs to identify the concept, technique or management practice and its corresponding impact on the mission.

Wing IGs should continue to exercise the Plan-Do-Check-Act (PDCA) cycle with their Team Chiefs and Inspectors to determine what may need to be addressed regarding checklist entries for determining program grading. In the near future, it is hoped that NHQ/OPRs will be defining the Mission Requirements for their programs so that this part of the grading can become as objective as possible for Inspectors.



The Fraud Triangle: Understanding the Critical Elements of Fraud and the IG's Need for Vigilance

by Col Jim Linker, CAP/IGS

Fraud is theft by deception. It is often perpetrated undetected over a period of time. The theft can involve cash money or other items of monetary value, such as unauthorized use of hard assets for personal benefit. Awareness of the elements of fraud is the IG's most basic tool against this threat to the organization.

Fraud is everywhere and seems to be on the rise. Most fraud, however, is not dramatic. It is quite often local and perpetrated by people well known to and trusted by the victim. These are the frauds that require the vigilance of IG's.

Fraudsters are opportunistic. They target businesses, individuals, churches, non-profits and volunteer organizations; wherever there is something of value that they can convert to their use and is within reasonably easy reach to them.

Is there fraud in Civil Air Patrol? Because CAP disburses funds to vendors and reimbursements to members, and has a large fleet of aircraft, vehicles and other assets available to its members, the opportunity for fraud exists. As an Inspector General, you need to be cognizant of the potential for fraud and of your responsibility to examine that possibility or to pass your concern to the appropriate IG level, if warranted.

To understand how Civil Air Patrol copes with the threat of fraud, let's examine the three critical elements of fraud and identify where CAP can exercise control. Called the "Fraud Triangle" by the Association of Certified Fraud Examiners, the three factors are *Pressure*, *Rationalization* and *Opportunity*. It takes all three for fraud to flourish. Take away one factor and the likelihood of fraud drops precipitously. Of the three, the only one that an organization can directly affect is Opportunity. The other two, Pressure and Rationalization are motivators in the mind of the fraudster.

The first factor--Pressure--frequently involves a significant change in one's life: a love affair; an expensive new toy (car, boat, airplane) or habit (gambling debt); a loved one's illness; a child in trouble with the law; grandchildren's educational needs. Sometimes it's a status thing, a form of 'keeping up with the Joneses,' but pressure alone does not make a person commit fraud. When the average person faces these pressures, he/she simply deals with them either by resisting the pressure or by doing what is necessary to raise additional funds - cut other spending, liquidate assets, or get a part-time job. How is the fraudster different?

The fraudster *rationalizes* why it is OK to take value from others rather than create it himself. Rationalizations may take the form of "He's so rich, he'll never miss it," "This little bit will never affect the company's bottom line," "It's only a tiny bit from each town taxpayer and is nothing compared to

the waste I see every day," and, possibly from a CAP member, "Compared to the time, talent and out-of-pocket money I've invested in this organization, it's just fair that I get a little pay-back." Rationalization eases the barrier, the personal and societal moral code, that the average person has against taking what is not theirs.

When one is pre-disposed to commit fraud by pressure and rationalization, the final trigger factor is Opportunity. Opportunity is simply a measure of how easy it is to get your hands on other people's money and valuables. Denying opportunity is the only direct way that a person, business, or organization can prevent a fraud being perpetrated against them. Effective fiscal controls are the primary means of blocking the opportunity to commit fraud.

The Civil Air Patrol takes its fiduciary responsibility to safeguard the funds and assets entrusted by its members and Congress seriously and employs fiscal controls and other safeguards to limit the opportunity for fraud. Examples include audits, multiple signature requirements, tiered review levels for reimbursements and expenditures, unit finance committee oversight and approval of expenditures, preapproval of travel, vehicle and aircraft non-scheduled expenses, and conflict of interest disclosures.

More recently, CAP has combined fiscal controls with other management systems to gain transparency into financial operations and asset utilization in the field and to further limit the potential for fiscal abuse. Wing Banker removed much of the handling of cash and interpersonal transactions that could be an opportunity for misappropriation of funds. WMIRS presents Headquarters and the field with a comprehensive view of aircraft utilization and makes unauthorized use and charges more difficult. ORMS closely tracks CAP's other tangible assets and renders detection of misuse or loss timelier. Consolidated Aircraft Maintenance has reduced the opportunity for vendor fraud as well as reducing overall maintenance costs and improving quality. The regulatory prohibition against games of chance (bingo, pull-tabs, etc.) as fundraisers unfortunately eliminated a viable source of funding for many units. It was justified, however, to close off a great source of unaccountable cash being generated in the name of CAP, fertile ground for fraudulent opportunities.

As a CAP Inspector General, you should be aware of the Fraud Triangle—Pressure, Rationalization, and Opportunity - and of the pervasive threat of fraud in our society. You should recognize the steps that CAP has taken to rein in the opportunity for fraud and be vigilant to the potential for fraud.

What's a POA and Why do I Need One?

by Col Gordon Odell, SER/IG

Compliance Inspections often call for Plans of Action or "POAs." This article explains what is required of these POAs. (This discussion relates only to the POA for closing a discrepancy and does not relate to the POAs for conducting a wing IG program (CAPR 123-3, Attachment 1), or to the Aerospace Ed POS in CAPR 280-2.)



Q: Why is a POA required to close this discrepancy?

A: Most often, it is because the discrepancy has happened before. The requirement that was inspected is important enough to be inspected, so it is important to get it right.

Q: So how does that piece of paper change anything?

A: The POA is a plan to fix the problem and prevent its recurrence. It assures command that the problem is being corrected.

Note that the only name on this plan is the wing commander's. Discrepancies are not personal; they are organizational.

Upcoming IG Training



IG Senior Course in Seattle, WA April 18-19 2015 (in conjunction with the PCR Conference) – contact Preston Perrenot pbperrenot@centurylink.net

IG Senior Course in Oklahoma (specific location TBD) 23-24 April 2015 (in conjunction with the SWR Conference) – contact George Shank swrinspector@gmail.com

IG Senior Course in Ft. Indiantown Gap, PA May 15-16 2015 – contact Ed Burns eburns@cap.gov

Contact Missie, IG Support Coordinator at NHQ, mderocher-harris@capnhq.gov to enroll.

Upcoming Compliance Inspections

WING	CI DATES	CYCLE/INSP#
FL	7-8 Feb 15	4-26
KY	7-8 Mar 15	4-27
MD	18-19 Apr 15	4-28

IG Audience/LMS-IG Points of Contact

SEND ARTICLE SUBMISSIONS FOR THE IG AUDIENCE DIRECTLY TO LT COL LES MANSER at lesmanser@gmail.com.

With your article, please submit 3-5 good, multiple-choice questions and a wrong-answer feedback explanation for each question.



FINAL EDITOR FOR THE IG AUDIENCE IS LT COL DON

BARBALACE at sdig.cap@gmail.com (do not send articles to him)

LEARNING MANAGEMENT SYSTEMS FOR THE IG COURSE DIRECTOR IS LT COL DON BARBALACE at sdig.cap@gmail.com