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MILITARY ATTRITION

DOD Could Save Millions by Better Screening Enlisted Personnel

GAO

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The Honorable Dirk Kempthorne
Chairman
The Honorable Robert C. Byrd
Ranking Member
Subcommittee on Personnel
Committee on Armed Services
United States Senate

This report responds to the request of the former Chairman and the current Ranking Member that we review the attrition rates of first-term, active-duty military personnel who are separated within the first 6 months of their enlistments. Specifically, we (1) calculated how much the services could save by achieving their goals for reducing 6-month attrition, (2) determined the adequacy of the data that the Department of Defense uses to allow it to establish realistic goals for reducing attrition, and (3) identified the principal reasons that enlistees are separated from the services while they are still in training.

Unless you announce its contents earlier, we plan to make no further distribution of this report until 3 days after its issue date. At that time, we will send copies to the Secretaries of Defense, the Army, the Navy, and the Air Force and the Commandant of the Marine Corps. We will also make copies available to others upon request.

Please contact me at (202) 512-5140 if you or your staff have any questions concerning this report. Other major contributors to this report are listed in appendix II.

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Executive Summary

Purpose

For at least the last decade, about one-third of enlistees in the military services have failed to complete their first tours of duty. Concerned that the attrition rate was so high, the former Chairman and the Ranking Member of the Subcommittee on Personnel, Senate Committee on Armed Services, asked GAO to review the attrition rates of first-term, active-duty military personnel who are separated within the first 6 months of their enlistments. Specifically, GAO (1) calculated how much the services could save by achieving their goals for reducing 6-month attrition, (2) determined the adequacy of the Department of Defense's (DOD) data for allowing it to establish realistic goals for reducing attrition, and (3) analyzed the principal reasons that enlistees are separated from the services while they are still in training.

Background

After recruiters have prescreened applicants for the military services, the applicants are sent to military entrance processing stations (MEPS), which are the responsibility of the Military Entrance Processing Command. When it has been determined that the applicants are qualified, through medical and aptitudinal tests, they are sworn into the Individual Ready Reserve, in an unpaid status, for up to 1 year. Once they are called to active duty, enlisted personnel enter basic training, which can last from 6 to 12 weeks, depending on the service. After basic training, recruits go on to initial skill training, which can range from a few weeks to more than a year.

In fiscal year 1994, DOD recruited more than 176,000 new recruits. Of that number, more than 25,000 were separated by the 6-month point in their contracts.

Results in Brief

All the services agree that reducing early attrition is desirable. To this end, three services have attrition-reducing targets ranging from 4 to 10 percent. If the services reach their goals, they would realize immediate short-term annual savings ranging from around $5 million to $12 million. The services may not be able to realize savings through reductions in their related training and recruiting infrastructure for many years. However, possible long-term savings could range from more than $15 million to $39 million. Despite the fact that the services have these goals, DOD, at present, lacks consistent and complete information on the causes of attrition. Implementing arbitrary attrition-reduction goals could result in a reduction in the quality of recruits.

DOD's primary database for managing attrition cannot be used to adequately determine the reasons that recruits separate and to set appropriate targets for reducing attrition for two reasons: (1) the services interpret and apply DOD's uniform set of separation codes differently because DOD has not issued directives on how to interpret them and (2) current separation codes capture only the official reason that an enlistee leaves the service.

Thousands of recruits are separated in the first 6 months because the services do not adequately screen applicants for disqualifying medical conditions or for preservice drug use. One reason that this screening is inadequate is that recruiters do not have sufficient incentives to ensure that their recruits are qualified. Thousands of recruits also are separated who fail to meet minimum performance criteria. Recruits have problems meeting performance standards because they are not physically prepared for basic training and because they lack motivation.

Principal Findings

DOD Could Save Millions of Dollars by Reducing Attrition

If the services reach their goals for reducing attrition, they would realize immediate short-term savings because they would be transporting, feeding, clothing, and paying fewer recruits. In some cases, reducing attrition may require that the services add preenlistment medical tests or more screening mechanisms to their recruiting and examining processes. However, GAO believes that these added costs would be more than offset by the immediate short-term savings achieved through having to recruit, process, and train fewer recruits. Even larger dollar savings could be realized over time as the services began to reduce the infrastructure associated with recruiting and training enlistees.

Using GAO's calculations of the fixed and marginal costs of recruiting and training and the services' highest and lowest targets for reducing attrition, GAO estimates that if the services were to reduce their 6-month attrition by 4 percent, their immediate short-term savings would be $4.8 million. If the services achieved a 10-percent reduction of attrition, their short-term savings would be $12 million. Over time, if the services reduced 6-month attrition by 4 percent, their infrastructure savings could be as high as $15.6 million. If they were able to reduce their 6-month attrition by

10 percent, potential infrastructure savings could be as much as $39 million.

DOD's Data Does Not Allow the Services to Set Realistic Attrition Goals

While significant savings could be achieved by reducing attrition, GAO believes that the services' current goals for reducing attrition are arbitrary. That is, DOD and the services do not currently have sufficient information to determine what portion of 6-month attrition is truly avoidable. The danger of setting arbitrary goals is that these goals can become "attrition ceilings," which can result in the inadvertent retention of lower quality recruits. To set realistic and achievable targets for reducing attrition, DOD and the services need more complete and accurate data on why recruits are being separated.

DOD's current data on attrition is inconsistent and incomplete for two reasons. First, the services interpret DOD's definitions of separation codes differently and therefore place enlistees with identical situations in different discharge categories. Second, DOD's separation codes capture only the officially assigned reason for discharge, when many other factors may result in an enlistee's separation. DOD has not issued guidance for applying these separation codes.

Screening Processes Do Not Identify Thousands of Recruits Who Are Unqualified for Service

About 83 percent of the 25,000 who were discharged in their first 6 months were assigned separation codes indicating that they (1) were medically unqualified for military service, (2) had character or behavior disorders, (3) had fraudulently or erroneously entered the military, or (4) failed to meet minimum performance criteria.[1] Separations for medical conditions and failure to meet performance standards represent at least 55 percent of all 6-month attrition for enlistees who entered the services in fiscal year 1994. This percentage is understated for two reasons. First, some persons who have medical problems are categorized as fraudulent enlistments because they concealed medical problems. Second, some persons who have performance problems are categorized as having character or behavior disorders. GAO was not able to calculate the number of persons discharged for drug use because these separations are categorized in many different ways.

GAO found that recruits were enlisted and later separated because DOD's screening processes were inadequate in the following ways:

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[1]The Defense Manpower Data Center maintains data on all the services' enlistees; fiscal year 1994 was the most current year for which complete data was available.

- Recruiters do not have adequate incentives to ensure that their recruits are qualified. The Navy recently began to subtract points from recruiters' quotas when their enlistees did not graduate from basic training. It is too soon, however, to determine the effect of this change on attrition. Over the years, the Marine Corps has allowed its recruiting units the flexibility to tie recruiters' incentive systems to enlistees' successful completion of basic training. However, this policy has not been uniformly applied throughout the Marine Corps, and its incentive system, as those of the other services, does not appear to provide adequate incentives for recruiters to screen out unqualified applicants. Basic training personnel suggested that awarding recruiters with partial credit for screening out unqualified personnel or changing monthly goals to floating 3-month goals might relieve the pressure on recruiters to enlist personnel later found to be unqualified.

- The services do not require all applicants to provide the names of their medical insurers or their past medical providers. Also, the medical screening forms contain vague and ambiguous questions and may be easy for applicants to falsify.

- DOD's current system of capturing information on medical diagnoses does not allow it to track the success of recruits who receive medical waivers. DOD has just approved a project to compile a comprehensive database of medical conditions for all accessions. Information from this database will provide DOD with the ability to reevaluate its physical enlistment standards, to analyze the medical reasons that recruits are separated, to make fact-based policy changes to reduce medical attrition, and to determine whether it would be cost-effective to provide more medical tests to all or selected groups of applicants.

- The responsibility for reviewing medical separation cases to determine whether medical conditions should have been detected at the MEPS now resides with the Military Entrance Processing Command, the organization responsible for the medical examinations.

- The Navy and the Marine Corps do not test applicants for drugs at the MEPS but wait until they arrive at basic training.

Thousands of Recruits Are Discharged for Failure to Meet Minimum Performance Criteria

More than 7,200 of the recruits who entered the services in fiscal year 1994 were discharged in the first 6 months of service because they failed to meet minimum performance criteria. Basic training personnel throughout the services said that these recruits are not physically prepared for basic training and lack motivation. Basic training personnel suggested that recruits might be better prepared for the physical demands of basic training if they were more fully informed of the services' physical training requirements and encouraged to exercise to become physically fit before

going to basic training. The Army has a new program, which was nearing implementation in December 1996, to (1) award enlistees retirement points for participating in physical activities with their recruiters before going to basic training and (2) allow enlistees access to military fitness centers and military medical facilities if they are injured.

To try to improve recruits' motivation, all the services have taken actions to improve the basic training environment. They have established motivational and rehabilitation units for recruits with motivational problems and injuries. The Army and the Air Force, in particular, have stressed positive leadership by their drill instructors. Despite these improvements, GAO's interviews with separating recruits suggest that negative leadership techniques continue to be a factor in recruits' lack of motivation to meet performance standards.

Recommendations

To reduce the attrition of enlisted personnel during the first 6 months of their terms of enlistment, GAO recommends that the Secretary of Defense issue implementing guidance on DOD's separation codes and direct the services to strengthen their recruiter incentive and medical screening systems. GAO also recommends that DOD use its newly proposed database of medical diagnostic codes to improve medical screening and that DOD move the responsibility for reviewing medical separations from the Military Entrance Processing Command. Finally, GAO recommends that drug testing for all services be moved to the MEPS and that the services adopt Delayed Entry Programs similar to the Army's new proposed program. These recommendations are presented in their entirety in chapters 2 and 3.

Agency Comments and GAO's Evaluation

In commenting on a draft of the GAO report, DOD concurred with GAO's recommendation to use DOD's newly proposed database on medical diagnostic codes to improve medical screening and with GAO's recommendation to strengthen the services' Delayed Entry Programs. DOD partially concurred with GAO's recommendations to issue implementing guidance on DOD's separation codes and to direct the services to strengthen their recruiter incentive systems and screening mechanisms. DOD also partially concurred with the GAO recommendation to test all applicants for military service for drugs before they report to basic training. DOD did not concur with GAO's recommendation to remove the review of medical separation files from the agency that conducts the medical screening. DOD believes that the Military Entrance Processing

Command is the appropriate entity to perform this review. GAO continues to believe that an entity completely outside the medical screening process would be more able to objectively determine whether the MEPS physicians should have discovered disqualifying medical problems. DOD's comments appear in their entirety in appendix I and are discussed in chapters 2 and 3.

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Figures

Abbreviations

AFQT	Armed Forces Qualification Test
ASVAB	Armed Services Vocational Aptitude Battery
DEP	Delayed Entry Program
DMDC	Defense Manpower Data Center
DOD	Department of Defense
GAO	General Accounting Office
MEPCOM	Military Entrance Processing Command
MEPS	Military Entrance Processing Station
TRADOC	Training and Doctrine Command

Introduction

For at least the last decade, about one-third of those who have enlisted in the military services have failed to complete their initial enlistment contracts. One-third of these separating enlistees left the military before they reported to their first duty assignments. The military services make a substantial investment in training, time, equipment, and related expenses for military enlistees.[1] The separation of enlisted personnel before they complete their initial training is wasteful because the services lose their investment and must increase accessions to replace these losses. Consequently, first-term attrition is an issue of significant concern at all levels within the armed forces.

A Significant Portion of First-Term Attrition Occurs During Training

New recruits take an enlistment oath and sign a contract to serve one of the military services for a specified period of time, typically 4 years. Despite this contractual obligation, Department of Defense (DOD) data shows that about one-third of new recruits fail to complete their first terms. This attrition figure has been relatively constant over the past 10 years and has held true for each of the services. Table 1.1 shows attrition rates for enlistees who entered the services in fiscal years 1986 through 1991. DOD generally tracks enlisted attrition up to the 3-year point in enlistees' first terms. In this report, however, we show attrition at the 4-year point because the majority of enlistees have 4-year contracts. Calculations of attrition at the 3-year point do not include the attrition of those who have 4-year contracts and leave the services in the last year of their commitments. Enlistees who entered the services in fiscal year 1986 were scheduled to complete 4-year contracts in fiscal year 1990. Likewise, enlistees who entered the services in fiscal year 1991 were expected to complete their 4-year contracts in fiscal year 1995.

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[1]Not all recruits have completed training at the 6-month point in their first terms because some initial skill training lasts beyond this point. In rare cases, initial skill training can last as long as a year or more. However, for the purpose of this report, we examined attrition at the 6-month point because at that time, most enlistees have completed both basic and follow-on training and are being assigned to their first duty stations.

Table 1.1: Percentage of Enlistees Who Are Separated During Their First Terms

Fiscal year enlistees entered the services	Army	Navy	Marine Corps	Air Force	All services
1986	32.1	35.2	38.1	27.2	32.6
1987	31.9	33.4	35.3	26.3	31.7
1988	34.6	33.8	32.5	26.3	32.8
1989	36.3	35.5	34.5	31.2	35.0
1990	37.2	34.2	38.0	31.2	35.4
1991	37.7	31.7	35.4	32.8	34.6

Source: Defense Manpower Data Center.

Our analysis of the data further reveals that attrition is not evenly distributed throughout a first-term enlistment. About one-third of first-term attrition occurs within the first 6 months of an enlistee's term, during the time when many recruits are still in training and before they report to their first duty assignments. Table 1.2 displays the attrition rates at the 6-month point, again for each service and for all services, for enlistees who entered the services between fiscal years 1986 and 1994. (Fiscal year 1994 was the latest year for which the Defense Manpower Data Center (DMDC) had complete data at the time of our review.)

Table 1.2: Percentage of Enlistees Who Are Separated in the First 6 Months of Their First Terms

Fiscal year enlistees entered the services	Army	Navy	Marine Corps	Air Force	All services
1986	10.4	13.1	15.9	10.7	11.8
1987	9.2	12.7	13.2	10.0	10.8
1988	9.8	14.4	12.6	9.0	11.6
1989	10.0	12.8	13.9	9.4	11.3
1990	10.7	10.1	15.6	10.2	11.1
1991	13.0	10.2	14.1	10.5	11.9
1992	12.8	12.9	12.9	9.2	12.3
1993	15.3	15.8	13.6	11.6	14.6
1994	15.7	15.7	12.5	11.6	14.4

Source: DMDC.

Figure 1.1 shows that, in fiscal years 1990 through 1994, DOD's 2-month, 6-month, and 12-month attrition rates increased steadily in a parallel pattern. Attrition rates shown in figure 1.1 are cumulative. That is, 6- and 12-month attrition rates include all attrition up to those two points in time.

Figure 1.1: DOD's 2-Month, 6-Month, and 1-Year Attrition for Fiscal Years 1990 Through 1994

25.00   Attrition rate (percent)

20.00

15.00

10.00

5.00

0

1990   1991   1992   1993   1994

Fiscal year

——— 2 months
– – – 6 months
· · · · · 1 year
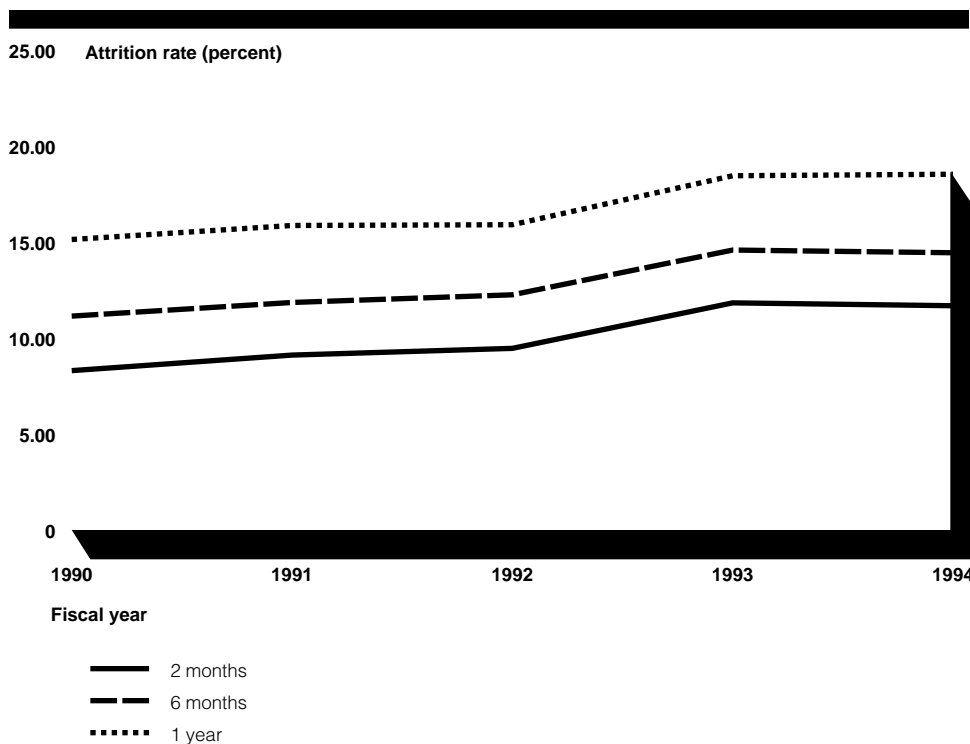
Source: GAO's analysis of DMDC data.

Demographics of Fiscal Year 1994 Recruits

We concentrated our analysis of 6-month attrition on the cohort of recruits who joined the military in fiscal year 1994, as this was the latest year for which DMDC had complete statistics during the time of our review. Additional data provided to us by DOD demonstrates that fiscal year 1994 was a representative year in terms of the education levels and quality of the recruits who joined the military. Researchers have investigated several factors that influence attrition during the first term of enlistment. These include educational credentials, gender, age, race, enlistment term, and military occupational specialties.[2] According to DOD and the services, the most important of these variables in determining the attrition rate is recruits' educational attainment. Most researchers have found that

[2]See Report to Congress: Educational Enlistment Standards: Recruiting Equity for GED Certificates (Office of the Assistant Secretary of Defense (Force Management Policy), Apr. 1996); Attrition Revisited: Identifying the Problem and Its Solutions (Human Resources Research Organization, FR-PRD-95-01, Jan. 1995); Who Stays, Who Leaves? Attrition Among First-Term Enlistees (Rand, N-2967-FMP, May 1989); Trends in Attrition of High-Quality Military Recruits (Rand, R-3539-FMP, Aug. 1988); and First-Term Attrition in the Marine Corps (Center for Naval Analyses, CRM 92-200, Mar. 1993).

enlistees who were high school graduates had lower attrition rates. A second predictor of lower attrition rates is enlistees' scores on the Armed Forces Qualification Test (AFQT). Those who score in the upper 50th percentile have historically had lower attrition rates. In fiscal year 1994, 96 percent of all recruits were high school graduates, and 72 percent of all recruits scored in the upper 50th percentile on the AFQT. In that same year, 68 percent of all recruits were high school graduates and scored in the upper 50th percentile of the AFQT. All of these figures compare favorably with data from other recent fiscal years.

The magnitude of DOD's 6-month attrition becomes apparent when studied in context with DOD's total accessions. In fiscal year 1994, DOD recruited more than 176,000 recruits who did not have prior military service. Of that number, more than 25,000 recruits were separated by the 6-month point in their contracts.

Three Separate Commands Recruit, Screen, and Train New Enlistees

After a recruiter prescreens an applicant for military service, the applicant is sent to one of 65 military entrance processing stations (MEPS) located throughout the country. At the MEPS, which are under the direction of the Military Entrance Processing Command (MEPCOM), the applicant takes the Armed Services Vocational Aptitude Battery (ASVAB) to determine whether he or she is qualified for enlistment and a military job specialty,[3] and a medical examination is given to determine whether he or she meets physical entrance standards. After it has been determined that an applicant is qualified, the applicant is sworn into the service and enters the Delayed Entry Program (DEP). When an applicant enters the DEP, he or she becomes a member of the Individual Ready Reserve, in an unpaid status, and awaits being called to active duty. An individual may remain in the DEP for up to 1 year. Just before reporting to the service basic training command, the new recruit returns to the MEPS, undergoes a brief physical examination, and is sworn into active duty.

Basic training lasts from 6 to 12 weeks. Most enlistees have completed basic training before the 3-month point in their first terms, though their graduation points may vary, depending on how long their basic training lasts and on whether they have to be held back to repeat some parts of basic training. The Air Force basic training program lasts 6 weeks and is given at one training site, located at Lackland Air Force Base in San Antonio, Texas. Navy recruits remain in basic training for 9 weeks at one

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[3]In some cases, applicants are given the ASVAB in high school or at independent sites apart from the MEPS.

site, located at the Naval Training Center in Great Lakes, Illinois. The Marine Corps' basic training curriculum is 11 weeks long for men and 12 weeks long for women, and recruits are trained in San Diego, California, and Parris Island, South Carolina. The Army has two types of basic training sites: sites that provide only basic combat training and one-station unit training sites that provide both basic combat training and follow-on initial skill training. The Army's basic combat training sites are located at Fort Knox, Kentucky; Fort Sill, Oklahoma; Fort Leonard Wood, Missouri; and Fort Jackson, South Carolina. The Army's one-station unit training sites are located at Fort Benning, Georgia; Fort Knox, Kentucky; Fort Sill, Oklahoma; Fort McClellan, Alabama; and Fort Leonard Wood, Missouri. Army basic training lasts 8 weeks.

By the 6-month point in their first terms, most enlistees have completed follow-on training in technical skills, though the length of such training can vary widely, from a few weeks to a year or more. In some cases, graduates of basic training go directly to their first duty assignments. Figure 1.2 displays the most common recruiting and training pipeline for new enlistees.

Figure 1.2: Process of Recruiting and Training Enlisted Personnel
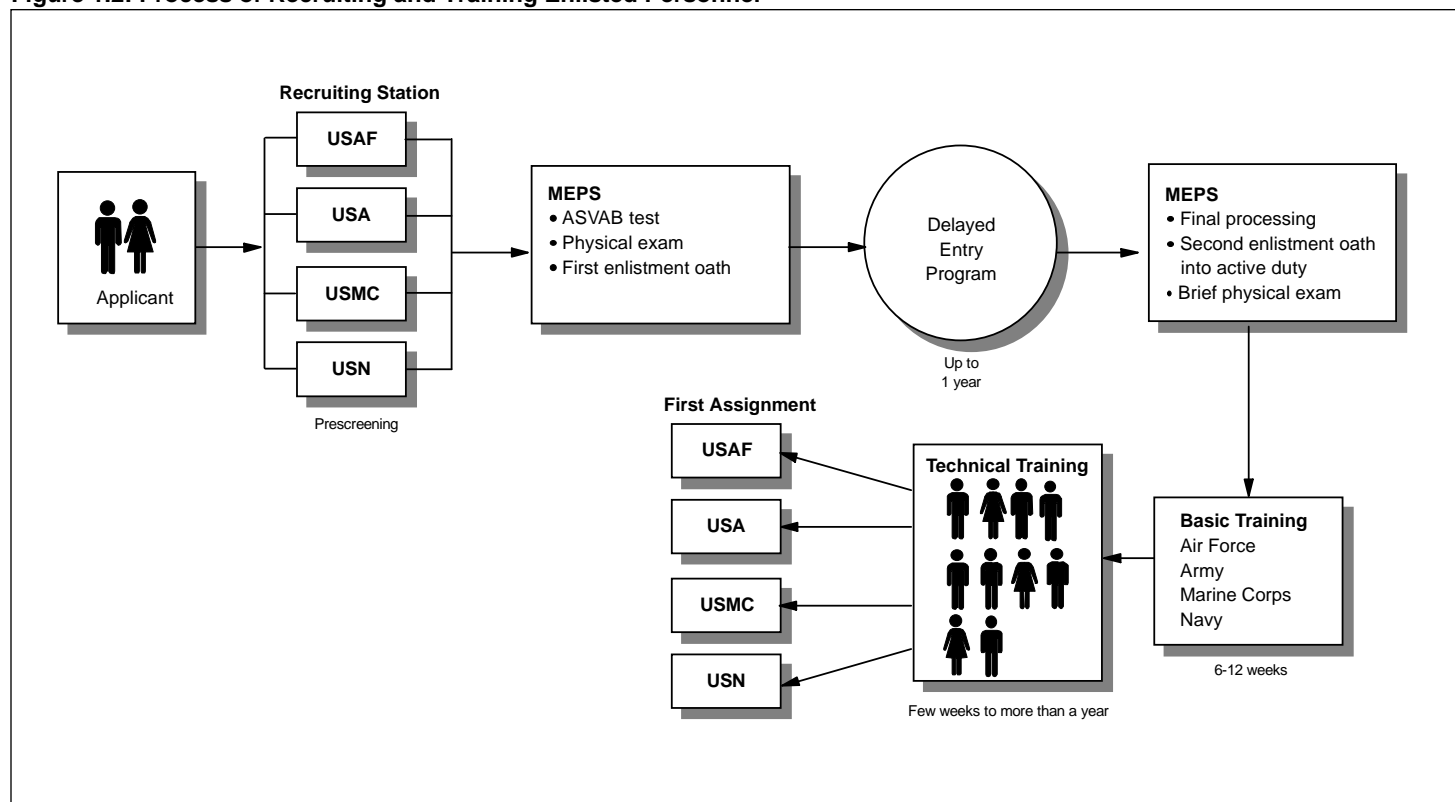
Source: GAO.

Objectives, Scope, and Methodology

At the request of the former Chairman and Ranking Member of the Subcommittee on Personnel, Senate Committee on Armed Services, we reviewed the attrition rates of first-term, active-duty military enlistees who are separated from the military within the first 6 months of their enlistments. Specifically, we (1) calculated how much the services could save by achieving their goals for reducing 6-month attrition, (2) determined the adequacy of DOD's data for allowing it to establish realistic goals for reducing attrition, and (3) analyzed the principal reasons that enlistees are being separated from the services while they are still in training.

We limited the scope of our review to attrition at the 6-month point for two reasons. First, an enlistee's discharge is categorized as an entry-level separation until the 6-month point in the enlistee's term. The entry-level,

180-day point serves in some sense as a probationary period. If enlistees are discharged after 6 months, they may be entitled to more benefits and undergo a more complex separation process. Our second reason for measuring attrition at the 6-month point is that this point marks the end of training for most first-term enlistees. Because of the variation in the length of follow-on training, however, some enlistees continue in training for a year or longer into their first terms.

To identify the potential cost savings that DOD could realize by reducing its first-term attrition, we first determined the magnitude of annual service accessions and first-term attrition, over time, by obtaining and reviewing data maintained by DMDC. We also compared DOD- and service-provided data regarding average costs to recruit, examine, test, screen, transport, and train new enlistees. This data includes both the short-term variable costs that are associated with the cost per recruit and the longer-term fixed costs that are associated with the infrastructure required to recruit and train new enlistees. In addition, we reviewed service-identified targets for reducing first-term attrition and applied these targets to the cost data to identify the potential for cost savings.

To determine the adequacy of DOD's data regarding reasons for first-term attrition, we analyzed DMDC's database of enlistee separations and reviewed DOD's corresponding list of separation codes, which designate the official reasons that enlistees are separated. Additionally, we reviewed the services' separation instructions and met with personnel officials at basic training locations for each of the services to identify similarities and differences in the way the separation codes are applied at the different locations.

To analyze the principal reasons that DOD is separating enlistees within the first 6 months of their enlistments, we reviewed DMDC's database of separations in each of the services for enlistees who entered the services in fiscal years 1990 through 1995. We then compared this data to the service separation codes. Specifically, we concentrated on separations that occurred in fiscal year 1994, as this was the most recent year for which DMDC had complete data at the time of our review. To understand reasons for attrition, we also interviewed officials in DOD and each of the services who are involved in recruiting, examining, screening, training, and separating enlistees. To obtain the perspective of separating recruits, we conducted one-on-one interviews with a total of 126 recruits, who were being separated but were still at the basic training commands at the time of our site visits. We recognize that these recruits do not represent a

statistical sample of all recruits who will be separated this year. Nevertheless, their responses do supplement information provided to us by DOD and service officials.

We performed our work at the following DOD and service headquarters, commands, and installations:

- Directorate for Accession Policy, Office of the Assistant Secretary of Defense, Force Management Policy, Washington, D.C.;
- Office of the Assistant Secretary of Defense, Health Affairs, Washington, D.C.;
- Army Directorate of Military Personnel Management, Washington, D.C.; U.S. Army Recruiting Command, Ft. Knox, Kentucky; and Army Basic Training, Fort Jackson, South Carolina;
- Air Force Directorate of Military Personnel Policy, Washington, D.C.; Air Force Recruiting Service, Randolph Air Force Base, San Antonio, Texas; and Air Force Basic Training, Lackland Air Force Base, San Antonio, Texas;
- Manpower Plans and Policy Division, Marine Corps Headquarters, Arlington, Virginia; Marine Corps Recruiting Command, Arlington, Virginia; and Marine Corps Basic Training, Marine Corps Recruit Depot, Parris Island, South Carolina;
- Navy Office of Military Personnel Policy and Career Progression, Washington, D.C.; Navy Recruiting Command, Arlington, Virginia; Navy Bureau of Medicine and Surgery, Washington, D.C.; and Navy Recruit Training Command, Naval Training Center, Great Lakes, Illinois; and
- U.S. Military Entrance Processing Command, North Chicago, Illinois; Military Entrance Processing Station, Fort Jackson, South Carolina; and Military Entrance Processing Station, Milwaukee, Wisconsin.

With regard to recruit training, we conducted audit work at Lackland Air Force Base and the Great Lakes Naval Training Center because those are the only locations where the Air Force and the Navy provide basic training. In the case of the Marine Corps, we selected Parris Island because this is the only site where the Marines train both male and female recruits. In the case of the Army, we selected Fort Jackson, South Carolina, because this training location provided the greatest variation in job specialties. We conducted our review from November 1995 to October 1996 in accordance with generally accepted government auditing standards. DOD's comments on a draft of this report are summarized in chapters 2 and 3 and are presented in their entirety in appendix I.

DOD Could Save Millions of Dollars by Reducing Attrition

All the services agree that reducing early attrition is desirable. To this end, three services have developed attrition-reduction targets ranging from 4 to 10 percent. If the services were to reach their goals, they would realize immediate short-term savings because they would be transporting, feeding, clothing, and paying fewer recruits. In some cases, reducing attrition may require that the services add preenlistment medical tests or more screening mechanisms to their recruiting and examining processes. However, we believe that these added costs would be more than offset by immediate short-term savings. The services could accrue these savings because they would need to recruit, process, and train fewer recruits to meet the same accession needs. Even larger dollar savings could be realized over time as the services began to reduce the infrastructure associated with recruiting and training enlistees.

Using our calculations of the fixed and marginal costs of recruiting and training and the services' highest and lowest targets for reducing attrition, we estimate that if the services were to reduce their 6-month attrition by 4 percent, their immediate short-term savings would be $4.8 million. If the services achieved a 10-percent reduction of attrition, their short-term savings would be $12 million. Over time, if the services reduced 6-month attrition by 4 percent, their infrastructure savings could be as high as $15.6 million. If they were able to reduce their 6-month attrition by 10 percent, potential infrastructure savings could be as much as $39 million.

While we believe that significant savings could be achieved by reducing attrition, we also believe that the services' current goals for reducing attrition are arbitrary. That is, DOD and the services do not currently have sufficient information to determine what portion of 6-month attrition is truly avoidable. The danger of setting arbitrary goals is that these goals can become "attrition ceilings," which can result in the inadvertent retention of lower quality recruits. To set realistic and achievable targets for reducing attrition, DOD and the services need more complete and accurate data on why recruits are being separated.

Services' Plans for Reducing Attrition

Reducing attrition to zero is neither practical nor possible. Attrition will always occur because recruits will have medical conditions that cannot be discovered in the MEPS examinations, they will be injured during training, or they will not adapt to military life. However, several military officials we spoke with believe that attrition can be reduced because a portion of it is avoidable. For example, some recruits are now being enlisted with

medical problems or with drug use habits that could have been detected earlier in the enlistment process or that were detected and were waived.

Though no one in the services can define exactly what portion of attrition can be avoided, three of the services have set targets for reducing it. The Navy, for example, has planned a "War on Attrition" to reduce attrition at all stages, from recruitment to retention in the fleet. The Navy hopes to reduce its attrition at all stages by 5 to 10 percent. Specifically, the Navy would like to reduce attrition from basic training by 2,000 persons per year.

The Army has recently contracted for a study of what an "acceptable" level of attrition should be. In the absence of such a defined level, the Army has suggested a 4-percent goal for reducing attrition up to the 6-month point.

The Marine Corps has recently proposed several initiatives to reduce enlisted attrition at various stages of the training pipeline. However, it has not defined quantitative goals for reducing attrition.

Finally, the Air Force has taken a new look at enlisted attrition. In December 1995, the Air Force began to look at issues that pertain to military attrition. According to Air Force officials, the Air Force's fiscal year 1997 budget proposal contains goals for reducing attrition. The Air Force has accordingly reduced its budget on the assumption that it will be able to reduce its current basic training attrition rate from 9.5 percent to 7 percent and its first-term attrition after basic training by 5 percent.

The Services Make a Substantial Investment in Recruits Who Separate in the First 6 Months

The military services' investment in their enlisted personnel is made up of both fixed and variable costs. The fixed costs can be thought of as overhead or infrastructure costs that are not easily or quickly changed and cannot be directly associated with a single enlistee. Examples of this type of cost are the total number of recruiters or drill instructors or the money spent by a service on a television advertisement campaign for recruiting. The variable costs are directly connected to each recruit, such as costs for MEPS examinations, transportation from MEPS to basic training, issuance of clothing, and pay and allowances for each enlistee.

On the basis of DOD cost data, we estimate that in fiscal year 1996, DOD and the services spent about $390 million in fixed and variable costs to recruit and train individuals who never made it to their first duty stations. It costs between $9,400 and $13,500 to recruit and train an active-duty enlistee

through basic training and an additional $6,100 to $16,300 to train the
enlistee in an initial skill.

To calculate the services' investment in enlistees who separated in fiscal
year 1994, we multiplied the numbers of those separated at the 2-month
and 6-month points by the average investment per enlistee. We chose the
2-month point because at this time, most recruits have completed basic
training. We chose the 6-month point because by that time, most recruits
have completed follow-on training. We used the most current attrition cost
figures available—for fiscal year 1993. We converted fiscal year 1993
dollars to fiscal year 1996 dollars.

Of the services' $390 million investment in enlistees who never made it to
their first duty stations, about 60 percent of this investment, or
$231.8 million, was made in enlistees who were separated in their first 2
months of service (see table 2.1).

**Table 2.1: Services' Investment in
Recruits Who Enlisted in Fiscal Year
1994 and Were Separated in the First 2
Months**

Fiscal year 1996 dollars

Service	Number of accessions	Attrition rate (percent)	Number of attrited enlistees	Investment in each separated enlistee	Total investment in all separated enlistees
Army	61,408	9.85	6,051	$13,522	$81,821,622
Navy	53,501	12.56	6,721	12,077	81,169,517
Marine Corps	31,759	9.81	3,114	14,322	44,629,848
Air Force	29,760	8.69	2,585	9,360	24,195,600
Total	**176,428**	**10.47**	**18,471**		**$231,816,587**

Source: GAO analysis of DOD and DMDC data.

About 40 percent of the services' investment in enlistees who were
separated in the first 3 to 6 months, or $158.3 million, was made in
enlistees who were discharged between the 3rd and 6th months of service
(see table 2.2).

Table 2.2: Services' Investment in Recruits Who Enlisted in Fiscal Year 1994 and Were Separated in the First 3 to 6 Months

Fiscal year 1996 dollars

Service	Number of accessions	Attrition rate (percent)	Number of attrited enlistees	Investment in each separated enlistee	Total investment in all separated enlistees
Army	61,408	5.69	3,493	$20,733	$72,420,369
Navy	53,501	3.22	1,723	26,552	45,749,096
Marine Corps	31,759	2.78	884	20,426	18,056,584
Air Force	29,760	2.89	859	25,672	22,052,248
Total	**176,428**	**3.94**	**6,959**		**$158,278,297**

Source: GAO analysis of DOD and DMDC data.

Short-Term Savings in Variable Costs by Reducing Attrition

Significant near-term savings in variable costs could result from screening out the applicants who are now enlisting and are almost immediately being separated. For example, if recruiters send individuals with medical disqualifications to the MEPS, the service still pays for a MEPS examination, which costs around $70. If the individuals with these disqualifying medical conditions make it through their medical examinations, the services must pay for their transportation to basic training and then pay, clothe, house, and feed these recruits while they await separation. After separation, the services must pay to transport the enlistees home. As another example, when the services do not test for drugs until the recruits arrive at basic training, those services incur all the marginal costs, which could have been avoided had the services tested the recruits for drugs at the MEPS.[1] If the services have to add screening mechanisms in order to disqualify recruits earlier, the cost of these additional mechanisms would have to be subtracted from any calculations of marginal savings. Such added screening mechanisms could include requiring more preenlistment documentation or medical tests.

Marginal cost savings resulting from improved and earlier screening of recruits could be realized immediately. The marginal cost of sending a recruit to basic training and then separating him or her can be substantial. For example, the Navy calculates that its marginal cost for each recruit who is separated from basic training is $4,700 for each male and $4,900 for each female. These figures are based on the Navy's estimate that it costs $83 to transport a recruit to basic training; $3,650 to pay, feed, and house

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[1]The marginal cost is the variable cost of recruiting and training each recruit.

the recruit while at basic training;[2] $91 to provide the recruit's medical examination at basic training; $817 to provide a male recruit with clothing ($995 for a female recruit); and an additional $83 to transport the recruit home after separation. If the Navy were to screen out recruits for medical or drug disqualifications after the MEPS examination but before sending them to basic training, its immediate cost savings would be at least $4,700 per recruit.[3]

Assuming that the Navy's marginal costs are comparable to those of the other services, we estimate that the marginal cost savings realized through a 4-percent reduction of attrition would be $4.8 million. With a 10-percent reduction in 6-month attrition, the services could realize $12 million in savings. (See table 2.3.)

Table 2.3: Marginal Cost Savings to Be Gained by Reducing Attrition by 4 and 10 Percent

Fiscal year 1996 dollars in millions

Service	Savings resulting from a 4-percent reduction in attrition	Savings resulting from a 10-percent reduction in attrition
Army	$1.8	$4.5
Navy	1.6	4.0
Marine Corps	0.8	1.9
Air Force	0.6	1.6
Total	**$4.8**	**$12.0**

Source: GAO's analysis of DOD and DMDC data.

Possibility of Long-Term Savings Through Infrastructure Cuts

Over time, if the number of unqualified recruits were significantly reduced through better screening, it would be possible to reduce the services' infrastructure associated with recruiting and training, resulting in savings due to lower fixed costs. An important caveat is that these cost reductions probably would not be proportional to the decrease in attrition. For example, if attrition were reduced by 10 percent, it is likely that infrastructure costs would fall by something less than 10 percent. One

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[2]This calculation is based on the Navy's estimate that the average recruit remains at basic training 25 days before being separated and costs the Navy $146 per day.

[3]We requested similar cost data from the other three services. They were unable, however, to provide us with marginal costs comparable to those of the Navy because (1) the services' methodologies in calculating costs differed, (2) the services captured different data elements, and (3) the services did not capture certain data elements that are necessary to calculate how much it costs to send recruits to basic training and then separate them. For example, the Marine Corps did not track the average time in service of an enlistee who is separated during basic training. Data provided to us by the Army did not distinguish between fixed and variable costs, and the Army's average cost was calculated using the cost of all enlistees who separate during their first terms. Finally, the Air Force provided us with the variable cost per graduate from basic training, but not the cost of each separated enlistee.

important reason that infrastructure costs are not likely to decrease in the same proportion as attrition falls is that the services may need to ensure that their recruiting and training organizations maintain excess capacity in the event of future increases of accessions. The services now determine staffing and funding for recruiting commands based on the services' accession missions, which have the potential for being lower if attrition were to decrease.

Despite these caveats, we believe that it provides perspective to demonstrate the magnitude of the possible savings to be gained through reducing attrition and the associated recruiting and training infrastructure. To provide this perspective, we have chosen the services' highest and lowest attrition goals: a 4-percent reduction and a 10-percent reduction of 6-month attrition (see table 2.4).

Table 2.4: Long-Term Savings by Achieving 4-Percent and 10-Percent Reductions in 6-Month Attrition

Fiscal year 1996 dollars in millions

Service	Savings resulting from a 4-percent reduction in attrition	Savings resulting from a 10-percent reduction in attrition
Army	$6.2	$15.4
Navy	5.1	12.7
Marine Corps	2.5	6.3
Air Force	1.8	4.6
Total	**$15.6**	**$39.0**

Source: GAO's analysis of DOD and DMDC data.

Dangers of Establishing Attrition Targets Without Adequate Information on Why Recruits Are Separated

We agree that reducing attrition is possible and that the services' current targets for reducing attrition may represent modest and achievable goals. However, the services do not know whether more reductions are possible. DOD and the services do not currently have adequate information to determine how much attrition is avoidable and therefore should be cut. Establishing arbitrarily defined targets for reducing attrition, without knowing precisely what these targets should be, could result in the services' retaining less qualified recruits.

According to officials throughout the services, reducing attrition would be no problem. They feared, however, that cutting attrition could result in a corresponding reduction in the quality of their enlistees. That is, service officials feared that limiting attrition could force them to retain less qualified recruits. In 1980, we also anticipated this possible negative effect

of attrition ceilings.[4] At that time, we expressed concern that the Office of the Secretary of Defense and the services "might, because of congressional concern over attrition levels, attempt to control rather than manage attrition." We stated that "While control, through such means as attrition ceilings, is a quick and easy way to reduce attrition, it could ultimately prove counterproductive by retaining in the service persons who do not belong there, which would result in equally serious problems." We also pointed out that before DOD can effectively manage attrition, it must have adequate data on the reasons that enlistees separate early.

DOD Does Not Have Data Available to Establish Appropriate Targets for Reducing Attrition

In 1980, as during this review, we found that DOD did not have data on attrition that allowed it to assess service-wide attrition trends and the factors behind their changes. DOD's data is inconsistent and incomplete for two reasons. First, DOD's primary source of service-wide attrition data—which is managed by DMDC—contains only the officially assigned separation codes assigned to enlistees, when many other reasons may drive enlistees' discharges. Second, the services interpret DOD's definitions of the separation codes differently and therefore place enlistees with identical situations in different discharge categories. Because of these two drawbacks, DMDC's attrition data can be used to deduce only a rough estimate of why enlisted personnel leave the services.

DOD's Primary Database Captures Only the Official Reason for an Enlistee's Separation

DMDC data captures only one of many possible reasons that enlistees leave the service. The reasons for separation that are collected in DMDC's database are based on separation codes taken from a servicemember's official discharge form, the DD Form 214.[5] The separation program designator is a three-character code that captures the service's official reason for separation. DMDC converts these designators into interservice separation codes, which it developed in an attempt to enable cross-service comparisons of separation reasons.

Our analysis of these separation codes and our interviews with service officials and over 100 separating recruits revealed that enlistees generally have many reasons for leaving, only one of which is recorded in DMDC's database. A 1991 Rand study of enlisted personnel files also found that over 80 percent of the recruits whose files they examined had multiple

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[4]Attrition in the Military—An Issue Needing Management Attention (GAO/FPCD-80-10, Feb. 20, 1980).

[5]The DD Form 214 is a servicemember's "Certificate of Release or Discharge From Active Duty."

reasons for their early release.[6] Rand found that, typically, the separation code chosen by a service to go on the servicemember's DD-214 "is the separation code that the service believes would provide the most direct path to a successful discharge or that would offer the strongest legal case. It does not indicate the actual <u>reason</u> why the recruit separated early."

Services Interpret DOD's Definitions of Separation Codes Differently

In our 1980 report, we recommended that DOD improve existing management information systems to include attrition data-reporting systems that were more uniform. At that time, as at present, each service had designed its own system of classifying attrition by reasons, and these systems varied by installation, according to commanders' interpretations of criteria. Consequently, DOD and the services were not able to compare trends by cause among the services.

In an attempt to standardize the services' use of these codes, DOD issued a list of the codes with their definitions. However, it has not issued implementing guidance for interpreting these definitions, and the services' own implementing guidance differs on several points. While we believe that the individual services and local commanders should have flexibility in managing their personnel programs, we also believe that DOD and service headquarters have the responsibility for ensuring that their separations of enlisted personnel are consistent with overall DOD policy, are uniformly applied, and are effective.

Assigning a particular separation code rather than another has many implications. As we were told by service officials, it is in the best interest of basic training personnel to assign separation codes that reflect least poorly on the basic training site. For example, some officials told us that if a recruit has minor medical problems but even more severe motivational problems, basic training personnel might choose to separate this recruit for medical reasons, as opposed to performance problems. Separating a recruit for medical rather than performance problems is face-saving for both the recruit and basic training personnel. The recruit does not have to admit that he or she could not meet the minimum performance standards, and the command does not have to admit that it could not motivate the recruit.

Conversely, Army officials we spoke with said that, until recently, one Army basic training site had been discharging injured recruits for failing to meet minimum performance standards. They also said that, since

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[6]<u>Why Recruits Separate Early</u> (R-3980-FMP, 1991).

personnel at the Army's basic training site had been told by upper-level officials that its separations for preexisting medical conditions were too high, they expected that the training command would begin to separate recruits with medical problems under other codes.

During our review, we found the following examples, among others, of the differences in the way the services assign separation codes:

- An enlisted person who exhibits a situational adjustment problem in adapting to military life is separated from the Air Force for a personality disorder, from the Navy for an erroneous enlistment, and from the Marine Corps for failure to meet minimum performance standards. Air Force personnel told us that most persons separated for adjustment disorders do not have true personality disorders, and the discharge documentation could cause persons separated with this description to carry a stigma into later life.
- An enlisted person who is discharged for a disqualifying medical condition that he or she did not know about in advance may be discharged from the Marine Corps under the separation code for the convenience of the government or for erroneous enlistment. In the Army, this same person is separated using the separation code indicating that he or she did not meet medical/physical standards.
- If an enlistee intentionally withholds medical information that would disqualify him or her and is then separated for this same medical condition, the enlistee is discharged from the Air Force and the Marine Corps for a fraudulent enlistment. The Army categorizes this separation as a failure to meet medical/physical standards unless it can prove that the enlistee withheld medical information with the intent of gaining benefits. The Air Force and the Marine Corps do not require this proof of intent. The Navy categorizes this separation as an erroneous enlistment, which indicates no fault on the part of the enlistee.

DMDC Data Provides Only a Rough Estimate of Major Reasons for Attrition

DMDC data for fiscal year 1994 shows that DOD's attrition rate was 14.4 percent at the 6-month point in enlistees' first terms. This means that in fiscal year 1994, 25,430 enlisted personnel were separated from the services within the first 6 months of their enlistment terms. Of this number, 21,229, or about 83 percent, were assigned separation codes indicating that they (1) were medically unqualified for military service, (2) demonstrated character or behavior disorders, (3) fraudulently or erroneously entered the military, or (4) failed to meet minimum performance criteria.

While these separation codes represent general areas in which the services suffer the most early attrition, the codes cannot provide a basis for determining how much of the attrition in these areas can be reduced. For example, in the area of medical disqualifications, DMDC's data does not quantify what percentage of enlisted personnel discharged with this separation code had verifiable medical conditions that could have been screened out in advance. In the area of character and behavior disorders, the data does not distinguish between those separated for severe personality disorders and those who experienced mild situational disorders and might have been having motivational problems. In the area of fraudulent and erroneous enlistment, the data does not allow the services to determine what percentage of those separated in this category were discharged for concealing criminal background histories, as opposed to medical or psychological conditions. Finally, in the area of performance separations, the data does not allow DOD to determine what percentage of these enlistees were separated for minor injuries or what percentage might have been further counseled or rehabilitated.

DOD Has Proposed a Project to Develop a Database on Medical Discharges

According to an official in DOD's Office of the Assistant Secretary of Defense for Health Affairs, DOD approved a project in July 1996 to compile a comprehensive database of medical conditions for all accessions. This database project was funded in September 1996. As part of the project, doctors throughout the services will be required to use an internationally recognized medical code book to diagnose medical conditions for all their patients. This information will be fed into a database maintained by DMDC and will then be analyzed by the Walter Reed Institute of Research. This database will provide DOD with the ability to reevaluate its physical enlistment standards, to analyze the medical reasons that recruits are separated, and to make fact-based policy changes to reduce medical attrition.

Recommendation

To provide a reliable database for DOD to manage attrition and for the services to set appropriate targets for reducing attrition, we recommend that the Secretary of Defense issue implementing guidance for DOD's separation codes.

Agency Comments and Our Evaluation

In commenting on a draft of this report, DOD partially concurred with our recommendation that the Secretary of Defense issue implementing guidance for DOD's separation codes (see app. I). DOD agreed that "the

administrative techniques at the user level for coding these losses require attention in order to validate attrition rates and the recommendation to enforce standardization is valid." DOD also stressed that its separation codes were the subject of a standardization initiative in 1993, which provided a common list to all services for use starting October 1, 1993. As we state in our report, the lack of standardization in the services' use of separation codes is a long-standing issue, dating back to at least 1980. While DOD's issuance of a list of standardized separation codes was a step in the right direction, we found that the services have not been applying these codes consistently and that this lack of consistency makes it impossible for DOD to analyze reasons for attrition on a service-wide basis.

DOD questions our statement that basic training personnel sometimes choose the separation code that allows them to "save face," stating that the original intent of the separation codes listed on the DD-214s was not to capture reasons for attrition. Though this may be the case, these codes are at present the only service-wide information on reasons for separations. If DOD decides that it would be more feasible to collect service-wide reasons for separation using a different mechanism, we would not object. Our concern is that such data be collected and analyzed, not that the data be based on separation codes listed on the DD-214s.

Thousands of Recruits Are Separated Early Because They Are Unqualified or Unmotivated

During this review, we focused on separations in three categories: separations for medical conditions that were not disabilities, separations for drug use, and separations for failure to meet performance standards. Separations for medical conditions and failure to meet performance standards represent at least 55 percent of all 6-month attrition for enlistees who entered the services in fiscal year 1994. This percentage is understated for two reasons. First, some persons who have medical problems are being separated as fraudulent enlistments because they concealed their medical histories. Second, some persons who have performance problems are being separated for character or behavior disorders. We were not able to calculate the number of persons discharged for drug use in all the services because separations for these persons are categorized in many different ways. For example, a person who uses drugs could be separated for erroneous or fraudulent enlistment, personality disorder (if found to be drug-dependent), misconduct, or drug rehabilitation failure.

A calculation of the numbers of persons in each of these three categories can only be approximate because the services assign separation codes differently and because persons placed in one of these categories might have actually been separated for many different reasons. Even so, the data indicates in a general way why attrition during the first 6 months of an enlistee's term occurs. This data—along with our interviews with recruiting, examining, and training personnel and with separating recruits—indicates that the services' screening processes are not identifying significant numbers of persons who have disqualifying medical conditions or who use drugs.

The data also indicates that DOD separates thousands of personnel who do not meet minimum performance standards. Recruits have problems meeting performance standards because they are not physically prepared for basic training and because they lack motivation. GAO's interviews with separating recruits and recent research suggest that negative leadership techniques at basic training may contribute to some recruits' lack of motivation to meet performance standards.

Screening Processes Do Not Identify Thousands of Recruits Who Are Unqualified for Service

DOD's current processes for screening enlisted recruits are inadequate in the following ways:

- Recruiters do not have sufficient incentives to screen out persons who may not be fully qualified to complete basic training.
- Recruiting and MEPS screening mechanisms and service waiver policies result in the enlistment of thousands of persons who have preexisting medical conditions and who are later separated. Also, the responsibility for reviewing cases involving preexisting medical conditions resides with MEPCOM, which poses a conflict of interest because this is the command most directly responsible for determining the physical qualifications of military applicants.
- The Navy and the Marine Corps do not test recruits for drugs until they arrive at basic training.

Recruiters' Incentives Are Not Adequately Tied to Enlistees' Successful Completion of Basic Training

In a sense, recruiters have a conflict of interest. Though they are obliged to their services to recruit only qualified personnel, their performance is judged primarily on how many recruits they enlist per month. Recruiters' monthly recruiting goals are established on the basis of the services' accession needs, which are in turn driven by end strength numbers and budget allocations. The recruiters' goals are also connected to the numbers of basic and follow-on training slots. That is, recruiters must keep a steady and constant flow of enlisted personnel into the services. At the same time, recruiters are the first step in the process of determining whether applicants are qualified mentally and physically to serve in the military. Despite this secondary but very important function, recruiters receive no credit for screening out unqualified applicants before they are enlisted.

Recruiters' quotas are tied to whether their recruits enter active duty after being in the Delayed Entry Program. After enlisting, recruits may remain in the Delayed Entry Program from 2 days to 1 year. If an enlistee drops out of the Delayed Entry Program, the recruiter gets no credit for that enlistment. After the recruit begins active duty and is transported to basic training, only two services—the Marine Corps and the Navy—continue to hold their recruiters responsible for whether their recruits successfully complete basic training.

The Air Force and the Army do not tie their recruiters' incentive systems to successful completion of basic training because they believe that recruiters should not be penalized for their recruits' failure to complete

basic training. According to Air Force officials, the Air Force provides feedback to its recruiters on each loss from training and produces data quarterly to identify recruiters whose recruits have high or low training attrition rates. This allows Air Force supervisors to take corrective actions with recruiters whose recruits are separated at a high rate. The Army believes that once applicants are transported to basic training, recruiters have done their jobs and are no longer able to influence their enlistees' performance.

Beginning in June 1996, the Navy implemented a revised recruiter incentive system that will subtract points from recruiters whose enlistees do not complete basic training. Because the new system has just been implemented, the Navy has not yet determined whether the system will help to reduce attrition.

For many years, the Marine Corps has given its recruiting units the flexibility to design incentive systems that factor in successful basic training graduation rates and to deduct recruiter points when a recruit fails basic training. According to Marine Corps recruiting officials, however, their recruiting incentive systems are not uniform because Marine Corps headquarters authorizes each recruiting district and station to develop its own awards systems. That is, some recruiting stations may choose to award additional points to recruiters for each successful basic training graduate or to take points away for each recruit who drops out, and others may not. In any case, some Marine Corps basic training officials suggested that Marine Corps recruiters are still driven primarily by their monthly goals. These officials said that the threat that recruiters might lose points 3 months later (when the recruit fails basic training) does not provide sufficient motivation for Marine Corps recruiters to do more thorough screening.

Basic training officials from all services told us that they believed that recruiters do not have adequate incentives to ensure that their recruits are qualified medically, morally, and psychologically. That is, these officials believe that recruiters are driven by their monthly goals to recruit persons who may not be fully qualified and that recruiters do not have an incentive to thoroughly probe applicants to learn of possibly disqualifying medical, psychological, or criminal problems.

Recruiters are not solely responsible for the services' failure to screen out unqualified recruits. We agree with service officials that it is not the recruiters' job to determine whether recruits are medically qualified.

Rather, it is the MEPS physicians' job to perform this function. Even so, we believe that the services do not provide recruiters with adequate incentives to ask applicants probing questions that might reveal disqualifying information. Asking probing questions leads to two complications for recruiters. First, if recruiters uncover potentially disqualifying information about their applicants, they create more paperwork for themselves in that they must request waivers. Second, recruiters might have to reject applicants who are not qualified and miss their monthly quotas.

In some cases, recruiters are given bonus points for recruiting top quality recruits, "quality" recruits being defined as those who have high school diplomas and score in the upper percentiles of the ASVAB. However, recruiters are not sufficiently rewarded for other indicators of excellence in enlisting personnel for the services, measures such as thoroughness of screening, suitability of matches between an applicant and the job for which he or she is most qualified, and length of time the applicant stays in the military. These indicators suggest that recruiters' incentive systems could be improved by comparing them to incentive systems for job counselors. Recruiters are trained to be sales people, rather than job counselors or placement officers.

Two suggestions were made to us during our fieldwork for improving recruiters' incentive systems to relieve the pressure to recruit unqualified personnel. First, it was suggested that recruiters receive partial credit for thoroughly probing applicants and ultimately finding that they are unqualified. This partial credit would provide an incentive for recruiters to fully screen applicants without losing all credit for investing time in working with these persons.

A second idea for improving the recruiter incentive systems was to give recruiters a "floating goal." Under this type of system, a recruiter's goal would not be set for one month only but could, for example, be a 3-month goal that continued to move forward. With such a floating goal system, a recruiter would be provided with an incentive to overproduce one month to relieve the pressure of the next month's goal. Conversely, if the recruiter were unable to meet one month's goal, he or she would be able to make up that lack in the next month. According to officials from the Office of the Secretary of Defense, this floating goal system has been tried and has met with failure. Past experience showed that recruiters tended to wait until the last possible moment to meet their recruiting goals. While we did not evaluate why this floating goal system did not work in the past,

we continue to believe that innovative ideas like these merit further
consideration and study.

Thousands Are Separated for Preexisting Medical Disqualifications

The services are enlisting persons with disqualifying medical conditions
for two primary reasons: (1) applicants conceal their medical histories and
(2) the services waive medical conditions that, according to DOD directives,
are disqualifying. The Military Entrance Processing Command reviews the
personnel files for all enlistees who are separated for preexisting medical
conditions to determine when medical screening has not been effective.
However, the fact that the responsibility for reviewing these cases lies
with the same command that does the medical screening raises the
possibility of a conflict of interest.

DMDC data indicates that approximately 6,800 of the nearly
176,400 enlistees who entered the services in fiscal year 1994, or
3.9 percent, were found to be not medically qualified for service within the
first 6 months of their terms. Of the approximately 6,800 personnel who
were separated for preexisting medical conditions, around 3,600 were in
the Army, 1,700 were in the Navy, 1,400 were in the Air Force, and 100
were in the Marine Corps. The Air Force's and the Marine Corps' numbers
are understated because they separate persons who conceal medically
disqualifying information for fraud.

The problem with enlisting medically unqualified recruits into the services
is a long-standing one. In 1965, in 1968, and again in 1970, we reported the
numbers of personnel who enlisted in the services with preexisting
medical conditions.[1] We estimated that $17.9 million was expended during
fiscal year 1969 by the military services, primarily for pay and allowances,
uniforms, and travel, for personnel discharged because of preservice
physical defects after serving in the military for a year or less.

In our 1970 report, we stated that discharges for medical conditions that
existed prior to service accounted for 2.3 percent of all accessions
between fiscal years 1966 through 1969. During our current review,
MEPCOM reported that discharges in this category represented 2.9 percent
of all accessions in fiscal year 1994 and 3.3 percent of all accessions in
fiscal year 1995. According to an official in the Office of the Secretary of

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[1]Unnecessary Costs Incurred Because of Acceptance of Physically Unqualified Enlisted Members in
the Armed Services (B-14686, Apr. 2, 1965); Report on Matters Relating to Enlisted Personnel
Discharged Because of Defects That Existed Prior to Entrance Into Military Service (B-146986, Mar. 21,
1968); and Discharge of Military Enlisted Personnel Because of Preservice Physical Defects (B-146986,
July 27, 1970).

Defense, enlistees today are more likely to conceal disqualifying medical conditions than they were during the draft. During the draft, many inductees wished to avoid military service, while now enlistees are voluntarily enlisting and have more of an incentive to conceal medical conditions.

Applicants Are Not Systematically Required to Provide Medical Records Prior to Enlistment

MEPCOM's data for fiscal year 1994 indicates that over half of all separations for preexisting medical conditions involved the applicants' concealment of their medical conditions. Concealment of past medical history is made easier by the fact that applicants are required to present medical histories only if they report past medical problems. Applicants who wish to join the service have an incentive to conceal such information.

Of all the services, the Navy had the most complete data on whether enlistees who were separated for medical conditions had known about and reported these conditions prior to enlistment. Personnel at the Navy's basic training clinic administer a questionnaire to all recruits who are separated for preexisting medical conditions asking them whether they had previously reported their conditions. According to Navy clinic personnel, 1,684 Navy recruits were separated for medical conditions in calendar year 1995. Of these, 43 percent, or 724 recruits, reported on their questionnaires that they had seen civilian physicians at some time before they enlisted in the Navy about the condition for which they were separated. Fifty-five percent of all those discharged for preexisting medical conditions (928 recruits) reported that they had told their recruiters of their conditions before enlisting, and 41 percent (683 recruits) reported that their recruiters had told them not to mention the medical conditions. Navy clinic personnel told us that "identifying those patients with conditions not compatible with Navy service prior to their enlistment saves training dollars and keeps these patients away from a potentially dangerous environment." However, while Navy doctors had compiled these statistics, they knew of no resulting changes to the enlistment screening process.

According to Navy recruiting officials, data compiled by Navy doctors from this questionnaire began to be reported to the Navy's Recruiting Command in January 1996. These officials said that to date, 60 percent of all the fiscal year 1997 allegations against recruiters had been immediately retracted by recruits. The remaining 40 percent of these allegations were referred to the Navy Recruiting Command's Inspector General for further investigation.

Personnel from basic training camps for all four services told us that they share information with their recruiting commands on what enlistees tell them about recruiters' failure to encourage the enlistees to completely divulge medical conditions. However, they also stressed that enlistees often blame their recruiters when they themselves are guilty of withholding medical information. According to these officials, only a very small percentage of enlistees' allegations about recruiters are substantiated. These officials also told us that when it comes down to the recruit's word against the recruiter, the services side with the recruiter.

Personnel throughout the services stressed the difficulty of encouraging applicants to be honest in divulging their past medical conditions and the difficulty of obtaining past medical records. If an applicant has lived in several different places, it would be extremely difficult for the services to research medical records from dozens of hospitals.

The services now ask applicants to provide medical records only when they divulge past medical problems. Neither do the services ask all applicants to provide the names of their medical insurers and medical providers. Asking all applicants to provide such information might reduce the number who do not fully disclose past medical histories. We realize that some applicants may not be insured; some might have had several different insurers and visited many hospitals and doctors over a period of years; and others may continue to withhold information about their medical histories. However, we believe that applicants would be less likely to conceal past medical problems if they were required to (1) provide the names of their medical insurers and past medical providers and (2) sign a release form allowing the services to request their medical records.

The services would not necessarily have to obtain medical records for all applicants. Rather, the services could determine how frequently they needed to research applicants' medical histories in order to ensure that applicants believed that the information they provided the services could and might be verified. To ensure that the paperwork burden of recruiters was not increased and that recruiters themselves did not know which applicants would receive this greater scrutiny, the services could place the responsibility for obtaining medical files on persons who are not production recruiters.

Officials from the Office of the Army's Deputy Chief of Staff for Personnel suggested that one reason that applicants may not be reporting disqualifying medical information is that the questions on the "Applicant

Medical Prescreening Form" (DD Form 2246) are not specific enough. Recruiters use this form to ask applicants about their past medical histories and drug use. Army officials believe that recruiters are following "the letter of the law" when gathering medical data. That is, recruiters are asking the questions contained on the form verbatim and are not asking follow-up questions at least in part because they are not medically qualified to know what the relevant medical questions are. Army officials suggested that the prescreening form might be revised to make the questions more specific and to tie the questions more closely to medical conditions that most often result in recruits' separations.

During our review, we also found that some of the questions on the recruiter's prescreening form were vague and ambiguous. For example, one question is "Have you ever had or have you now back trouble?" The form does not define or give examples of what an applicant should consider to be "back trouble." Another question is "Have you ever had or have you now addiction to drugs or alcohol?" There is no question on the form asking whether the applicant has tried alcohol or drugs or how often the applicant has used alcohol or a particular drug.

After applicants have completed the recruiter's prescreening form, they fill out a second medical history form at the MEPS, the "Report of Medical History" (SF 93). During our visit to the Navy's basic training camp, doctors there said that they believed that the MEPS medical history form was obsolete, ambiguous, and easy for applicants for falsify. For example, one of the questions on the form is "Have you ever had or have you now lameness?" Navy doctors pointed out that the term "lameness" is no longer used by medical personnel. The form also asks, "Have you ever had or have you now [a] 'trick' or locked knee?" The form contains no definitions of "trick" or "locked." Also, Navy basic training doctors said that they could tell that applicants do not thoroughly read the form as they record their answers. These doctors believe that applicants often automatically check "no" to all questions, not realizing that one question requires a "yes" answer if an applicant is to be determined qualified. The question that requires a "yes" answer asks whether applicants have vision in both eyes. Navy doctors often find that applicants have checked "no" to this question and then have had to go back to correct and initial their answer.

In an effort to get more complete and accurate information from recruits on their medical histories, the Navy's basic training doctors ask recruits to fill out an automated form upon arrival at basic training. This questionnaire, which the Navy doctors wrote themselves, contains more

specific questions and requires recruits to fully read the questions because some questions require "yes" answers, and others require "no" answers. Also, for some questions, the doctors deliberately use different terminology to ask the same medical question. Navy basic training doctors believe that asking questions in different ways makes it more likely that recruits will recognize their particular symptoms and report them.

DOD Does Not Have Empirical Data on the Cost-Effectiveness of Waivers or Medical Screening Tests

MEPCOM data for fiscal year 1994 indicates that close to 8 percent of separations for preexisting medical conditions involved cases in which the services granted waivers for the very conditions for which the recruit was later separated. DOD has set uniform enlistment standards for all the services in DOD Directive 6130.3, "Physical Standards for Appointment, Enlistment, and Induction." However, this same directive also grants the services the authority to waive the enlistment standards, and, according to MEPCOM officials, the services frequently do so. The Army, for example, told us that the only two medical conditions for which waivers could not be granted were pregnancy that existed prior to enlistment and human immunodeficiency virus.

Personnel throughout the services explained that it is difficult to determine which medical conditions to waive because some recruits with disqualifying medical conditions, such as severe flat feet, are able to successfully complete basic training, while others are not. Statistical data is not currently available that would enable the services to predict which disqualifying medical conditions represent good attrition risks.

According to an official in DOD's Office of the Assistant Secretary of Defense for Health Affairs, DOD's physical enlistment standards are not empirically linked to performance in the military, but rather are based on military experience and expert judgment. This official cited as an example DOD's change in its asthma policy. Before Operation Desert Storm, applicants who had histories of asthma but had not had an asthma attack since age 12 could qualify for military service. Just after the war, however, military leaders recommended that persons who had any history of asthma should be disqualified. This recommendation was based on military leaders' personal observations of the effects of environmental conditions on servicemembers during the war.

DOD's recently approved plan to collect data on the medical histories of all accessions, including those who separate early, will provide an opportunity for DOD to base its enlistment standards and waiver policies on sound research data. DOD plans to begin revising its enlistment standards

using this new database beginning in fiscal year 1997. DOD's new database will also allow DOD to determine whether it would be cost-effective to add screening tests to MEPCOM medical examinations or to refrain from giving some medical screening tests at the basic training sites. At present, some basic training screening tests are more thorough than those given at the MEPS, and at other times, recruits are given the same tests at the MEPS and at basic training. For example, while some basic training camps do pap smears, tests for Hepatitis B, and sickle cell anemia, the MEPS do not. According to MEPCOM officials, female applicants are not given pap smears at the MEPS because, statistically, women of this age typically do not have health problems that would be surfaced through pap smears. If this were the case, however, it is not clear why female recruits are given pap smears when they arrive at basic training. When recruits are found to have medical problems related to these tests given at basic training but not at the MEPS, they are sometimes separated from the services.

On the other hand, the MEPS do some examinations that are repeated at the basic training camps. For example, all recruits are tested for vision and hearing at the MEPS, and at basic training, all or selected recruits are retested. During our review of separation files and our interviews with separating recruits, we found many cases of recruits who were being separated for vision and hearing problems that were not discovered until the recruits had been retested at basic training. MEPCOM officials told us that the vision and hearing testing done at the MEPS is comparable in sophistication to the testing done at the basic training camps. If this is the case, it is unclear (1) why recruits need to be retested at basic training and (2) why recruits frequently fail the vision and hearing tests given at basic training camps after having passed them at the MEPS.

Army officials suggested that an alternative to conducting more thorough medical screening on all recruits would be to conduct more thorough medical screening only on applicants whose medical histories indicated problems. The MEPS already require that applicants who report medical problems be seen by medical specialists. However, if applicants do not report medical problems and MEPS doctors do not detect problems, applicants can avoid such medical consultations. With improved screening forms, with better incentives for recruiters to collect medical information, and with DOD's proposed medical database, DOD would have a sound basis for determining which applicants should undergo more thorough medical examinations.

MEPCOM's Review of Medical Cases Poses a Possible Conflict of Interest

The military services are required to send to MEPCOM all separation packages for persons discharged for medical conditions that existed prior to service. MEPCOM's doctors then categorize the individual cases to determine whether the medical conditions should have been detected at the MEPS. According to MEPCOM's Command Surgeon, in fiscal year 1994, only 3.3 percent of the medical separation cases were due to an error on the part of MEPS personnel.

Basic training doctors and other personnel told us of cases in which persons arrived at basic training who were very obviously medically or psychologically disqualified. They cited cases of a recruit with a glass eye, numerous recruits who had no vision out of one eye, a recruit with a hearing aid, recruits with holes in their eardrums, and a recruit who had severe and debilitating mental problems. When we asked MEPCOM officials about these cases, they said that they had heard similar anecdotal information about recruits who had not been screened out at the MEPS. However, they said that, generally, persons reporting these cases cannot provide the type of information that would allow MEPCOM to investigate the cases and trace them back to the appropriate MEPS.

We reviewed a selected sample of MEPCOM's files on these cases and its determination of whether medical conditions should have been detected by MEPS doctors. We found no instances in which MEPCOM had improperly classified cases. However, we believe that there is a conflict of interest because the responsibility for reviewing and categorizing cases resides with MEPCOM, which plays the most significant role in the medical screening process. MEPCOM's Command Surgeon told us that the Air Force also categorizes preexisting medical separation cases and has in certain instances challenged MEPCOM's classifications.

Thousands Separated for Drug Use

The Air Force and the Army test all of their applicants for drugs at the MEPS. As a result, they are able to screen out persons who test positive for drugs at the time of their preenlistment medical examinations. The Navy and the Marine Corps, on the other hand, do not test applicants for drugs at the MEPS but wait until they arrive at basic training. The Navy and the Marine Corps then separate many recruits for testing positive for drug use upon arrival at basic training.

After the Army and the Air Force test their recruits for drugs during the MEPS medical examination, they require recruits to sign a statement that they will refrain from drug use while in the Delayed Entry Program. The

Army's and the Air Force's rationale for not retesting recruits for drugs at basic training is that any drug use on the part of recruits will demonstrate itself in recruits' performance.

In fiscal year 1994, 1,669 recruits were discharged from the Navy because of drug use. During our initial visit to the Great Lakes Naval Training Center, our review of personnel records and interviews with separating personnel indicated that some of these recruits had received waivers for preenlistment drug use, and some had been in the Delayed Entry Program for insufficient periods of time to eliminate all drugs from their systems. We reviewed the personnel records of 19 Navy recruits who were separated for drug use. Of these 19, the personnel records included documentation that 17 had admitted to drug use prior to enlistment; 2 had not. Of those who tested positive for drugs upon arrival at basic training, seven had been in the Delayed Entry Program 1 month or less. Six of these seven had admitted to prior drug use. In other words, some recruits were transported to Navy basic training when recruiters or MEPS personnel knew that they had used drugs. Navy recruiting officials said that if these recruits had admitted to drug use within the past 30 days, they would not have been sent to basic training. Since March 1990, this has been the Navy's policy. Up until March 27, 1996, the Navy denied reenlistment rights to enlisted persons who tested positive for drugs at basic training. On that date, the Navy changed its policy to allow some recruits who tested positive for marijuana to reenlist after a period of 6 months.

Navy recruit division commanders told us that recruits being separated for positive drug tests are generally good performers and want to stay in the Navy. At the Navy's basic training camp in Great Lakes, Illinois, we interviewed seven recruits being separated for drug use. Four had tested positive for marijuana, two for cocaine, and one for an hallucinogenic drug. Of the four who had tested positive for marijuana, three had been in the Delayed Entry Program 1 month or less. All four wanted to stay in the Navy, and two wished to appeal their cases.

Like the Navy, the Marine Corps tests for drugs at basic training but not at the MEPS. While the Navy grants no waivers for those who test positive for drugs, the Marine Corps grants waivers to enlistees who test positive for marijuana at basic training. In fiscal years 1995 and 1996, around 70 percent of recruits who tested positive for marijuana at Parris Island Marine Corps Recruit Depot were granted waivers. The Marine Corps bases its decisions on granting waivers on (1) what type of drug was used, (2) whether the use was experimental or routine, (3) whether the drug was

used while the enlistee was in the Delayed Entry Program, (4) whether the enlistee admitted to the drug use, (5) whether the enlistee is drug dependent, and (6) whether the enlistee has been convicted of any drug-related offenses.

Thousands of Recruits Discharged for Failure to Meet Minimum Performance Criteria

Of all recruits entering the services in fiscal year 1994, approximately 7,200 were discharged in the first 6 months of service because they failed to meet minimum performance criteria: around 4,800 in the Army, 1,300 in the Marine Corps, 600 in the Air Force, and 500 in the Navy. The Army's numbers for recruits separated in this category are significantly higher than those of the other services for at least three reasons: (1) the Army enlists more recruits than any other service; (2) the Army places persons with mild, situational adjustment problems in this category; and (3) until recently, the Army placed recruits who had been injured in training in this category. According to basic training personnel, recruits who are discharged for failure to meet minimum performance criteria include those who fail physical training standards, who cannot meet weight standards, who fail inspections, or who cannot otherwise adapt to basic training.

Recruits Fail to Meet Performance Standards Because They Are Not Physically Fit

Basic training personnel throughout the services said that recruits who are in good physical shape have a greater chance of meeting overall military performance standards. Those struggling to meet physical requirements are often correspondingly demotivated to meet other military requirements. Service officials suggested that two ways of ensuring that recruits are better prepared to succeed in basic training are to (1) more fully inform them of the physical training requirements of basic training while they are still in the Delayed Entry Program and (2) encourage recruits to become physically fit while they are waiting to go on active duty.

All of the services encourage enlistees to become physically fit while they are in the Delayed Entry Program. The services stress that these physical activities must be voluntary. For many years, the Marine Corps has encouraged its recruiters to provide opportunities for enlistees to participate in physical training activities on a voluntary basis. Recently, the Navy and the Army have also restructured their Delayed Entry Programs to encourage recruits to become more physically fit before they enter basic training. As part of the Army's new proposed program, which was near the implementation stages in December 1996, the Army will

allow recruits in the Delayed Entry Program access to military fitness centers before they report to basic training and reward them with retirement points for participating in voluntary physical training exercises with their recruiters.[2] As another part of the Army's proposed new Delayed Entry Program, enlistees will be required to learn basic military customs and rules. Learning such material before arriving at basic training will lessen recruits' stress in attempting to learn large amounts of material in the short time allotted to basic training. Air Force officials told us that they do not require recruiters to conduct any formalized physical training for recruits while they are in the Delayed Entry Program because they believe that the Air Force would be legally liable for injuries sustained by recruits while participating in such training.

All four services stop short of making physical training activities mandatory for enlistees because they believe that requiring physical training activities could make the services liable for any injuries enlistees sustain while in such training. Yet, according to Army legal officials, enlistees are already entitled to the use of military health care facilities when they are participating in training activities. Enlistees in the Delayed Entry Program are members of the Individual Ready Reserve in an inactive duty status. We believe that taking more assertive steps to make recruits physically fit will result in fewer injuries during basic training and in reducing the number of enlistees who are separated during basic training.

Recruits Fail to Meet Performance Standards Because They Lack Motivation

Another principal reason that recruits are discharged for failure to meet minimum performance standards is that they lack motivation. During our review, we found that all four services have taken steps to improve recruits' motivation by changing the basic training environment. For example, the services have all established remedial physical training programs for recruits who are not able to meet physical standards. The services have also established motivational and rehabilitation units for those with motivational problems and injuries. The services are also concerned with ensuring that drill instructors do not abuse their recruits. The Air Force, in particular, believes that it has made significant improvements in this area. A senior Air Force official wrote in June 1995, "The negative, profane and perhaps even abusive drill sergeant is all but gone. [In 1992], almost 10% of our trainees complained of verbal abuse or

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[2]According to an official from the U.S. Army Recruiting Command, retirement points may be used to calculate retirement eligibility if the soldier chooses future service in the reserve component. If the soldier chooses active service, these retirement points would not be included in the calculation of retirement eligibility for the regular component.

profanity. Today it's 4.1%, and this continues to come down. We will get it to zero."

While all four services have similar prohibitions on drill instructors' treatment of basic trainees, many recruits told us that some drill instructors motivated recruits through negative leadership. The official policy in each service is to treat recruits with respect. Navy instructions, for example, state that "the training process must at all times reflect respect for dignity and rights of the individual and provide a training environment which is free from all forms of abuse." Specifically, the instructions say that "the use of vulgar, obscene, profane, sexually-oriented, humiliating, or racially/ethnically-slanted language to address or refer to a trainee(s) directly or indirectly is prohibited. A trainee will be addressed only by his/her last name, rank/rate, or by the word 'recruit.'"

Despite this official policy, about one-third of the 126 recruits we interviewed told us that they were subjected to humiliating treatment and that this treatment contributed to their desire to leave the military. We were told that drill instructors use obscene language frequently. What we heard from recruits reinforced findings of Army, Air Force, and Rand studies that concluded that negative motivation has a detrimental effect on recruits' desire to stay in the military.[3] We do not conclude from the anecdotes that recruits related to us that negative treatment of recruits is widespread because we cannot generalize from our 126 interviews.

One study completed by the Army Training and Doctrine Command (TRADOC) in 1984 found that the way drill sergeants interacted with their trainees influenced their units' early discharge rates. According to the TRADOC report, "Those drill sergeants who outwardly demonstrated concern for the trainees' well-being, personally gave additional informal instruction to marginal performers, and who were effective counselors tended to have more cohesive platoons with lower attrition." The TRADOC report recommended that training for drill instructors be bolstered to stress positive leadership and performance counseling. TRADOC hoped to create a "win-win" climate in which they expected higher cohesion and lower attrition. TRADOC called this positive leadership philosophy "Insist/Assist." The Army intended to continue to insist that military

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[3]"Trainee Discharge Program Study," (Army Training and Doctrine Command, Dec. 26, 1984); Trends in Attrition of High-Quality Military Recruits (R-3539-FMP, Aug. 1988); and "Developing Airmanship: The Focus of the Air Force Indoctrination Process," paper prepared for the Air War College, Air University, Maxwell Air Force Base, April 1993. As a disclaimer contained in the Air Force paper suggests, it does not necessarily reflect the official opinion of the Air War College or the Department of the Air Force.

standards be met and to assist all recruits to meet these standards. TRADOC emphasized that "The leadership approach of all trainers must be based on positive leadership techniques and the understanding that trainee performance is nearly always a function of cadre leadership."

In 1988, a Rand study noted that the Army's basic training attrition rate was sharply reduced for the fiscal year 1984 and 1985 cohorts. Rand concluded that this reduction in attrition "reflects at least in part the explicit or implicit effect of the Army [1984 TRADOC] study." That is, Rand believed that this drop in attrition demonstrated that attrition management can yield large benefits. Rand qualified this conclusion by stating that a study would have to be conducted to ensure that the Army's lower basic training attrition would not result in a correspondingly higher attrition rate for enlistees later in their terms. For the short term, however, Rand stated that the Army's change in training philosophy and other changes made as a result of TRADOC's 1984 study, meant that

With no adjustment in recruit quality or standards, the new Army program resulted in 4 and 6 percent more trained high-quality men and women available, respectively, in FY85 than in FY83. These effects are comparable in magnitude with those of enlistment incentives such as enlistment bonuses and educational benefits.

During our review, we found that the Army had readopted its 1984 philosophy to "Assist/Insist." In a Department of the Army briefing on attrition dated July 17, 1996, the Army reasserted its 1984 study's conclusions. The Army stated that it hoped to change its training philosophy to "stress a positive, reinforcing, success-oriented environment." The Army said that it hoped to stress positive leadership, to tell its training personnel, "Don't tear down to build. Instead build to build."

In 1993, an Air Force basic training squadron commander came to similar conclusions to those of the Army concerning the effects of negative and positive leadership during basic training. The Air Force training commander said that at the time he was a basic training squadron commander in 1988, training philosophies, particularly recruit motivation techniques, varied among the eight Air Force training squadrons. The squadron commander reported that "some were notoriously negative (and borderline abusive by using such methods as threatening language, physical intimidation, and excessive profanity). Others were more moderate, and several were quite positive. . . ." The squadron commander believed that negative styles of leadership would not instill the qualities,

values, and attitudes that were important to the Air Force. He noted the following:

> While there is the need for "rigid" motivation in [basic training] to instill certain military skills (i.e., discipline, following orders, etc.), and to organize and control large numbers of recruits, total reliance on the "negative" style won't produce the objectives we seek. For instance, an airman (or flight) that has been motivated mostly by fear, who repeatedly over six weeks has been corrected in a degrading or harassing manner, may end up resenting authority rather than respecting it. While we may produce someone who follows orders, he/she may not do so willingly. Further, a total emphasis on negative motivation risks seeing individual effort dissipating in a more relaxed training environment later on. We can't afford that. Our focus must be on positive motivation. This does not mean that we "coddle" or "carry" trainees, nor does it mean eliminating the firmness that is an essential element of the Basic Training program. It does mean a total emphasis on professional behavior and proper role modeling.

The Air Force officer who made these observations said that in the years that he was a squadron commander, attrition rates varied widely from squadron to squadron, depending on leadership techniques. In his squadron, where he employed positive motivational techniques, the attrition rate remained at 5 to 6 percent, below the Air Force's basic training rate of 7.07 in fiscal year 1988 and 7.87 in fiscal year 1989. This Air Force officer attributes differences in attrition rates among the squadrons to differences in leadership styles.

Recommendations

To reduce the attrition of enlisted personnel during the first 6 months of their terms of enlistment, we recommend that the Secretary of Defense take the following actions:

- Require (1) all the services to review and revise their recruiter incentive systems to strengthen incentives for recruiters to thoroughly prescreen persons with medical histories and (2) the Marine Corps, the Air Force, and the Army to more closely link recruiting quotas to recruits' successful completion of basic training. The services may wish to consider such ideas as awarding recruiters partial credit for thoroughly screening applicants or using a "floating goal" system.
- Direct the services to require all applicants for enlistment to (1) provide the names of their medical insurers and providers and (2) sign a release form allowing the services to obtain past medical information. Taking these two steps would provide the services with the tools to identify applicants' past medical problems and add an incentive for applicants to

be forthcoming in reporting past medical conditions. To ensure that applicants are made aware that the services do follow up in researching medical histories, the services could determine how frequently they need to obtain applicants' medical records. To ensure that recruiters do not know which applicants will have their medical histories researched and that recruiters are not further burdened by paperwork, records should be obtained by someone who is not a recruiter. Medical records obtained through this process should be included in the file reviewed by the MEPS physician at the applicant's preenlistment physical examination.

- Direct the services to revise their "Applicant Medical Prescreening Form" (DD Form 2246) and their "Report of Medical History" (SF 93) to ensure that medical questions are specific, unambiguous, and tied directly to the types of medical separations most common for recruits during basic and follow-on training.
- Use DOD's newly proposed database of medical diagnostic codes to determine whether adding medical screening tests to the MEPS examinations and/or providing more thorough medical examinations to selected groups of applicants could cost-effectively reduce attrition at basic training.
- Place the responsibility for reviewing medical separation files, which currently resides with MEPCOM, with an organization completely outside the screening process. Such a review would ensure that no conflict of interest interfered with the objective review of which medical conditions should have been detected by MEPS physicians.
- Direct all the services to test applicants for drugs at the MEPS to prevent the enlistment of those who now test positive for drugs upon arrival at basic training.
- Direct the Navy, the Marine Corps, and the Air Force to consider adopting a program similar to the Army's new Delayed Entry Program, under which recruits are encouraged to participate in voluntary physical activities with their recruiters and may be granted military retirement points for their participation. Also, direct the services to provide those in the Delayed Entry Program with access to military fitness facilities and to military medical facilities if they are injured while participating in physical activities with their recruiters.

Agency Comments and Our Evaluation

In commenting on a draft of this report, DOD provided the following responses to our recommendations. (DOD's comments are presented in their entirety in app. I.)

DOD partially concurred with our recommendation that the services be directed to review and revise their recruiter incentive systems and stated that it will direct the services to review their programs and make revisions as necessary. Although DOD also stated that it does not find it advisable to direct the services to revise their recruiter quota systems unless careful analyses warrant revisions, DOD also stated that the Navy's new recruiter incentive system, which subtracts points from the recruiter's quota when a recruit does not complete basic training, has resulted in lower attrition. Revisions such as the Navy's, to "ensure that recruiters maintain a level of 'ownership' in the process," are exactly what we are recommending in our report. We believe that the Navy's new incentive system provides an added incentive for recruiters to take responsibility for the success of their recruits in basic training.

DOD also partially concurred with our recommendation that DOD take actions to improve applicants' reporting of past medical problems. DOD stated that it would direct MEPCOM to obtain from applicants the names of their medical insurers and providers, along with a medical records release form. DOD stated that MEPCOM will monitor changes in the rates of disclosures for past medical conditions and obtain cost estimates for tracking and obtaining medical records.

In response to our recommendation that DOD revise its medical screening forms, DOD partially concurred. DOD stated that it will direct the services to review and revise DD Form 2246 and to review SF 93, which is not a DOD form.

DOD concurred with our recommendation to use its newly proposed database of medical diagnostic codes to determine whether adding medical screening tests to the MEPS examinations and/or providing more thorough medical examinations to selected groups of applicants could cost-effectively reduce attrition at basic training. DOD stated that it has already established a panel to address this and related issues.

DOD did not concur with our recommendation to place responsibility for reviewing medical separation files outside MEPCOM. DOD stated that MEPCOM is an independent agent, completely separate from the recruiting services, and has no conflict of interest. DOD said that the primary purpose of MEPCOM's reviews is to "improve medical judgment—to educate physicians with the intent of improving physicians' ability to make the right call given the context of their screening exams." We believe that this is an important function. However, we continue to believe that MEPCOM has a conflict of

interest in determining whether its own physicians should have discovered disqualifying medical problems in applicants and whether its own screening methods could be improved. We believe that an entity completely outside the medical screening process would be more able to objectively make these determinations.

In response to our recommendation that all services test applicants for drugs at the MEPS, DOD partially concurred. Before requiring the Navy and the Marine Corps to change their drug testing procedures, DOD will require them to conduct a detailed cost-benefit analysis. We agree that a cost-benefit analysis would give DOD a sound basis for this change in policy. However, we believe that any such cost analysis should include the cost of transporting, feeding, clothing, and paying recruits who are now entering the Navy and the Marine Corps and almost immediately being separated because they test positive for drugs upon arrival at basic training. Of the Navy's enlisted personnel entering basic training in fiscal year 1994, 1,669 were separated for erroneous entry, drug abuse. Considering the $4,700 marginal cost of transporting, feeding, clothing, and paying each of these recruits while they were being separated, the Navy could have avoided $7.8 million in costs by testing these recruits before they entered the service.

DOD concurred with our recommendation that the Navy, the Marine Corps, and the Air Force consider adopting a program similar to the Army's new Delayed Entry Program. However, DOD stated that the benefits of this new program have not yet been confirmed and that it is not likely that military retirement points will be included in this program. DOD did not state why military retirement points may not be included.

Comments From the Department of Defense

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

05 DEC 1996

FORCE MANAGEMENT
POLICY

Mr. Mark E. Gebicke
Director, Military Operations and Capabilities Issues
National Security and International Affairs Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Gebicke:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "MILITARY ATTRITION: DoD Could Save Millions by Better Screening Enlisted Personnel," dated October 31, 1996 (GAO Code 703122/OSD Case 1246). The DoD does not concur with one, concurs with two, and partially concurs with five of the report findings and recommendations.

Attrition has been and remains a complex issue. In 1994, as the military downsizing neared completion, the Services began having some difficulties maintaining fill levels in training classes and with enlistment propensity declining, they experienced trouble attracting qualified individuals to replace those who were separating. Even with the volunteer force, the military can not, and should not, keep every individual who wants to join or is in the Services. The Services must distinguish among those individuals who can be motivated to serve their term, those who fail to adapt or develop medical problems, and those who experience hardship (e.g., a change in family circumstances). Over the years, DoD and the Services have developed and refined policies to address these attrition issues. In fact, a number of new initiatives has been instituted by the Services over the past several years.

See comment 1.

Given the complex nature of the attrition issue and efforts expended by DoD and the Services to identify and manage the "right" amount of attrition among the "right" enlistees, we welcome recommendations from knowledgeable sources on how to do a better job. The GAO report, however, provided no new insights. Perhaps this attests to the difficulty of the problem and acknowledges the efforts already in place by DoD and the Services. The GAO report creates the impression that military leadership is either not concerned or not taking appropriate action to address attrition issues (e.g., motivation, medical conditions existing prior to service, recruiter malpractice). That is a false impression. Each Service has leadership initiatives designed to evaluate and reduce unnecessary, premature separations. With respect to the costs of attrition, we agree that attrition is costly and unnecessary costs should be contained. The Department is cautious with respect to instituting measures that may cost more than they save; it is not possible to use the GAO report to identify reasonable attrition-reducing measures given the generalities of the costing analyses and absence of any cost estimates directly tied to the implementation of specific recommendations in this report.
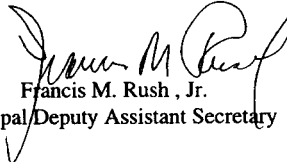
See comment 2.

Technical comments have been provided directly to the GAO staff for incorporation into the report. Our specific responses to the recommendations are enclosed. The Department appreciates the opportunity to comment on the draft report.

Sincerely,

Francis M. Rush , Jr.
Principal/Deputy Assistant Secretary

Enclosure:
As stated

GAO DRAFT REPORT, DATED OCTOBER 31, 1996
(GAO CODE 703122) OSD CASE 1246

"MILITARY ATTRITION: DOD COULD SAVE MILLIONS BY
BETTER SCREENING ENLISTED PERSONNEL"

DOD COMMENTS TO
THE RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense issue
implementing guidance for DoD's separation codes. (p. 48/GAO Draft Report)

DOD RESPONSE: Partially concur.

 (1) The report states that both long and short term savings would result from reducing
first-term attrition by 4 percent to 10 percent. The report states that the difficulty in achieving this
reduction is, in part, related to a difficulty in establishing non-arbitrary goals for acceptable
attrition. This is further complicated by the lack of clarity in the separation codes used to identify
loss types. It is agreed that the administrative techniques at the user level for coding these losses
require attention in order to validate attrition rates and the recommendation to enforce
standardization is valid. It is important to note that the codes were the subject of a
standardization initiative in 1993, which provided a common list to all Services for use starting
October 1, 1993.

 (2) Despite the validity of the recommendation, the GAO report contains questionable
comments suggesting the possibility of "recoding" individuals to save face. If individuals are
improperly coded, it is far more likely to be due to the ambiguity of a particular situation than a
desire to "maintain" acceptable attrition rates (p. 44). GAO references the 1991 RAND report,
"Why Recruits Separate Early", to indicate that the separation code used is the one which
"provide[s] the most direct path to a successful discharge or that would offer the strongest legal
case" (p. 42). Further review of the same report reveals that the codes were designed to capture
the type of separation and were never intended to describe the "reason". The GAO discussion
seems to emphasize "face-saving" assumptions while the RAND report clearly states that
intentional miscoding is not the nature of the issue; instead, it is a matter of circumstance that
more than one "reason" exists.

 (3) Clearly, there is a need to identify individuals who demonstrate an inability to adapt
to the military way of life. There is no guarantee that the most cost-effective attrition is outside
the training base. If initiatives to reduce training base attrition result in service members attriting
further into the first term, there is a resulting cost due to benefits from separation beyond 180
days. While the GAO report mentions a contracted study to determine acceptable levels of
attrition (p. 31), it should be noted that the Army's Office of the Deputy Chief of Staff for
Personnel (ODCSPER) has established an Attrition Advisory Group. This group will provide the
management focus for ensuring findings can be supported or changed through policy and

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leadership. Representatives from Army recruiting, Army training, entrance processing and the medical community are represented. Each organization will assist in developing realistic benchmarks and monitor trends in order to focus actions appropriately. This technique will allow a constant feedback loop and insure arbitrary goals are not pursued at the expense of a quality force. Additionally, the group can insure that actions to reduce attrition in one phase of soldier accession and training do not cause adverse effects on long run attrition and its costs.

    (4) The Office of the Assistant Secretary of Defense (Health Affairs) reviewed the system of Separation Designation Codes in an attempt to use it to record specific diagnosis codes via the existing personnel system. However, that approach appears to be prohibitively disruptive to the personnel system, but an alternative, with the same end result has been identified. By changing DoD policy to make the assignment of the latest edition of the International Classification of Diseases (ICD) codes mandatory on all medical waivers and separations, we can collect data into a relational database for sophisticated epidemiological analysis. The Accession Medical Standards Steering Committee (AMSSC), a flag level policy-making body composed of medical and personnel representatives from the Services and DoD, and chartered in January 1996, approved the policy change at its recent November meeting.

    (5) DoD supports the use of standardized separation codes and will remind the Services of the proper selection and application of these codes, while retaining Service authority to establish separation policy. Use of ICD codes will be mandated.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense require the Services to review and revise their recruiter quota systems to (1) strengthen incentives for recruiters to thoroughly prescreen persons with medical histories and (2) more closely link recruiting quotas to recruits' successful completion of basic training. The Services may wish to consider such ideas as awarding recruiters partial credit for thoroughly screening applicants or using a "floating goal" system. (p. 80/GAO Draft Report)

DOD RESPONSE: Partially concur.

    (1) There indeed may be a need to better identify preexisting medical conditions. However, the recruiter is not qualified to execute more rigorous screening.

    (2) The initial Army response to GAO regarding this recommendation stated that the recruiter has "done his job" once the recruit ships. Prior to shipping, however, the recruiter "manages" his recruits in the delayed entry program (DEP) closely. Recruiters are in contact with recruits a minimum of twice monthly, and more frequently when applicants near the ship date. To the best of their knowledge, recruiters have provided qualified applicants, and most importantly, can no longer influence applicants' performance once they depart for training. This concept needs to be more clearly articulated in the report (p. 53). The Marine Corps currently links recruiter credit to successful completion of boot camp. DoD and the Services support examination of methods that decrease the potential for persons to withhold potentially disqualifying information (for any reason) and improved methods for identifying individual characteristics that might lead to adverse attrition.

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Now on p. 6.

See comment 8.

(3) The GAO report also contains a discussion of the separation of service members for unsatisfactory performance, motivational problems, or a combination of the two. The Executive Summary states that "comments from separating recruits suggest that negative leadership techniques continue to be a factor in recruits' lack of motivation to meet performance standards" (p. 11). This conclusion is drawn from a "suggestion" supported by responses from 126 individuals surveyed, one third of whom reported negative leadership as a factor. This is hardly a statistically significant sample, especially if tempered with the understanding that most recruits being separated for these reasons are not likely to respond in a totally dispassionate and objective manner. This methodology renders any sort of conclusion highly suspect. It would be necessary to compare responses to the same questions about leadership from at least two randomly selected, representative groups of individuals -- one group who successfully completed training and one being separated.

See comment 9.

(4) The GAO report goes on to say that the data available do not allow DoD to determine what percentage of enlistees separated for performance might have been counseled or rehabilitated. This issue relates more to the codes than to the trainers. The implication of the GAO report, however, is that many more individuals might have stayed if they had been better counseled. The report does not fully acknowledge the extraordinary efforts trainers are making in the field to aid service members in meeting regulatory graduation requirements. Service members are given numerous opportunities to attain the standard. Drill sergeants are committed to seeing all recruits to graduation to the best of their abilities. Leaders and trainers at all levels of command in the training base are insuring that service members have received every available opportunity to succeed. Questioning the fact that a service member separated for performance might not have received counseling or rehabilitation is unfounded. Further, the codes do not, nor were they intended to document the level of effort expended to retain new recruits.

(5) During Fiscal Year 1996, the Navy launched a War on Attrition to combat attrition at every level of a sailor's career. Specific emphasis was placed on creating meaningful life goals for new recruits starting in DEP and continuing forward. Each new sailor recruited now receives a Goal Card which clearly spells out personal and professional challenges to be met (including physical fitness, financial stability, professional development and adherence to the Navy core values of courage, honor and commitment). Recruit Training Center (RTC) Great Lakes, the sole basic training facility for the Navy, convened a panel of senior Naval personnel to recommend a series of sweeping changes affecting all facets of the recruits' training period. Areas addressed included eliminating demotivators and revamping training to meet the needs of both today's recruits and today's Navy. As a result, RTC Great Lakes implemented a series of initiatives to help motivate both trainers and trainees. Additionally, the Navy Recruiting Command and RTC forged a strong transition between the recruiting and training processes. To insure that recruiters maintain a level of "ownership" in the process, their incentive system, initiated in June 1996, now subtracts penalty points when recruits fail to graduate from RTC. The measure of success for the new initiatives was a drop in RTC attrition from 14.7 percent in Fiscal Year 1995 to 12.8 percent in Fiscal Year 1996; that translates into over 900 additional sailors in the fleet.

(6) The Air Force has also incorporated several "attrition initiatives" into its Basic Military Training (BMT) program in efforts to reduce attrition without lowering standards or

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sacrificing quality. For example, in its July 30, 1996 progress report the Air Force discusses the impact of three specific initiatives: (1) modelling two initiatives after Navy programs: -- the sports medicine/physical therapy based "*Rehabilitation Flight*" and "*combat boot phase-in,*" (2) introducing weekly Behavioral Analysis Service's (BAS) *Stress Management classes,* and (3) development of a *Motivational Flight.* The *Motivational Flight* is a remedial training concept where trainees with repeat pain complaints, but no apparent physiological cause, receive intensified training under close supervision. Offered to 39 trainees, 33 of these trainees subsequently graduated from BMT. Prior to this policy, repeat pain complaints were traditionally an "easy exit." The impact of all three of these initiatives is noteworthy; the Air Force reports that these BMT attrition initiatives have helped reduce overall attrition to 9.6 percent from 10.6 percent in FY 1995, and medical attrition from 51 percent of total BMT attrition in FY 1995 to 33 percent.

(7) With respect to questions of leadership raised in the GAO report (p. 76), the Services have developed programs to monitor the performance of their instructors and provide remedial training if and when required. Programs include periodic, no-notice, and regularly scheduled inspections of all recruit training practices to insure compliance with training and motivational standards. Continuation training is provided to ensure instructors are knowledgeable and proficient in performing new training requirements. Recruits also are involved in the process and are encouraged to report unprofessional training practices. The reports are aggressively investigated and if warranted the practice is corrected. Exit surveys are used to obtain the views of recruits who complete training as well as those who attrite. The survey results are used by the Service leadership to identify and validate problems and structure improvements to the training programs and also alleviate leadership problems. It is common for the Services to retrain their instructors if practices are not within standards and leadership finds the situation correctable. It is also important to understand that a Service's decision to discharge a recruit is a process with total leadership involvement. Jointly, the training instructors and their supervisors, the medical community and personnel community, review and document an individual recruit's progress and problems. This leadership involvement results in a series of checks and balances to insure the decision to discharge a recruit is not an individual one, but a systematic process to insure discharge is the decision of last resort. Despite the GAO report's negative tone, Service leadership is involved in a positive manner with the objective of retaining recruits, as demonstrated by the 185,000 recruits who successfully completed training in FY 1996.

(8) Clearly, there is still room for improvement; DoD will direct the Services to review their recruiter incentive programs (making revisions as necessary) to improve enlistment methods that decrease the potential for persons to withhold potentially disqualifying information. The review should not be limited to recruiter quota and incentive programs. DoD does not find it advisable to direct the Services to revise their recruiter quota systems unless careful analyses warrant such revisions. The "floating goal" had been tried unsuccessfully in the past; there is no evidence it would be successful at this time.

RECOMMENDATION 3: The GAO recommended that the Secretary of Defense direct the Services to require all applicants for enlistment to (1) provide the names of their medical insurers and providers and (2) sign a release form allowing the Services to obtain past medical

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information. Taking these two steps would provide the Services with the tools to identify applicants' past medical problems and add an incentive for applicants to be forthcoming in reporting past medical conditions. To insure that applicants are made aware that the Services do follow-up in researching medical histories, the Services could determine how frequently they need to obtain applicants' medical records. To insure that recruiters do not know which applicants will have their medical histories researched and that recruiters are not further burdened by paperwork, records should be obtained by someone who is not a recruiter. Medical records obtained through this process should be included in the file reviewed by the applicant's pre-enlistment physical examination. (p. 80-81/GAO Draft Report)

DOD RESPONSE: Partially concur.

(1) The recommendation directs the Services to obtain applicants' medical records for review as part of the medical examination. In concept, this is a reasonable recommendation. Furnishing medical provider names is a relatively small, inexpensive, yet important, step. There must be a thorough review given, however, to the concept of sampling. Consider that many applicants will not be able to furnish names of medical providers, many applicants will have been seen by several different providers, and in some cases, in several states or countries. It also is reasonable to believe that many applicants may have had no medical providers. Thus, asking for medical records as the screening criteria may not be as effective in practice as intended. Further, the cost, both in time and money, for tracking down and screening medical records may exceed the cost of attrition related to pre-existing medical conditions. However, the acknowledged ability of DoD personnel to obtain and review medical records may itself result in applicants being more forthcoming concerning past medical conditions.

(2) DoD will direct the Military Entrance Processing Command (MEPCOM) to obtain from applicants the names of their medical insurers and providers along with a medical records release form. In addition, MEPCOM will monitor changes in the rates of disclosures for past medical conditions and obtain cost estimates for tracking and obtaining medical records. Prior to implementation of any new procedures, MEPCOM will conduct feasibility and cost-benefit analyses.

RECOMMENDATION 4: The GAO recommended that the Secretary of Defense direct the Services to revise their "Applicant Medical Prescreening Form" (DD Form 2246) and their "Report of Medical History" (SF 93) to insure that medical questions are specific, unambiguous, and tied directly to the types of medical separations most common for recruits during basic and follow-on training. (p. 81/GAO Draft Report)

DOD RESPONSE: Partially concur.

(1) The Air Force currently uses an expanded version of these forms during medical prescreening and some Military Entrance Processing Stations (MEPS) require recruiters to use supplemental screening forms with additional medical screening questions. These additional questions consider the costs associated with providing a physical examination to a person with a

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disqualification and also relate to medical attrition. However, the Air Force does not have data to demonstrate that applicants screened in this manner actually attrit at a lower rate. DD Form 2246 appears to be in need of revision while SF 93 is not a DoD form and does not appear to be a major source of errors.

    (2) The Department will direct the Services to review and revise the DD Form 2246, thus enhancing efforts to thoroughly screen applicants. Since SF 93 is not a DoD form, the Department is unable to direct modifications to that form, but it will be reviewed along with DD Form 2246.

RECOMMENDATION 5: The GAO recommended that the Secretary of Defense direct the Services to use the DoD's newly proposed database of medical diagnostic codes to determine whether adding medical screening tests to the MEPS examinations and/or providing more thorough medical examinations to selected groups of applicants could cost-effectively reduce attrition at basic training. (p. 82/GAO Draft Report)

DOD RESPONSE: Concur.

    (1) DoD has already established a panel to address this and related issues. DoD policy will be changed to capture the specific diagnosis codes necessary to make the Accession Medical Standards Analysis and Research Activity the primary source of military-unique epidemiological data; the Activity will provide a tool for ongoing analysis of accession policy, including all aspects of screening by the MEPS.

RECOMMENDATION 6: The GAO recommended that the Secretary of Defense place responsibility for reviewing medical separation files, which currently resides with MEPCOM, with an organization completely outside the screening process. Such a review would ensure that no conflict of interest interfered with the objective review of which medical conditions should have been detected by the MEPS physicians. (p. 82/GAO Draft Report)

DOD RESPONSE: Nonconcur.

    (1) The Air Force reviews all medical discharges, and if necessary, disputes MEPCOM results; the disputes are few. The Army similarly has no difficulty with MEPCOM reviews, but during the first Army Attrition Council meeting there was a suggestion to establish a liaison between MEPCOM and the Army training command in order to ensure the needs and standards of both agencies were shared and understood.

    (2) MEPCOM is an independent agent, completely separate from the recruiting services and has no conflict of interest. GAO appears to have misunderstood the role and purpose of the MEPCOM reviews. MEPCOM uses separation records provided by the Services to review EPTS (Existed Prior to Service) discharges. Currently, those discharge rates are on the order of 3 percent. Of all EPTS separations, 46 percent are deemed a result of the applicant concealing a condition, 26 percent a result of the applicant being unaware of a condition which would not be discoverable without very sensitive (expensive) tests, and 19 percent are deemed the result of

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medical judgment. The primary purpose of the MEPCOM reviews is to improve medical judgment-- to educate physicians with the intent of improving physicians' ability to make the right call given the context of their screening exams. The reviews are for education and standardization; removing that process to any other agency would be counterproductive.

RECOMMENDATION 7: The GAO recommended that the Secretary of Defense direct all the Services to test applicants for drugs at the MEPS to prevent the enlistment of those who now test positive for drugs upon arrival at basic training. (p. 82/GAO Draft Report)

DOD RESPONSE: Partially concur.

     (1) Navy is currently investigating the feasibility of testing at MEPS alone, MEPS/RTC, or RTC only. It has not been proven that testing at MEPS only, prior to entering the DEP, is an accurate indicator that recruits will arrive at training centers drug-free. The Navy Recruiting Command did implement a drug/alcohol prevention program during Fiscal Year 1996 for use while personnel are in DEP. Initial data collected by RTC Great Lakes indicated that this program yielded positive results for personnel who spent more than 60 days in DEP.

     (2) Two of the Services currently conduct drug screening at the MEPS. However, before directing the Navy and Marine Corps to change their drug testing procedures, DoD will require them to conduct a detailed cost-benefit analysis to compare the potential cost savings of testing individuals at the MEPS versus testing recruits once they reach their basic training site. While some individuals who test negative at the MEPS may use illegal drugs prior to shipping, the cost of random retesting or some other procedure at basic training, in addition to MEPS testing, may be less than the cost of drug-related separations without any MEPS screening.

RECOMMENDATION 8: The GAO recommended that the Secretary of Defense direct the Navy, the Marine Corps, and the Air Force to consider adopting a program similar to the Army's new Delayed Entry Program, under which recruits are encouraged to participate in voluntary physical activities with their recruiters and are granted military retirement points for their participation. Also, direct the Services to provide those in the Delayed Entry Program with access to military fitness facilities and to military medical facilities if they are injured while participating in physical activities with their recruiters. (p. 82-83/GAO Draft Report)

DOD RESPONSE: Concur.

     (1) The Army is near the implementation stages of this program and is willing to assist the other Services in framing their policies. The benefits of participation are still not confirmed but it is not likely that military retirement points will be included. Currently, the primary focus of the benefits is the provision of access to morale, welfare, and recreation activities on military installations. The end effects of the program are still to be measured but the anticipated benefit is a reduction in early training base attrition. The new DEP program provides a recruit who is more mentally and physically prepared. The Marine Corps currently strongly advises recruits in the DEP to participate in physical activities to prepare them for the rigors of boot camp; no other incentive is provided. Use of military recreation facilities is being pursued but issues of liability

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See p. 48.

for individuals injured during organized functions is a concern, making use of medical facilities desirable. Navy recruiters assist individuals in the DEP with developing personal fitness programs and provide them with access to Naval recreational facilities. The Air Force also is interested in considering options which encourage new recruits to prepare for basic military training.

(2) DoD will direct the Services to consider adopting programs that promote physical fitness for individuals in the DEP. If such programs are adopted, the Services will need to review thoroughly their legal and ethical obligations to recruits in the DEP prior to implementation.

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The following are GAO's comments on the Department of Defense's (DOD) letter dated December 5, 1996.

GAO Comments

1. We agree that the problems DOD is experiencing with enlisted attrition are not new. We disagree, however, with DOD's statement that our report offers no new insights. DOD's problems with attrition date back to at least 1965, when we reported on the numbers of recruits who were entering the service with physically disqualifying conditions. DOD's problems with data on reasons for attrition date back to at least 1980, when we recommended that it improve its data collection in this area.

Despite DOD's long-standing history of losing one-third of its enlisted personnel before the end of their first terms, DOD's department-wide approach to predicting and screening for attrition has been limited to two primary criteria: whether recruits have high school diplomas and whether they score in the upper half of the Armed Forces Qualification Test (AFQT). While it is true that recruits with high school diplomas and high AFQT scores have lower attrition, we believe that using these two predictors to manage attrition has reached its limit. That is, since 1983, the percentage of DOD recruits who have high school degrees has been over 90 percent, and the percentage of recruits who score in the upper half of the AFQT percentile has remained at 58 percent and above. Yet attrition has remained at around 30 percent or higher for this entire period of time.

We believe that our approach in this report is new in that we are urging DOD to recognize the limitations of these two predictors and concentrate on what we see as the real drivers of high attrition: the recruiting and examining processes themselves. To reduce enlisted attrition, DOD must make systemic, and even cultural, changes to its recruiting and screening processes. We believe that the primary reason for high attrition is that the services are driven by their obligation to meet overall recruiting goals and end strength numbers. Further, we believe that the changes that DOD has made to its recruiting and screening processes over the years have been only incremental and that addressing the problem of first-term attrition will require innovative changes to the recruiting quota system and screening process such as those we present in our recommendations. We also believe that, though the services may be taking individual initiatives to reduce attrition, DOD needs to gather service-wide data on the reasons for attrition and take service-wide measures to control and manage attrition. We do not mean to imply that the services are not concerned or are not taking actions to address attrition. In fact, we cite many of these

efforts throughout the report. We do believe, however, that DOD needs to control and manage attrition service-wide. Cultural changes to the recruiting and examining processes will require DOD's direct involvement and its application of individual service successes among all the services.

2. We could not estimate the cost of implementing the recommendations we make to improve the screening of recruits because of DOD's long-standing failure to collect service-wide reasons for attrition. For example, because DOD does not now know how many recruits are separated for a particular medical condition, we could not calculate the cost-effectiveness of adding various medical tests at the Military Entrance Processing Stations. As another example, because DOD does not have service-wide and consistent information on how many recruits are separated for drug use, we could not evaluate the relative effectiveness and costs of the services' different drug-testing policies. Until DOD collects such service-wide data, it will be unable to make policy changes based on sound evaluations of their cost impact. We support DOD's recent efforts to capture more accurate medical diagnoses for those who are separated from the military. This action indicates that DOD recognizes its need to collect more specific data on why personnel separate.

3. During our review, various officials told us that when there are several reasons for separating a recruit, the basic training commands have an incentive to choose the most "face-saving" reason to record on a servicemember's official release form. For example, if a recruit has both motivational and medical problems, the basic training unit has a built-in incentive to record the medical problem as the reason for separation both because the basic training unit would not have to admit that it failed to motivate the recruit and because the recruit would not have to admit that he or she failed. We make this point simply to illustrate the fact that DOD's only service-wide database on reasons for attrition does not always accurately capture the actual reason that a recruit fails to complete his or her first term of enlistment. Even if military units are not intentionally miscoding separations, our point remains. The separation codes now being captured by the Defense Manpower Data Center represent DOD's only service-wide information on why recruits are being separated, and this information is not useful in determining why attrition is occurring. We do not mean to suggest that DOD must use its database of separation program designators for this purpose. What we do recommend is that DOD issue implementing guidance for DOD's separation codes to provide a reliable database for managing attrition. DOD could adapt its current database of separation codes or create a new one to serve this purpose.

4. Our recommendations are intended to prevent unqualified recruits from ever entering the services, not to allow unqualified recruits to be retained in training and later separated. We do not believe that unqualified recruits should be retained. Rather, we believe that better screening would prevent unqualified recruits from ever enlisting.

5. The Attrition Advisory Group may in the future be successful in proposing ways to reduce attrition. However, at the time of our review, the Army had not provided us with information on whether the Group had implemented any initiatives.

6. We discuss the efforts of the Office of the Assistant Secretary of Defense (Health Affairs) to create a medical database on separations in chapters 2 and 3.

7. We state in our report that we believe that the recruiters' award systems need to be more closely tied to their recruits' successful completion of basic training. We believe that the Navy's newly implemented recruiter incentive system provides such a link, though it is too soon to predict the new system's effect on attrition. We have just begun a review of the recruiter incentive system and plan to issue a report providing more detail on this issue next year.

8. We state in our report that our interviews with 126 separating recruits do not represent a statistically significant sample. Nevertheless, we present the information because we believe that what these recruits had to say about why they were leaving is valid in presenting the emotional effects on recruits of being separated from the military and that any positive changes the services make to improve the atmosphere for recruits at basic training will enhance the morale of all recruits. On the basis of DOD's comments on our draft report, we have deleted all conclusionary statements on this issue.

9. Our comment on the inadequacy of DOD's data was intended to point out that the data is not specific enough to allow DOD to determine whether counseling and rehabilitation efforts would have been called for in certain instances. For example, if recruits who have disqualifying medical problems are being discharged under a separation code that indicates performance problems, then counseling and rehabilitation for these recruits would not have any effect. As another example, because recruits with motivational problems can be discharged under separation codes that

indicate medical problems, DOD cannot determine whether motivational techniques might have worked to help these recruits.

10. We discuss the Air Force's efforts to reduce attrition, in a general way, in chapter 3.

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