

STATEMENT BY

MAJOR GENERAL DAVID S. BALDWIN

THE ADJUTANT GENERAL, CALIFORNIA NATIONAL GUARD

BEFORE THE

U.S. HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON PERSONNEL

SECOND SESSION, 114TH CONGRESS

ON

7 DECEMBER 2016

NOT FOR PUBLIC DISSEMINATION
UNTIL RELEASED BY
THE U.S. HOUSE ARMED SERVICES COMMITTEE

Chairman Heck, Ranking member Davis, distinguished Members of the Subcommittee, thank you for this opportunity to testify in front of the committee to ensure we provide relief to Soldiers who received improper Army enlistment and reenlistment incentives through no fault of their own. The requirement for many of these Soldiers and veterans to repay money given to them years ago has resulted in severe hardships for them and their families.

The circumstances that led to this committee hearing began in 2004 when thousands of Soldiers enlisted or extended their service commitment during a time of war. In 2010, the California National Guard discovered inaccuracies in a number of incentives contracts and launched an investigation. The investigation found gross mismanagement and fraud within the California Army National Guard incentives program. As a result, dozens of personnel, including senior leaders and general officers, were punished by the California National Guard. The California National Guard also worked closely with the California Attorney General and the U.S. Attorney's office to ensure that personnel who committed state and federal crimes were investigated and prosecuted.

In March 2011, the previous Adjutant General was relieved of her duties and I was recalled from Afghanistan and appointed by the Governor with a mandate to fix the problems that allowed the incentives fraud to take place and implement measures to ensure it never happened again.

During that same year, the Army directed the California National Guard to audit over 14,000 cases that were linked to the unethical management of the incentives program between 2004 and 2011.

The California National Guard does not have the authority to adjudicate erroneous or inappropriate bonuses, nor do we have the authority to forgive debt. So to balance the need for fiscal accountability and Soldier care, I established the Soldier Incentives Assistance Center to conduct the audits and assist individual Soldiers in using the federal adjudication process to resolve their incentive cases. I also implemented state-level internal control measures to ensure that all future incentives contracts were correct and proper.

From the beginning, the federal incentives adjudication process has been unnecessarily complex and resource intensive. Despite this fact, the Soldier Incentives Assistance Center has helped hundreds of Soldiers have their debts forgiven or their records corrected to enable them to comply with the terms of their incentive contracts.

However, more needs to be done. The Department of the Defense, in coordination with Congress, must install a streamlined adjudication process that quickly distinguishes between those Soldiers that received an inappropriate incentive through no fault of their own; and those Soldiers who failed to meet the conditions of their contracts. Those that deserve debt relief or repayment should get it quickly. Those that should be required to repay their bonuses should be made to do so.

Thank you again for your support for our men and women in uniform. The California National Guard stands ready to support and assist the Army in implementing a solution that provides timely relief to deserving Soldiers and their families.