

economy in DoD program operations require priority attention. This action has been reinforced and strengthened by the action to establish the DoD Office of the Inspector General in accordance with the IG Act of 1978 as amended this past fall. In addition, we have over 3,000 central auditors in the Defense Contract Audit Agency under the Comptroller who will be more aggressively reviewing contract costs.

Secretary Weinberger's personal interest in the review and oversight effort has produced an encouraging degree of cooperation between managers and auditors. Where in the past recommendations of auditors often fell on deaf ears, today managers work with them to weigh advice jointly and set timetables for resolving problems that are uncovered. During fiscal year 1982 our internal auditors identified potential savings of \$2.4 billion and contractor costs or prices were reduced by \$7.1 billion more as a result of contract audit recommendations. In addition, DoD criminal investigations resulted in restitutions of about \$1.9 million and recoveries of more than \$4.4 million from investigations referred previously to the Justice Department.

In addition to managers, all DoD employees are participating in the campaign to strengthen the efficiency and integrity of the Defense Department. During FY-82, the DoD hotline received almost 4,900 calls -- which resulted in more than 2,500 allegations being referred for further inquiry, audit or investigation. Our quick and straightforward response has convinced our employees that we are following up on their calls and on our audits.

What has disturbed everyone in the Defense Department