

## DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 4. All information provided is current as of March 31, 2008.

### OTHER AGENCY AUDITS

#### DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

The Department of Defense (DoD) continues to face many challenges in the Global War on Terror (GWOT). The DoD Office of Inspector General (DoD OIG) has identified priorities based on those challenges and has responded by expanding its coverage of GWOT operations and presence in Southwest Asia. As the DoD continues its effort to win the GWOT, DoD OIG will stay focused on issues important to accomplish the mission and ensure that the DoD makes efficient use of its resources to support the war fighter. DoD OIG support to DoD involves a complex operational environment that includes changing requirements and the need for rapid and focused responses to challenging issues. As a result, DoD OIG established an Office for Strategic Plans and Operations for GWOT. The new component will focus on the Global War on Terror and other high-value, high-visibility assessment missions as assigned.

DoD OIG has field offices in Qatar, Iraq, Kuwait, and Afghanistan, which enhances its ability to provide audit, inspection, and investigative support to DoD operations in support to GWOT. In addition, DoD OIG has assigned more than 200 personnel to its ongoing coverage of GWOT-related projects and investigations.

The Defense Criminal Investigative Service (DCIS), the law enforcement arm of DoD OIG, continues its support to the Joint Terrorism Task Forces and Project Shield America activities. During this reporting period, DCIS had special agents in Baghdad and Kuwait to target fraud, bribery, kickbacks, and other corruption involving contracting. DoD OIG further coordinates the DoD GWOT oversight activities through the Southwest Asia Joint Planning Group. The group held its fourth meeting in February 2008.

On January 29, 2008, the DoD Inspector General testified before a closed session of the House Appropriations Defense Subcommittee on “Contracting in Iraq and Afghanistan and the DoD IG assessment of the controls and accountability of munitions in Iraq, Afghanistan, and Kuwait.” On March 11, 2008, the IG testified before the Senate Appropriations Committee on “The effectiveness of U.S. efforts to combat corruption, waste, fraud, and abuse in Iraq.”

#### Defense Criminal Investigative Service

The Defense Criminal Investigative Service (DCIS) continues to conduct criminal investigations in support of DoD GWOT efforts. In addition, the DCIS continues to address Southwest Asia Theater criminal activity through its offices in Southwest Asia; Wiesbaden, Germany; and CONUS investigations focusing on public corruption and fraud in the Southwest Asia Theater. Special agents will occasionally travel to the Middle East as necessary from Germany and the United States to further the DCIS investigative mission. In conjunction with DoD OIG’s

STATUS OF DCIS INVESTIGATIONS

| INVESTIGATION STATUS | CONFLICT OF INTEREST | COUNTERFEIT | WEAPONS RECOVERY/ SECURITY | FALSE CLAIMS/ STATEMENTS | THEFT/DRUGS | BRIBERY/ CORRUPTION |
|----------------------|----------------------|-------------|----------------------------|--------------------------|-------------|---------------------|
| Open                 | 0                    | 0           | 0                          | 4                        | 2           | 3                   |
| Closed               | 2                    | 3           | 6                          | 2                        | 20          | 10                  |
| <b>Totals</b>        | <b>2</b>             | <b>3</b>    | <b>6</b>                   | <b>6</b>                 | <b>22</b>   | <b>13</b>           |

TABLE K-1

renewed emphasis on oversight of spending related to Iraq development, DCIS has continued to deploy special agents to Iraq and Kuwait and will deploy two special agents in Afghanistan beginning in summer 2008 to conduct investigations in support of DoD operations in the Southwest Asia Theater. Investigations will primarily involve procurement fraud and public corruption. Six-month rotational details to Iraq and Kuwait commenced in September 2006. In addition, an additional special agent has been temporarily deployed to Iraq to support a special cell investigating issues relating to weapons accountability.

DCIS currently has nine open investigations being worked jointly with SIGIR. DCIS has committed four special agents to support operations in Iraq and Kuwait. One case was closed during this period. For details on the DCIS investigations, see Table K-1.

**COMPLETED AUDITS/REVIEWS**

**DoD Procurement Policy for Body Armor (D-2008-067, MARCH 31, 2008)**

The objective of this congressional request was to evaluate the procurement history and practices for body armor, and the effect that the Army’s decision to ban the use of personally purchased body armor had on the safety of

service members. The Army and Marine Corps issued contracts and Federal Supply Schedule orders valued at more than \$5.2 billion for body armor components. The Federal Acquisition Regulation requires contracting organizations to maintain adequate contract documentation to provide a complete acquisition history. Specific information concerning testing and approval of first articles was not included in 13 of 28 Army contracts and orders reviewed, and contracting files were not maintained in 11 of 28 Army contracts to show why procurement decisions were made. As a result, DoD has no assurance that first articles produced under 13 of the 28 contracts and orders reviewed met the required standards, or that 11 of the 28 contracts were awarded based on informed procurement decisions. DoD OIG recommended that the Program Executive Office Soldier direct testing and evaluation of first articles for contract conformance before production on all contracts, update purchase descriptions, and document contractual actions for all body armor contracts. In addition, DoD OIG recommended that the U.S. Army Research, Development and Engineering Command ensure First Article Testing instructions are included in contracting documents when applicable, and document contractual actions. DoD OIG also

recommended that the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) ensure proper use of non-DoD contracts to ensure that the contracts are in the best interest of the U.S. government.

### **Defense Hotline Allegations Concerning the Biometric Identification System for Access Omnibus Contract**

**(D-2008-064, MARCH 18, 2008)**

The objective was to review the allegations made to the Defense Hotline concerning the acquisition of the Biometric Identification System for Access omnibus contract under the Army's Strategic Services Sourcing (S3) contract vehicle. Specifically, DoD OIG determined whether the allegations had merit and whether source selection procedures were conducted in compliance with federal and DoD policy. DoD OIG did not substantiate the allegations. After reviewing the technical evaluations, cost proposals, and the source selection documentation, DoD OIG determined that all of the bidding contractors were given a fair opportunity to compete. Additionally, no documentation was discovered substantiating that 10% of Sensor Technologies, Inc.'s employees directly supported the Biometrics Program Manager, and no documentation was provided that validated that Ideal Innovations Incorporated had insider relationships within the Program Management Office, that Ideal Innovations Incorporated employees had access to sensitive information, or that there were firewall problems.

### **Potable and Non-Potable Water Treatment in Iraq**

**(D-2008-060, MARCH 7, 2008)**

The overall objective of the audit was to determine whether the processes for providing potable and nonpotable water to U.S. forces in Iraq were adequate. Senator Byron L. Dorgan asked DoD OIG to perform the audit. DoD OIG identified deficiencies in water operations at three contractor-operated facilities and two military-operated facilities, and in the oversight of those operations.

Contractors provided bottled drinking water and bulk water to U.S. forces; military water purification units provided only bulk water. From March 2004 to February 2006, the quality of water provided by contractors, through treatment or distribution at three of the sites DoD OIG visited, was not maintained in accordance with field water sanitary standards as specified by the Department of Army. Although required, the contractor did not maintain the quality of the water it distributed to point-of-use storage containers at Camp Ar Ramadi, Camp Q-West, and Camp Victory. Additionally, at Camp Q-West, the contractor improperly provided chlorinated wastewater from its Reverse Osmosis Water Purification Unit to personal hygiene facilities.

While DoD OIG reviewed water operations, from January 2004 through December 2006, the military processes for providing potable and nonpotable water did not always meet field water sanitary control and surveillance requirements as required by the Army. Specifically, operators of the military water production sites that DoD OIG visited were not performing all required quality control tests, nor did they maintain appropriate

production, storage, and distribution records.

Because of corrective actions taken, contractor processes for providing potable and nonpotable water were adequate as of November 2006 when internal quality control procedures and DoD oversight were in place to provide quality assurance for the processes of water production, production site storage, distribution, and storage at point-of-use facilities. However, military water purification units at LSA Anaconda and Camp Ali did not perform the required quality control tests and did not maintain appropriate records of water produced, stored, and issued during the period reviewed. Therefore, water suppliers exposed U.S. forces to unmonitored and potentially unsafe water.

Although there was no way to determine whether water provided by the contractors and military water purification units caused disease, contractors and military units responsible for water operations must always ensure that water provided to the forces meets all established standards and is safe to use.

DoD OIG recommended that the Commander, Multi-National Force-Iraq establish a water board made up of each major organization responsible for purification and oversight of water to serve as a forum for identifying and resolving problems as they arise and ensure that proper oversight is accomplished; and provide all in-bound military and civilian personnel written information that discusses the proper use of potable and nonpotable water.

DoD OIG also recommended that the Commander, Multi-National Corps-Iraq (MNC-I)

develop and maintain a comprehensive inventory of military water purification units operating in Iraq, a plan of action with milestones for conducting oversight and quality control visits, a comprehensive list of all contractor and military storage containers throughout Iraq, and publish instructions for maintaining oversight records. DoD OIG recommended the Commander, Defense Contract Management Agency-Iraq establish a process to collaborate and share information and results from water operation oversight efforts with the MNC-I Command Surgeon, Preventive Medicine.

#### **Supplemental Funds Used for Medical Support for the Global War on Terror (D2008-059, MARCH 6, 2008)**

The objective was to determine whether Global War on Terror (GWOT) supplemental funds for the pre- and post-deployment medical activities and medical backfill of deployed staff missions were properly justified and whether sufficient controls on their use were implemented. The Military Department Surgeons General did not consistently report obligations of GWOT supplemental funds by mission as required by the TRICARE Management Activity. The missions are Military Health System categories used by the TRICARE Management Agency to request, justify, and execute GWOT supplemental funds. Without accurate and consistent reporting of GWOT supplemental fund obligations, DoD has no assurance that the Military Health System used funds for the missions for which they were requested. Additionally, DoD cannot ensure that

the amounts reported in the FY 2006 Defense Health Program Cost of War report are accurate and complete.

DoD OIG recommended that the Assistant Secretary of Defense (Health Affairs) coordinate with personnel from the Military Department Surgeons General offices and Military Department financial management offices to determine the best solution for recording and reporting obligations of GWOT supplemental funds for the Military Health System by mission or other category deemed appropriate. The best solution should be coordinated with the steering group established by the Under Secretary of Defense (Comptroller)/Chief Financial Officer.

DoD OIG also recommended that the Assistant Secretary of Defense (Health Affairs) convene a working group to develop Military Health System guidance outlining policy and procedures for recording and reporting obligations of GWOT supplemental funds for the Military Health System.

#### **Inspection Process of the Army Reset Program for Equipment for Units Returning from Operation Iraqi Freedom (D2008-024, JANUARY 18, 2008)**

The objective was to examine the Army Reset Program for equipment of the units that return from Operation Iraqi Freedom and to determine the effectiveness of the vehicles' inspection process after their tour. The Army's technical inspection process for the reset of unit equipment returning from Operation Iraqi Freedom was generally effective. However, inconsisten-

cies occurred among redeploying units in the conduct of technical inspections, the granting of exemptions from automatic reset induction, and the reporting of reset equipment. This happened because guidance was contradictory on when and where units should perform technical inspections, nonexistent on exempting equipment from automatic reset induction, and insufficient on uniform reporting requirements for equipment undergoing the reset process.

As a result, approximately 35 units returning from Operation Iraqi Freedom in the coming years will not use a standard method for initiating repair or replacement. Items needing reset may be delayed in entering the national-level reset pool. Exempting equipment reduces availability and creates difficulties in the redistribution of equipment to higher priority units. Additionally, reset status reporting may not provide decision makers with complete and consistent information.

DoD OIG recommended that the Army Deputy Chief of Staff for Logistics establish clear policy that allows consistent application by Army units on when and where units will perform technical inspections; establish uniform reporting criteria to ensure that Army officials receive consistent equipment readiness information for monitoring progress during the reset process; and establish policy directing units to seek approval from the U.S. Army Materiel Command for equipment exemptions from the Automatic Reset Induction list.

**Review of Investigative Documentation Associated with the Fatality of a U.S. Army Corporal during Convoy Operations in Iraq (IE-2008-001, JANUARY 4, 2008)**

The Honorable F. James Sensenbrenner requested this DoD OIG review on behalf of the parents of the deceased soldier who was fatally wounded during a supply convoy operation in Iraq in July 2006. The review evaluated the parent's specific allegations regarding the incident and their concerns on various aspects of the investigative report. Based on our review of the Army Regulation 15-6 investigation, related documentation, and interviews, we concluded that the report was sufficient and factually described the incident.

**ONGOING AUDITS**

**Marine Corps Implementation of the Urgent Universal Need Statement Process for Mine Resistant Ambush Protected Vehicles**

**(D2008-D000AE-0174.000, INITIATED MARCH 10, 2008)**

The audit was requested by the Assistant Commandant of the Marine Corps in response to allegations of mismanagement regarding identification and fulfillment of a requirement of Mine Resistant Ambush Protected vehicles. The objective is to determine whether the Marine Corps decision making process responded appropriately and timely to Urgent Universal Need Statements submitted by field commanders for Mine Resistant Ambush Protected vehicles.

**War Reserve Materiel Contract (D2008-D000CK-0161.000, INITIATED FEBRUARY 26, 2008)**

The objective is to review whether Air Force contracting officials managed and administered the DynCorp International War Reserve Materiel contract in accordance with federal and DoD contracting policies.

**Internal Controls over Army, General Fund, Cash and Other Monetary Assets Held in Southwest Asia**

**(D2008-D000FP-0132.000, INITIATED FEBRUARY 25, 2008)**

The objective is to review whether internal controls for Army, General Fund, Cash and Other Monetary Assets held in Southwest Asia are effectively designed and are operating to adequately safeguard, account, document, and report cash and other monetary assets.

**Air Force Combat Search and Rescue Helicopter**

**(D2008-D000AB-0133.000, INITIATED FEBRUARY 19, 2008)**

The objective is to determine whether changes to Combat Search and Rescue Helicopter Key Performance Parameters were made in accordance with applicable DoD and Air Force acquisition guidelines. Specifically, DoD OIG will determine whether Key Performance Parameters changes were properly designated and appropriately vetted through the Joint Requirements Oversight Council. In addition, DoD OIG will determine whether Key Performance Parameters changes

will affect Air Force special operations capabilities in the Global War on Terror.

**Accountability of Munitions Provided to the Security Forces of Iraq, Phase II (PROJECT NO. D2008-D000IG-0141.000, INITIATED FEBRUARY 13, 2008)**

DoD OIG began Phase II of the assessment immediately and addresses these three areas: (1) follow-up on the recommendations made during the initial assessment on munitions accountability and control to determine the status of implementation, (2) determine whether security assistance processes are responsive to Iraqi Security Forces equipment requirements. Specifically, DoD OIG will examine the organizational structure and processes used to execute security assistance programs during wartime operations and for Foreign Military Sales to Iraq and (3) assess whether the Iraqi Security Forces logistics sustainment base is being effectively developed. DoD OIG will examine the status and effectiveness of planning to develop a sustainable Iraqi logistics base.

**Price Reasonableness for Contracts at U.S. Special Operations Command (D2008-D000CG-0123.000, INITIATED FEBRUARY 7, 2008)**

The objective is to determine whether pricing of contracts at the U.S. Special Operations Command complied with Federal Acquisition Regulation requirements for determining price reasonableness.

**Controls over the Contractor Common Access Card Life Cycle in Southwest Asia (D2007-D000LA-0199.002, INITIATED JANUARY 24, 2008)**

The overall objective is to determine whether controls over Common Access Cards provided to contractors are in place and work as intended. Specifically, DoD OIG will determine whether DoD officials verify the continued need for contractors to possess Common Access Cards; revoke or recover Common Access Cards from contractors in accordance with DoD policies and procedures; and ensure the proper use of the Common Access Card by contractors.

**Equipment Status of Forces Deployed in Support of Operation Iraqi Freedom (D2008-D000LQ-0111.000, INITIATED JANUARY 8, 2008)**

The overall objective of this joint follow-up review is to determine whether forces deployed to Iraq, in support of Operation Iraqi Freedom, have the necessary equipment to accomplish their missions, in accordance with mission requirements. The review primarily focuses on both ground and air combat units, but will include the adequacy of pre-position equipment and the sustainability of combat support units. This review is being conducted jointly with the Multi-National Force-Iraq Inspector General's Office and possible representatives from the Multi-National Force-Iraq or Division Inspector General Offices.

### **Controls over the Reporting of Transportation Costs in Support of the Global War on Terror**

**(D2008-D000FI-0083.000,  
INITIATED DECEMBER 27, 2007)**

The objective is to evaluate the effectiveness of controls over the reporting of transportation costs related to Global War on Terror.

### **Defense Emergency Response Fund for the Global War on Terror**

**(D2008-D000FE-0106.000,  
INITIATED DECEMBER 19, 2007)**

The objective is to review whether the Defense Emergency Response Fund is used as intended, and whether the use of the funds complies with the Office of Management and Budget guidance. DoD OIG will also determine whether DoD has the ability to track the use of the Defense Emergency Response Fund.

### **Medical Equipment Used to Support Operations in Southwest Asia**

**(D2008-D000LF-0093.000,  
INITIATED NOVEMBER 28, 2007)**

The objective is to evaluate the internal controls over medical equipment used to support operations in Southwest Asia. Specifically, DoD OIG will determine whether controls are in place for acquiring mission-essential medical equipment and whether the recording and reporting of medical equipment are accurate and complete. The audit will focus on the inventory of initially deployed medical equipment and the mission essentiality and acquisition of medical equipment

needed to sustain current medical operations. DoD OIG will determine if medical equipment purchases were justified and whether medical equipment has been properly reported and recorded in asset accountability databases. This project is being performed in support of Operation Iraqi Freedom and Operation Enduring Freedom.

### **Expeditionary Fire Support System and Internally Transportable Vehicle Programs**

**(D2008-D000AB-0091.000,  
INITIATED NOVEMBER 27, 2007)**

DoD OIG initiated the audit in response to a request of the Chairman, Committee on Armed Services, U.S. Senate. The objective is to determine whether contract competition and program administration for the United States Marine Corps Expeditionary Fire Support System and Internally Transportable Vehicle are in accordance with the Federal Acquisition Regulation and supporting DoD guidance.

### **Security Over Radio Frequency Identification**

**(D2008-D000AS-0044.000,  
INITIATED OCTOBER 16, 2007)**

The overall objective is to determine whether DoD implemented security controls to protect radio frequency identification information. Specifically, DoD OIG will assess the implementation and effectiveness of those security controls over the information.

### **Small Arms Ammunition Fund Management in Support of the Global War on Terror**

**(D2008-D000FJ-0014.000,  
INITIATED OCTOBER 11, 2007)**

The objective is to determine whether the Military Departments properly managed small arms ammunition funds in support of GWOT. Specifically, DoD OIG will determine whether financial management officials fully supported and properly incurred obligations and expenditures. DoD OIG will also determine whether funds for small arms ammunition were accurately recorded in financial systems for reporting to the Office of the Secretary of Defense.

### **Contracts for Supplies Requiring Use of Radio Frequency Identification**

**(D2008-D000AS-0022.000,  
INITIATED OCTOBER 5, 2007)**

The objective is to determine whether DoD Components are complying with policies on radio frequency identification. Specifically, DoD OIG will determine whether DoD Components have prepared and implemented plans to use radio frequency identification. Additionally, DoD OIG will assess whether DoD contracts issued since January 1, 2005, include requirements for using passive and active radio frequency identification tags and whether contractors are complying with those requirements.

### **Payments for Transportation Using PowerTrack®**

**(D2008-D000FJ-0006.000,  
INITIATED SEPTEMBER 20, 2007)**

The objective is to determine whether DoD established adequate control procedures over transportation payments made using PowerTrack® and payments made to U.S. Bank for PowerTrack® services.

### **Internal Controls and Data Reliability in the Deployable Disbursing System**

**(D2007-D000FL-0252.000,  
INITIATED AUGUST 31, 2007)**

The objective is to determine whether internal controls over transactions processed through the Deployable Disbursing System are adequate to ensure the reliability of the data processed. The audit will include financial information processed by disbursing stations supporting GWOT, and DoD OIG will also follow up on work completed during our audit of “Internal Controls Over Out-of-Country Payments.”

### **Audit of the Management of Signals Intelligence Counterterrorism Analysts (PROJECT NUMBER D2007-DINT01-0092.003, INITIATED AUGUST 31, 2007)**

The objective is to evaluate the management of signals intelligence counterterrorism analysts. Specifically, we will review the hiring/recruitment process, training programs, and work assignments of counterterrorism analysts. The review will include an assessment of the impact additional resources have had on the effectiveness of the National Security Agency counterterrorism mission since September 2001.

**Summary of Issues Impacting Operations Iraqi and Enduring Freedom Reported by Major Oversight Organizations Beginning FY 2003 through FY 2007 (D2007-D000XA-0249.000, INITIATED AUGUST 22, 2007)**

The objective is to summarize contract, funds management, and other accountability issues identified in audit reports and testimonies that discuss mission-critical support to Operations Iraqi and Enduring Freedom.

**Defense Hotline Allegations Concerning Contracts Issued by U.S. Army TACOM Life Cycle Management Command to BAE Systems Land and Armaments, Ground Systems Division (D2007-D000CK-0256.000, INITIATED AUGUST 17, 2007)**

The objective is to review allegations to the Defense Hotline concerning contracts issued by U.S. Army TACOM Life Cycle Management Command to BAE Systems Land and Armaments, Ground Systems Division. Specifically, DoD OIG will determine whether contract award and administrative procedures were in compliance with federal and DoD policy. On March 21, 2008, DoD OIG issued a draft report and expects to publish the final report during the third quarter of FY 2008.

**Controls over the Contractor Common Access Card Life Cycle (D2007-D000LA-0199.001, INITIATED AUGUST 14, 2007)**

The objective is to determine whether controls over Common Access Cards (CAC) provided to contractors are in place and work as intended. Specifically, DoD OIG will determine whether DoD officials issue CACs to contractors, verify the continued need for contractors to possess CACs, and revoke or recover CACs from contractors in accordance with DoD policies and procedures.

**End-Use Monitoring of Defense Articles and Services Transferred to Foreign Customers (D2007-D000LG-0228.000, INITIATED AUGUST 6, 2007)**

The objective is to review the Golden Sentry Program, which monitors how foreign governments use U.S. defense articles and services, to determine whether the program records and controls transfers of sensitive arms effectively.

**Accountability of Munitions Provided to the Security Forces of Iraq (D2007-D000IG-0239.000, INITIATED JULY 27, 2007)**

The objective is to determine whether accountability and controls over the distribution of conventional military arms and ammunition provided by the United States to the security forces of Iraq and Afghanistan are adequate. Specifically, DoD OIG will determine the effectiveness

and efficiency of DoD management of security, accountability and visibility, transportation, storage, contracting support, and host nation support for the distribution of conventional military arms and ammunition to these security forces. The draft report was published on March 17, 2008.

#### **Procurement and Delivery of Joint Service Armor Protected Vehicles**

**(D2007-D000CK-0230.000,  
INITIATED JULY 13, 2007)**

The objective is to determine whether the Mine Resistant Ambush Protected vehicle program office is effectively procuring armored vehicles in accordance with the Federal Acquisition Regulation and DoD requirements. Specifically, DoD OIG will review the Mine Resistant Ambush Protected vehicle program administration to determine whether the Program Office is taking appropriate actions to accelerate vehicle delivery to users. In addition, DoD OIG will review the Services' requirements for the Mine Resistant Ambush Protected vehicle and High Mobility Multipurpose Wheeled Vehicles.

#### **Funds Appropriated for Afghanistan and Iraq Processed Through the Foreign Military Trust Fund**

**(D2007-D000FB-0198.000,  
INITIATED JUNE 19, 2007)**

The objective is to determine whether funds appropriated for the security, reconstruction, and assistance of Afghanistan and Iraq and processed through the Foreign Military Sales Trust Fund are being properly managed. Specifically, DoD OIG will determine whether the transfer of appropriated funds from the Army's accounts into the Foreign Military Sales Trust Fund was properly authorized, accounted for, and used for the intended purpose. DoD OIG will also determine whether Foreign Military Financing funds granted to Afghanistan and Iraq are properly accounted for and used for their intended purpose. In addition, DoD OIG will determine whether the appropriated funds are properly reported in DoD financial reports.

#### **Operations and Maintenance Funds Used for Global War on Terror Military Construction Contracts**

**(D2007-D000CK-0201.000,  
INITIATED JUNE 18, 2007)**

The objective is to determine whether DoD Components followed requirements for using operations and maintenance funds for GWOT military construction. Specifically, DoD OIG will evaluate whether DoD followed proper procedures for administering, executing, and reporting the use of operations and maintenance funds on GWOT military construction contracts.

**Review of Intelligence Resources at the Joint Intelligence Task Force Combating Terrorism and Special Operations Command in Support of Operation Enduring Freedom and Operation Iraqi Freedom (PROJECT NUMBER D2007-DINT01-0092.001, INITIATED JUNE 14, 2007)**

The objective is to examine intelligence missions and corresponding resources at both the Joint Intelligence Task Force Combating Terrorism and Special Operations Command to determine the sufficiency of those resources to accomplish their intelligence missions.

**Review of Circumstances Surrounding the Death of a Reuters Employee in Iraq (PROJECT NO. 2007C003, INITIATED JUNE 13, 2007)**

At the request of Ms. J. Gorelick, Reuters General Counsel, DoD OIG is reviewing the investigation into the death of a Reuters employee by U.S. Forces during an ambush in Iraq on August 28, 2005, to determine whether the Army properly investigated and reported the incident. DoD OIG has completed the field work and is drafting the report, which is expected to be issued in April 2008.

**Marine Corps' Management of the Recovery and Reset Programs (D2007-D000LD-0129.000, INITIATED APRIL 13, 2007)**

The objective is to determine the effectiveness of the Marine Corps' Recovery and Reset Programs for selected equipment. Specifically,

DoD OIG will review how the Marine Corps met its equipment requirements through the Reset and Recovery Programs, whether it effectively repaired or replaced selected equipment, and whether the Marine Corps used funds for their intended purpose.

**Internal Controls over Air Force General Funds Cash and Other Monetary Assets (D2007-D000FD-0145.000, INITIATED MARCH 5, 2007)**

The objective is to determine whether internal controls for Air Force General Funds Cash and Other Monetary Assets are effectively designed and operating to adequately safeguard, account for, and report Cash and Other Monetary Assets.

**Internal Controls over Navy General Fund, Cash and Other Monetary Assets Held Outside the Continental United States (D2007-D000FN-0142.000, INITIATED FEBRUARY 2, 2007)**

The objective is to determine whether internal controls for Department of the Navy, General Fund, Cash and Other Monetary Assets held outside of the CONUS are effectively designed and operating to adequately safeguard, record, account, and report Cash and Other Monetary Assets.

**DoD Training for U.S. Ground Forces Supporting Operation Iraqi Freedom (D2007-D000LH-0108.000, INITIATED JANUARY 5, 2007)**

The objective is to determine whether U.S.

ground forces supporting Operation Iraqi Freedom are receiving training necessary to meet operational requirements. Specifically, DoD OIG will determine whether requirements reflect the training necessary in the area of operation and verify whether ground forces receive required training. In addition, DoD OIG will determine whether training meets the needs of ground forces supporting Operation Iraqi Freedom. Phase I reviewed the use of observers and controllers in preparing Army units for deployment. The final report for Phase I was issued on December 28, 2007. In Phase II, DoD OIG reviewed equipment levels at Combat Training Centers and Mobilization Center. In Phase III, DoD OIG reviewed theater-specific training requirements and how that training was executed at Combat Training Centers. DoD OIG issued a draft report for Phase III on March 17, 2008 and expects to issue a final report in the third quarter of FY 2008.

#### **Hiring Practices Used to Staff the Iraqi Provisional Authorities**

**(D2007-D000LC-0051.000,  
INITIATED DECEMBER 14, 2006)**

The objective is to evaluate the hiring practices that DoD used to staff personnel to the provisional authorities supporting the Iraqi government from April 2003 to June 2004. Specifically, the audit will determine the process DoD used to assign personnel to the Office of Reconstruction and Humanitarian Assistance and the Coalition Provisional Authority in Iraq.

#### **DoD Use of GWOT Supplemental Funding Provided for Procurement and Research, Development, Test and Evaluation (D2006-D000AE-0241.000, INITIATED AUGUST 4, 2006)**

The objective is to determine the adequacy of DoD financial controls over use of GWOT supplemental funding provided for procurement and research, development, test, and evaluation (RDT&E). DoD OIG will also determine whether the funds were placed on contracts and used for purposes stipulated in the congressionally approved supplemental funding for GWOT. Phase I reviewed the adequacy of Air Force financial controls over the use of GWOT supplemental funding provided for procurement and RDT&E. The final report for Phase I was issued on November 21, 2007. In Phase II, DoD OIG will determine whether management was effectively preparing the “DoD Supplemental and Cost of War Execution Report” for procurement and RDT&E. In Phase III, DoD OIG will review the adequacy of Army, Navy, Marine Corps, and Defense Agencies’ financial controls over the use of GWOT supplemental funding provided for procurement and RDT&E.

#### **DoD/Department of Veterans Affairs (VA) Inspectors General Interagency Care Transition Project**

**(DOD PROJECT D2006-DIPoE2-0137;  
DVA PROJECT 2006-02857-HI-0400,  
INITIATED, JULY 24, 2006)**

Requested by the Under Secretary of Defense for Personnel and Readiness, DoD and Depart-

ment of Veterans Affairs IGs are conducting this interagency evaluation of the care transition laws, regulations, and policies and will recommend process improvements to provide effective, transparent, and expeditious access to health care and other benefits when wounded service members are identified for separation or retirement. The draft report is anticipated to be released in April 2008 for management comments.

**Conditional Acceptance and Production of the Army Medium Tactical Vehicles in Support of the Global War on Terror**  
(D2006-D000AE-0225.000,  
INITIATED JULY 10, 2006)

The objective of Phase I was to determine whether the Army was adequately protecting the U.S. government's interest when it included conditional acceptance provisions in production contracts for the Family of Medium Tactical Vehicle Program. In addition, DoD OIG evaluated whether management was cost-effectively producing the Family of Medium Tactical Vehicles as funded in support of GWOT. In Phase II, DoD OIG determined the number of armored and unarmored medium tactical vehicles in Iraq and Afghanistan; how the Army determined its requirements for armored medium tactical vehicles; and how the Army determined its requirements for crew protection kits and why crew protection kit production lapsed. A final report was issued for Phase I on December 21, 2007. DoD OIG issued a draft report on Phase II on February 11, 2008, and expects to publish the final report during the third quarter of FY 2008.

**Internal Controls Over Out-of-Country Payments**  
(D2006-D000FL-0208.000,  
INITIATED MAY 23, 2006)

The objective is to determine whether internal controls over out-of-country payments supporting GWOT provide reasonable assurance that payments are properly supported and recorded. On February 11, 2008, DoD OIG issued a draft report and expects to publish the final report during the third quarter of FY 2008.

**Export Controls Over Excess Defense Articles**  
(D2006-D000LG-0136.000,  
INITIATED MARCH 1, 2006)

The objective is to assess the adequacy of controls over the transfer of excess Defense articles to foreign persons. Specifically, DoD OIG will determine whether transferred property was adequately demilitarized and controlled in accordance with the requirements of the Foreign Assistance Act of 1961 (Public Law 87-195), as amended, and the Arms Export Control Act of 1976 (Public Law 90-269), as amended. DoD OIG issued a draft report on March 14, 2008 and expects to issue a final report in the third quarter of FY 2008.

**U.S. Government's Relationship with the Iraqi National Congress**  
(D2005-DINT01-0122,  
INITIATED FEBRUARY 14, 2005)

The objective is to respond to direction from the House Appropriations Committee through the Office of the National Counterintelligence Execu-

tive to review the U.S. government's relationship with the Iraqi National Congress. On June 12, 2006, DoD OIG published a report on Phase One of the project. The report on Phase Two is expected to be published during the first quarter of FY 2008.

**Reach Back Support to Inspectors General of the Iraqi Security Forces (ISF)  
(PROJECT NO. D2006-D1POE3-0038, DATE INITIATED NOT REPORTED)**

With the re-deployment of the two full-time DoD OIG advisors to the Multi-National Security Transition Command-Iraq (MNSTC-I) Transition Teams in Baghdad, DoD OIG maintained a reach-back cell to support the ISF Inspectors General.

To capture the lessons learned and best practices from his 40-month assignment assisting the Iraqi IGs, the senior advisor is producing a report (Project Number D2006-DIPOE3-0038.002) that suggests options that can be used to develop a viable, sustainable, effective IG system in emerging nations. Moreover, the report will recommend concepts, strategies, options, and practical applications that can be used in other "Stability, Security, Transition, and Reconstruction (SSTR)" operations where establishing a federal IG system may be appropriate in nation building missions. Complementing this effort, the reach-back cell is also completing the draft report, "Assessment of the DoD Support to the Iraqi Security Forces IG System" (Project Number D2006-DIPOE3-0038.001), which will chronicle the

progress in developing the inspectors general functions for the Ministries of Defense and Interior and the Iraqi Joint Headquarters and will recommend process improvements.

During this reporting period, the reach-back team partnered with the Joint Forces Command and participated in a working group process to develop an operational-level planning template for an integrated rule of law strategy in joint operations. The team described how an IG system (federal and military) can be a catalyst for promoting efficiency and ethical governance and for building a culture of transparency and accountability in emerging nations.

**DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL**

**Completed Audits**

There were no completed audits related to Iraq for the quarter ending March 31, 2008.

**Ongoing Audits**

**Review of Procurement Competition: New Embassy Compound Baghdad  
(07AUD3034, INITIATED APRIL 2007)**

This audit is in the draft report stage. The objectives are to determine whether the New Embassy Compound contractors were awarded competitively and whether sole-source awards were justified.

### **Joint Review of Blackwater Contract for Worldwide Personal Protective Services (DOS OIG 08-AUD-3016; SIGIR 8019)**

This audit is in the planning stage, and the objectives are being formulated.

### **Audit of Contract Administration, NEC Baghdad (08AUD30xx)**

This audit is in the planning stage, and the objectives are being formulated.

### **Iraqi Special Immigrant Visa (SIV) Program (08 MERO3002)**

This review is in the draft report state. The objectives are to evaluate the timeliness and equity of the various processing and qualification procedures and to evaluate whether the loss of consular fees adversely affects SIV work.

### **U.S. Refugee Admissions Program (USRAP) for Iraq (08 MERO3001)**

This review is in the draft report stage. The objectives are to assess the prospects for meeting program goals and to identify impediments to more rapid processing and assess the effectiveness of the cooperative agreements with overseas processing entities (OPEs); and to evaluate the coordination between U.S. government agencies on refugee issues.

## **U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL**

### **Completed Audits**

#### **Audit of USAID/Iraq's Community Stabilization Program**

(E-267-08-001-P, ISSUED MARCH 18, 2008)

The Community Stabilization Program (CSP) is a three-year, \$544 million program intended to complement U.S. military security efforts in Iraq through economic and social stabilization activities. USAID OIG conducted this audit to determine: (1) if CSP was achieving its intended result with regard to activities in the community infrastructure and essential services component, and (2) how USAID/Iraq has designed and implemented CSP to ensure that Iraqis continue to benefit from its activities after USAID involvement has ended. USAID OIG was unable to determine whether CSP was achieving its intended result—to help defeat the insurgency by reducing the incentives for participating in it—because USAID OIG could not rely on one of the major measurements of the program (employment generation). Furthermore, the audit found evidence of potential fraud in projects within a specific district of Baghdad. USAID OIG made 14 recommendations, including suspending projects in one district of Baghdad, reviewing projects in other locations for indications of fraud, improving controls over the quality of employment-generation data, improving the monitoring and evaluation of projects, making citizen satisfaction surveys more useful, and providing a fraud awareness briefing for implementing partner officials.

**Ongoing Audits****Audit of USAID/Iraq's Community Action Program**

The objective of this audit is to determine whether USAID/Iraq's Community Action Program activities have achieved the planned results and the impact of those results.

**USAID/Iraq's Agribusiness Program**

The objective of this audit is to determine whether USAID/Iraq's Agribusiness Program has achieved the planned results and the impact of those results.

**USAID/Iraq's National Capacity Development Program**

The objective of this audit is to determine whether USAID/Iraq's National Capacity Development Program has achieved the planned results and the impact of those results.

**Audit of USAID/Iraq's Management of its Official Vehicle Fleet**

The objective of this audit is to determine whether USAID Iraq has managed its official vehicle fleet in accordance with USAID policies and procedures.

**Audit of USAID/Iraq's Marla Ruzicka War Victims Assistance Fund**

The objective of this audit is to determine if USAID/Iraq is complying with provisions contained in public laws to help ensure that funds appropriated for the Marla Fund are used as intended.

**Audit of USAID/Iraq's Monitoring and Evaluation Performance Program**

There are two objectives of this audit:

- Is the Monitoring and Evaluation Performance Program, Phase II, producing monitoring and evaluation reports that are timely, relevant, and useful for performance management?
- Is USAID/Iraq using MEPP II program results to manage its portfolio?

**DEFENSE CONTRACT AUDIT AGENCY**

The Defense Contract Audit Agency's (DCAA's) services include professional advice to acquisition officials on accounting and financial matters to assist them in the negotiation, award, administration, and settlement of contracts.

In addition to DCAA's involvement in the negotiation and award of contracts, significant resources are also dedicated to overseeing the allowability, allocability, and reasonableness of incurred and billed costs. Procedures that govern the costs incurred in-country are also tested through reviews of contractor timekeeping, subcontract management, and cash management/disbursement. Finally, to ensure that adequate internal controls are in place regarding the contractor's policies and procedures, DCAA performs audits associated with critical internal control systems, with an emphasis on estimating, subcontract management, and billing systems.

DCAA AUDITS RELATED TO IRAQ FOR FY 2007 AND FY 2008 AS OF MARCH 31, 2008

| DESCRIPTION OF AUDIT AREA                 | FY 2007    | FY 2008    |            |
|---|------------|------------|------------|
|   | CLOSED     | CLOSED     | OPEN       |
| Price Proposals (1)                       | 105        | 26         | 7          |
| Agreed-upon Procedures Price Proposal (2) | 13         | 0          | 0          |
| Other Special Requested Audits (3)        | 71         | 23         | 64         |
| Incurred Cost (4)                         | 27         | 16         | 148        |
| Labor Timekeeping (5)                     | 60         | 13         | 37         |
| Internal Controls (6)                     | 32         | 14         | 63         |
| Preaward Accounting Survey (7)            | 6          | 1          | 1          |
| Purchase Existence and Consumption (8)    | 23         | 7          | 22         |
| Cost Accounting Standards (9)             | 39         | 23         | 62         |
| Other (10)                                | 47         | 15         | 113        |
| <b>Total</b>                              | <b>423</b> | <b>138</b> | <b>517</b> |

Notes:

1. Price Proposals—Audits of price proposals submitted by contractors in connection with the award, modification, or repricing of Government contracts or subcontracts
2. Agreed-upon Procedures Price Proposal—Evaluation of specific areas, including actual labor and overhead rates and/or cost realism analysis, requested by customers in connection with the award of government contracts or subcontracts
3. Other Special Requested Audits—Audit assistance provided in response to special requests from the contracting community based on identified risks
4. Incurred Cost—Audits of costs charged to government contracts to determine whether they are allowable, allocable, and reasonable
5. Labor Timekeeping—Audits to determine whether the contractor consistently complies with established timekeeping system policies and procedures for recording labor costs
6. Internal Controls—Audits of contractor internal control systems relating to the accounting and billing of costs under government contracts
7. Preaward Accounting Survey—Preaward audits to determine whether a contractor’s accounting system is acceptable for segregating and accumulating costs under government contracts
8. Purchase Existence and Consumption—The physical observation of purchased materials and services and related inquiries regarding their documentation and verification of contract charges
9. Cost Accounting Standards—Audits of Contractor Disclosure Statements and compliance with Cost Accounting Standards
10. Other—Significant types of other audit activities including compliance with Truth in Negotiations Act, audits of provisional billing rates, and audits of claims and termination settlement proposals

TABLE K-2

DCAA plans and performs work on a fiscal year basis. As of March 31, 2008, the DCAA Iraq Branch Office staff comprised 24 employees. The Iraq Branch Staff is split between Kuwait (12) and Iraq (12). Table K-2 shows both the Iraq-related audits closed during FY 2007 and the audits closed and still open in FY 2008 (as of March 31, 2008).

**U.S. ARMY AUDIT AGENCY**

As of March 31, 2008, the U.S. Army Audit Agency (USAAA) had 18 auditors working in South-

west Asia, including 11 in Iraq, 3 in Afghanistan, and 4 in Kuwait.

**Completed Audits**

**Internal Controls over Contracted Dining Facility Operations, Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom (AUDIT REPORT A-2008-0091-ALL, MARCH 31, 2008)**

USAAA performed this audit as part of its Audit of Logistics Civil Augmentation Program

(LOGCAP) Operations in Support of Operation Iraqi Freedom. USAAA performed the audit at the request of the Commander, Multi-National Force-Iraq. The purpose of this audit was to determine whether controls over contracted dining facility (DFAC) operations under the LOGCAP contract were in place and operating as intended.

Although USAAA found that soldiers were routinely provided nutritious, high-quality food and service comparable to commercial restaurants in the United States, USAAA found that the controls over dining facility operations under the LOGCAP contract needed improvement to ensure that dining facility operations were performed in the most efficient and effective manner. Specifically:

- Contractor standing operating procedures (SOPs) were missing, incomplete, or lacking adequate internal controls to properly manage and operate dining facilities.
- Lack of adequate controls in production schedules, the 21-day menu plan, portion control, and warehouse operations created waste of subsistence items and unnecessary expenditures.
- Command had not established a basic daily food allowance and required the contractor to manage a financial account card as required by Army guidance. If the contractor managed a financial account card as required, USAAA estimated that annual food expenditures could have been reduced by \$61.5 million at two forward operating bases that USAAA reviewed.

These issues existed primarily because contractor personnel were not fully trained and sometimes did not follow applicable contractor and Army guidance, coupled with command not assigning a sufficient number of military food service personnel to provide adequate oversight over contracted dining facility operations. Because adequate controls were not fully in place, there was no assurance that the facilities were operating in the most efficient and effective manner.

### **Supply Activities (H-Sites), Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom**

**(AUDIT REPORT A-2008-0090-ALL, MARCH 20, 2008)**

USAAA performed this audit as part of the Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom.

USAAA performed the audit at the request of the Commander, Multi-National Force-Iraq. The purpose of this audit was to determine whether supply activities primarily operated by the contractor were staffed and equipped in a cost-effective manner.

USAAA found that the supply activities were not staffed and equipped in a cost-effective manner. This occurred because military units requiring contractor support did not provide adequate input to the Contracting Office to allow it to negotiate reasonable contractor workforces. Thus the Contracting Office was unable to ensure contractor requirements included in the Basis of

Estimate were reasonable and effectively supported staffing and equipment levels at supply activities in the area of operation.

Requirements in the Basis of Estimate and Rough Order of Magnitude were overstated because the Army relied solely on the contractor to determine the number of personnel needed to fulfill requirements in the statement of work when contract requirements were first calculated. Because no initial validation was performed, Basis of Estimates were summed up based on unsubstantiated and untested staffing metrics. Also, the Contracting Office did not routinely assess or validate staffing requirements at supply activities. Consequently, the Army paid the contractor for more labor costs than necessary. Over a 2-year period, USAAA estimates that a cost avoidance of about \$31.9 million could be realized by not staffing personnel to levels cited in the Basis of Estimate and reducing excessive staffing levels at supply activities.

USAAA also found that contractor-operated equipment was not effectively managed. Some supply activities underused their equipment while others did not have sufficient equipment on hand. This occurred because the Army did not have sufficient planning and oversight in place to make sure the Contracting Office had reasonable support to ensure the contractor effectively managed placement of equipment. This could lead to the Contracting Office directing the contractor to purchase more equipment than is required.

### **Contract Administration over Contracted Dining Facility Operations, Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom**

**(AUDIT REPORT A-2008-0077-ALL, MARCH 20, 2008)**

USAAA performed the audit as part of the overall Audit of Logistics Civil Augmentation Program (LOGCAP) Operations in Support of Operation Iraqi Freedom. USAAA performed the audit at the request of the Commander, Multi-National Force-Iraq (MNF-I). The purpose of this audit was to determine whether the U.S. government administered dining facility operation contracts awarded under the LOGCAP contract in an effective and efficient manner.

Although soldiers were routinely provided nutritious, high-quality food and service comparable to commercial restaurants in the United States, USAAA found that the process for administering dining facility (DFAC) operations under the LOGCAP contract needed improvement. Specifically:

- Administration of the contract by administrative contracting officers assigned to the Defense Contract Management Agency (DCMA) was inhibited by a lack of training, short length of tours, and overlap between incoming and outgoing personnel.
- Training provided by DCMA to Contracting Officer Technical Representatives (COTRs) was not specific to food service, and the COTR appointment letters lacked standardization and did not include all required contractual and

administrative elements. In addition, command did not equitably assign COTRs among its contracted dining facilities.

- DCMA and the contractor performed reasonable risk assessments. However, not all risk assessments were performed, and some inspections that were performed were not based on schedules shown within the risk assessments.
- The scoring methodology command personnel used to assess the management of contracted DFACs was not conducive to achieving an accurate evaluation of the contractor's performance.

Because the government was not providing adequate oversight over the contractor's operations, there was no assurance that the contractor was providing food service in the most efficient and effective manner.

**Class III (Bulk and Retail) Fuel Operations in the Iraq Area of Operations, Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom**

**(AUDIT REPORT A-2008-0085-ALL, MARCH 18, 2008)**

USAAA performed this audit as part of the Audit of Logistics Civil Augmentation Program (LOGCAP) Operations in support of Operation Iraqi Freedom. USAAA performed the audit at the request of the Commander, Multi-National Force-Iraq. The purpose of the audit was to determine if Class III bulk and retail fuel operations under the LOGCAP contract were effectively

managed to furnish reasonable and cost-effective services for satisfying mission requirements.

USAAA found that Third Corps Support Command (COSCOM) provided sufficient fuel support to units to execute mission requirements; however, COSCOM's methodology for determining fuel stockage levels was inefficient and often led to excess fuel inventory. COSCOM generally did not use operational requirements to establish fuel inventory objectives, but set the inventory objective at 70% of storage capacity. Implementation of internal controls varied among the four sites visited. Command and the contractor established internal controls at the fuel facilities that USAAA evaluated; however, personnel at the facilities sometimes did not implement the controls. As a result, USAAA identified accountability issues at all the fuel sites. Fuel foremen at some sites were not recording the physical inventory and reconciling it to the book inventory. The contractor's standing operating procedures require the reconciliation of physical and book inventories to identify significant discrepancies. By not performing the reconciliation, the Army could not maintain fuel accountability at the retail sites.

USAAA believes that the quality assurance representatives and the contracting officers representatives were adequately trained and technically knowledgeable. However, their lack of coordination with each other caused many of the breakdowns in internal controls that USAAA identified.

### **Contractor-Acquired Property, Audit of Logistics Civil Augmentation Program Operations in Support of Operation Iraqi Freedom**

**(AUDIT REPORT A-2008-0075-ALL, MARCH 12, 2008)**

The report addresses USAAA's audit of contractor-acquired property in the Iraq and Kuwait areas of operations related to the contractor's management of rough terrain container handlers under the Logistics Civil Augmentation Program (LOGCAP) contract. USAAA performed this audit as part of an audit of contractor-acquired property equipment requested by the Office of the Deputy Chief of Staff, G-4. This is the first in a series of audits USAAA plans to conduct that address the visibility, management, and use of Army property in the possession of contractors. USAAA focused its review on rough terrain container handlers because they represent large high-value items that can be most easily tracked through the various processes designed to manage contractor-acquired property. Future audits will concentrate on more complex equipment to manage such as electrical generation equipment.

The audit showed that LOGCAP officials and Multi-National Force-Iraq made improvements related to overseeing the theater property book, reducing LOGCAP procurement costs, and distributing excess property from closing sites. However, some improvements were still needed. Specifically:

- The Army did not have sufficient oversight of the theater property book for contractor-required property because the contractor

maintained the official government property book as allowed by the Federal Acquisition Regulation, Part 45.

- There were no performance metrics or requirements in the statements of work to determine if the rough terrain container handlers were used in the most effective manner.
- The requirements were not clearly defined and did not contain usage metrics because of an insufficient number of LOGCAP support officers and their general lack of training in writing performance-based statements of work. This occurred because the original group trained to perform this function had rotated through the theater and their replacements were being provided on an ad hoc basis.

### **Ongoing Audits**

#### **Audit of Army Corps of Engineers Contracting Functions in Iraq**

**(PROJECT CODE A-2008-ALL-0318.000, INITIATED MARCH 17, 2008)**

The overall objective is to evaluate contracting practices and procedures at the Gulf Region Division. Specific objectives are to determine if:

- contract requirements were correctly identified and resulted in acquisitions that met the needs of the Army
- deliverables were monitored to ensure that products and services were provided in accordance with terms of the contracts
- contract closeout practices for terminated contracts were adequate and in the best interest of the Army

**Audit of Government Property Provided to Contractors—Kuwait Base Operations**  
(PROJECT CODE A-2008-ALL-0204.000,  
INITIATED MARCH 14, 2008)

This audit evaluates whether the Army has adequate management and visibility over government property provided to contractors for base operations in Kuwait.

**Management of Shipping Containers in Southwest Asia**  
(PROJECT CODE A-2007-ALL-0081,  
INITIATED SEPTEMBER 6, 2007)

This audit involves work in the United States, Iraq, Kuwait, and Afghanistan. It evaluates whether:

- shipping containers were adequately managed to ensure accountability and minimize detention charges
- visibility over equipment and supplies transported to, within, and from the theater of operations was adequate
- controls over payments for the use of containers were adequate

**Audit of Joint Contracting Command-Afghanistan**  
(PROJECT CODE A-2007-ALL-0887.003,  
INITIATED AUGUST 5, 2007)

This audit evaluates whether:

- services acquired under contracts were properly justified and cost-effective
- contracts were properly awarded and administered

**Audit of Joint Contracting Command-Iraq**  
(PROJECT CODE A-2007-ALL-0887.001,  
INITIATED JULY 24, 2007)

This audit evaluates whether:

- services acquired under contracts were properly justified and cost effective
- contracts were properly awarded and administered

**Audit of LOGCAP Operations in Support of OIF-Power Generators**  
(PROJECT CODE A-2007-ALL-0212.001,  
INITIATED JANUARY 21, 2007)

This audit is being performed in Iraq. It evaluates whether contractor acquired power generators were effectively managed and used under the LOGCAP III Contract.

**Audit of U.S. Army Contracting Command Southwest Asia-Kuwait**  
(PROJECT CODE A-2007-ALL-0329,  
INITIATED OCTOBER 26, 2006)

This audit evaluates whether contracting operations were effective and performed in accordance with appropriate laws and regulations.

**Retrograde Operations in Southwest Asia**  
(PROJECT CODE A-2006-ALL-0397, INITIATED  
JUNE 26, 2006)

This audit involves work in Iraq and Kuwait. It evaluates the retrograde and redistribution of military property resulting from restructuring military forces and the attendant contractor support.

**GOVERNMENT ACCOUNTABILITY OFFICE****Completed Reports****Stabilizing and Rebuilding Iraq: Actions Needed to Address Inadequate Accountability over U.S. Efforts and Investments (GAO-08-568T, MARCH 11, 2008)**

Since 2001, the Congress has appropriated nearly \$700 billion for the global war on terrorism. Most of these funds have supported U.S. efforts in Iraq. Congressional oversight is crucial to improve performance, ensure accountability, and protect U.S. programs from fraud, waste, and abuse. Since 2003, GAO has issued nearly 130 Iraq-related reports and testimonies. This testimony addresses (1) factors contributing to poor contracting outcomes and accountability, (2) longstanding issues in the DoD's management and oversight of contractors supporting deployed forces, and (3) efforts to improve the capacity of the Iraqi government. GAO reviewed U.S. agency documents and interviewed officials from DoS, DoD, and other agencies; the United Nations (UN); and the Iraqi government. GAO also made multiple trips to Iraq.

U.S. efforts in Iraq have relied extensively on contractors to undertake reconstruction projects and provide support to U.S. forces. However, a lack of well-defined requirements, poor business arrangements, and inadequate oversight and accountability have negatively affected reconstruction and support efforts. For example, in a July 2007 report, GAO found that DoD completed negotiation for task orders on

an oil contract more than six months after the work commenced and most costs were incurred. DoD paid nearly all of the \$221 million in costs questioned by auditors. Also in July 2007, GAO found that unclear DoD guidance, inadequate staff, and insufficient technology resulted in poor accountability over more than 190,000 weapons provided to Iraqi forces. DoD concurred with GAO's recommendation to determine what DoD accountability procedures apply or should apply to the program. However, as of March 2008, DoD had not made a determination.

The need to effectively manage and oversee contractors supporting deployed forces is equally important. DoD pays billions of dollars each year for contracted goods and services in locations such as Iraq and elsewhere. However, several long-standing and systemic problems continue to hinder DoD's management and oversight of contractors at deployed locations, including the failure to follow planning guidance, provide an adequate number of contract oversight personnel, systematically collect and distribute lessons learned, and provide pre-deployment training for military commanders and contract oversight personnel on the use and role of contractors. GAO's work has identified instances where poor oversight and management of contractors led to negative financial and operational impacts.

GAO has made a number of recommendations aimed at strengthening DoD's management and oversight of contractor support at deployed locations, and the department has agreed to implement many of those recommendations.

However, GAO has found that DoD has made limited progress in implementing some key recommendations.

The United States has made available nearly \$6 billion to rebuild Iraq's energy sector and \$300 million to develop its government ministries but lacks integrated strategic plans for both efforts. Building the capacity of the ministries is critical to ensure that Iraq can effectively govern, rebuild, and stabilize the country. Rebuilding Iraq's energy sector is necessary to ensure that Iraq can pay for these tasks and provide essential services to the Iraqi people. However, in the absence of a comprehensive and integrated strategic plan, U.S. efforts to build the capacity of the Iraqi government have been hindered by multiple U.S. agencies pursuing individual efforts without overarching direction. The creation of a plan for the energy sector is also essential for Iraq to meet energy production and export goals.

GAO recommended that DoS work with Iraqi ministries to develop an integrated energy plan. DoS commented that the Iraqi government, not the U.S. government, should act on GAO's recommendations. Given the billions of dollars provided to rebuild Iraq's energy sector and the limited capacity of Iraqi ministries, GAO believes that its recommendations are still valid.

**Global War on Terrorism: Reported Obligations for the Department of Defense (GAO-08-423R, JANUARY 30, 2008)**

Since 2001, the Congress has provided DoD with hundreds of billions of dollars in supplemental and annual appropriations for military opera-

tions in support of the Global War on Terrorism (GWOT). DoD's reported annual obligations for GWOT have shown a steady increase from about \$0.2 billion in FY 2001 to about \$139.8 billion in FY 2007. In FY 2007, the Congress provided DoD with about \$161.8 billion in annual and supplemental appropriations for GWOT. To continue its GWOT operations, DoD has requested \$189 billion in appropriations for FY 2008. As of December 2007, the Congress has provided DoD with about \$86.8 billion for GWOT in FY 2008, including \$16.8 billion for Mine Resistant Ambush Protected vehicles. DoD has reported obligations of about \$23.8 billion for GWOT for FY 2008 through November 2007.

The U.S. commitments to GWOT will likely involve the continued investment of significant resources, requiring decision makers to consider difficult trade-offs as the nation faces an increasing long-range fiscal challenge. The magnitude of future costs will depend on several direct and indirect cost variables and, in some cases, decisions that have not yet been made. DoD's future costs will likely be affected by the pace and duration of operations, the types of facilities needed to support troops overseas, redeployment plans, and the amount of equipment to be repaired or replaced.

DoD compiles and reports monthly and cumulative incremental obligations incurred to support GWOT in a monthly Supplemental and Cost of War Execution Report. DoD leadership uses this report, along with other information, to advise the Congress on the costs of the war and to formulate future GWOT budget requests.

DoD reports these obligations by appropriation, contingency operation, and military service or defense agency. The monthly cost reports are typically compiled in the 45 days after the end of the reporting month in which the obligations are incurred. DoD has prepared monthly reports on the obligations incurred for its involvement in GWOT since FY 2001. Section 1221 of the National Defense Authorization Act for Fiscal Year 2006 requires us to submit quarterly updates to the Congress on the costs of Operation Iraqi Freedom and Operation Enduring Freedom based on DoD's monthly Supplemental and Cost of War Execution Reports. This report, which responds to this requirement, contains our analysis of DoD's reported obligations for military operations in support of GWOT through September 2007. Specifically, GAO assessed (1) DoD's appropriations and reported obligations for military operations in support of GWOT through FY 2007 and (2) DoD's FY 2007 reported obligations for GWOT by military service and appropriation account.

From FY 2001 through FY 2007, the Congress has provided DoD with about \$542.9 billion for its efforts in support of GWOT. DoD has reported obligations of about \$492.2 billion for military operations in support of the war from fiscal years 2001 through 2007. The \$50.7 billion difference between DoD's GWOT appropriations and reported obligations can generally be attributed to multiyear funding for procurement; military construction; and research, development, test, and evaluation from previous GWOT-related appropriations that have yet to be obligated, and

obligations for classified activities, which are not included in DoD's reported obligations. DoD's total reported obligations related to GWOT have demonstrated a steady annual increase each fiscal year through 2007. DoD's reported obligations of about \$139.8 billion in FY 2007 were approximately 1.4 times higher than reported GWOT obligations of about \$98.4 billion for FY 2006.

The higher reported obligations in FY 2007 are largely due to costs associated with Operation Iraqi Freedom, in part due to the surge strategy announced in January 2007, which provided for the deployment of additional troops. DoD's reported obligations through FY 2007 include about \$378.1 billion for operations in and around Iraq as part of Operation Iraqi Freedom, and about \$86.2 billion for operations in Afghanistan, the Horn of Africa, the Philippines, and elsewhere as part of Operation Enduring Freedom. It also includes about \$27.9 billion for operations in defense of the homeland as part of Operation Noble Eagle.

Reported obligations associated with Operation Iraqi Freedom continue to be far higher than those for other GWOT operations in FY 2007. From fiscal years 2003 through 2007, DoD's reported obligations for Operation Iraqi Freedom consistently increased each fiscal year. In contrast, DoD's reported obligations for Operation Noble Eagle have consistently decreased since FY 2003, while those for Operation Enduring Freedom have remained within a range of \$10.3 billion to \$20.1 billion each fiscal year. DoD's reported obligations for FY 2007 totaled \$139.8 billion.

The Army accounts for the largest propor-

tion of reported obligations for FY 2007—about \$98.0 billion, nearly 8 times higher than the almost \$12.9 billion in obligations reported for the Air Force, the military service with the next greatest reported amount. Among appropriation accounts, operation and maintenance—which includes items such as support for housing, food, and services; the repair of equipment; and transportation to move people, supplies, and equipment—accounts for the largest reported obligations—about \$74.9 billion. Reported obligations for procurement account for about a quarter of total reported obligations or about \$35.8 billion. Of the \$43.6 billion provided to DoD for procurement in FY 2007, approximately 34%, or \$14.3 billion, remained available for use in FY 2008.

**Defense Logistics: The Army Needs to Implement an Effective Management and Oversight Plan for the Equipment Maintenance Contract in Kuwait (GAO-08-316R, JANUARY 22, 2008)**

DoD relies on contractors to perform many of the functions needed to support troops in deployed locations. For example, at Camp Arifjan, Kuwait, the Army uses contractors to provide logistics support for operations in Iraq and Afghanistan. Contractors at Camp Arifjan refurbish and repair a variety of military vehicles such as the Bradley Fighting Vehicle, armored personnel carriers, and the High-Mobility, Multi-Purpose Wheeled Vehicle (HMMWV). However, although contractors provide valuable support to deployed forces, GAO has frequently reported

that long-standing DoD contract management and oversight problems increase the opportunity for waste and make it more difficult for DoD to ensure that contractors are meeting contract requirements efficiently, effectively, and at a reasonable price.

This report discusses information about Task Order 1 that GAO developed during the review. The objectives were to (1) evaluate the contractor's performance of maintenance and supply services under Task Order 1, (2) determine the extent to which the Army's quality assurance and contract management activities implement key principles of quality assurance and contract management regulations and guidance, and (3) determine the extent to which the Army is adequately staffed to perform oversight activities.

GAO's analysis indicates that the Army is inadequately staffed to conduct oversight of Task Order 1. Authorized oversight personnel positions vacant at the time of the GAO visit in April 2007 included those of a quality assurance specialist, a property administrator, and two quality assurance inspectors. The contracting officer told us that the two civilian positions (the quality assurance specialist and the property administrator) had been advertised but the command had not been able to fill the positions with qualified candidates. The battalion was unsure why the two military positions (the quality assurance inspectors) had not been filled.

The lack of an adequate contract oversight staff is not unique to this location. GAO has previously reported on the inadequate number of contract oversight personnel throughout DoD,

including at deployed locations. Army officials also told GAO that in addition to the two quality assurance inspectors needed to fill the vacant positions, additional quality assurance inspectors were needed to fully meet the oversight mission. According to battalion officials, vacant and reduced inspector and analyst positions mean that surveillance is not being performed sufficiently in some areas, and the Army is less able to perform data analyses, identify trends in contractor performance, and improve quality processes.

Also, the Army is considering moving major elements of option year 3 (including maintenance and supply services) to a cost-plus award-fee structure beginning January 1, 2008. Administration for cost-plus award-fee contracts involves substantially more effort over the life of a contract than for fixed-fee contracts. Without adequate staff to monitor and accurately document contractor performance, analyze data gathered, and provide input to the award-fee board, it will be difficult for the Army to effectively administer a cost-plus award-fee contract beginning in January 2008.

### **Iraq Reconstruction: Better Data Needed To Assess Iraq's Budget Execution (GAO-08-153, JANUARY 18, 2008)**

The President's New Way Forward in Iraq identified Iraq's inability to spend its resources to rebuild infrastructure and deliver essential services as a critical economic challenge to Iraq's self-reliance. Further, Iraq's ability to spend its \$10.1 billion capital projects budget in 2007 was one of the 18 benchmarks used to assess U.S.

progress in stabilizing and rebuilding Iraq. This report (1) examines data the U.S. embassy used to determine the extent to which the government of Iraq spent its 2007 capital projects budget, (2) identifies factors affecting the Iraqi government's ability to spend these funds, and (3) describes U.S. government efforts to assist the Iraqi government in spending its capital projects funds. For this effort, GAO reviewed Iraqi government budget data and information on provincial spending collected by the U.S. Provincial Reconstruction Teams. GAO also interviewed officials from the departments of the Treasury, Defense, State, and other agencies and organizations.

U.S. and Iraq reports show widely disparate rates for Iraqi government spending on capital projects. Accordingly, GAO cannot determine the extent to which the Iraqi government is spending its 2007 capital projects budget. In its September 2007 Iraqi benchmark assessment, the administration reported that Iraq's central government ministries had spent 24% of their 2007 capital projects budget, as of July 15, 2007. However, this report is not consistent with Iraq's official expenditure reports, which show that the central ministries had spent only 4.4% of their investment budget as of August 2007. The discrepancies between the official and unofficial data highlight uncertainties about the sources and use of Iraq's expenditure data.

The government of Iraq faces many challenges that limit its ability to spend its capital project budget. Violence and sectarian strife delay capital budget execution by increasing the time and cost needed to implement contracts. Recent refugee

flows and the de-Ba'athification process have contributed to the exodus of skilled labor from Iraq. In addition, U.S. and foreign officials also noted that weaknesses in Iraqi procurement, budgeting, and accounting procedures impede completion of capital projects. For example, according to DoS, Iraq's Contracting Committee requires about a dozen signatures to approve projects exceeding \$10 million, which slows the process.

U.S. agencies have undertaken a variety of programs to help Iraq execute its capital projects budget, although it is not clear what impact these efforts have had to date. U.S. agencies supported new efforts in 2007 targeting Iraq's ability to spend capital budget funds, including an office to provide procurement assistance to ministries and provinces and a new position in the U.S. Embassy to coordinate with senior Iraqi government officials on budget execution and oversee related U.S. assistance efforts. In addition, improving Iraqi government budget execution is part of a broader U.S. assistance effort to improve the capacity of the Iraqi government. For example, the U.S. Agency for International Development (USAID) has trained 500 ministry officials in procurement or budget execution. USAID also led an effort to implement an automated financial management information system for the Iraqi government, although this program was suspended in June 2007 following the kidnapping of five contractors involved in the project. In addition, U.S. advisors work directly with key Iraqi ministries to assist with budget execution and procurement, among other responsibilities.

**Operation Iraqi Freedom: DoD Assessment of Iraqi Security Forces' Units as Independent Not Clear Because ISF Support Capabilities Are Not Fully Developed (GAO-08-143R, NOVEMBER 30, 2007)**

Multi-National Security Transition Command-Iraq (MNSTC-I), which operates under Multi-National Force-Iraq, leads the coalition effort to train, equip, and organize the ISF. Previously, once Iraqi Security Forces (ISF) units were trained and equipped, operational responsibility for their employment was turned over to Multi-National Corps-Iraq. As of June 2007, the Iraqi Ground Forces Command has assumed operational control of 8 of the 10 extant Iraqi Army divisions, and the Ministry of Interior has assumed operational control of the National Police. Overall, the number of Iraqi military and police personnel the coalition has trained and equipped increased from over 171,000 in July 2005 to about 359,600 in September 2007. The Iraqi Ministry of Defense forces consist of the Joint Headquarters; the Iraqi Ground Forces Command, which commands the Army and the Iraqi Special Operations Forces; the Air Force; and the Navy (including Marines). The Iraqi Ministry of Interior forces consist of the Iraqi Police Service, the National Police, the Directorate of Border Enforcement, and other, smaller forces. According to the September 2007 Department of Defense (DoD) report to Congress, as of September 3, 2007, the coalition has trained approximately 165,400 Iraqi Ministry of Defense (MOD) personnel and 194,200 Iraqi Ministry of Interior (MOI) personnel, although

there is currently no reliable data concerning how many of these personnel are still serving with the MOI. Moreover, in 2006 the Iraqi Prime Minister, with coalition support, decided to expand the size of Iraq's security forces by possibly as much as 62,500 by the end of 2007. This expansion includes an increase in the size of extant Iraqi Army units that will bring them to 120% of authorized strength, an initiative to expand the overall size of the Iraqi Army from 10 to 13 divisions, and an initiative to increase the number of Iraqi police.

The MOD and MOI face significant challenges in developing their logistic, command and control, and intelligence capabilities. Two factors, in particular, have thwarted their development—the persistence of high levels of violence and sectarianism and a lack of ministerial capacity. As a result, the ability of both ministries to maintain and sustain their forces, provide effective command and control of their forces, and provide their forces with intelligence is undermined and cannot be accomplished without coalition support. Furthermore, since these support capabilities have yet to be fully developed, DoD claims that ISF units are either “independent” or “fully independent” are confusing and misleading. Although we are not discounting DoD reports that there are some ISF units that are more capable than others from an operational standpoint, we do not find sufficient evidence for an assessment of “independent” or “fully independent” for any ISF unit. Moreover, without clarity regarding the criteria according to which ISF units are assessed as independent, especially with regard to

their logistical, command and control, and intelligence capabilities, the Congress cannot have clear visibility over DoD's role in assisting the ISF in becoming independent of coalition support.

**Stabilizing and Rebuilding Iraq: U.S. Ministry Capacity Development Efforts Need an Overall Integrated Strategy to Guide Efforts and Management Risk (GAO-07-903, OCTOBER 4, 2007)**

Description not available.

**Ongoing Audits**

**Progress in Achieving U.S. Goals in Iraq (PROJECT NUMBER NOT AVAILABLE, INITIATED MARCH 2008)**

The *New Way Forward* in Iraq or the “surge” was designed to improve Iraq's security environment and provide for economic and legislative reforms. Building on GAO's September 2007 benchmark report, the objectives of this engagement are to assess U.S. efforts to:

- improve population security
- encourage progress by the Iraqi government in its enacting and implementing key legislative reforms
- improve the operational readiness of Iraqi security forces in leading counterinsurgency operations.

**Status of Economic Support Funds for Iraq (PROJECT NUMBER 320587, INITIATED MARCH 2008)**

In FY 2006 and FY 2007, the Congress appropriated more than \$3 billion for the Economic

Support Fund (ESF) for Iraq, including funding to support projects in Iraq's provinces. Recent reports show large undisbursed funds in 2007 ESF funds. The report will address the following:

- What is the status of obligations and disbursements for ESF funding for 2006 through 2008, and how are these funds being used?
- To what extent are DoS and other agencies meeting expected time frames in obligating and proceeding with the projects and other activities funded by ESF?
- Do U.S. agencies face challenges in proceeding with ESF projects and activities; if so what are these challenges?

**Contracting in Iraq and Afghanistan**  
(PROJECT NUMBER 120724,  
INITIATED FEBRUARY 2008)

The Fiscal Year 2008 National Defense Authorization Act directs GAO to report annually on contracts where work was performed in Iraq or Afghanistan. The report will address the following key questions:

- How many contracts and tasks orders were awarded during the reporting period and what was their total value?
- How many active contracts and task orders were there and what was their total value?
- To what extent were competitive procedures used to award the contracts?
- How many contractor personnel worked on the contracts during the reporting period, and how many of those performed security functions?
- How many contractor personnel were killed or wounded?

**Analysis of DoD's Fiscal Year 2008  
Costs and Funding for the Global War on  
Terrorism**  
(PROJECT NUMBER 351155,  
INITIATED JANUARY 2008)

As of May 2007, the Congress had provided about \$542.9 billion to DoD for the Global War on Terrorism (GWOT). GAO's objectives on this engagement are to:

- examine and evaluate data in selected GWOT cost reporting categories to determine how components are following DoD guidance in identifying and reporting GWOT obligations and the extent of internal controls for GWOT cost reporting
- evaluate the basis for DoD's FY 2009 GWOT request, to include the guidance and key assumptions used in determining what funding will be required for the fiscal year
- assess the outlook of DoD's FY 2008 funding and reported obligations for GWOT and how this might impact the potential requirements for FY 2009 GWOT funding

**Staffing of Provincial Reconstruction  
Teams in Iraq and Afghanistan**  
(PROJECT NUMBER 320572,  
INITIATED JANUARY 2008)

Provincial Reconstruction Teams (PRT) in Iraq and Afghanistan have been a key method for the United States to help stabilize and deliver reconstruction assistance to these countries. As a result, the Congress has expressed great interest in assessing whether the staffing of PRTs has been timely and effective. In response to this interest, GAO will be determining:

- how DoS and DoD developed staffing models and requirements for PRTs in Iraq and Afghanistan
- the extent to which DoS, DoD, and other agencies have been able to fully implement the PRT staffing plans
- the funding streams that have been used to support PRT activities

## **Iraqi Security Forces and the Transfer of Security Responsibilities**

**(PROJECT NUMBER 320557, INITIATED DECEMBER 2007)**

The United States has provided approximately \$19.2 billion to train and equip Iraqi military and police forces and is also supporting non-governmental tribal security groups. This report will address:

- What types and amounts of training, equipment, and other support has the United States provided for Iraqi security forces?
- What progress has been made in developing effective, non-sectarian Iraqi security forces?
- To what extent has the Multi-National Force-Iraq transferred security responsibilities to Iraqi security forces and the Iraqi government?
- What factors are contributing or inhibiting progress in both areas?

## **U.S. and International Assistance for Iraq Refugees and Internally Displaced Persons**

**(PROJECT NUMBER NOT AVAILABLE, INITIATED NOVEMBER 2007)**

According to UN High Commissioner for Refugees (UNHCR), there may be more than four million displaced Iraqis worldwide. The

magnitude of refugees and internally displaced persons (IDPs)—comprising nearly 20% of Iraq’s population—represents a growing humanitarian crisis and is potentially destabilizing to Iraq and neighboring countries. Since 2003, the U.S. government has reportedly provided almost \$1 billion for refugees and IDPs. These questions will be addressed:

- What is the nature and extent of U.S. funding for assistance to Iraqi refugees and IDPs?
- What are the goals of U.S. and UN efforts to assist Iraqi refugees and IDPs, and what progress has been made?
- What challenges do the U.S. and international community face in the efforts to assist Iraqi refugees and IDPs?

## **DoD Plans for Unmanned Aircraft**

**(PROJECT NUMBER 351086, INITIATED OCTOBER 2007)**

DoD continues to increase its unmanned aircraft systems (UAS). This report will answer the following key questions:

- To what extent has DoD made progress in developing procedures and performance measures for UAS?
- To what extent has DoD developed plans to support its inventory of UAS, and what factors may impact its ability to support these systems?
- What plans does DoD have to integrate additional UAS into the CENTCOM area of operations, and what factors may limit its ability to fully integrate their capabilities?
- To what extent would an executive agent for UAS address longstanding challenges related to the management of UAS?

- To what extent are current UAS capabilities meeting combatant commander needs, and what additional capabilities traditionally created for manned platforms are needed in these systems?

**Body Armor Programs and Testing**  
(PROJECT NUMBER 351076,  
INITIATED AUGUST 2007)

Broad public interest and a June 2007 hearing on body armor raised several issues related to the Army's testing of new solutions, current solicitations (RFP), and other issues. These are the key questions of the project:

- To what extent was the Army's May 2006 test of Pinnacle's "Dragon Skin" body armor conducted in accordance with established testing processes and procedures?
- Is the Army's current RFP testing of body armor systems conducted in accordance with established processes and procedures?
- Do current solicitation processes ensure that the most appropriate body armor technologies, including viable new or alternative solutions, are provided to the troops?
- Does DoD have controls in place to ensure that DoD personnel adhere to relevant policies and guidance regarding use of body armor?

**Use of Private Security Contractors in Iraq**  
(PROJECT NUMBER 351083,  
INITIATED AUGUST 2007)

These questions will be addressed:

- Why are private security contractors being used in Iraq instead of military or U.S. government civilian personnel?
- What is the number of private security contractor employees working in Iraq for the U.S. government and the total costs of employing these contractors?
- What process is used to ensure that contractor employees are properly trained, qualified, and vetted?
- What processes are used by contractors and the government to ensure accountability for vehicles and weapons acquired by contractors?

**Planning for Iraq Drawdown**  
(PROJECT NUMBER 351092,  
INITIATED AUGUST 2007)

The objective of this review is to assess DoD's planning process and plans for the eventual drawdown of U.S. forces in Iraq.

**DoD Use of Individual Augmentees**  
(PROJECT NUMBER NOT AVAILABLE,  
INITIATED AUGUST 2007)

The Congress has expressed concern with DoD's reliance on units performing non-traditional roles and missions and individual augmentees (IAs) in support of current operations, specifically in the areas of selecting, training, and equipping these positions.

These key questions will be addressed:

- To what extent do the services define and track units deploying in support of non-traditional roles and missions?
- To what extent have efforts to select, train, and equip these units met theater requirements, and what impact have they had on the services and unit personnel?
- How do the services define and track the use of IAs deploying in support of current operations?
- To what extent do the services have procedures in place to select, train, and equip IAs to meet theater requirements for joint assignments?

### **Commander's Emergency Response Program (PROJECT NUMBER 351054, INITIATED JULY 2007)**

These are the key questions to be addressed:

- To what extent has DoD established project selection criteria to fund projects that advance the program's objectives?
- To what extent has DoD coordinated with other agencies and the host governments?
- To what extent has DoD conducted program oversight, including reviewing funding requests?
- To what extent has DoD established performance metrics and assessed program impact?
- To what extent has DoD obligated and tracked the use of CERP funds?

### **U.S. Forces Rotation Readiness (PROJECT NUMBER NOT AVAILABLE, INITIATED JULY 2007)**

The Congress has been concerned about the impact of ongoing operations on military readiness and DoD's ability to train and maintain qualified and ready forces. These are the key questions to be addressed:

- To what extent can the Army and the Marine Corps provide trained and ready forces for increased requirements in Iraq, as well as other ongoing operations?
- To what extent can the services provide trained and ready forces to meet the requirements of selected contingency war plans of the regional combatant commands?
- To what extent has DoD assessed its risk in meeting the requirements of selected high-priority war plans and any alternatives or trade-offs that must be made to meet these requirements?

### **Department of State's Use of Interagency Contracting (PROJECT NUMBER 120657, INITIATED JUNE 2007)**

Federal agencies have increasingly turned to interagency contracting as a way to streamline the procurement process. Since 2002, DoS has entered into at least \$1 billion in interagency contracts, including support of U.S. Embassy-Iraq and assistance with training and equipping of Iraqi security forces. GAO has identified interagency contracting as a high risk area.

These questions will be addressed:

- What types of goods and services, and at what cost, has DoS procured using interagency contracts in Iraq and elsewhere?
- What actions has DoS taken to promote successful acquisition outcomes when it acquires goods and services using interagency contracts?

**Sexual Assault in DoD**  
(PROJECT NUMBER 351062,  
INITIATED JUNE 2007)

Report will address:

- To what extent have DoD and the military services developed and implemented policies and procedures to prevent, respond to, and resolve reported sexual assault cases?
- To what extent do DoD and the Coast Guard have visibility over reported sexual assaults involving service members in order to enhance their capability to prevent and respond to a sexual assault?
- Determine the extent to which DoD and the military services have established medical and mental health services to respond to the needs of victims of sexual assault.

**Deployed Soldiers Medical Status**  
(PROJECT NUMBER NOT AVAILABLE,  
INITIATED APRIL 2007)

As DoD deploys more soldiers as part of its continuing military operations, the Congress is concerned that DoD is sending soldiers to combat with medical conditions that should have precluded them from being deployed. The key questions are:

- How do the services' policies, guidelines, and procedures implement DoD guidelines and differ across the services for documenting service members' medical limitations prior to deployment?
- To what extent is the Army adhering to its policies, guidelines, and procedures for assessing and changing physical profiles that document soldiers' medical limitations?
- To what extent has the Army deployed soldiers with serious medical conditions and to what extent have these soldiers been placed in positions or assigned duties that take into account their limitations?

**Joint Improvised Explosive Devices Defeat Organization Processes to Coordinate Counter-improvised Explosive Devices Intelligence Support**  
(PROJECT NUMBER 351016,  
INITIATED MARCH 2007)

Improvised explosive devices (IEDs) are the number-one killer of U.S. troops in Iraq. In response to this threat, DoD established the Joint IED Defeat Organization (JIEDDO) to improve the U.S. military's capabilities to defend against IED attacks. Because of concerns over JIEDDO's rapid growth in structure, scope, and funding over the past two years, the Congress directed GAO to perform a comprehensive review of JIEDDO's efforts to address IEDs. This is the key question: Does JIEDDO have effective processes in place for coordinating counter-IED intelligence support with other DoD and non-DoD organizations to leverage existing capabilities and prevent duplication of efforts?

### **Efforts To Stabilize Iraq and Achieve Conditions To Allow the Drawdown of U.S. Troops**

**(PROJECT NUMBER 320461, INITIATED OCTOBER 2006)**

This audit will focus on these key activities:

- What changes, if any, have MNF-I and the U.S. Embassy Baghdad made to their joint campaign plan in response to the President's new strategy for Iraq?
- What conditions must be achieved before MNF-I can transfer security responsibilities to the GOI and security forces?
- How is the U.S. government assessing progress toward achieving the conditions necessary for the drawdown?
- What progress are U.S. agencies reporting meeting the specified conditions, as well as the factors that are contributing to or inhibiting progress? This engagement's briefings and reports will be classified.

### **U.S. DEPARTMENT OF THE TREASURY**

The U.S. Department of the Treasury (Treasury) did not start or complete any audits relating to Iraq reconstruction and relief since the SIGIR July 30, 2007 Quarterly Report. As of March 31, 2008, Treasury has no auditors in Iraq and no ongoing audits.

### **DEPARTMENT OF COMMERCE**

During this period, the Department of Commerce did not conduct any work related to, in support of, or in Iraq. As of March 31, 2008, the Department of Commerce has no auditors in Iraq and no ongoing audits related to Iraq.