

## DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 5. All information provided is current as of March 31, 2009.

### Other Agency Audits

#### Department of Defense Office of Inspector General

The Department of Defense continues to face many challenges in executing its Overseas Contingency Operations (OCO), formerly known as “the Global War on Terror” (GWOT). The Department of Defense Office of Inspector General (DoD OIG) has identified priorities based on those challenges and has responded by expanding their coverage of OCO operations and our presence in Southwest Asia. As DoD continues its OCO such as Operation Iraqi Freedom and Operation Enduring Freedom, DoD OIG will stay focused on issues important to accomplish the mission and ensure DoD makes efficient use of its resources to support the warfighter. DoD OIG has assigned over 300 personnel this quarter to their OCO-related projects and investigations.

DoD OIG, as the lead oversight agency within DoD, is working with both DoD and federal oversight agencies to issue an update to the statutory<sup>1</sup> required Comprehensive Oversight Plan for Southwest Asia in April 2009. The Comprehensive Audit Plan for Southwest Asia includes the individual audit plans of the Inspectors General for DoD, Department of State, and the U.S. Agency for International Development; and the Special Inspector General for Iraq Reconstruction. It also includes the

planned audit work of the Army Audit Agency, Naval Audit Service, Air Force Audit Agency, and Defense Contract Audit Agency because of the major contributions they make to improve the efficiency and effectiveness of support to the military. The comprehensive plan was expanded beyond the statutory mandate to include other functional areas that are germane to supporting Operation Enduring Freedom and Operation Iraqi Freedom, as well as the OCO, such as contract administration and management, reset of equipment, financial management, and reconstruction support effort.

The April 2009 update will include the statutory requirements of FY 2009 National Defense Authorization Act, Section 852, “Comprehensive Audit of Spare Parts Purchases and Depot Overhaul and Maintenance of Equipment for Operations in Iraq and Afghanistan,” requires that the Army Audit Agency, the Navy Audit Service, and the Air Force Audit Agency, in coordination with the Inspector General of the Department of Defense develop a comprehensive plan for a series of audits for DoD contracts, subcontracts, and task and delivery orders for depot overhaul and maintenance of equipment for the military in Iraq and Afghanistan; spare parts for military equipment in Iraq and Afghanistan; and DoD in-house overhaul and maintenance of military equipment used in Iraq and Afghanistan. The law also requires that the audits identified by this effort be incorporated into the comprehensive audit plan required by Section 842 of FY 2008’s National Defense Authorization Act. In addition to including the Section 852 statutory requirements, the April

TABLE K.1

INVESTIGATIVE STATUS	CONFLICT OF INTEREST	COUNTERFEIT/ PRODUCT SUBSTITUTION	WEAPONS RECOVERY/ SECURITY	FALSE CLAIMS/ STATEMENTS	THEFT/ DRUGS	BRIBERY/ CORRUPTION
Open	0	1	0	7	2	9
Closed	3	4	6	2	20	10
<b>Totals</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>22</b>	<b>19</b>

2009 update will include the Commander, U.S. Central Command’s request for DoD OIG and the Service Audit Agencies to review asset accountability within Southwest Asia.

DoD OIG is currently working with CENTCOM and its subordinate commands in Southwest Asia to expand their deployed footprint. The additional staff will support the increased oversight workload required by statutory requirements, congressional requests, senior DoD and military officials requests, and as they determine based on high risks and challenges in the operations. DoD OIG field offices in Qatar, Iraq, Kuwait, and Afghanistan enhance their ability to provide audit, inspection, and investigative support to DoD operations in support to OCO. DoD OIG further coordinates the DoD OCO oversight activities through the Southwest Asia Joint Planning Group. The Group held its eighth meeting in February 2009.

The DoD OIG testified before the Congress three times this quarter regarding issues that included DoD operations in Iraq as well as Southwest Asia. Specifically, the DoD OIG testified:

- on February 26, 2009, before the U.S. House of Representatives Committee on Appropriations Defense Subcommittee on “Department of Defense Outsourcing”
- on February 12, 2009, before the House Committee on Oversight and Government Reform Subcommittee on National Security and Foreign Affairs on the “DoD IG Assessment of Arms, Ammunition, and

Explosives Control and Accountability; Security Assistance; and Sustainment for the Afghan National Security Forces”

- on February 2, 2009, before the Commission on Wartime Contracting in Iraq and Afghanistan on “Lessons From the Inspectors General: Improving Wartime Contracting”

### Defense Criminal Investigative Service

DCIS continues to conduct criminal investigations in support of DoD GWOT efforts. In addition, DCIS continues to address Southwest Asia Theater criminal activity through its offices in Southwest Asia, Wiesbaden, Germany, and CONUS task force 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 in furtherance of the DCIS investigative mission. In conjunction with DoD OIG’s renewed emphasis upon oversight of spending related to Iraqi development, DCIS has continued to deploy special agents to Iraq and Kuwait and Afghanistan 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. Since September 2008, DCIS has increased its presence in SWA by deploying 7 special agents and one administrative personnel to Iraq, 2 special agents to Kuwait, and 2 special agents to Afghanistan.

### Open Cases

DCIS currently has 19 open investigations being worked jointly with SIGIR. DCIS has committed 11 special agents to support operations in Iraq, Kuwait, and Afghanistan. No case was closed during this period.

### Completed Audits/Reviews

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

*(D-2009-063, ISSUED MARCH 24, 2009)*

The transfer by Defense Security Cooperation Agency (DSCA) of \$6.5 billion of appropriated funds for the support of Afghanistan and Iraq military and security forces into the Foreign Military Sales (FMS) Trust Fund did not meet the requirements of the Economy Act. It was not in the best interest of the Government, was not the most economical use of the funds, and was not in accordance with the requirements in the DoD Financial Management Regulation (FMR). The FMS Trust Fund is a single Treasury account designed to manage funds received from the FMS Program and was not designed to manage expiring funds. DSCA improperly collected administrative fees on Iraq and Afghanistan cases funding contingency operations. From FY 2005 through 2007, DSCA collected more than \$155 million in administrative fees to manage non-FMS cases for the Iraq Security Forces Fund (ISFF) and the Afghanistan Security Forces Fund (ASFF) processed in the FMS Trust Fund. It is DSCA policy, based on the DoD FMR, not to collect administrative expenses on

funds placed in the FMS Trust Fund for contingency operations. Because ISFF and ASFF are funding contingency operations, DSCA should not collect administrative fees on these cases.

#### ***Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq***

*(SPO-2009-003, ISSUED MARCH 17, 2009)*

This report is the third in a series of Office of Special Plans and Operations (SPO) assessments regarding accountability and control of sensitive items transferred or being transferred to the Iraqi Security Forces (ISF).<sup>2</sup> The objective of the assessment was to determine whether the accountability, control, and physical security over the distribution of night vision devices (NVDs) provided to ISF were adequate.

The Commander, Multi-National Force-Iraq (MNF-I), and the Commander, Multi-National Security Transition Command-Iraq (MNSTC-I), were advised by the SPO team of potentially significant weaknesses in the management of NVDs during its assessment visit in April-May 2008. Considerable progress had been made by those commands since that visit in establishing oversight of NVDs. However, we determined during the SPO assessment visit in October-November 2008 that there were still additional improvements needed.

The SPO team identified continuing and significant weaknesses in the management of NVDs by the U.S. military in Iraq during its October-November 2008 assessment fieldwork.

- MNSTC-I had procured 50,740 NVDs for ISF since 2004. MNSTC-I could account for

46,876 NVDs by quantities issued to major ISF organizations (e.g., the Ministry of Defense), due-ins, and items in storage but could not account for 3,864. Of the 46,440 NVDs delivered to ISF organizations; MNSTC-I could not provide issue documentation for more than 21,000, could not provide serial NO.s for more than for 26,000, and could seldom identify specific ISF units receiving the devices.

- U.S. forces' policies and standard operating procedures were not always issued, complete, or implemented and in some cases were contradictory. Further, for the most part, ISF had not issued policies and standard operating procedures for the management, accountability, and control of NVDs. In addition, MNSTC-I had not developed procedures for the execution of the Department of State Blue Lantern Program (an end-use monitoring program) or provided monitoring guidance for equipment procured through pseudo-Foreign Military Sales cases.
- The SPO team alerted MNF-I and MNSTC-I to those problems and made 24 recommendations in the NVD report to correct the deficiencies identified.

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

*(D-2009-061, ISSUED MARCH 12, 2009)*

Army organizations did not accurately record and report FY 2007 transportation costs incurred in support of GWOT. Specifically, Operating Agency 22 exceeded its FY 2007

Operation and Maintenance, Army appropriation funding by \$100.7 million, potentially violating section 1517(a)(2), title 31, United States Code (Antideficiency Act); and the Army's Cost of War report understated obligations incurred for transportation services by about \$147.5 million and included about \$1.1 billion of transportation in the wrong Cost Breakdown Structure Subcategory. As a result, the Army did not provide the Under Secretary of Defense (Comptroller)/DoD Chief Financial Officer and the Congress an accurate report of the appropriated funds used for GWOT transportation services.

***DoD Cost of War Reporting of Supplemental Funds Provided for Procurement and Research, Development, Test, and Evaluation***

*(D-2009-058, ISSUED FEBRUARY 27, 2009)*

The Office of the Under Secretary of Defense (Comptroller)/DoD Chief Financial Officer (USD(C)/CFO) needs to improve its controls over the DoD Components' cost of war reporting process to provide reasonable assurance regarding the reliability of obligation information reported in the "Department of Defense (DoD) Supplemental and Cost of War Execution Report" for procurement and research, development, test, and evaluation funds. Specifically, the USD(C)/CFO did not ensure that the DoD Components and subordinate reporting entities: developed and issued standard operating procedures and other supplemental guidance on contingency cost reporting; verified reported cost data; and submitted affirmation statements.

***Identification of Classified Information in Unclassified DoD Systems During the Audit of Internal Controls and Data Reliability in the Deployable Disbursing System***

*(D-2009-054, ISSUED FEBRUARY 17, 2009)*

This is the first in a series of reports on DoD OIG's audit of Internal Controls and Data Reliability in the Deployable Disbursing System (DDS). The USMC entered classified information into two unclassified DoD systems, DDS and Electronic Document Access/Voucher Processing System (EDA/VPS). This occurred because the USMC had not developed a policy to ensure that finance personnel were adequately aware of classification guidelines contained in the U.S. Central Command Security Classification Guide. In addition, the USMC had not taken adequate measures to remove existing classified information from these systems. The unauthorized disclosure of classified information in unclassified systems, such as DDS and EDA/VPS, could place unsuspecting warfighters or trusted foreign officials in harm's way and cause damage to national security.

***Controls over Excess Defense Articles Provided to Foreign Governments***

*(D-2009-052, ISSUED FEBRUARY 13, 2009)*

The Defense Reutilization and Marketing Service and the DoD transportation offices reviewed did not fully account for the 7,373 line items of excess defense articles requiring demilitarization that were provided to the 19 foreign governments. A line item is a single-line entry on a reporting form or sales document that indicates

a quantity of property having the same description, physical condition, and cost per item. On the basis of our statistical sample of 175 of 7,373 line items, DoD OIG estimated: as many as 7,259 of 7,373 line items of excess defense articles, including M-16 rifles, M-60 machine guns, and armored personnel carriers, were not properly tracked, safeguarded, accounted for, or reconciled; as many as 291 of 7,373 line items of excess defense articles, including M-16 rifle parts, were shipped to foreign governments not authorized to have those items; and as many as 960 of 7,373 line items of excess defense articles shipped were turned in with incorrect information on how the articles should be demilitarized to prevent potential misuse. As a result of deficiencies in controls over excess defense articles, the Defense Reutilization and Marketing Service and the DoD transportation offices increased the risk of providing foreign governments unauthorized property that could be used to threaten our national security.

***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***

*(09-INTEL-03, ISSUED FEBRUARY 13, 2009)*

The objective was 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.

***DoD Testing Requirements for Body Armor***  
(D-2009-047, ISSUED JANUARY 29, 2009)

First article testing for a specific Army contract for body armor was not consistently conducted or scored in accordance with contract terms, conditions, and specifications. Consequently, DoD OIG believes three of the eight ballistic insert designs that passed first article testing actually failed (ballistic insert designs M3D2S2, MH3, and MP2S2). DoD OIG had concerns about another first article test (design M4D2), but insufficient test data precluded us from determining the impact of the inconsistent testing and scoring processes. As a result, the Army does not have assurance that all inserts purchased under the specific contract provide the level of protection required by the contract. This underscores the need for internal controls to ensure adequate oversight of the first article testing process and proper review and approval of the first article test results.

The contracting officer technical representative made an unauthorized change to the specific body armor contract by instructing the testing facility officials to deviate from the Contract Purchase Description without approval from the contracting officer. Because DoD OIG reviewed only one contract, DoD OIG could not report on the effect of the unauthorized change on other body armor contracts. The audit team conducting DoD Inspector General Project No. D2008-D000CD-0256.000, “Audit of DoD Body Armor Contracts,” will determine whether unauthorized changes were made to the body armor contracts under their review and the effect of those changes on the first article test results.

DoD does not have standardized ballistic testing criteria for body armor ballistic inserts. Army and U.S. Special Operations Command officials developed separate ballistic testing criteria for body armor. The criteria differed significantly, even when testing against the same threats. Differences included the NO. of plates tested (sample size), the shot pattern, the environmental conditions, the type of tests, and the pass/fail guidelines. As a result, DoD does not have assurance that its body armor provides a standard level of protection.

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

(D-2009-046, ISSUED JANUARY 29, 2009)  
Results are for official use only (FOUO).

***Hiring Practices Used To Staff the Iraqi Provisional Authorities***

(D-2009-042, ISSUED JANUARY 16, 2009)  
Rapidly staffing a temporary interagency organization in a war zone was a unique and urgent task. DoD used the appropriate employment and compensation authority established in 5 U.S.C. 3394 and 5 U.S.C. 3161 for staffing Office of Reconstruction and Humanitarian Assistance (ORHA) and Coalition Provisional Authority (CPA). DoD hired 366 civilians, none of whose appointments were Schedule C (commonly referred to as political appointments). DoD also deployed 862 detailed civilians to ORHA and CPA. However, the Department did not fully account for these civilians. DoD can better prepare for future contingencies by establishing a framework to document hiring actions to ensure

civilians are promptly assigned, deployed, and accounted for. DoD staffed ORHA and CPA with approximately 2,300 members of the military, detailed civilians, contractors, and newly hired civilians. Using an inconsistent process, DoD relied largely on senior DoD officials and on the CPA Administrator and his senior advisory staff to recruit and select civilians. Of the 366 civilians hired for whom DoD OIG could locate a résumé and either an appointment memorandum or a position description, DoD OIG concluded that 263 civilians were at least partially qualified for the position they were hired to fill. DoD OIG did not review whether the civilians hired were qualified for the duties they performed when deployed to Iraq.

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

*(D-2009-041, ISSUED JANUARY 14, 2009)*

The DoD OIG found problems with Expeditionary Fire Support System (EFSS) and Internally Transportable Vehicle (ITV) program management and contract award. The Marine Corps Milestone Decision Authority approved the entrance of the EFSS and ITV programs into the Production and Deployment Phase (Milestone C) before the systems had demonstrated acceptable performance in developmental test and evaluation. As a result, the schedule for initial operational capability has slipped 22 months for the EFSS and 17 months for the ITV, while the average unit cost has risen by 86 percent for the EFSS and by 120 percent for the ITV. However, the Marine Corps has corrected most EFSS and ITV technical problems as

reflected in 2008 operational test and valuation effectiveness determinations.

The Marine Corps Systems Command did not award the EFSS and ITV contract in accordance with the Federal Acquisition Regulation. Specifically, Command source selection personnel did not adequately document and disclose all technical evaluation criteria in the solicitation and did not prepare a price negotiation memorandum. As a result, the Command's source selection decision did not meet Federal Acquisition Regulation tests of fairness, impartiality, and equitable treatment. The Marine Corps Systems Command internal controls were not adequate. DoD OIG identified internal control weaknesses over contract competitions and the acquisition system's program planning and execution process.

**Ongoing Audits**

***Controls over Unliquidated Obligations for Department of the Army Contracts Supporting the Global War on Terror***

*(PROJECT NO. D2009-D000FC-0176.000, INITIATED MARCH 19, 2009)*

DoD OIG is determining whether the Department of the Army has established adequate controls over unliquidated obligations on Department of the Army contracts supporting the Global War on Terror. Specifically, DoD OIG will determine whether unliquidated obligations are being properly accounted for and deobligated in a timely manner.

***Controls over Department of the Navy Military Payroll Processed in Support of the Global War on Terror at San Diego-Area Disbursing Centers***

*(PROJECT NO. D2009-D000FC-0165.000, INITIATED MARCH 4, 2009)*

The Commander, Naval Installations Command, requested this audit. DoD OIG is determining whether Department of the Navy (DoN) military payroll processed in support of the Global War on Terror is performed in accordance with established laws and regulations. Specifically, DoD OIG will determine whether DoN San Diego-area disbursing centers and the Defense Finance and Accounting Service efficiently obtain and maintain adequate supporting documentation for combat zone entitlements related to Global War on Terror deployments.

***Army and Navy Small Boats Maintenance Contracts***

*(PROJECT NO. D2009-D000AS-0163.000, INITIATED MARCH 2, 2009)*

The DoD is determining whether contracts providing ship repair and maintenance to the U.S. Army operations in Bahrain and Navy operations in Bahrain, Qatar, and United Arab Emirates were properly managed and administered. Specifically, DoD OIG will review competition, contract type, and contract oversight.

***Material Purchases Made Through Partnership Agreements at Corpus Christi Army Depot***

*(PROJECT NO. D2009-D000FI-0150.000, INITIATED FEBRUARY 13, 2009)*

DoD OIG is evaluating material purchases made at Corpus Christi Army Depot through partnership agreements with private-sector firms. Specifically, DoD OIG will determine whether the partnership agreements in place with original equipment manufacturers are effective in minimizing the cost of direct materials to the depot.

***Summary of Information Operations Contracts in Iraq***

*(PROJECT NO. D2009-D000JA-0108.000, INITIATED FEBRUARY 11, 2009)*

The Commander, U.S. Central Command, requested DoD OIG review various aspects of Information Operations in Iraq. DoD OIG plans to conduct a series of reviews to support the Commander, U.S. Central Command's request. For this review, DoD OIG is identifying the universe of all contracts, to include task orders, used to conduct Information Operations (including Psychological Operations) in Iraq during FY 2006-2008. Additionally, DoD OIG will determine the amount of money obligated for each contract or task order.

***Assessment of the Accountability and Control of Arms, Ammunition, and Explosives (AA&E) Provided to the Security Forces of Afghanistan***

*(PROJECT NO. D2009-D00SPO-0148.000, INITIATED FEBRUARY 3, 2009)*

The objective of this assessment is to determine whether the current accountability and control of U.S.-supplied Arms, Ammunition, and Explosives provided to the Afghanistan National Security Forces is adequate and effective. In addition, we will follow-up on the status of the implementation of recommendations made during our initial assessment of the accountability and control of Arms, Ammunition, and Explosives in Afghanistan (DoD OIG Report No. SPO-2009-001, “Assessment of Arms, Ammunition, and Explosives Control and Accountability; Security Assistance; and Sustainment for the Afghan National Security Forces,” October 24, 2008).

***Assessment of U.S. and Coalition Plans to Train, Equip, and Field the Afghan National Security Forces***

*(PROJECT NO. D2009-D00SPO-0113.000, INITIATED FEBRUARY 3, 2009)*

The objective of this assessment is to determine whether U.S. government, coalition, and Afghan Ministry of Defense and Ministry of Interior goals, objectives, plans, guidance, and resources to train, equip, and field the Afghan National Security Forces are prepared, issued, operative, and relevant.

***Controls over Air Combat Command and Pacific Air Forces Unliquidated Obligations on Department of the Air Force Contracts Supporting the Global War on Terror***

*(PROJECT NO. D2009-D000FC-0121.000, INITIATED JANUARY 30, 2009)*

DoD OIG is determining whether the Department of the Air Force has established adequate controls over Air Combat Command and Pacific Air Forces unliquidated obligations on Department of the Air Force contracts supporting the Global War on Terror. Specifically, DoD OIG will determine whether unliquidated obligations are being properly accounted for and deobligated in a timely manner.

***Controls over the Common Access Card in Non-Department of Defense Agencies***

*(PROJECT NO. D2009-D000JA-0136.000, INITIATED JANUARY 30, 2009)*

This audit is the fourth in a series of audits relating to contractor Common Access Cards (CAC). DoD OIG is determining whether controls over CACs provided to civilians and contractors working for Non-Department of Defense agencies were in place and worked as intended.

***Review of Army Decision Not to Withhold Funds on the Logistics Civil Augmentation Program (LOGCAP) III Contract***

*(PROJECT NO. D2009-DIPoAI-0141, INITIATED JANUARY 29, 2009)*

In response to a request from the Senate Committee on Armed Services, DoD OIG is performing a review of the Army's decision not to withhold funds on the LOGCAP III contract after the Defense Contract Audit Agency had questioned certain contract costs. As part of the review, DoD OIG will determine the appropriateness of related Army official decisions, including compliance with the Federal Acquisition Regulation. In addition, DoD OIG will review the Army's use of Resource Consultants, Inc. to perform price and cost analyses on the LOGCAP III contract. DoD OIG recently completed a site visit at the Rock Island Arsenal, Rock Island, Illinois, where they obtained sworn testimony from several active and retired Army contracting personnel. DoD OIG anticipate issuing a draft report in June 2009.

***Body Armor Acquisition Life Cycle Management***

*(PROJECT NO. D2009-D000JA-0106.000, INITIATED JANUARY 13, 2009)*

DoD OIG is determining whether DoD is effectively managing the operations and support phase of the acquisition process for body armor components. This audit will be performed in coordination with DoD OIG Audits D2008-D000CD-0256.000, "DoD Body Armor Contracts," and D2008-D000JA-0263.000, "DoD Testing Requirements for Body Armor."

***Deployment of the Standard Procurement System in the Joint Contracting Command Iraq/Afghanistan***

*(PROJECT NO. D2009-D000FB-0112.000, INITIATED JANUARY 5, 2009)*

DoD OIG is determining whether the deployment of the Standard Procurement System (to include the Standard Procurement System-Contingency configuration) in the Joint Contracting Command Iraq/Afghanistan, was properly planned and executed.

***Information Operations Contracts in Iraq***

*(PROJECT NO. D2009-D000JA-0108.000, INITIATED DECEMBER 23, 2008)*

DoD OIG, at the request of the Commander, U.S. Central Command, is determining whether a series of contracts for Information Operations awarded by Multi-National Force-Iraq (W91GDW-08-D-4013, W91GDW-08-D-4014, W91GDW-08-D-4015, and W91GDW-08-D-4016) met Federal Acquisition Regulation requirements.

***Assessment of U.S. and Coalition Efforts to Develop the Medical Sustainment Capability of the Afghan National Security Forces***

*(PROJECT NO. D2009-D00SPO-0115.000, INITIATED DECEMBER 17, 2008)*

The objectives of this assessment are to determine whether U.S. government, coalition, and Afghan Ministry of Defense and Ministry of Interior goals, objectives, plans, and guidance to develop and sustain the current and projected Afghan National Security Forces health care system are

issued and operative; previous DoD, Office of the Inspector General, recommendations regarding developing and sustaining the Afghan National Security Forces health care system have been implemented; and ongoing efforts to develop an enduring health care system for the Afghan National Security Forces are effective.

***DoD Countermine and Improvised Explosive Device Defeat Systems Contracts***  
(PROJECT NO. D2009-D000AE-0102.000, INITIATED DECEMBER 9, 2008)

DoD OIG is determining whether DoD procurement efforts for countermine and improvised explosive device defeat systems for use in Iraq and Afghanistan were developed, awarded, and managed in accordance with federal and Defense acquisition regulations.

***Maintenance and Support of the Mine Resistant Ambush Protected Vehicle***  
(PROJECT NO. D2009-D000CK-0100.000, INITIATED DECEMBER 9, 2008)

DoD OIG is determining whether MRAP vehicle program and contracting officials are adequately supporting MRAP vehicle maintenance requirements and appropriately awarding and administering maintenance contracts.

***DoD's Use of Time and Materials Contracts***  
(PROJECT NO. D2009-D000CF-0095.000, INITIATED DECEMBER 1, 2008)

DoD OIG is determining whether time and material contracts for Southwest Asia were awarded and administered in accordance with the Federal Acquisition Regulation.

***Counter Radio-Controlled Improvised Explosive Device Electronic Warfare Program***

(PROJECT NO. D2009-D000AS-0092.000, INITIATED DECEMBER 1, 2008)

DoD OIG is reviewing the award and administration of contracts under the Navy's Counter Radio-Controlled Improvised Explosive Device Electronic Warfare (CREW) program. Specifically, DoD OIG will determine whether the Navy effectively transitioned from CREW developmental contracts to production contracts and whether CREW contracts are consistent with federal and DoD acquisition and contract policy.

***Internal Controls over Naval Special Warfare Command Comptroller Operations in Support of Global War on Terror***

(PROJECT NO. D2009-D000FN-0075.000, INITIATED NOVEMBER 25, 2008)

DoD OIG is determining whether internal controls properly support and account for Naval Special Warfare Command's obligations and expenditures in support of the Global War on Terror. The objective is to determine the existence and correctness of supporting documentation for obligations and expenditures; accuracy of computations; and approval, certification, and use of proper forms for disbursing or de-obligating funds.

***Implementation of Predator/Sky Warrior Acquisition Decision Memorandum Dated May 19, 2008***

*(PROJECT NO. D2009-D000CD-0071.000, INITIATED NOVEMBER 12, 2008)*

DoD OIG is determining the implementation status of the Acquisition Decision Memorandum. The objective is to evaluate whether implementation by the Air Force and the Army complies with the Acquisition Decision Memorandum, and whether alternatives were considered, such as the Reaper program.

***Reannouncement of the Audit of Funds Appropriated for Afghanistan and Iraq Processed Through the Foreign Military Sales Trust Fund***

*(PROJECT NO. D2007-D000FD-0198.001, INITIATED OCTOBER 10, 2008)*

Based on DoD OIG observations during audit fieldwork under the originally announced project (D2007-D000FD-0198.000), they determined an additional project was required to separately discuss relevant issues identified during our fieldwork. Accordingly, under the original project NO., DoD OIG is addressing the transfer of funds to the Foreign Military Sales (FMS) Trust Fund and the collection of administrative fees from these funds. Under the second announced project (D2007-D000FD-0198.001), DoD OIG will sustain the originally announced overall audit objective to determine whether the funds appropriated for the security, reconstruction, and assistance of Afghanistan and Iraq and processed through the FMS Trust Fund,

are being properly managed. Sub-objectives have been reduced to determining whether the appropriated funds transferred into the FMS Trust Fund are properly accounted for, used for the intended purpose, and properly reported in DoD financial reports.

***Army Acquisition Actions in Response to the Threat to Light Tactical Wheeled Vehicles***

*(PROJECT NO. D2009-D0000AE-0007.000, INITIATED SEPTEMBER 29, 2008)*

DoD OIG is determining whether the Army effectively managed efforts to develop, test, and acquire armor solutions for light tactical wheeled vehicles. These solutions are needed in response to the threat to High Mobility Multi-Purpose Wheeled Vehicle variants and use in developing the next-generation vehicle for the Global War on Terror. In addition, DoD OIG will determine whether DoD exercised adequate operational test and live fire test oversight of the Army's High Mobility Multi-Purpose Wheeled Vehicle program.

***Using System Threat Assessments in the Acquisition of Tactical Wheeled Vehicles***

*(PROJECT NO. D2008-D000AE-0287.000, INITIATED SEPTEMBER 23, 2008)*

DoD OIG is determining whether the Army and Marine Corps program offices have obtained updated system threat assessments for acquisitions of selected tactical wheeled vehicles in support of the Global War on Terror. The objective is to determine whether the Army and Marine Corps updated program documentation for selected tactical wheeled vehicles, including system

capability documents, test plans, and contract statements of work, in response to the threats identified in current system threat assessments.

***Defense Contract Management Agency Acquisition Workforce for Southwest Asia***

*(PROJECT NO. D2008-D000AB-0266.000, INITIATED SEPTEMBER 18, 2008)*

DoD OIG is determining Defense Contract Management Agency (DCMA) requirements to support Southwest Asia (SWA) contracting operations and the NO. of available DCMA civilian, military, foreign national, and support contractors supporting such operations. They will also evaluate whether the DCMA Acquisition workforce for SWA is adequately trained and certified.

***Medical/Surgical Prime Vendor Contracts Supporting Coalition Forces in Iraq and Afghanistan***

*(PROJECT NO. D2008-D000LF-0267.000, INITIATED SEPTEMBER 12, 2008)*

DoD OIG is determining whether terms and conditions for the Medical/Surgical Prime Vendor contracts were adequately developed and whether the administration of the contracts and delivery orders was effective.

***Department of the Army Deferred Maintenance on the Bradley Fighting Vehicle as a Result of the Global War on Terror***

*(PROJECT NO. D2008-D000FL-0253.000, INITIATED SEPTEMBER 3, 2008)*

DoD OIG is determining the extent and causes of deferred maintenance on the Army Bradley

Fighting Vehicle used in the Global War on Terror. They will also evaluate compliance with applicable laws and regulations as they relate to the audit objective.

***Update—Summary Report on Challenges Impacting Operations Iraqi Freedom and Enduring Freedom Reported by Major Oversight Organizations Beginning FY 2003 through FY 2008***

*(PROJECT NO. D2008-D000JC-0274.000, INITIATED AUGUST 28, 2008)*

The overall objective is to prepare a summary of contracts, funds management, and other accountability issues identified in audit reports and testimonies that discuss mission critical support to Operation Iraqi Freedom and Operation Enduring Freedom from FY 2003 through FY 2008. The first summary report, D-2008-086, focused on reports and testimonies issued from FY 2003 through FY 2007. Information from the prior summary report, Report No. D-2008-086, will be updated to include the status of recommendations made in all FY 2003 through FY 2007 reports regarding Operations Iraqi Freedom and Enduring Freedom. In addition, DoD OIG will include finding and recommendation information for FY 2008 audit reports and determine the trends indicated by that information.

***Information Assurance Controls over the Outside the Continental United States Navy Enterprise Network as related to the Global War on Terror***

*(PROJECT NO. D2008-D000FN-0230.000, INITIATED AUGUST 28, 2008)*

DoD OIG is assessing the integrity, confidentiality, and availability of the Outside the Continental United States Navy Enterprise Network (ONE-NET) as it relates to the Global War on Terror. The objective is to determine whether the controls over ONE-NET have been implemented and are operating effectively as prescribed by DoD Instruction 8500.2, “Information Assurance Implementation,” February 6, 2003.

***Central Issue Facilities***

*(PROJECT NO. D2008-D000LD-0245.000, INITIATED AUGUST 27, 2008)*

DoD OIG is determining whether central issue facilities are providing the required clothing and equipment to deploying personnel, and whether those personnel are returning the clothing and equipment when their deployments are complete.

***Transition Planning for the Logistics Civil Augmentation Program IV Contract***

*(PROJECT NO. D2008-D000AS-0270.000, INITIATED AUGUST 25, 2008)*

DoD OIG is determining whether the Army properly planned for the transition from the Logistics Civil Augmentation Program III contract to the Logistics Civil Augmentation Program IV contract.

***Assessment Research on Wounded Warrior Management Processes***

*(PROJECT NO. D2008-D00SPO-0268.000, INITIATED AUGUST 12, 2008)*

DoD OIG Office of Special Plans & Operations is conducting research in Wounded Warrior management to assess the effectiveness of the DoD Military Health System in providing full spectrum casualty management for service members, particularly those serving in Operation Iraqi Freedom and Operation Enduring Freedom. Research will focus on: service members with post-traumatic stress disorder and traumatic brain injury; service members with severe physical injuries; the DoD Post-Deployment Health Reassessment program; the continuum of care and transition to the Department of Veterans Affairs; and medical data collection and sharing between DoD, civilian, and Department of Veterans Affairs medical facilities and practitioners. The assessment team will release a series of management letters throughout 2009.

***DoD Body Armor Contracts***

*(PROJECT NO. D2008-D000CD-0256.000, INITIATED AUGUST 7, 2008)*

DoD OIG is performing this project as a result of a congressional request. They are examining the contracts and contracting process for body armor and related test facilities. Specific objectives include evaluating the background and qualifications of the contractors, the criteria for awarding the contracts, the quality assurance process, and any relationships that may exist between the contractors and government officials.

***Department of the Air Force Military Pay in Support of the Global War on Terror***

*(PROJECT NO. D2008-D000FP-0252.000, INITIATED AUGUST 1, 2008)*

DoD OIG is determining whether the Department of the Air Force military payroll disbursed in support of the Global War on Terror is paid in accordance with established laws and regulations. Specifically, DoD OIG will review DoD military pay disbursements to determine whether U.S. Air Force military personnel on Active Duty status are paid accurately and timely.

***Contracts Supporting the DoD Counter Narcoterrorism Program***

*(PROJECT NO. D2008-D000AS-0255.000, INITIATED JULY 31, 2008)*

DoD OIG is determining whether contracts supporting the DoD counter-narcoterrorism program were properly managed and administered. Specifically, they will determine whether the contracts complied with federal and DoD policy.

***Army's Use of Award Fees on Contracts That Support the Global War on Terror***

*(PROJECT NO. D2008-D000AE-0251.000, INITIATED JULY 21, 2008)*

DoD OIG is determining whether Army award fees paid to contractors in support of the Global War on Terror are justified. Specifically, they will review the procedures for awarding the fees and proper allocation of award fees on the contracts.

***Rapid Acquisition and Fielding of Materiel Solutions Within the Navy***

*(PROJECT NO. D2008-D000AE-0247.000, INITIATED JULY 18, 2008)*

DoD OIG is evaluating the overall management of the Navy's processes for rapidly acquiring and fielding materiel solutions to meet urgent needs in support of the Global War on Terror and to ensure safe operation of naval forces. Specifically, they will evaluate the effectiveness of Navy procedures for identifying and validating urgent capability needs, contracting for and acquiring materiel solutions to meet those needs, and complying with DoD requirements and acquisition policies once materiel solutions are fielded.

***Logistics Support for the United States Special Operations Command***

*(PROJECT NO. D2008-D000AS-0248.000, INITIATED JULY 17, 2008)*

DoD OIG is determining whether contracts providing logistics support to the U.S. Special Operations Forces were properly managed and administered. Specifically, they will determine whether logistics contracts are consistent with federal, DoD, and Special Operations acquisition contracting policy.

***Equipment Repair and Maintenance Contracts for Aircraft and Aircraft Components Supporting Coalition Forces in Iraq and Afghanistan***

*(PROJECT NO. D2008-D000LH-0249.000, INITIATED JULY 14, 2008)*

DoD OIG is determining whether equipment repair and maintenance contracts for aircraft and aircraft components supporting coalition forces in Iraq and Afghanistan are effective.

***Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia***

*(PROJECT NO. D2008-D000LF-0241.000, INITIATED JULY 14, 2008)*

DoD OIG is determining whether contract terms for health care provided by military treatment facilities to contractors in Southwest Asia are adequately addressed and whether controls for billing and collecting payment from contractors for health care provided by military treatment facilities in Southwest Asia are adequate.

***Selection of Modes for Transporting Materiel in Support of Operations in Iraq and Afghanistan***

*(PROJECT NO. D2008-D000LH-0250.000, INITIATED JULY 14, 2008)*

DoD OIG is determining whether contracts for the transportation of materiel in support of operations in Iraq and Afghanistan were effective.

***Contracting for Purchased and Leased Nontactical Vehicles in Support of Operation Iraqi Freedom and Operation Enduring Freedom***

*(PROJECT NO. D2008-D000LH-0235.000, INITIATED JUNE 26, 2008)*

DoD OIG is determining whether contracting for nontactical vehicles in support of Operation Iraqi Freedom and Operation Enduring Freedom was effective.

***The U.S. Air Force Deferred Maintenance on the C-130 Aircraft as a Result of the Global War on Terror***

*(PROJECT NO. D2008-D000FH-0225.000, INITIATED JUNE 20, 2008)*

The objective is to determine the extent and causes of deferred maintenance on the Air Force C-130 aircraft used in the Global War on Terror. DoD OIG will also evaluate compliance with applicable laws and regulations as they relate to the audit objective.

***The Army Procurements for the High Mobility Multipurpose Wheeled Vehicles***

*(PROJECT NO. D2008-D000CH-0236.000, INITIATED JUNE 19, 2008)*

DoD OIG is determining whether the U.S. Army TACOM Life Cycle Management Command is paying fair and reasonable prices for the High Mobility Multi-Purpose Wheeled Vehicles (HMMWV) and associated up-armor procured from AM General, LLC. The project is currently suspended due to other priorities.

***DoD and DoD Contractor Efforts To Prevent Sexual Assault/Harassment Involving Contractor Employees within Operations Enduring Freedom and Iraqi Freedom Areas of Operation***

*(PROJECT NO. D2008-D000CE-0221.000, INITIATED JUNE 9, 2008)*

DoD OIG is performing this audit as a result of a congressional inquiry. DoD OIG is reviewing whether contracts that support Operations Enduring Freedom and Iraqi Freedom (OEF/OIF) Areas of Operation contain clauses that adequately address DoD policies regarding sexual assault/harassment of and by contractor personnel. DoD OIG will also determine whether either DoD or DoD contractors, or both, provided sexual assault/harassment awareness, prevention, and reporting training to DoD and contractor employees prior to their deployment to OEF/OIF Areas of Operation. This project is being performed in coordination with the DoD OIG project “Evaluation of DoD Sexual Assault Response in Operations Enduring and Iraqi Freedom Areas of Operation,” Project No. 2008C003.

***Controls over Unliquidated Obligations on Department of the Air Force Contracts Supporting the Global War on Terror***

*(PROJECT NO. D2008-D000FC-0208.000, INITIATED JUNE 9, 2008)*

The objective is to determine whether the Department of the Air Force has established adequate controls over its unliquidated obligations on contracts supporting the Global War on Terror. Specifically, DoD OIG will determine

whether unliquidated obligations are being properly accounted for and deobligated in a timely manner.

***Department of the Army Deferred Maintenance on the Abrams Tank Fleet as a Result of the Global War on Terror***

*(PROJECT NO. D2008-D000FJ-0210.000, INITIATED MAY 30, 2008)*

The objective is to determine the extent and causes of deferred maintenance on the Army Abrams tanks that were used in the Global War on Terror. This effort also includes evaluating compliance with applicable laws and regulations as they relate to the audit objective.

***Contracts for Spare Parts for Vehicle-Mounted Small Arms in Support of the Global War on Terror***

*(PROJECT NO. D2008-D000FD-0214.000, INITIATED MAY 20, 2008)*

As a result of initial research, DoD OIG reannounced the Audit of Defense Logistics Agency Contracts for Combat Vehicle Parts in Support of the Global War on Terror, May 20, 2008, to specify a more detailed focus area. The new audit, “Contracts for Spare Parts for Vehicle-mounted Small Arms in Support of the Global War on Terror,” was announced August 14, 2008. DoD OIG is determining whether DoD organizations used appropriate and effective contracting procedures to provide customers with the vehicle-mounted small arms spare parts needed to support the Global War on Terror. DoD OIG reannounced the project during the 4th quarter of FY 2008.

***Controls over the Department of the Navy Military Payroll Disbursed in Support of the Global War on Terror***

*(PROJECT NO. D2008-D000FC-0189.000, INITIATED MAY 13, 2008)*

The objective is to determine whether the Department of the Navy is disbursing military payroll in support of the Global War on Terror in accordance with established laws and regulations. Specifically, DoD OIG will determine whether the Department of the Navy maintains adequate support for payments related to deployments to an active combat zone.

***Assignment and Training of Contracting Officer's Representatives at Joint Contracting Command-Iraq/Afghanistan***

*(PROJECT NO. D2008-D000JC-0203.000, INITIATED MAY 12, 2008)*

The objective is to determine whether personnel assigned as Contracting Officer's Representatives to the Joint Contracting Command-Iraq/Afghanistan have proper training and expertise to perform their duties.

***Air Force Contract Augmentation Program in Southwest Asia***

*(PROJECT NO. D2008-D000JC-0202.000, INITIATED MAY 12, 2008)*

The objective is to evaluate controls over the Air Force Contract Augmentation Program. DoD OIG will determine what contracts have been awarded, whether contracts were properly awarded, whether contracted services were provided in accordance with the statement of work, and whether contract payments were appropriate.

***Review of Contracting Actions Relating to the Electrocution Death of a U.S. Army Soldier***

*(PROJECT NO. D2008-DIPOE2-0196.000, INITIATED MAY 12, 2008)*

On January 2, 2008, a U.S. Army staff sergeant was electrocuted while showering in his Iraqi-built quarters in the Radwaniyah Palace Complex in Baghdad. Congressional interest led to a request from the Deputy Under Secretary of Defense for Acquisition and Technology for DoD OIG to conduct a review of the relevant management, contracting, and maintenance actions prior and subsequent to the incident. Following a July 30, 2008 hearing by the House Government Oversight and Reform Committee, the team expanded the scope of the review to include a review of the command actions, investigation case files, and safety mishap investigations of eight additional electrocution deaths in Iraq. Subsequently, in August 2008, the Army reopened the investigation of the January 2, 2008 incident. The Navy reopened another case in September 2008, as a result of finding new information. Moreover, DoD OIG referred three cases back to the Army for further investigation. These actions will delay the publication of DoD OIG's findings. Meanwhile, DoD OIG representatives completed a site visit to Iraq, surveying incident sites, conducting interviews, and meeting with the Commander, Multi-National Forces-Iraq.

***Organic Ship Utilization in Support of the Global War on Terror***

*(PROJECT NO. D2008-D000AB-0193.000, INITIATED APRIL 24, 2008)*

The objective is to evaluate the effectiveness of policies and procedures used to ensure that activated government-owned and government-chartered vessels are used to the maximum extent prior to procuring commercial transportation to Southwest Asia.

***Acquisition of Ballistic Glass for the High Mobility Multipurpose Wheeled Vehicle***

*(PROJECT NO. D2008-D000CE-0187.000, INITIATED APRIL 23, 2008)*

The audit is the result of an audit suggestion filed with the Office of the Deputy Inspector General for Audit. The objective is to determine whether the award and administration of the High Mobility Multipurpose Wheeled Vehicle ballistic glass contracts comply with the Federal Acquisition Regulation.

***Class III Fuel Procurement and Distribution in Southwest Asia***

*(PROJECT NO. D2008-D000JC-0186.000, INITIATED APRIL 23, 2008)*

The objective is to determine whether fuel used for ground operations in Southwest Asia to support Operations Iraqi Freedom and Enduring Freedom is procured and distributed efficiently and effectively. Specifically, DoD OIG will determine whether fuel is procured at fair and reasonable prices, whether fuel is distributed economically and efficiently to operational commands, and whether fuel supply points maintain accurate inventories.

***War Reserve Materiel Contract***

*(PROJECT NO. D2008-D000CK-0161.000, INITIATED FEBRUARY 25, 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***

*(PROJECT NO. 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.

***Evaluation of DoD Sexual Assault Response in Operations Enduring Freedom and Iraqi Freedom Areas of Operation***

*(PROJECT NO. 2008C003, INITIATED FEBRUARY 7, 2008)*

In response to the concerns of more than 100 members of the Congress, this project evaluates policies and practices for reporting and referring for investigation sexual assault complaints by contractor employees in combat areas. Based on new congressional interest, DoD OIG expanded the scope to DoD's oversight of contractors regarding sexual assault/harassment deployment training and contractor accountability for employee misconduct in combat areas. DoD

OIG is in the process of completing a draft report which will be distributed for comment in May 2009.

***Price Reasonableness for Contracts at U.S. Special Operations Command***  
(PROJECT NO. 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***  
(PROJECT NO. D2007-D000LA-0199.002, INITIATED JANUARY 24, 2008)

The overall objective is to determine whether controls over Common Access Cards (CACs) 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 CACs; revoke or recover CACs from contractors in accordance with DoD policies and procedures; and ensure the proper use of the CAC by contractors.

***Defense Emergency Response Fund for the Global War on Terror***  
(D2008-D000FE-0106.000, INITIATED DECEMBER 19, 2007).

As part of its overall GWOT effort, DoD OIG is reviewing 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. Including whether DoD closed and transferred all DERF for GWOT balances to the Iraq Freedom Fund (IFF) as intended by Public Laws 108-11 and 108-106. 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***  
(PROJECT NO. D2008-D000LF-0093.000, INITIATED NOVEMBER 28, 2007)

DoD OIG is evaluating 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 data bases.

***Contract Audit Follow-Up Review Related to Iraq Reconstruction Activities***  
(PROJECT NO. D2008-DIPoAI-0086.000, INITIATED NOVEMBER 8, 2007)

The objective of this review is to determine if the contracting officers' actions on audits of contractors involved in Iraq reconstruction activities were timely and effective in accordance with

DoD Directive 7640.2, “Policy for Follow-up on Contract Audit Reports.” DoD OIG issued their draft report on September 30, 2008, taking exception to various Defense Contract Management Agency (DCMA) actions on two audits of reported cost accounting standard noncompliances and one audit of reported accounting system deficiencies. The DCMA concurred with DoD OIG’s findings and recommendations. DoD OIG is reviewing the DCMA planned corrective actions and anticipate issuing the final report in April 2009. In FY 2009, DoD OIG also plans to issue a review of actions that DCMA took in response to incurred cost audits of contractors involved in Iraq reconstruction activities.

***Audit of the Management of Signals Intelligence Counterterrorism Analysts***  
(PROJECT NO. D2007-DINT01-0092.003, INITIATED AUGUST 31, 2007)

The objective is to evaluate the management of signals intelligence counterterrorism analysts. Specifically, DoD OIG 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. A draft report was issued on September 18, 2008, and responses are being incorporated.

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

(PROJECT NO. 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.

***Marine Corps Management of the Recovery and Reset Programs***

(PROJECT NO. 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 it used funds for their intended purpose.

***DoD Use of Global War on Terror Supplemental Funding Provided for Procurement and Research, Development, Test, and Evaluation***

(PROJECT NO. D2006-D000AE-0241.000, INITIATED AUGUST 4, 2006)

The DoD OIG is evaluating the adequacy of DoD financial controls over use of GWOT

supplemental funding provided for procurement and research, development, test, and evaluation. The DoD OIG is also determining whether the funds were placed on contracts and used for purposes stipulated in the congressionally approved GWOT supplemental funding. The DoD OIG began the audit during the 4th Quarter of FY 2006, and expects to issue a series of reports. Report D-2008-027, issued on November 21, 2007, addresses the Air Force use of GWOT supplemental funding. Report D-2009-058, issued on February 27, 2009, addresses the controls over the DoD Components' cost of war reporting.

## Department of State Office of Inspector General

### Completed Audits

The Department of State Office of Inspector General (DoS OIG) completed two audits related to Iraq for the quarter ending March 31, 2009.

#### *Review of U.S. Policy Regarding Oil Contracts in Iraq (Program Evaluation)*

*(09-ISP-3014, ISSUED MARCH 30, 2009)*

The objectives were to review U.S. policy on entering into oil contracts in Iraq and whether a policy has been clearly defined, communicated, or consistently implemented in its interactions with the Iraqi Government, the Kurdistan Regional Government, and international oil companies seeking to do business in Iraq.

#### *Review on the Role, Staffing, and Effectiveness of Diplomatic Security in the Management of Personal Protective Services (PPS) in Iraq*

*(08MERO3003, ISSUED JANUARY 7, 2009)*

The objectives were to review what studies and needs assessments were conducted by the Bureau of Diplomatic Security to determine PPS requirements; factors which led to the decision for three separate contractors to perform protection services in Iraq; what mechanisms are in place to ensure personal protective services assets are utilized in an efficient and effective manner.

Key findings are that the Bureau of Diplomatic Security (DS) has been highly effective in ensuring the safety of chief of mission personnel in Iraq. DS does not have a strong control environment to ensure the World Wide Personal Protection Services (WPPS) contract is effectively managed, assets are safeguarded, and laws and regulations are in compliance due to:

- Frequent changes in management personnel and staff turnover;
- Rapid expansion of activities;
- Understaffing and drastic increase in workload, as well as staff having difficulties handling operational workload;
- Lack of operating policies and procedures; and
- Staff frustrated by requests for information, and inability to provide information.

Analysis of personnel rosters (muster sheets) revealed the three WPPS contractors had recurring difficulties maintaining required staffing for critical labor categories. There is no attempt to ensure the accuracy of muster sheets at their

origin in the field, and therefore, no means to verify personnel labor costs. Embassy Baghdad's use of contractors to manage and control government-furnished equipment may violate Federal Acquisition Regulation policy that contractors shall not be used for the performance of "inherently governmental" functions. The security footprint of the three WPPS contractors in Iraq is a legacy of the Coalition Provisional Authority period. There have been no assessments or analysis to determine the personal protective service requirements in Iraq, including how many security personnel to employ, where they should be deployed, or the level and manner of protection given the threat in particular locations. The Office of Inspector General (OIG) noted several instances that raised concerns over the efficient deployment of contractor security assets.

## Ongoing Audits

### ***Embassy Baghdad Transition Plan (DoD Downsizing)***

*(09MERO3002, INITIATED NOVEMBER 21, 2008)*

The objectives are to review what transition planning mechanisms are in place within DoS and between DoS and the U.S. military and the Iraqi government; what are the key transition issues facing Department planners, including the provision of security, logistical support, transportation, and the status of regional offices and Provincial Reconstruction Teams; and what are the expected costs associated with increased DoS roles and responsibilities. This review is in the fieldwork stage.

### ***Role, Staffing, and Effectiveness of the Regional Embassy Offices (REO) in Iraq*** *(09MERO3003, INITIATED NOVEMBER 21, 2008)*

The objectives are to determine the role of the Regional Embassy Offices and were they effective; whether sufficient financial and human resources were provided to support the REO mission; whether there were any security concerns that affected REO operations; and did participating organizations effectively coordinate their programs and operational support with the REOs. This review is in the fieldwork stage.

### ***Audit of Contract Administration, Commissioning and Accreditation of the NEC Baghdad***

*(08AUD3023, INITIATED JULY 2008)*

Objectives are to determine whether OBO and its Emergency Project Coordination Office (EPCO) effectively oversaw and certified the construction of the NEC Baghdad in accordance with applicable requirements and standards. This review is in the fieldwork stage.

### ***Review of the Activities of DynCorp International under the State Department's Worldwide Personal Protective Service Contracts (WPPS) in Iraq***

*(08MERO3005, INITIATED JUNE 2008)*

The objectives are to review the requirements and provisions of the contract; objectives of the contracts and what indicators have been established to measure performance; and how the Department administered the contract to oversee DynCorp International's performance. This review is in the draft report stage.

***Review of the Activities of Triple Canopy under the State Department's Worldwide Personal Protective Service Contracts (WPPS) in Iraq***

*(08MERO3006, INITIATED JUNE 2008)*

The objectives are to review the requirements and provisions of the contract; objectives of the contracts and what indicators have been established to measure performance; and how the Department administered the contract to oversee Triple Canopy's performance. This review is in the draft report stage.

***Joint Review of Blackwater Contract for Worldwide Personal Protective Services***

*(08AUD3016, SIGIR PROJECT NO. 8019, INITIATED MARCH 2008)*

The objectives are to determine the contracting process, the requirements and provisions of the contract, the costs and funding sources of the contract, and how DoS administered the contract to oversee Blackwater's performance. This audit is in the fieldwork stage.

## **U.S. Agency for International Development Office of Inspector General**

### **Completed Audits**

This quarter, the USAID Office of Inspector General (USAID OIG) issued one performance audit related to Iraq reconstruction. In addition, USAID OIG issued three financial audits covering \$48.6 million in costs incurred under USAID contracts and cooperative agreements, which were performed for USAID OIG by DCAA. These three audits identified questioned

costs totaling \$289,756. Twenty-five other financial audits are in process.

***Audit of USAID/Iraq's Oversight of Private Security Contractors in Iraq***

*(REPORT NO. E-267-09-002-P, ISSUED MARCH 4, 2009)*

While USAID/Iraq does not maintain any direct contracts with private security contractors, security services are procured by the mission's implementing partners (contractors and grantees) who have primary responsibility for oversight. USAID OIG conducted the audit to determine whether USAID/Iraq had managed its contracts and grant agreements with implementing partners to ensure that the partners provided adequate oversight over their private security contractors. USAID OIG found that USAID's implementing partners were not adequately overseeing the private security contractors' reporting of serious incidents to ensure that such incidents were reported properly. This was the case at all three of the implementing partners visited, as evidenced by the partners' lack of familiarity with prescribed reporting procedures as well as the limited records on file documenting previously reported incidents. Often relying on the security contractors to report these incidents, partners felt little need to become involved in overseeing the reporting process. As a result, partners were not in a position to detect reporting deficiencies such as the ones identified by the audit, allowing some incidents to be reported improperly or, in one case, not reported at all. In addition, incident reports issued by the security contractors were often not being received by USAID/Iraq. To

address these issues USAID OIG recommended that USAID/Iraq require its implementing partners to (1) establish procedures for monitoring the reporting of serious incidents; and (2) report future incidents directly to the mission in conjunction with normal incident reporting procedures. USAID/Iraq concurred with the recommendations and outlined detailed monitoring and reporting procedures it planned to incorporate into its prime contracts and grant agreements.

### Ongoing Audits

#### ***Audit of USAID/Iraq's Compliance with the Federal Information Security Management Act for Fiscal Year 2009***

*(INITIATED 1Q/FY 2009)*

The objective is to evaluate if USAID/Iraq implemented selected minimum security controls for its information management systems as required by the Federal Information Security Management Act.

#### ***Audit of the Office of Foreign Disaster Assistance Program in Iraq***

*(INITIATED 1Q/FY 2009)*

The objective is to evaluate if USAID's Office of Foreign Disaster Assistance Internally Displaced Persons and Vulnerable Population activities are achieving their intended results and what has been the impact.

#### ***Audit of USAID/Iraq's Iraq Rapid Assistance Program***

*(INITIATED 1Q/FY 2009)*

The objective is to evaluate if grant activities under USAID/Iraq's Iraq Rapid Assistance Program are achieving their intended results.

#### ***Follow-up Audit of USAID/Iraq's Local Governance Program II Activities***

*(INITIATED 4Q/FY 2008)*

The objective is to evaluate if USAID/Iraq's Local Governance activities are achieving their intended results and what has been the impact.

#### ***Audit of USAID/Iraq's Economic Governance Program II***

*(INITIATED 4Q/FY 2008)*

The objective is to evaluate if USAID/Iraq's Economic Governance Program II is achieving intended results and what has been the impact.

### **Defense Contract Audit Agency**

The services of the Defense Contract Audit Agency (DCAA) 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 plans and performs work on a FY basis. The table below shows both the Iraq-related audits closed during FY 2008 and the audits closed and still open in FY 2009 (as of March 31, 2009).

### U.S. Army Audit Agency

As of March 31, 2009, USAAA had 26 auditors deployed and working in Southwest Asia, with 18 in Iraq, 4 in Afghanistan, and 4 in Kuwait.

### Completed Audits

#### *Field Level Reset Requirements, U.S. Army National Guard (AUDIT REPORT A-2009-0082-ALM, ISSUED MARCH 31, 2009)*

This is the last in a series of audits on the Army’s reset processes as requested by the Office of the Secretary of the Army. This effort focused on evaluating the U.S. Army National Guard’s oversight of field level reset. USAAA reported that the Army National Guard didn’t have adequate oversight of field level reset requirements. Requirements estimates didn’t correlate to funding ultimately executed by the states for

TABLE K.2

#### DCAA AUDITS RELATED TO IRAQ FOR FY 2008 AND FY 2009

DESCRIPTION OF AUDIT AREA	FY 2008 CLOSED	FY 2009	
		Closed	Open
Price Proposals (1)	66	31	28
Other Special Requested Audits (2)	63	19	58
Incurred Cost (3)	78	7	262
Labor Timekeeping (4)	40	26	48
Internal Controls (5)	26	12	68
Preaward Accounting Survey (6)	4	1	4
Purchase Existence and Consumption (7)	12	18	23
Cost Accounting Standards (8)	44	4	77
Other (9)	45	17	85
<b>Total</b>	<b>378</b>	<b>135</b>	<b>653</b>

**Notes:**

- Price Proposals** – Audits of price proposals submitted by contractors in connection with the award, modification, or repricing of government contracts or subcontracts
- Other Special Requested Audits** – Audit assistance provided in response to special requests from the contracting community based on identified risks
- Incurred Cost** – Audits of costs charged to government contracts to determine whether they are allowable, allocable, and reasonable
- Labor Timekeeping** – Audits to determine if the contractor consistently complies with established timekeeping system policies and procedures for recording labor costs
- Internal Controls** – Audits of contractor internal control systems relating to the accounting and billing of costs under government contracts
- Preaward Accounting Survey** – Preaward audits to determine whether a contractor’s accounting system is acceptable for segregating and accumulating costs under government contracts
- Purchase Existence and Consumption** – The physical observation of purchased materials and services and related inquiries regarding their documentation and verification of contract charges
- Cost Accounting Standards** – Audits of Contractor Disclosure Statements and compliance with Cost Accounting Standards
- 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

52 of 54 states and territories. Requirements estimates included items not applicable to the reset mission, incorrect line item costs, and items valued at \$1.9 million that were already included in sustainment level reset requirements. One of the two states reviewed didn't use standard systems effectively and couldn't rely on the reported results. Consequently, accurate management information wasn't available or visible to higher management levels to monitor workload and estimate future requirements.

***Retrograde Operations in Southwest Asia: Multi-class Retrograde – Iraq, Camp Victory, Iraq***

*(AUDIT REPORT A-2009-0080-ALL, ISSUED MARCH 31, 2009)*

The Deputy Chief of Staff, G-4, requested this audit. This report is classified For Official Use Only (FOUO). USAAA identified that Army didn't manage retrograde and redistribution operations in Iraq in the most effective and efficient manner. Although the Army had processes in place, operations weren't fully synchronized, which contributed to a buildup of excess materiel. Specifically, Mobile Redistribution Teams formed to "clean up" battle space and assist supply activities in collecting, identifying, storing, moving, and reissuing excess supplies were underused. In addition, supply activities supporting retrograde and redistribution operations created process workarounds which inadvertently created inefficiencies in the process and directly led to some unnecessary procurements. USAAA developed recommendations to institutionalize retrograde and redistribution processes,

prevent process workarounds, measure effectiveness of operations, and determine best practices. Commands agreed with the recommendations and are taking corrective actions.

***Reset Fly Away Team – Inter-depot Transfer Request Process***

*(AUDIT REPORT A-2009-0076-ALM, ISSUED MARCH 31, 2009)*

The Office of the Deputy Chief of Staff, G-4 requested the audit. This report is classified For Official Use Only (FOUO). USAAA reported that redeploying units turned automatic reset induction (ARI) equipment into the Reset Fly Away Team (RFAT), but the items remained in Southwest Asia for several months awaiting shipment. As a result of these ARI items remaining in Southwest Asia awaiting transfer instructions, the Army didn't gain the full benefit from the RFAT process – placing priority on shipping these items to CONUS sources of repair for more timely return to units. During the audit, the Army Sustainment Command took a number of immediate corrective actions and the 402<sup>nd</sup> Army Field Support Brigade established an internal performance goal to improve transfer actions. These changes should make the retrograde process more effective.

***Body Armor Testing, Program Executive Office, Soldier***

*(AUDIT REPORT A-2009-0086-ALA, ISSUED MARCH 30, 2009)*

The Secretary of the Army requested this audit. USAAA reported that the Army Test and Evaluation Command and user community

wasn't involved with testing and evaluating improvements added to the body armor system after the production decision. Program Executive Office (PEO) Soldier was generally effective in using first article and lot acceptance testing to ensure body armor met contract requirements. PEO also tested and evaluated body armor after fielding to make sure it continued to provide the intended level of protection. However, USAAA found inconsistencies and errors in testing and scoring first article and lot tests. Although nothing came to USAAA's attention to indicate the Army fielded body armor that failed tests, inconsistencies and errors in testing and scoring along with low statistical reliability levels due to small sample sizes made some test results questionable.

***Property Book Unit Supply Enhanced System – Property Accountability and Management, 10<sup>th</sup> Mountain Division***

*(AUDIT REPORT A-2009-0066-ALR, ISSUED MARCH 30, 2009)*

The former Secretary of the Army requested a review of the Property Book Unit Supply Enhanced (PBUSE) system. The nine units of the division USAAA visited used the PBUSE system to properly account for 97 percent of the items inventoried. The discrepancies consisted mainly of errors in the serial numbers, registration numbers, or national stock numbers. The units followed most Army-required processes and procedures for property accountability: property book officers were properly appointed and the units completed their required inventories such as annual, sensitive-item, and change-

of-command inventories. However, the division didn't fully implement the Command Supply Discipline Program and use it to monitor property accountability in the units. Some units didn't identify items that were either excess or short of their authorizations. As a result, the units had about \$24.6 million of excess items that should have been turned in and about \$152.8 million in shortages that should have been requisitioned.

***Retrograde Operations in Southwest Asia, Class VII Theater Provided Equipment, Camp Victory, Iraq***

*(AUDIT REPORT A-2009-0085-ALL, ISSUED MARCH 26, 2009)*

The Deputy Chief of Staff, G-4, requested this audit. This report is classified For Official Use Only (FOUO). USAAA conducted a review of Class VII theater provided equipment retrograde operations in Iraq. USAAA reported that the Army established Redistribution Property Assistance Teams and had a process in place to retrograde Class VII equipment. Although the Army exceeded its FY 07 reset goal for high mobility multipurpose wheeled vehicles, USAAA found (i) 10,590 vehicles weren't processed for reset; (ii) 18 percent of vehicles turned in had missing or incomplete documentation; and (iii) Redistribution Property Assistance Teams were underutilized. Additionally, Army commands didn't maintain accurate accountability; USAAA conducted a limited review and found a substantial amount of equipment was unaccounted for.

***Assessing Future Base Budget Requirements, Equipping Program Evaluation Group***

*(AUDIT REPORT A-2009-0073-ALA, ISSUED MARCH 26, 2009)*

This report is classified For Official Use Only (FOUO). USAAA reported the Equipping Program Evaluation Group (PEG) generally identified enduring critical requirements in the FY 10-15 Program Objective Memorandum (POM). However, 2 of the 11 systems in the sample had no critical requirements in the base budget even though they were enduring, high-priority Army needs. Therefore, critical requirements in the FY 10-15 POM were somewhat understated. USAAA also reported the PEG's process was reasonable, and it involved multiple high-level reviews and scrutiny. However, reasons for decisions within the PEG weren't entirely transparent throughout the Army.

***Customer Billing Rates – Liner Business Shipments, United States Transportation Command***

*(AUDIT REPORT A-2009-0035-ALR, ISSUED MARCH 25, 2009)*

The Vice Chief of Staff, Army requested this audit. This is a final report awaiting DoD OIG arbitration. It does not have an official Army or DoD position on the recommendations.

***Time-Sensitive Issue – M88A1 Recovery Vehicle FY 09 Reset Maintenance Requirements***

*(AUDIT REPORT A-2009-0077-ALM, ISSUED MARCH 23, 2009)*

The Deputy Chief of Staff, G-4 requested this audit. This report is classified For Official Use Only (FOUO). The Heavy Brigade Combat Team project office overstated its FY 09 M88A1 recovery vehicle reset requirements. USAAA identified on hand inventory of 287 serviceable M88A1 Recovery Vehicles in storage at the Anniston Army Depot that would exceed the FY 09 operational requirements. Thus, M88A1 FY 09 reset requirements can be met with serviceable M88A1 vehicles stored at Anniston Army Depot without resetting additional vehicles. PEO Ground Combat Systems took immediate action to cancel FY 09 planned depot reset of vehicles resulting in \$33 million of the total \$63.1 million of potential monetary benefits that were identified during the audit.

***Time-Sensitive Issue – Automatic Reset Induction Transportation from Southwest Asia***

*(AUDIT REPORT A-2009-0074-ALM, ISSUED MARCH 23, 2009)*

The DCS G-4 requested this audit. Identifying inefficiencies in the Army's equipment retrograde processes from Southwest Asia was one of the key aspects of the request. This report is classified For Official Use Only (FOUO). USAAA reported that the Army assigned multiple unit line numbers and transportation control numbers to the same ARI equipment at

the same time while using the Transportation Coordinators' Automated Information for Movement System II. As a result, the Army overstated its transportation requirements and lost visibility of items in the pipeline.

***Time-Sensitive Issue – Automatic Reset Induction (ARI) Criteria***

*(AUDIT REPORT A-2009-0071-ALM, ISSUED MARCH 23, 2009)*

The DCS G-4 requested this audit. This report is classified For Official Use Only (FOUO). USAAA identified excess quantities and inappropriate items being retrograded through the ARI process. USAAA concluded that ARI criteria should consider total asset position when developing sustainment level reset needs (that is, on-hand serviceable and unserviceable assets and the associated demands). USAAA recommended ARI criteria specifically address wash-out systems not scheduled to return to theater; include exceptions for next to deploy training demands; and address low-density, high demand items. DCS G-4 took immediate action to implement the recommendation and included the proposed ARI criteria in a data call on December 16, 2008. The DCS, G-4 agreed with the audit results, recommendations, and the associated \$453 million of funds to be programmed for other high priority reset needs.

***Management of Shipping Containers in Southwest Asia – Kuwait, Iraq, Afghanistan, and CONUS, Summary Report***

*(AUDIT REPORT A-2009-0069-ALL, ISSUED MARCH 19, 2009)*

The Deputy Chief of Staff, G-4 requested this audit. This report is classified For Official Use Only (FOUO). It summarizes audits USAAA performed in Iraq, Afghanistan, and Kuwait. Audit results showed visibility over shipping containers was systemically problematic in Southwest Asia and in the United States. USAAA found three overarching factors the Army should address to improve visibility over shipping containers: Army's continued use of containers beyond their intended purpose, categorization and treatment of containers as expendable assets, and the absence of sufficient container management education and training at Logistics schools. The Office of the Deputy Chief of Staff, G-4 agreed with the USAAA conclusions and recommendations and stated it had taken or would take corrective action on the recommendations.

***Assessing Future Base Budget Requirements, Manning Program Evaluation Group***

*(AUDIT REPORT A-2009-0062-FFM, ISSUED MARCH 3, 2009)*

This report is classified For Official Use Only (FOUO). USAAA reported that the Manning Program Evaluation Group (PEG) adequately considered critical enduring requirements when projecting future base budget requests. Specifically, USAAA found the Manning PEG:

(i) had a transparent and consistent process for validating requested base requirements; (ii) utilized the Requirements Builder database which served as a historical repository of requested requirements and provided an audit trail for decisions made in the requirements validation process; and (iii) effectively migrated programs to the base budget that previously received supplemental funding and the amounts migrated were reasonable as compared to the Army Budget Office study amounts. Because the results were positive, USAAA made no recommendations.

#### ***U.S. Army Reserve Pre-Mobilization Training Requirements***

*(AUDIT REPORT A-2009-0049-FFS, ISSUED FEBRUARY 20, 2009)*

USAAA reported that Army Reserve units effectively identified pre-mobilization training tasks. However, units didn't always fully complete training tasks prior to mobilization. Consequently, units couldn't adequately plan for or complete pre-mobilization training agreed to at the joint meetings with First Army. This resulted in increased post-mobilization training requirements. Additionally, units didn't document their training accomplishments accurately. USAAA also reported that units didn't execute training requirements in the most efficient manner between pre-mobilization and post-mobilization. As a result, units trained on tasks that were no longer required.

#### ***Army National Guard Pre-Mobilization Training Requirements***

*(AUDIT REPORT A-2009-0057-FFS, ISSUED FEBRUARY 19, 2009)*

USAAA reported that Army National Guard units effectively identified pre-mobilization training tasks. However, units didn't always fully complete pre-mobilization training tasks prior to mobilization because units: (i) couldn't stabilize their force with sufficient numbers of deployable personnel; and (ii) didn't identify or obtain the necessary equipment required for training. Additionally, units didn't execute training tasks efficiently between pre-mobilization and post-mobilization because of these unit stabilization and equipment issues. As a result, units had increased post-mobilization training requirements and had to repeat some training tasks.

#### ***Contracts for Field Level Reset, U.S. Army Sustainment Command***

*(AUDIT REPORT A-2009-0042-ALM, ISSUED JANUARY 27, 2009)*

The Secretary of the Army requested a series of audits of the Army's reset processes. This audit focused on contracts funded by the Army Sustainment Command with subaccount group 137 funds to support field level reset performed at U.S. installations and overseas locations for direct theater support. In most cases, contracting officers awarded contracts with performance work statements that specified appropriate DA maintenance standards and timelines and activities used appropriate contracting methods. However, sometimes Sustainment Command contracting personnel awarded contracts for

direct theater support without clearly defined contract requirements or independent government cost estimates—resulting in an increased risk that the contracts weren't cost effective.

***Management of Shipping Containers in Southwest Asia – Afghanistan***

*(AUDIT REPORT A-2009-0033-ALL, ISSUED JANUARY 22, 2009)*

The Deputy Chief of Staff, G-4 requested this audit. USAAA identified visibility issues existed with the data in the automated system used to manage and track shipping containers in Afghanistan. These issues were primarily attributable to shortfalls in command emphasis and the absence of the actions needed to ensure the visibility data was accurate and complete. The Afghanistan theater of operations lost visibility over 7,778 containers valued at about \$24 million. USAAA made recommendations to the Combined Joint Task Force – 82 and Combined Security Transition Command – Afghanistan to improve container management and asset visibility. Both commands agreed with the recommendations and started corrective actions.

***Container Detention Billing for the Global War on Terrorism, Military Surface Deployment and Distribution Command***

*(AUDIT REPORT A-2009-0026-ALR, ISSUED JANUARY 15, 2009)*

The Vice Chief of Staff, Army requested this audit. This is a final report awaiting DoD OIG arbitration. It does not have an official Army or DoD position on the recommendations.

## Ongoing Audits

***Reserve Component Post Mobilization Training***

*(PROJECT CODE A-2009-FFS-0075.000, INITIATED MARCH 31, 2009)*

This audit is being performed in the continental United States (CONUS). It will determine if post-mobilization training requirements were adequately identified and executed by the Army Reserve and National Guard. It will also determine if necessary unit and individual training requirements were identified and completed prior to deployment; and if post-mobilization training requirements unnecessarily duplicated pre-mobilization training.

***Force Protection – Security Badging (Kuwait)***

*(PROJECT CODE A-2009-ALL-0133.000, INITIATED MARCH 26, 2009)*

This audit is being performed in Kuwait. It will evaluate the effectiveness of internal controls at the Area Support Group-Kuwait for issuing, accounting for, and using security badges. It will also evaluate the adequacy of procedures for safeguarding personal information contained in automated systems used in the security badging process.

***Controls over Vendor Payments – Southwest Asia (Phase II)***

*(PROJECT CODE A-2009-ALL-0118.000, INITIATED FEBRUARY 10, 2009)*

This audit is being performed at various locations in Southwest Asia. It will determine if

the Army has effective controls to ensure the accuracy of vendor payments for contingency operations in Southwest Asia.

***Commander's Emergency Response Program (CERP), Multi-National Division – Center (Iraq)***

*(PROJECT CODE A-2008-ALL-0624.003, INITIATED FEBRUARY 9, 2009)*

This audit is being performed in Iraq. It will determine whether the procedures, processes, and guidance were sufficient to ensure that deployed commanders implemented the program and used emergency funds appropriately.

***U.S. Army Customs Operations – Kuwait***

*(PROJECT CODE A-2009-ALL-0341.000, INITIATED FEBRUARY 5, 2009)*

This audit is being performed in Kuwait. It will evaluate the adequacy of internal controls over Army custom operations in Kuwait.

***Multi-National Security Transition Command-Iraq (MNSTC-I), Iraqi Security Forces Fund (ISFF)***

*(PROJECT CODE A-2009-ALL-0110.000, INITIATED FEBRUARY 2, 2009)*

This audit is being performed in Iraq. It will evaluate Command's process for planning, budgeting, and reviewing resources of the ISFF.

***Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan – Kabul and Jalalabad (Afghanistan)***

*(PROJECT CODE A-2009-ALL-0106.000, INITIATED FEBRUARY 2, 2009)*

This audit is being performed in Afghanistan. It will determine if goods and services acquired under contract were properly justified, awarded, and administered.

***Non-Standard Equipment Sustainment***

*(PROJECT CODE A-2009-ALM-0059.000, INITIATED JANUARY 27, 2009)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army has adequate visibility over non-standard equipment items; and if it has an effective sustainment plan to ensure that repair sources and repair parts are available to sustain non-standard equipment.

***Forward Operating Base (FOB) Closures***

*(PROJECT CODE A-2009-ALL-0354.000, INITIATED JANUARY 20, 2009)*

This audit is being performed in Iraq. It will determine whether processes and procedures for the closure of FOBs in Iraq are adequate.

***Foreign Military Sales (FMS)***

*(PROJECT CODE A-2008-ALA-0588.000, INITIATED JANUARY 20, 2009)*

This audit is being performed in the continental United States (CONUS). It will determine if FMS to Iraq and Afghanistan are effectively managed and administered.

***Managing Reset, U.S. Army Pacific***

*(PROJECT CODE A-2009-FFP-0197.000, INITIATED DECEMBER 1, 2008)*

This audit is being performed in Hawaii and Alaska. It will determine if the U.S. Army, Pacific adequately managed the local reset process and effectively used sustainment level reset support.

***Sensitive Items Accountability and Control, Abu Ghraib (Iraq)***

*(PROJECT CODE A-2009-ALL-0109.000, INITIATED NOVEMBER 1, 2008)*

This audit is being performed in Iraq. It evaluates the effectiveness of management controls and procedures for receipting, accounting for, and securing sensitive items and equipment at the Abu Ghraib's warehouse operations.

***Commander's Emergency Response Program (CERP), Multi-National Division-West***

*(PROJECT CODE A-2008-ALL-0624.002, INITIATED OCTOBER 23, 2008)*

This audit is being performed in Iraq. It will determine whether the procedures, processes, and guidance were sufficient to ensure that deployed commanders implemented the program and used emergency funds appropriately.

***Logistics Civil Augmentation Program (LOGCAP) III, Contract Close-out***

*(PROJECT CODE A-2009-ALC-0093.000, INITIATED OCTOBER 20, 2008)*

This audit is being performed in the continental United States (CONUS) and various locations in Southwest Asia. It will determine if the Army

has procedures and controls in place to effectively close out the Logistics Civil Augmentation Program (LOGCAP) III contract to ensure proper payment of its legitimate liabilities and deobligations of unused funds.

***Commander's Emergency Response Program (CERP), Multi-National Division-North***

*(PROJECT CODE A-2008-ALL-0624.001, INITIATED SEPTEMBER 22, 2008)*

This audit is being performed in Iraq. It will determine whether the procedures, processes, and guidance were sufficient to ensure that deployed commanders implemented the program and used emergency funds appropriately.

***Unit Training on Defeat Improvised Explosive Devices (IEDs)***

*(PROJECT CODE A-2008-FFF-0081.000, INITIATED SEPTEMBER 10, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if units are conducting appropriate training to counter the improvised explosive devices (IEDs) threat.

***Assessing Future Base Budget Requirements-Sustaining Program Evaluation Group (PEG)***

*(PROJECT CODE A-2008-ALM-0690.000, INITIATED SEPTEMBER 4, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army adequately considers enduring requirements when projecting future base budget funding requests.

***Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan – Salerno & Kandahar***

*(PROJECT CODE A-2008-ALL-0401.000, INITIATED SEPTEMBER 1, 2008)*

This audit is being performed in Afghanistan. It will determine if goods and services acquired under the contract were properly justified, awarded, and administered.

***Assessing Future Base Budget Requirements – Installation Program Evaluation Group (PEG)***

*(PROJECT CODE A-2008-ALO-0741.000, INITIATED SEPTEMBER 1, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army adequately considers enduring requirements when projecting future base budget funding requests.

***Assessing Future Base Budget Requirements – Organizing Program Evaluation Group (PEG)***

*(PROJECT CODE A-2008-FFS-0669.000, INITIATED SEPTEMBER 1, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army adequately considers enduring requirements when projecting future base budget funding requests.

***Controls over Logistics Civil Augmentation Program (LOGCAP) – White Property***

*(PROJECT CODE A-2008-ALL-0398.000, INITIATED JULY 21, 2008)*

This audit is being performed in Iraq. It will determine if the Logistics Civil Augmentation Program (LOGCAP) contractor properly managed and accounted for government-acquired property.

***Assessing Future Base Budget Requirements – Training Program Evaluation Group (PEG)***

*(PROJECT CODE A-2008-FFF-0647.000, INITIATED JULY 21, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army adequately considers enduring requirements when projecting future base budget funding requests.

***Housing Contracts – Area Support Group (ASG)-Kuwait***

*(PROJECT CODE A-2008-ALL-0403.000, INITIATED JULY 7, 2008)*

This audit is being performed in Kuwait. It will determine if the housing program in Kuwait was properly managed and if property or assets provided by the government and acquired by the contractor were adequately managed.

**Assessing Future Base Budget Requirements (Audit Control Point)**

(PROJECT CODE A-2008-FFM-0630.000, INITIATED JUNE 24, 2008)

This audit is being performed in the continental United States (CONUS). It will determine if the Army adequately considers enduring requirements when projecting future base budget funding requests.

**Requirements Validation for CONUS Based Mobilized Soldiers**

(PROJECT CODE A-2008-FFS-0443.000, INITIATED JUNE 18, 2008)

This audit is being performed in the continental United States (CONUS). It will determine if soldiers mobilized to support contingency operations outside of theater continue to have valid mission essential requirements and determine the force structure impacts of continued use of soldiers mobilized to support contingency operations outside of theater operations.

**U.S. Army Corps of Engineers (USACE) Pilot Defense Base Act (DBA) Insurance Program**

(PROJECT CODE A-2008-ALL-0633.000, INITIATED JUNE 18, 2008)

This audit is being performed in the continental United States (CONUS). It will determine if DBA insurance, as acquired under the USACE pilot program, is a cost-effective solution for satisfying overseas workers compensation insurance requirements for the Army.

**Commander's Emergency Response Program (CERP), Baghdad (Iraq)**

(PROJECT CODE A-2008-ALL-0624.000, INITIATED JUNE 16, 2008)

This audit is being performed in Iraq. It will determine whether the procedures, processes, and guidance were sufficient to ensure that deployed commanders implemented the program and used emergency funds appropriately.

**Follow-up Audit of Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase I)**

(PROJECT CODE A-2008-ALL-0625.000, INITIATED JUNE 9, 2008)

This audit is being performed in Kuwait. It evaluates the effectiveness of actions taken to improve Army contracting operations in Kuwait.

**Sustainment of Left Behind Equipment**

(PROJECT CODE A-2008-ALM-0247.000, INITIATED JUNE 2, 2008)

This audit is being performed in the continental United States (CONUS). It will determine if the Army effectively and efficiently manages accountability and maintenance of its CONUS left-behind equipment.

**Automatic Reset Items – Depot**

(PROJECT CODE A-2008-ALM-0313.000, INITIATED MAY 19, 2008)

This audit is being performed in the continental United States (CONUS). It will determine if the Automatic Reset Induction program at depots is effectively supporting equipment requirements in the Army Force Generation model.

***Advanced Training for Explosive Ordnance Disposal Soldiers***

*(PROJECT CODE A-2008-FFD-0098.000, INITIATED MARCH 26, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if improvised explosive device (IED) defeat methods were fully integrated into advanced training for Explosive Ordnance Disposal Soldiers and if the training for new equipment fielded during OIF/OEF was fully integrated into advanced training for Explosive Ordnance Disposal Soldiers.

***Controls Over Vendor Payments – U.S. Army Contracting Command (USACC), SWA-Kuwait – Phase I***

*(PROJECT CODE A-2008-ALL-0501.000, INITIATED MARCH 17, 2008)*

This audit is being performed in Kuwait. It will evaluate the controls over vendor payments made on contracts awarded in Kuwait.

***Government Property Provided to Contractors – Kuwait Base Operations***

*(PROJECT CODE A-2008-ALL-0204.000, INITIATED MARCH 4, 2008)*

This audit is being performed in Kuwait. It will determine whether the Army had adequate management and visibility over government property provided to contractors for base support operations.

***Follow Up of Offline Purchases***

*(PROJECT CODE A-2008-ALL-0466.000, INITIATED MARCH 3, 2008)*

This audit is being performed in Iraq and the continental United States (CONUS). It will determine if the Army implemented agreed-to recommendations and corrected the problems identified in the previous audit.

***Army Authorized Acquisition Objective (AAO) Process***

*(PROJECT CODE A-2008-ALA-0468.000, INITIATED FEBRUARY 27, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army had an effective process to identify and adjust authorized acquisition objective (AAO) requirements for wartime needs.

***Directorate of Logistics (DOL) Workload Supporting Reset***

*(PROJECT CODE A-2008-ALM-0311.000, INITIATED FEBRUARY 18, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army Garrison has an adequate process in place to identify and meet field-level reset requirements in support of the Army Force Generation (ARFORGEN) model.

***Management of the Prepositioned Fleet at Combat Training Centers***

*(PROJECT CODE A-2008-FFF-0044.000, INITIATED FEBRUARY 12, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the pre-positioned fleets are adequately configured.

It will also determine if rotational units are effectively using the pre-positioned fleets and if the maintenance costs for the pre-positioned fleets were reasonable.

***U.S. Army Corps of Engineer Contract Functions in Iraq, Gulf Region Division (GRD) – Phase I***

*(PROJECT CODE A-2008-ALL-0318.000, INITIATED FEBRUARY 4, 2008)*

This audit is being performed in Iraq. It will determine if contract requirements are correctly identified and resulted in acquisitions that met the needs of the Army. It also determines if processes and procedures, staffing, and training are sufficient to maximize the delivery of construction work in Iraq and if the Transatlantic Program Center (TAC) reach-back program was operating effectively and efficiently.

***Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan – Balad***

*(PROJECT CODE A-2008-ALL-0319.000, INITIATED JANUARY 29, 2008)*

This audit is being performed in Iraq. It will determine if goods and services acquired under contract were properly justified, awarded, and administered.

***Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan – Bagram***

*(PROJECT CODE A-2008-ALL-0320.000, INITIATED JANUARY 28, 2008)*

This audit is being performed in Afghanistan. It will determine if goods and services acquired

under contract were properly justified, awarded, and administered.

***Property Book Unit Supply Enhanced, 3 Infantry Division (ID)***

*(PROJECT CODE A-2008-ALR-0307.000, INITIATED JANUARY 14, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if units used the Property Book Unit Supply Enhanced System to properly account for equipment and maintain accurate data.

***Property Book Unit Supply Enhanced, I Corps***

*(PROJECT CODE A-2008-ALR-0357.000, INITIATED JANUARY 7, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if units used the Property Book Unit Supply Enhanced System to properly account for equipment and maintain accurate data.

***Use of Role Players Army-wide (less Combat Training Centers)***

*(PROJECT CODE A-2008-FFF-0148.000, INITIATED DECEMBER 10, 2007)*

This audit is being performed in the continental United States (CONUS). It will determine if the acquisition and use of Role-Players for training is cost-effective. It will also determine if the logistical support provided to Role-Players is consistent and cost effective and if the oversight and administration of Role-Player contractors is adequate.

***Property Book Unit Supply Enhanced  
(Audit Control Point)***

*(PROJECT CODE A-2008-ALR-0039.000,  
INITIATED DECEMBER 3, 2007)*

This audit is being performed in the continental United States (CONUS). It will determine if units used the Property Book Unit Supply Enhanced system to properly account for equipment and maintain accurate data.

***Army Foreign Language Program –  
Contracting***

*(PROJECT CODE A-2007-ZBI-0344.003,  
INITIATED NOVEMBER 5, 2007)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army has adequate processes and procedures in place for identifying and validating requirements for contract linguists. It will also determine if language contracts were structured to provide the best value to the government and if the process for certifying invoices for payments ensure that the government received the services it paid for.

***Contracting Operations at the Joint  
Contracting Command-Iraq/Afghanistan –  
Victory***

*(PROJECT CODE A-2007-ALL-0887.002,  
INITIATED JULY 26, 2007)*

This audit is being performed in Iraq. It will determine if goods and services acquired under contract were properly justified, awarded, and administered.

***Contracting Operations at the Joint  
Contracting Command-Iraq/Afghanistan –  
Baghdad***

*(PROJECT CODE A-2007-ALL-0887.001,  
INITIATED JULY 24, 2007)*

This audit is being performed in Iraq. It will determine if goods and services acquired under contract were properly justified, awarded, and administered.

***Retrograde Operations in Southwest Asia –  
Kuwait (Rear Support)***

*(PROJECT CODE A-2007-ALL-0858.001,  
INITIATED JULY 11, 2007)*

This audit is being performed in Kuwait. It will determine whether retrograde operations in the Southwest Asia area of operations are managed in an effective and cost-efficient manner. It will also determine whether adequate accountability and visibility are maintained over retrograded materiel and equipment.

***Impact of Mine Resistant Ambush  
Protected Vehicle (MRAP) Acquisitions  
on Other Systems***

*(PROJECT CODE A-2007-ALA-0978.000,  
INITIATED JULY 2, 2007)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army adequately adjusts requirements for new/existing systems impacted by MRAP acquisitions.

***Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase II)***  
(PROJECT CODE A-2007-ALL-0859.000, INITIATED JUNE 18, 2007)

This audit is being performed in Kuwait. It will determine if contracts for heavy lift services were adequately developed and effectively administered; laundry services were effectively managed; and if the Defense Base Act (DBA) insurance was properly administered on Kuwait contracts.

***Retrograde Operations in Southwest Asia – Kuwait***  
(PROJECT CODE A-2007-ALL-0858.000, INITIATED JUNE 9, 2007)

This audit is being performed in Kuwait. It will determine if retrograde operations in Southwest Asia were managed in an effective and cost-efficient manner. It will also determine if adequate accountability and visibility were maintained over materiel and equipment retrograded from Southwest Asia.

***Body Armor Requirements***  
(PROJECT CODE A-2007-FFD-0067.000, INITIATED JANUARY 8, 2007)

This audit is being performed in the continental United States (CONUS). It will determine if the Army established adequate quantitative requirements for the procurement of body armor. It will also determine if the Army has an adequate fielding plan for body armor.

***Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase I)***  
(PROJECT CODE A-2007-ALL-0329-000, INITIATED OCTOBER 26, 2006)

This audit is being performed in Kuwait. It evaluates the effectiveness of contracting operations and will determine whether contracting operations were performed in accordance with appropriate laws and regulations.

***Management and Use of Contractor Acquired Property under the Logistics Civil Augmentation Program (LOGCAP) Contract – Power Generators***  
(PROJECT CODE A-2007-ALL-0212.001, INITIATED OCTOBER 1, 2006)

This audit is being performed in Iraq. It will determine if power generators acquired were effectively managed and used under the LOGCAP contract.

## **Government Accountability Office**

### **Completed Reports**

***Global War on Terrorism: Reported Obligations for the Department of Defense***  
(GAO-09-449R, ISSUED MARCH 30, 2009)

Since 2001, the Congress has provided the Department of Defense (DoD) with about \$808 billion in supplemental and annual appropriations, as of March 2009, primarily for military operations 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 \$162.4 billion in FY 2008. For FY 2009, the Congress provided DoD with about \$65.9 billion in supplemental appropriations for GWOT as of March 2009 and the President plans on requesting an additional \$75.5 billion in supplemental appropriations for GWOT for the remainder of the FY. A total of \$31.0 billion has been obligated in the first quarter of FY 2009 through December 2008. The United States' 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 report commonly called the Contingency Operations Status of Funds 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. 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 GAO to submit quarterly updates to the Congress on the costs of Operation Iraqi Freedom and Operation Enduring Freedom based on DoD's monthly cost-of-war reports. This report, which responds to this requirement, contains our analysis of DoD's reported obligations for military operations in support of GWOT through December 2008. Specifically, we assessed (1) DoD's cumulative appropriations and reported obligations for military operations in support of GWOT and (2) DoD's FY 2009 reported obligations from October 2008 through December 2008, the latest data available for GWOT by military service and appropriation account.

As of December 2008, the Congress has appropriated a total of about \$808 billion primarily for GWOT operations since 2001. Of that amount, about \$187 billion has been provided for FY 2008 and about \$65.9 billion has been appropriated for use in FY 2009. DoD plans on requesting an additional \$75.5 billion in supplemental funds for FY 2009. DoD has reported obligations of about \$685.7 billion for military operations in support of the war from FY 2001 through FY 2008 and for FY 2009 (October through December 2008). The \$122.3 billion difference between DoD's 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 and other items, which DoD considers to be non-GWOT

related, that are not reported in DoD's cost-of-war reports. DoD's reported obligations for Operation Iraqi Freedom have consistently increased each FY since operations began. The increases in reported obligations for Operation Iraqi Freedom are in part due to continued costs for military personnel, such as military pay and allowances for mobilized reservists, and for rising operation and maintenance expenses, such as higher contract costs for housing, food, and services and higher fuel costs. In contrast, DoD's reported obligations for Operation Noble Eagle have consistently decreased since FY 2003, largely because of the completion of repairs to the Pentagon and upgrades in security at military installations that were onetime costs, as well as a reduction in combat air-patrols and in the number of reserve personnel guarding government installations. Reported obligations for Operation Enduring Freedom have ranged from \$10.3 billion to \$20.1 billion each FY since 2003. Recent increases in reported obligations for Operation Enduring Freedom are in part caused by higher troop levels in Afghanistan, the costs associated with training Afghan security forces, and the need to repair and replace equipment after several years of ongoing operations. DoD's reported obligations for Operation Iraqi Freedom have consistently increased each FY since operations began. The increases in reported obligations for Operation Iraqi Freedom are in part due to continued costs for military personnel, such as military pay and allowances for mobilized reservists, and for rising operation and maintenance expenses, such as higher contract costs for housing, food, and services

and higher fuel costs. In addition, the need to repair and replace equipment because of the harsh combat and environmental conditions in theater and the ongoing costs associated with the surge strategy announced in January 2007, which provided for the deployment of additional troops, have further increased obligations for Operation Iraqi Freedom. In contrast, DoD's reported obligations for Operation Noble Eagle have consistently decreased since FY 2003, largely because of the completion of repairs to the Pentagon and upgrades in security at military installations that were onetime costs, as well as a reduction in combat air patrols and in the number of reserve personnel guarding government installations. Reported obligations for Operation Enduring Freedom have ranged from \$10.3 billion to \$20.1 billion each FY since 2003. Recent increases in reported obligations for Operation Enduring Freedom are in part caused by higher troop levels in Afghanistan, the costs associated with training Afghan security forces, and the need to repair and replace equipment after several years of ongoing operations.

***Iraq and Afghanistan: Security, Economic, and Governance Challenges to Rebuilding Efforts Should Be Addressed in U.S. Strategies***

*(GAO-09-476T, ISSUED MARCH 25, 2009)*

From FY 2001 through July 2008, the Congress provided more than \$808 billion to the Department of Defense (DoD) for the Global War on Terrorism, including military operations in Iraq and Afghanistan. Moreover, since FY 2003, about \$49 billion has been provided to

U.S. agencies for reconstruction and stabilization in Iraq and \$32 billion for similar efforts in Afghanistan since FY 2002. In February 2009, President Obama announced a new U.S. strategy for Iraq and plans to develop a new comprehensive strategy for Afghanistan. This statement is based on GAO's extensive body of work—more than 150 products since 2003—examining U.S. efforts in Iraq and Afghanistan.

While U.S. efforts face unique circumstances in Iraq and Afghanistan, success in both countries depends on addressing three common challenges: (1) establishing and maintaining a basic level of security, (2) building a sustainable economic foundation, and (3) holding governments accountable for political commitments and building their capacity to govern. These challenges underscore the need for comprehensive U.S. strategies that optimize U.S. strategic interests, host country priorities, and the international community's resources and expertise. In Iraq, much U.S.-funded reconstruction took place prior to July 2007 in an environment of deteriorating security. Oil, electricity, and water projects were subject to insurgent attacks and threats, which raised costs and caused delays. While violence has declined, security conditions remain fragile, according to DoD. Iraq's oil resources provide a foundation for economic growth. However, Iraq's investment in infrastructure has been limited, despite budget surpluses. The government's limited capacity to deliver services poses a challenge as well. The United States has held the government to commitments to pass key legislation and hold elections, but further progress in reconciliation,

such as legislation to share oil and gas revenues and resolve claims over disputed territories, is needed. In Afghanistan, a lack of security has put U.S.-funded infrastructure projects, development of Afghan security forces, and other efforts at risk. Projects have been delayed and costs increased. The drug trade helps finance the Taliban and other insurgents and contributes to instability. Given Afghanistan's poor economy, the country's development will depend on foreign assistance. The Afghanistan National Development Strategy, established with U.S. and international support, is underfunded and may not be financially viable. The Afghan government's lack of capacity also hinders the country from meeting its development goals. The ministries do not have the personnel with the expertise to maintain U.S. and other donor-financed infrastructure projects, and corruption exacerbates this problem. As it further defines and develops its strategies for Iraq and Afghanistan, the Administration should incorporate characteristics of an effective national strategy. Both strategies should clearly define the objectives of U.S. efforts and measures to assess progress; identify risks; estimate costs; and integrate U.S., international, and host country efforts. For example, the strategy for Iraq should clarify what conditions the United States expects to achieve to ensure that troops are drawn down responsibly. The U.S. strategy for Afghanistan should estimate the cost of helping the country implement its development strategy. It should also assess the risk to U.S. infrastructure investments if Afghanistan does not obtain the donor assistance and technical capacity to maintain them. Finally,

U.S. strategies should guide the development and implementation of interagency operational plans and sector level plans.

### ***Iraq: Key Issues for Congressional Oversight***

*(GAO-09-294SP, ISSUED MARCH 24, 2009)*

To assist the 111th Congress, this report presents a series of issue papers for consideration in developing congressional oversight agendas and determining the way forward in securing and stabilizing Iraq. These papers are based on the continuing work of the U.S. Government Accountability Office (GAO) and the more than 130 Iraq-related products we have issued since May 2003. Since FY 2001, the Congress has provided about \$808 billion to the Department of Defense (DoD) for military efforts primarily in support of the Global War on Terrorism. The majority of this amount has been for military operations in support of Operation Iraqi Freedom. Moreover, since FY 2003, about \$49 billion has been provided to U.S. agencies for stabilization and reconstruction efforts in Iraq, including developing Iraq's security forces, enhancing Iraq's capacity to govern, and rebuilding Iraq's oil, electricity, and water sectors, among other activities. This report expands on issues discussed on GAO's transition website. In January 2007, President Bush announced The New Way Forward in Iraq to stem violence and enable the Iraqi government to foster national reconciliation. To support the strategy, the United States increased its military presence through a surge of brigade combat teams and associated forces. In June 2008, we reported that

the United States had made some progress in reducing overall violence in Iraq and working with the Iraqi government to pass legislation promoting national reconciliation. In February 2009, President Obama described a new strategy for Iraq consisting of three parts: (1) the responsible removal of combat brigades, (2) sustained diplomacy on behalf of a more peaceful and prosperous Iraq, and (3) comprehensive U.S. engagement across the region. According to DoD, the United States plans to reduce the number of combat troops from about 140,000 projected in March 2009 to about 128,000 by September 2009—a difference of 12,000 troops representing two brigades and their support units. Under the schedule announced by the President, U.S. force levels would decline further by August 31, 2010, to no more than 50,000 troops. Under the November 2008 bilateral security agreement between the United States and Iraq, the United States must remove all of its remaining forces by December 31, 2011.

Key issues that should be considered in further defining the new strategy and its supporting operational plans are as follows: (1) The security agreement establishes dates for repositioning U.S. forces in Iraq and removing them from the country—a significant change from the United States' prior, conditions-based strategy for Iraq. A responsible drawdown in Iraq will need to balance the timetable established in the security agreement, military doctrine that calls for the delineation of conditions that must exist before military operations can end, and the wishes of the Iraqi government. (2) If the United States adheres to the timetable contained in the

security agreement, DoD will need to remove about 140,000 troops by the end of 2011. The redeployment of these forces and the removal of their equipment and material will be a massive and expensive effort. (3) The large U.S. military presence has provided vital support to civilian operations and has undertaken many traditionally civilian tasks. In moving forward, the United States will need to consider how to transition from a predominantly military presence to a civilian one as U.S. forces draw down. (4) As U.S. reconstruction efforts end, Iraq will need to develop the capacity to spend its resources, particularly on investment that will further economic development and deliver essential services to its people. GAO estimates that the Iraqi government had a cumulative budget surplus of \$47 billion at the end of 2008.

***Global War on Terrorism: DoD Needs to More Accurately Capture and Report the Costs of Operation Iraqi Freedom and Operation Enduring Freedom***

*(GAO-09-302, ISSUED MARCH 17, 2009)*

Since September 11, 2001, the Congress has provided about \$808 billion to the Department of Defense (DoD) for the Global War on Terrorism (GWOT) in addition to funding in DoD's base budget. Prior GAO reports have found DoD's reported GWOT cost data unreliable and found problems with transparency over certain costs. In response, DoD has made several changes to its cost-reporting procedures. The Congress has shown interest in increasing the transparency of DoD's cost reporting and funding requests for GWOT. Under the

Comptroller General's authority to conduct evaluations on his own initiative, GAO assessed (1) DoD's progress in improving the accuracy and reliability of its GWOT cost reporting, and (2) DoD's methodology for reporting GWOT costs by contingency operation. For this engagement, GAO analyzed GWOT cost data and applicable guidance, as well as DoD's corrective actions.

While DoD and the military services continue to take steps to improve the accuracy and reliability of some aspects of GWOT cost reporting, DoD lacks a sound approach for identifying costs of specific contingency operations, raising concerns about the reliability of reported information, especially on the cost of Operation Iraqi Freedom. Specifically, the department has undertaken initiatives such as requiring components to sample and validate their GWOT cost transactions and launching a new contingency cost-reporting system that will automate the collection of GWOT cost data from components' accounting systems and produce a new report comparing reported obligations and disbursements to GWOT appropriations data. Also, the military services have taken several steps to correct weaknesses in the reliability of their cost data. Limitations in DoD's approach to identifying the costs of Operation Iraqi Freedom and Operation Enduring Freedom may, in some cases, result in the overstatement of costs, and could lead to these costs being included in DoD's GWOT funding requests rather than the base budget. DoD guidance emphasizes the importance of accurately reporting the cost of contingency operations. However, while the Army and Marine Corps are capturing totals

for procurement and certain operation and maintenance costs, they do not have a methodology for determining what portion of these GWOT costs are attributable to Operation Iraqi Freedom versus Operation Enduring Freedom and have reported all these costs as attributable to Operation Iraqi Freedom. In addition, the military services have reported some costs, such as those for Navy forward-presence missions, as part of Operation Iraqi Freedom or Operation Enduring Freedom, even though they are not directly attributable to either operation. In September 2005, DoD expanded the definition of incremental costs for large-scale contingencies, such as those for GWOT, to include expenses beyond direct incremental costs. This expanded definition provides no guidance on what costs beyond those attributable to the operation can be considered incremental and reported. Consequently, the military services have made their own interpretations as to whether and how to include costs not directly attributable to GWOT contingency operations. Without a methodology for determining what portion of GWOT costs is attributable to Operation Iraqi Freedom or Operation Enduring Freedom, reported costs for Operation Iraqi Freedom may be overstated. Furthermore, unless DoD reconsiders whether expenses not directly attributable to specific GWOT operations should be included as incremental costs, the military services may continue to include these expenses as part of Operation Iraqi Freedom and Operation Enduring Freedom, reported costs for both operations may be overstated, and DoD may continue to request funding for these

expenses in GWOT funding requests instead of including them as part of the base budget. Expenses beyond those directly attributable to either operation may be more reflective of the enduring nature of GWOT and its cost implications should be part of the annual budget debate.

***Afghanistan Security: U.S. Programs to Further Reform Ministry of Interior and National Police Challenged by Lack of Military Personnel and Afghan Cooperation***

*(GAO-09-280, ISSUED MARCH 9, 2009)*

The United States has invested more than \$6.2 billion in the Afghan Ministry of Interior (MOI) and Afghan National Police (ANP). The Department of Defense's (Defense) Combined Security Transition Command-Afghanistan (CSTC-A), with the Department of State (State), leads U.S. efforts to enhance MOI and ANP organizational structures, leadership abilities, and pay systems. This report assesses the status of U.S. efforts to help Afghanistan (1) restructure MOI and ANP, (2) retrain ANP units, (3) screen MOI and ANP personnel, and (4) enhance MOI and ANP pay systems. GAO reviewed Defense, State, and United Nations (UN) data and met with officials in the United States and Afghanistan.

U.S. agencies and Afghanistan have achieved their goals of restructuring and reducing a top-heavy and oversized MOI and ANP officer corps, modifying police wages, and planning a reorganization of MOI headquarters. These efforts are intended to help ensure that the MOI and ANP are directed by professional staff that

can manage a national police force. U.S. agencies and MOI cut the officer corps from about 17,800 to about 9,000, reduced the percentage of high-ranking officers, and increased pay for all ranks. MOI is scheduled to implement a U.S.-supported headquarters reorganization. CSTC-A has begun retraining ANP units through its Focused District Development (FDD) program, which is intended to address district-level corruption that impeded previous efforts to retrain individual police. FDD is achieving promising results, according to Defense status reports. In February 2009, Defense assessed 19 percent of FDD-retrained units as capable of conducting missions, 25 percent as capable of doing so with outside support, 31 percent as capable of partially doing so with outside support, and 25 percent as not capable. However, a lack of military personnel is constraining CSTC-A's plans to expand FDD and similar programs into the rest of Afghanistan by the end of 2010. Defense has identified a shortage of about 1,500 military personnel needed to expand FDD and similar police development programs. CSTC-A has previously obtained military personnel for ANP training by redirecting personnel from its Afghan army training program. However, the army program's demand for personnel is likely to increase as the Afghan army grows from 80,000 to 134,000 personnel. MOI and ANP officers were screened by Defense and State, but the full extent of the screening is unclear because State did not systematically compile records of its efforts. The screening effort was intended to improve the professionalism and integrity of the officer corps through testing by CSTC-A and

background checks by State. At least 9,797 (55 percent) of the nearly 17,800 officers who took the tests passed, according to CSTC-A. State was unable to provide us with statistics concerning the results of background checks because it did not systematically compile its records. U.S.-supported pay system efforts are intended to validate MOI and ANP personnel rosters and ensure that wages are distributed reliably. Despite progress, these efforts face challenges that include limited ANP cooperation and a shortage of banks. U.S. contractors have validated almost 47,400 MOI and ANP personnel but have been unable to validate almost 29,400 personnel—who were paid in part by \$230 million in U.S. contributions to a UN trust fund—because of a lack of cooperation from some ANP commanders. As of January 2009, 97 percent of all reported MOI and ANP personnel had enrolled in an electronic payroll system and 58 percent had enrolled to have their salaries deposited directly into their bank accounts. However, growth of the direct deposit system may be constrained because almost 40 percent of ANP personnel lack ready access to banks.

***Defense Management: Increased Attention on Fuel Demand Management at DoD's Forward-Deployed Locations Could Reduce Operational Risks and Costs***

*(GAO-09-388T, ISSUED MARCH 3, 2009)*

This testimony discusses the Department of Defense's (DoD) efforts to reduce fuel demand at its forward-deployed locations, particularly those that are not connected to local power grids. In 2008, more than 68 million gallons of

fuel, on average, were supplied by DoD each month to support U.S. military forces in Iraq and Afghanistan. Transporting large quantities of fuel to forward-deployed locations presents an enormous logistics burden and risk. Long truck convoys moving fuel to forward-deployed locations have encountered enemy attacks, severe weather, traffic accidents, and pilferage. For example, DoD reported that in June 2008 alone, 44 trucks and 220,000 gallons of fuel were lost due to attacks or other events while delivering fuel to Bagram Air Field in Afghanistan. High fuel demand, coupled with the recent volatility of fuel prices, also have significant implications for DoD's operating costs. The fully burdened cost of fuel—that is, the total ownership cost of buying, moving, and protecting fuel in systems during combat—has been reported to be many times higher than the price of a gallon of fuel itself. While DoD's weapon systems require large amounts of fuel, the department reports that the single largest battlefield fuel consumer is generators, which provide power for base support activities such as air conditioning/heating, lighting, refrigeration, and communications. A 2008 Defense Science Board Task Force report noted that Army generators consume about 26 million gallons of fuel annually during peacetime but 357 million gallons annually during wartime. Today, we are publicly releasing a report that addresses DoD's (1) efforts to reduce fuel demand at forward-deployed locations and (2) approach to managing fuel demand at these locations. Our review focused on locations that were in Central Command's area of responsibility.

DoD has efforts under way or planned to

reduce fuel demand, but the department lacks an effective approach to enable widespread implementation and sustained attention to fuel demand issues at forward-deployed locations. Many of DoD's efforts to reduce fuel demand at forward-deployed locations are in a research and development phase, and the extent to which they will be fielded and under what time frame is uncertain. Notable efforts by DoD components include the application of foam insulation to tent structures, the development of more fuel-efficient generators and environmental control units, and research on alternative and renewable energy sources for potential use at forward-deployed locations. In addition, during our visits to Kuwait and Djibouti, we found local camp efforts aimed at reducing fuel demand. DoD generally lacks guidance that directs forward-deployed locations to manage and reduce their fuel demand—at the department level, combatant command level, and military service level. While DoD is driven to address energy issues at its U.S. installations largely by federal mandates and DoD guidance, agency officials were unable to identify similar guidance for forward-deployed locations, and they told us that fuel reduction has been a low priority compared with other mission requirements. Our analysis of combatant command and military service guidance related to forward-deployed location construction showed that the existing guidance is largely silent with respect to fuel demand management and energy efficiency. DoD has not established incentives or a viable funding mechanism for fuel reduction projects at its forward-deployed locations, which

discourages commanders from identifying fuel demand management as a priority. Funding from supplemental appropriations related to the Global War on Terrorism, and delays in receiving this funding, can present challenges in covering existing costs, making it difficult for commanders to fund more expensive fuel reduction projects. Without incentives and a viable funding mechanism, commanding officials at DoD's forward-deployed locations are unlikely to identify fuel reduction as a priority for making a significant investment of resources. DoD's current organizational framework does not provide the department visibility for fuel demand issues at its forward-deployed locations. We found that information on fuel demand management strategies and reduction efforts is not shared among locations, military services, and across the department in a consistent manner. Moreover, DoD guidance does not designate any DoD office or official as being responsible for fuel demand management at forward-deployed locations, and we could not identify anyone who is specifically accountable for this function through our interviews with various DoD and military service offices. DoD has not yet established a director or strategy for operational energy. In meeting the requirements, DoD has an opportunity to improve visibility and accountability for fuel demand management at forward-deployed locations.

***Securing, Stabilizing, and Developing Pakistan's Border Area with Afghanistan: Key Issues for Congressional Oversight***

*(GAO-09-263SP, ISSUED FEBRUARY 23, 2009)*

Since 2002, destroying the terrorist threat and closing the terrorist safe haven along Pakistan's border with Afghanistan have been key national security goals. The United States has provided Pakistan, an important ally in the war on terror, with more than \$12.3 billion for a variety of activities, in part to address these goals. About half of this amount has been to reimburse Pakistan for military-related support, including combat operations in and around the Federally Administered Tribal Areas (FATA). Despite six years of U.S. and Pakistani government efforts, al Qaeda has regenerated its ability to attack the United States and continues to maintain a safe haven in Pakistan's FATA. As the United States considers how it will go forward with efforts to assist Pakistan in securing, stabilizing, and developing its FATA and Western Frontier bordering Afghanistan, it is vital that efforts to develop a comprehensive plan using all elements of national power be completed and that continued oversight and accountability over funds used for these efforts are in place.

This report provides background information on Pakistan; the status of U.S. government efforts to develop a comprehensive plan; and information on the goals, funding, and current status of U.S. efforts to use various elements of national power (i.e., military, law enforcement, development and economic assistance, and diplomacy) to combat terrorism in Pakistan. The scope of this report does not include the plans,

goals, operations, activities, and accomplishments of the intelligence community.

***Defense Management: DoD Needs To Increase Attention on Fuel Demand Management at Forward-Deployed Locations***

*(GAO-09-300), ISSUED FEBRUARY 20, 2009)*

The Department of Defense (DoD) depends heavily on petroleum-based fuel to sustain its forward-deployed locations around the world—particularly those locations that are not connected to local power grids and must rely on fuel-consuming generators for heating/cooling, lighting, and other base-support activities. Each day, over 2 million gallons of jet fuel alone are supplied to U.S. forces in Iraq and Afghanistan. Transporting large quantities of fuel to forward-deployed locations presents an enormous logistics burden and risk. In 2006, a senior U.S. commander in Iraq submitted an urgent request to DoD for renewable energy systems in order to reduce supply-line vulnerabilities associated with the military’s dependence on fuel for power generation at forward-deployed locations. Furthermore, global oil supply routes are vulnerable because they flow through unstable regions. High fuel demand, coupled with the recent volatility of fuel prices, also have significant implications for DoD’s operating costs. With the ongoing Global War on Terrorism, which DoD officials have referred to as “the longer war,” the department may need to sustain many of its forward-deployed locations supporting current operations for longer than initially anticipated.

This report is the third in a series of studies

requested by the Subcommittee on Readiness of the House Committee on Armed Services examining DoD’s energy usage for military operations. GAO’s March 2008 report found that although DoD and the military services have several efforts under way to reduce energy used for military operations, the department lacks key elements of an overarching organizational framework to manage mobility energy matters across the department. We also testified last March on the need for DoD to establish an overarching organizational framework, including an executive-level Office of the Secretary of Defense official who is accountable for mobility energy. This report addresses DoD’s (1) efforts to reduce fuel demand at forward-deployed locations and (2) approach to managing fuel demand at these locations. We are also providing information on DoD’s fuel demand at selected forward-deployed locations. We focused our review on forward-deployed locations within Central Command’s area of responsibility. Central Command has more than 400 forward-deployed locations in Iraq and Afghanistan, as well as locations in other countries.

To address our objectives, GAO analyzed DoD and military service guidance, relevant legislation, and other documents and discussed fuel demand issues with agency officials to gain their perspectives. GAO’s review focused on forward-deployed locations—DoD installations or base camps situated outside of the United States that support current operations—that relied primarily on fuel-based generators, as opposed to local power grids. We asked officials to identify for us key efforts planned or under

way to reduce fuel demand. After consultation with Central Command officials, GAO selected and visited two forward-deployed locations—Camp Arifjan, an Army facility in Kuwait and Camp Lemonier, a Navy facility in Djibouti—to gain a firsthand understanding of fuel demand reduction efforts and challenges facing these locations. We chose to visit these locations because they relied heavily on fuel-based generators to carry out very different missions—the former directly supported operations in Iraq while the latter provided diplomatic, development, and counterterrorism support within the Horn of Africa. In assessing DoD’s approach to managing fuel demand at forward-deployed locations, GAO reviewed documents and held discussions with agency officials on issues including forward-deployed location construction and maintenance, procurement, and funding procedures. For comparison purposes, GAO reviewed DoD guidance related to energy reduction for the department’s permanent or U.S. facilities.

***Iraq and Afghanistan: Availability of Forces, Equipment, and Infrastructure Should Be Considered in Developing U.S. Strategy Plans***

*(GAO-09-380T, ISSUED FEBRUARY 12, 2009)*

The United States is in the process of developing its strategy for operations in Afghanistan, as well as for the drawdown and continued operations of forces in Iraq. As of December 2008, approximately 32,500 U.S. troops were deployed in Afghanistan. Moreover, DoD may add an additional 30,000 troops in Afghanistan. Since 2001, the war in Afghanistan changed from a

violent struggle against al Qaeda and its Taliban supporters to a multi-faceted counterinsurgency effort. As of December 2008, U.S. troops in Iraq numbered approximately 148,500. DoD also had about 162,400 contractors in Iraq as of mid-2008. Today’s testimony addresses (1) key observations regarding the development of U.S. strategy in Iraq and Afghanistan; (2) factors that should be considered as the United States refines its strategy for Iraq and plans to draw down forces; and (3) factors that should be considered as the United States develops a strategy for Afghanistan and plans for increasing forces. This statement is based on GAO reports and testimonies on Iraq and Afghanistan.

Lessons learned from GAO’s past work indicate that U.S. strategy for Iraq and Afghanistan should reflect a government-wide approach and contain a number of key elements, including clear roles, responsibilities, and coordination mechanisms among government agencies, as well as specific goals, performance measures, and time frames that take into account available resources. Given the heavy commitment of U.S. forces to ongoing operations over the past several years, the availability of forces, equipment, and infrastructure will need to be closely examined in developing plans to reposition military forces. Finally, in light of future demands on the federal budget, attention will be needed to ensure that U.S. plans are developed and executed in an efficient and cost-effective manner. Clearly, strong oversight by the Congress and senior decision makers will be needed to minimize past problems such as contract mismanagement and insufficient attention to overseeing

contractors. In refining its strategy and plans for the drawdown of forces in Iraq, senior leaders will need to consider several operational factors. For example, DoD will need to develop plans to efficiently and effectively relocate thousands of personnel and billions of dollars worth of equipment out of Iraq; close hundreds of facilities; and determine the role of contractors. Furthermore, the capacity of facilities in Kuwait and other neighboring countries may limit the speed at which equipment and materiel can be moved out of Iraq. With regard to Afghanistan, DoD will likely face an array of potential challenges related to people, equipment and infrastructure. For example, the availability and training of personnel will be critical considerations as the force is already significantly stressed from ongoing operations and current training capacity has been primarily focused on operations in Iraq. Additionally, the availability of equipment may be limited because the Army and Marine Corps have already deployed much of their equipment to Iraq and much of the prepositioned assets also have been withdrawn to support ongoing operations. Similarly, DoD will need to assess its requirements for intelligence, surveillance, and reconnaissance capabilities given its current allocation of these assets to support ongoing operations in Iraq. Further, the ability to transport personnel and equipment into Afghanistan will be challenged by the limited infrastructure and topography of Afghanistan. Moreover, the extent to which contractors will be used to support deployed U.S. forces must be considered as well as how oversight of these contractors will be ensured. Given all of these factors, sound

planning based on a well-developed strategy is critical to ensure lessons learned over the years from Iraq are incorporated in Afghanistan and that competing resources are prioritized effectively between both operations.

***Afghanistan Security: Corrective Actions Are Needed to Address Serious Accountability Concerns about Weapons Provided to Afghan National Security Forces***

*(GAO-09-366T, ISSUED FEBRUARY 12, 2009)*

This testimony discusses the GAO report on accountability for small arms and light weapons that the United States has obtained and provided or intends to provide to the Afghan National Security Forces (ANSF)—the Afghan National Army and the Afghan National Police. Given the unstable security conditions in Afghanistan, the risk of loss and theft of these weapons is significant, which makes this hearing particularly timely. This testimony today focuses on (1) the types and quantities of weapons the Department of Defense (Defense) has obtained for ANSF, (2) whether Defense can account for the weapons it obtained for ANSF, and (3) the extent to which ANSF can properly safeguard and account for its weapons and other sensitive equipment.

During FY 2002 through 2008, the United States spent approximately \$16.5 billion to train and equip the Afghan army and police forces in order to transfer responsibility for the security of Afghanistan from the international community to the Afghan government. As part of this effort, Defense—through the U.S. Army and Navy—purchased over 242,000

small arms and light weapons, at a cost of about \$120 million. These weapons include rifles, pistols, shotguns, machine guns, mortars, and launchers for grenades, rockets, and missiles. In addition, CSTC-A has reported that 21 other countries provided about 135,000 weapons for ANSF between June 2002 and June 2008, which they have valued at about \$103 million. This brings the total number of weapons Defense reported obtaining for ANSF to over 375,000. The Combined Security Transition Command-Afghanistan (CSTC-A) in Kabul, which is a joint service, coalition organization under the command and control of Defense's U.S. Central Command is primarily responsible for training and equipping ANSF. As part of that responsibility, CSTC-A receives and stores weapons provided by the United States and other international donors and distributes them to ANSF units. In addition, CSTC-A is responsible for monitoring the use of U.S.-procured weapons and other sensitive equipment.

***Afghanistan Security: Lack of Systematic Tracking Raises Significant Accountability Concerns about Weapons Provided to Afghan National Security Forces***

*(GAO-09-267, ISSUED JANUARY 30, 2009)*

The Department of Defense (Defense), through its Combined Security Transition Command-Afghanistan (CSTC-A) and with the Department of State (State), directs international efforts to train and equip Afghan National Security Forces (ANSF). As part of these efforts, the U.S. Army Security Assistance Command (USASAC) and the Navy spent about \$120

million to procure small arms and light weapons for ANSF. International donors also provided weapons. GAO analyzed whether Defense can account for these weapons and ensure ANSF can safeguard and account for them. GAO reviewed Defense and State documents on accountability procedures, reviewed contractor reports on ANSF training, met with U.S. and Afghan officials, observed accountability practices, analyzed inventory records, and attempted to locate a random sample of weapons.

Defense did not establish clear guidance for U.S. personnel to follow when obtaining, transporting, and storing weapons for the Afghan National Security Forces, resulting in significant lapses in accountability. While Defense has accountability requirements for its own weapons, including serial number tracking and routine inventories, it did not clearly specify whether they applied to ANSF weapons under U.S. control. GAO estimates USASAC and CSTC-A did not maintain complete records for about 87,000, or 36 percent, of the 242,000 U.S.-procured weapons shipped to Afghanistan. For about 46,000 weapons, USASAC could not provide serial numbers, and GAO estimates CSTC-A did not maintain records on the location or disposition of about 41,000 weapons with recorded serial numbers. CSTC-A also did not maintain reliable records for about 135,000 weapons it obtained for ANSF from 21 other countries. Accountability lapses occurred throughout the supply chain and were primarily due to a lack of clear direction and staffing shortages. During our review, CSTC-A began correcting some shortcomings, but indicated

that its continuation of these efforts depends on staffing and other factors. Despite CSTC-A's training efforts, ANSF units cannot fully safeguard and account for weapons and sensitive equipment. Defense and State have deployed hundreds of trainers and mentors to help ANSF establish accountability practices. CSTC-A's policy is not to issue equipment without verifying that appropriate supply and accountability procedures are in place. Although CSTC-A has not consistently assessed ANSF units' ability to account for weapons, mentors have reported major accountability weaknesses, which CSTC-A officials and mentors attribute to a variety of cultural and institutional problems, including illiteracy, corruption, and unclear guidance. Further, CSTC-A did not begin monitoring the end use of sensitive night vision devices until 15 months after issuing them to Afghan National Army units.

## Ongoing Audits

### ***Review of DoD's Plans for Drawdown of U.S. Forces From Iraq***

*(PROJECT NO. 351321, INITIATED MARCH 3, 2009)*

The objective of this review is to determine the extent to which DoD has developed plans for the withdrawal and redeployment of forces and equipment from Iraq in light of the status of forces agreement (SOFA) signed on November 17, 2008, between the United States and the Government of Iraq. Specifically, given the December 31, 2011, deadline for withdrawal of all U.S. forces from Iraq as dictated in the SOFA, our key questions are:

- To what extent has DoD developed plans to manage the redeployment of U.S. forces and equipment and plans for the composition and role of forces that will remain in Iraq, and how has the SOFA affected these plans?
- To what extent has DoD developed plans and processes for turning over U.S. bases to the Iraqis and managing contractors and contractor-managed equipment during withdrawal?
- To what extent is DoD integrating withdrawal planning with evolving operational requirements?

### ***Iraq/Afghanistan Contractor Oversight***

*(PROJECT NO. 120812, INITIATED FEBRUARY 2009)*

Pursuant to the Fiscal Year 2008 National Defense Authorization Act, this engagement will focus on contracts awarded by the Department of Defense (DoD), the Department of State, and the U.S. Agency for International Development (USAID) to contractors to perform contract administration or management of other contracts or grants for reconstruction or stabilization efforts in Iraq and Afghanistan. The report will address the following:

- To what extent are DoD, State, and USAID hiring contractors to perform contract management or administration for other contracts or grants in Iraq and Afghanistan?
- What factors have contributed to decisions to use contractors to perform such tasks?
- What steps that have been taken to effectively manage contractors performing such tasks?

**Army First Article Testing of Body Armor**

(PROJECT NO. 351282,  
INITIATED JANUARY 2009)

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 (RFPs), and other issues. An initial comprehensive source selection testing of proposed body armor preliminary design models has been completed by the Army, but due to anomalies in the testing process additional first article testing has been performed to ensure that selected body armor designs meet required performance specifications. These are the key questions:

- To what degree did first article tests conducted on body armor designs under the awarded contracts follow established test procedures; and
- To what degree have lessons learned by the Army from GAO's observations during initial source selection testing of preliminary design models been incorporated into the first article testing, as appropriate.

**U.S. and International Assistance to Internally Displaced Persons (IDPs) in Iraq**

(PROJECT NO. NOT AVAILABLE,  
INITIATED DECEMBER 2008)

According to the UN, about 2 million Iraqis may be displaced within Iraq. The magnitude of refugees and internally displaced Iraqis represents a growing humanitarian crisis and is potentially destabilizing to Iraq and neighboring countries.

- What are the goals of U.S. and UN efforts to assist IDPs, and what progress has been made?

- What is the nature and extent of U.S. funding and activities for assistance to IDPs?
- What challenges do the United States and international community face in the efforts to assist IDPs?

**Iraq Transition Policy Paper**

(PROJECT NO. NOT REPORTED,  
INITIATED NOVEMBER 2008)

The Presidential Transition Act of 1963 points to GAO as a resource for incoming administrations. In preparing for its role in assisting the next administration's transition efforts, GAO is conducting this evaluation under the Comptroller General's authority to conduct evaluations on his own initiative. The report will address the following:

- To what extent has the administration updated or developed a new strategy for U.S. efforts in Iraq?
- What is the status of U.S. efforts to reposition U.S. forces, right-size the U.S. civilian presence, reassess the roles of contractors, and engage international organizations in Iraq?
- What is the status of U.S. efforts to help Iraq govern and address its peoples' needs, such as building the capabilities and loyalties of the Iraqi security forces, assisting Iraqi ministries' capacity and engaging the government in greater cost sharing for reconstruction efforts, building the Iraqi government's ability to pass and implement critical laws, strengthening the oil and electricity sectors, and providing for Iraqi refugees and internally displaced persons?

***Contracting in Iraq and Afghanistan***

*(PROJECT NO. 120790,  
INITIATED NOVEMBER 20, 2008)*

The report will address the following:

- 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?

***Foreign Military Sales and Other U.S.-Iraq Cost Sharing Arrangements***

*(PROJECT NO. NOT REPORTED,  
INITIATED OCTOBER 2008)*

This report will assess Iraqi cost sharing arrangements with the United States by identifying the:

- goals and objectives the United States has established for shifting defense and reconstruction costs to the Iraqi government
- mechanisms the United States has in place to facilitate cost sharing with Iraq for its defense and reconstruction expenses, including FMS, Iraq Security Forces Fund (ISFF), Commander's Emergency Response Program-Iraq (CERP-I), and section 604 programs, as well as U.S. efforts to have Iraq assume U.S.-funded contracts (e.g., Sons of Iraq and others)

- status of those U.S. initiatives supporting Iraq's efforts to assume a greater share of defense and reconstruction costs
- additional defense and reconstruction costs, if any, the United States could transfer to the Iraqi government over the next three to five years
- Iraq's budget surplus, how much has it contributed to its own defense and reconstruction costs, and the factors affecting its ability to assume a greater share of these costs

***Readiness of the Army Active/Reserve Component Forces***

*(PROJECT NO. 351237, INITIATED SEPTEMBER 2008)*

The report will address the following:

- What are the current readiness, the factors affecting readiness, and the plans to address any readiness issues?
- To what extent has the Army been able to prepare and use its reserve component forces for the primary wartime missions for which the units were organized or designed?
- To what extent has the Army been able to prepare and use its reserve component forces for non-traditional operational missions?
- To what extent are factors such as mobilization and deployment laws, goals, and policies impacting the Army's ability to train and employ reserve component units for ongoing combat and non-combat missions?

### ***Readiness of the Active and Reserve Components of the Navy and Marine Corps***

*(PROJECT NO. 351239, INITIATED SEPTEMBER 2008)*

The report will address the following:

- To what extent are the Navy/Marine Corps prepared to execute their assigned missions, including ongoing operations?
- What factors have the Navy/Marine Corps identified that affect their readiness, and what steps are they taking to address these factors and improve or maintain their readiness?
- To what extent are Navy/Marine Corps readiness assessments used to develop service budget requests and support resource prioritization decisions?

### ***U.S. and International Assistance to Iraqi Refugees***

*(PROJECT NO. 320565, INITIATED JULY 8, 2008)*

According to the UN, more than two million Iraqis may be displaced in neighboring countries, with the vast majority residing in Syria and Jordan. The magnitude of refugees and internally displaced Iraqis represents a growing humanitarian crisis and is potentially destabilizing to Iraq and neighboring countries.

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

### ***Urgent Wartime Requirements***

*(PROJECT NO. 351236, INITIATED JUNE 2008)*

Warfighters rely on a variety of DoD urgent need response processes to rapidly provide solutions to emerging battlefield threats to loss of life or mission failure. Each military service, as well as the Joint Staff, manages its own independent urgent need response process. While process mechanisms differ across services, the basic framework is consistent. However, concerns have arisen regarding the effectiveness and coordination of these processes. These are the key questions:

- To what extent do DoD's urgent need response processes comply with the timeframes established in DoD regulation?
- What factors have affected the responsiveness of DoD processes meeting urgent need requests?
- What challenges, if any, have affected the coordination and integration of DoD urgent need response processes?

### ***Joint IED Defeat Organization (JIEDDO) Strategic Management***

*(PROJECT NO. 351230, INITIATED JUNE 2008)*

The DoD Joint Improvised Explosive Devices Defeat Organization's (JIEDDO) mission is to improve U.S. military capability by defending against improvised explosive devices (IED) attack and with about \$4 billion annual funding JIEDDO represents perhaps the key DoD investment in its counter-IED fight. However, GAO reviews have continued to raise concerns regarding JIEDDO's ability to strategically manage achieving its objectives. These are the key questions:

- To what extent has JIEDDO made progress in developing a strategic plan?
- To what extent has JIEDDO established processes to identify, evaluate, select, and develop counter-IED initiatives?
- To what extent has DoD or the Services provided oversight for JIEDDO operations and activities?
- Do PRDC's management controls support the program objective of building the capacity of provincial governments?
- Do NCD management controls support the objective of improving the capabilities of national ministries to develop budgets and programs?
- What are U.S. efforts to ensure the Iraqi government is committed to sustaining PRDC and NCD efforts?

### ***DoD Integration of Improvised Explosive Device (IED) Defeat Efforts***

*(PROJECT NO. 351231, INITIATED JUNE 2008)*

Improvised explosive devices (IEDs) continue to be the number one killer of U.S. troops in Iraq and Afghanistan. In response, the Department of Defense (DoD), in 2006, created the Joint IED Defeat Organization (JIEDDO) that is to lead, advocate, and coordinate all DoD actions to defeat IEDs. These are the key questions:

- What capability gaps were initially identified in DoD's effort to defeat IEDs and how did these gaps and other factors lead to the development of JIEDDO, and
- To what extent have IED defeat capabilities been integrated within DoD?

### ***Two Capacity Building Programs in Iraq Funded by Economic Support Funds***

*(PROJECT NO. 320587, INITIATED MARCH 2008)*

From FY 2006 to 2008, the Congress appropriated over \$3 billion for the Economic Support Fund for Iraq, including funding to support the Provincial Reconstruction and Development Councils (PRDC) and the National Capacity Development (NCD) programs.

### ***Incentives, Compensation, and Medical Care for Deployed Federal Civilians***

*(PROJECT NO. 351166,*

*INITIATED FEBRUARY 2008)*

With the ongoing military operations in Afghanistan and Iraq, DoD has grown increasingly reliant on its federal civilian workforce to support contingency operations. In addition, other federal civilian agencies have deployed their employees to these nations to assist, for example, with rebuilding efforts. These are the key questions:

- How do incentives, compensation, and medical care policies for selected federal agencies that send federal civilian employees to Iraq or Afghanistan compare and differ?
- To what extent have federal agencies applied these policies to ensure that federal civilian employees have received the compensation and medical care afforded them by current policies?
- What are federal civilians' perspectives on incentives and disincentives for deployment to Iraq and Afghanistan?

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

*(PROJECT NO. 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 these questions:

- 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?

### ***Use of Private Security Contractors in Iraq*** *(PROJECT NO. 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?

### **U.S. Department of the Treasury**

During this period, the Department of Treasury did not conduct any work related to, in support of, or in Iraq. Additionally, as of March 31, 2009, the Department of Treasury has no plans to conduct any work in the future and will no longer be reported on in this section.

### **Department of Commerce**

During this period, the Department of Commerce did not conduct any work related to, in support of, or in Iraq. Additionally, as of March 31, 2009, the Department of Commerce has no plans to conduct any work in the future and will no longer be reported on in this section.

<sup>1</sup> Public Law 110-181, Section 842, "Investigation of Waste, Fraud, and Abuse in Wartime Contracts and Contracting Processes in Iraq and Afghanistan," requires DoD OIG and the Special Inspectors General for Iraq Reconstruction and Afghanistan Reconstruction to develop comprehensive plans for a series of audits respective to their outlined areas of oversight responsibilities in Iraq and Afghanistan.

<sup>2</sup> Previous reports were: Report No. SPO-2008-001, "Assessment of the Accountability of Arms and Ammunition Provided to the Security Forces of Iraq," July 3, 2008 (classified report) and Report No. SPO-2009-002, "Assessment of Arms, Ammunition, and Explosives Accountability and Control; Security Assistance; and Sustainment for the Iraqi Security Forces," December 19, 2008.