

DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 6. All information provided is current, as of March 31, 2011.

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 fiscal year basis. Table F.1 shows both the Iraq-related audits closed during FY 2010 and the audits closed and still open in FY 2011 (as of March 31, 2011).

TABLE F.1
DCAA AUDITS RELATED TO IRAQ, FOR FY 2010 AND FY 2011

DESCRIPTION OF AUDIT AREA	FY 2010	FY 2011	
	CLOSED	CLOSED	OPEN
Price Proposals (1)	105	21	20
Other Special Requested Audits (2)	38	8	48
Incurring Cost (3)	47	9	283
Labor Timekeeping (4)	29	5	44
Internal Controls (5)	32	8	87
Pre-award Accounting Survey (6)	8	7	2
Purchase Existence and Consumption (7)	5	1	29
Cost Accounting Standards (8)	48	13	101
Other (9)	26	4	81
Total	338	76	695

Note:

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

TABLE F.2
DCIS INVESTIGATIONS

INVESTIGATIVE STATUS	PROCUREMENT FRAUD	PUBLIC CORRUPTION	THEFT/TECH PROTECT/OTHER	TOTAL
Open	10	26	7	43
Closed	6	13	2	21
Totals	16	39	9	64

Defense Criminal Investigative Service

As of April 2011, two Defense Criminal Investigative Service (DCIS) special agents are deployed to Kuwait, four special agents are deployed to Iraq, and nine are deployed to Afghanistan to conduct fraud and corruption investigations. Additionally, one administrative support assistant is deployed to Iraq to support investigative activity throughout Southwest Asia. DCIS personnel are deployed on a rotational basis, serving terms of between three and six months in Southwest Asia.

DCIS is an active participant in the International Contract Corruption Task Force (ICCTF), and one headquarters program manager is assigned to the ICCTF's Joint Operations Center to deconflict investigations conducted by the ICCTF's nine member agencies, which includes SIGIR. Through its field and headquarters management structure, DCIS monitors fraud, corruption, and DoD spending throughout Southwest Asia and allocates investigative resources accordingly. In addition to conducting investigations, DCIS special agents in Iraq, Kuwait, and Afghanistan are actively engaged in outreach activities, such as providing fraud awareness briefings to DoD and contractor personnel, to promote the identification of fraud and corruption.

As background, DCIS began deploying special agents to Iraq in May 2003. As of April 2011, DCIS has deployed a total of 71 personnel to Iraq.

Open Cases

DCIS currently has 43 open investigations being worked jointly with SIGIR, including three projects. Six cases and one project were closed during this period. Table F.2 shows the status of DCIS investigations.

Department of Defense Office of Inspector General

DoD continues to face many challenges in executing its Overseas Contingency Operations (OCO). The Department of Defense Office of Inspector General (DoD OIG) has identified priorities based on those challenges and high-risks and has responded by expanding coverage of OCO operations and its presence in Southwest Asia. Matching the Department's current Southwest Asia operational tempo and focus, DoD OIG's primary oversight focus is operations in Afghanistan while maintaining the necessary oversight in Iraq and its remaining operations. As the Department continues its OCO, such as Operations New Dawn and Enduring Freedom, DoD OIG plans to stay focused on issues important to accomplish the mission and ensure that the Department makes efficient use of its resources to support the warfighter.

The DoD OIG-led Southwest Asia Joint Planning Group coordinates and deconflicts federal and DoD OCO-related oversight activities. The Group held its sixteenth meeting in February 2011.

The Southwest Asia Planning Group issued the FY 2011 update to the Comprehensive Oversight Plan for Southwest Asia and Surrounding Areas on

March 31, 2011. The FY 2011 plan is organized by subcategories under functional areas to articulate the commonalities of the oversight community efforts. This oversight includes projects that directly impact efforts in Southwest Asia and surrounding areas. The oversight projects may be conducted exclusively in theater, require travel into theater, or be conducted outside the theater, such as solely in the continental United States.

In addition to the audits of contracts, subcontracts, and task and delivery orders for logistical support being conducted, this Comprehensive Plan addresses other oversight areas, including asset accountability, financial management, security, human rights, rule of law, and economical and social development. Participating oversight agencies will continue to coordinate audit plans through working groups and councils.

Completed Oversight Reports

Assessment of Allegations Concerning Traumatic Brain Injury Research Integrity in Iraq

(SPO-2011-005, ISSUED MARCH 31, 2011)

The report is For Official Use Only.

Assessment of DoD Wounded Warrior Matters – Fort Sam Houston

(SPO-2011-004, ISSUED MARCH 17, 2011)

DoD OIG interviewed a myriad of Brooke Army Medical Center (BAMC) staff, Warrior Transition Battalion (WTB) cadre, and 131 U.S. Army Warriors. DoD OIG identified several initiatives implemented at the BAMC WTB that were believed to be noteworthy practices for supporting the comprehensive care, healing, and transition of warriors. Further, DoD OIG observed that the BAMC and WTB management and staff were fully dedicated to providing the best available care and services for helping warriors heal and transition.

DoD OIG also identified a number of significant challenges recommended for the BAMC and WTB

management to address, which if resolved, will increase program effectiveness.

Finally, DoD OIG recognized that it was important to give a voice to the warriors themselves. DoD OIG suggests that the BAMC and WTB management and staff consider warrior comments, as discussed in this report, so they are cognizant of the warriors' views and concerns and can take appropriate action.

Competition Issues and Inherently Governmental Functions Performed by Contractor Employees on Contracts to Supply Fuel to U.S. Troops in Iraq (D-2011-049, ISSUED MARCH 15, 2011)

The report is For Official Use Only; however, the following results are publically available. DLA Energy contracting officers did not perform an adequate proposal analysis for three of four contracts valued at about \$2.7 billion that were awarded to the International Oil Trading Company (IOTC) to supply fuel to U.S. troops in Iraq. The proposal analyses for the three contracts were inadequate because the contracting officer for those contracts:

- primarily used “adequate price competition” as the justification to support price reasonableness even though “IOTC may have reasonably anticipated no competition” because no one else could transport the fuel through Jordan
- did not identify that the unusual circumstances of these procurements dictated that some type of cost or pricing data and appropriate field pricing support were needed to support price reasonableness

As a result, the contracting officer had limited data to support costs for the non-fuel component, such as transportation, of about \$1.1 billion and failed to obtain adequate support that the agreed to fuel prices were fair and reasonable. DoD OIG calculated that DLA Energy paid IOTC about \$160 to \$204 million (or 6–7%) more for fuel than could be supported by price or cost analysis.

In addition, DLA Energy contracting officers inappropriately used the Logistics Civil Augmentation Program (LOGCAP) contractor to accept fuel at three Defense Fuel Support Points located in Iraq. Although a contractor may be used to receive shipments of Government-owned fuel, a contractor may not be used to accept title to fuel on behalf of the Government. The LOGCAP contractor was accepting the fuel because DLA Energy contracting officers did not:

- assign “responsibility for acceptance” to either a contracting officer’s representative, a cognizant contract administration office, or another agency; adhere to contract terms requiring the use of a DD Form 250 receiving report
- negotiate an agreement with the Army Sustainment Command for the Government acceptance of the fuel that IOTC delivered to the contractor-operated fuel sites

As a result, Kellogg Brown and Root Services, Inc. (the LOGCAP contractor) accepted the fuel that IOTC delivered for the government.

Improvements Needed on the Fleet and Industrial Supply Center, Sigonella, Ship Maintenance Contracts in Southwest Asia

(D-2011-043, ISSUED FEBRUARY 22, 2011)

Fleet and Industrial Supply Center, Sigonella (FISCSI) Detachments Bahrain and Dubai did not adequately compete nine contracts, valued at \$24.3 million, because the contracting officers did not properly justify limiting competition to Master Agreement for Repair and Alteration of Vessels holders. As a result, the contracting officers did not execute the competition for the nine contracts in accordance with the FAR and may have lost the benefits of competitive pricing.

FISCSI Detachments Bahrain and Dubai contracting officers did not ensure that price reasonableness determinations were properly performed for 7 contracts, initially awarded for \$16.2 million, and 36 contract modifications, valued at \$2.7 million. This occurred because the contracting officers

did not complete or document price reasonableness determinations. As a result, the contracting officers could not demonstrate that they obtained the best price for \$18.9 million in contracting actions.

FISCSI contracting officers did not provide adequate contract surveillance for all 14 contracts. This occurred because the contracting officers did not properly designate contracting officer’s representatives or properly oversee personnel acting in the role of contracting officer’s representatives. As a result, the Navy may not have received the quality of ship maintenance and repairs for which it contracted.

FISCSI Detachments Bahrain and Dubai contracting officers incorrectly funded \$4.1 million of FY 2005 funds on contract actions with bona fide needs from FY 2006 because only FY 2005 funds were available. This caused a potential Antideficiency Act violation.

Marine Corps Response to Nonlethal Laser Dazzler Urgent Request

(D-2011-037, ISSUED FEBRUARY 9, 2011)

DoD OIG did not find any evidence of criminal negligence in Marine Corps processing of the July 2005 laser dazzler urgent request. However, Marine Corps Combat Development Command did not respond to the II Marine Expeditionary Force (Forward) urgent request for a nonlethal laser dazzler capability in a timely manner. Marine Corps officials took 15 months to process this urgent request that could have been fulfilled 6 months earlier had Marine Corps leadership at two commands exercised sufficient oversight and effectively monitored the progress of the urgent request. Nearly 4 months elapsed because Marine Corps Combat Development Command entertained the I Marine Expeditionary Force (Forward) insistence for an unapproved laser dazzler solution rather than pursue a viable Laser Safety Review Board approved solution. An additional 2 months elapsed because the administrative processing of the urgent request lagged. As a result, Marines deployed to Iraq in 2006 were left without a nonlethal laser

dazzler capability. Further, after the approved lasers were procured, the I Marine Expeditionary Force (Forward) purchased 28 unapproved lasers costing \$323,324, which were not fielded in Iraq.

Competition Should Be Used for Instructor Services for the Mine Resistant Ambush Protected Vehicles

(D-2011-036, ISSUED FEBRUARY 3, 2011)

TACOM Contracting Center (TCC) officials did not award the most cost effective type of contract for MRAP vehicle Instructor Services. Specifically, TCC officials inappropriately used an urgent and compelling need to circumvent competition and awarded a sole-source contract to a preferred source on a high-risk time-and-materials basis. This occurred because TCC officials did not adequately plan for competing the procurement and did not assess the historical data of the contractor's performance under a prior firm-fixed-price contract. As a result, the contract award may not have provided the best value to the government.

Further, TCC officials obligated \$23 million for Instructor Services that were not a bona fide need for FY 2009 because TCC officials obligated FY 2009 Operations and Maintenance funds against a 6-month option for services that were not going to be performed until January 2010. The incorrect obligation caused a potential violation of the Antideficiency Act.

Evaluation of DoD Contracts Regarding Combating Trafficking in Persons: U.S. Central Command

(SPO-2011-002, ISSUED JANUARY 18, 2011)

DoD and other federal law enforcement organizations were developing procedures to identify trafficking in persons incidents in criminal investigative databases. In addition, while three quarters of the contracts sampled contained a Combating Trafficking in Persons clause, only little more than half had the required Federal Acquisition Regulation clause. Also, DoD contracting offices lack an effective process for obtaining information

pertaining to trafficking in persons violations within the DoD. Lastly, several organizations demonstrated Combating Trafficking in Persons awareness and quality assurance best practices. The U.S. Central Command should ensure that the appropriate Federal Acquisition Regulation and U.S. Central Command regional combating trafficking in persons clauses are present in all contracts. The Director, Law Enforcement Policy and Support, Office of the Under Secretary of Defense for Personnel and Readiness, should proactively provide trafficking in persons-related indictment and conviction information to contracting organizations.

DoD Needs to Improve the Management and Oversight of Operations at the Defense Reutilization and Marketing Office-Camp Arifjan, Kuwait

(D-2011-033, ISSUED JANUARY 12, 2011)

The report is For Official Use Only.

Logistics Civil Augmentation Program Support Contract Needs to Comply With Acquisition Rules

(D-2011-032, ISSUED JANUARY 7, 2011)

The report is For Official Use Only.

Ballistic Testing and Product Quality Surveillance for the Interceptor Body Armor – Vest Components Need Improvement

(D-2011-030, ISSUED JANUARY 3, 2011)

The Army Program Manager for Soldier Equipment (PM SEQ) did not consistently enforce ballistic testing requirements for the five contracts. On two of the five contracts, PM SEQ lowered the testing requirements after three individual tests did not achieve the minimum velocity requirements. PM SEQ lowered the requirement to reduce the risk from fielding delays. On all five contracts, PM SEQ waived an accelerated aging test because they no longer believed the test was appropriate. On 1 of the 5 contracts, PM SEQ accepted 70 lots before a First Article Test (FAT) was performed because

the materials used were identical to previously approved materials. Of 900 lots on the five contracts, 560 met the lot acceptance test (LAT) requirements. For the remaining 340 lots, PM SEQ did not require LATs because either the materials were previously approved, or PM SEQ did not require the insertion of new ballistic panels. DoD OIG did not conduct any testing of the vest components acquired through the five contracts; therefore, DoD OIG does not know whether the above conditions affected the performance of the vest components. However, if the ballistic testing requirements are not implemented in accordance with contract requirements, the Army cannot assure that the vest components meet the contract requirements, which were developed to provide an appropriate level of protection for the warfighter.

In addition, Defense Contract Management Agency (DCMA) Orlando personnel did not use a proper random sampling methodology that provided a representative sample for five contracts with 560 LATs. This occurred because DCMA personnel incorrectly believed their sampling process provided a representative sample. As a result, the LAT results cannot be relied upon to project whether an entire lot met the contract requirements. Also, 693 lots or 75 percent of the total lots for six contracts lacked quality inspection records. This occurred because the records were either destroyed by Hurricane Wilma or maintained for only 2 years. Without adequate records, DCMA cannot ensure the integrity of the product quality surveillance process.

Ongoing Oversight Activities

Assessment of the DoD Establishment of the Office of Security Cooperation-Iraq (PROJECT NO. D2011-D00SPO-0203.000, INITIATED MARCH 25, 2011)

DoD OIG is assessing the progress made by DoD toward establishing the Office of Security Cooperation-Iraq. Specifically, DoD OIG will assess the execution of the plan to transition authority,

personnel, and equipment for the OSC-I from DoD to the Chief of Mission. In addition, DoD OIG will assess the sufficiency of the OSC-I to carry out its mission to support the development of the Iraqi Security Force capability.

DoD Countermine and Improvised Explosive Device Defeat Systems Contracts – Vehicle Optics Sensor System

(PROJECT NO. D2011-D000AB-0156.000, INITIATED MARCH 11, 2011).

DoD OIG is determining whether the Joint Improvised Explosive Device Defeat Organization and Army procurement efforts for the Vehicle Optics Sensor System, used on RG-31 and Joint Explosive Ordnance Disposal Rapid Response Vehicles in Iraq and Afghanistan, were developed, contracted, and managed in accordance with Federal and Defense acquisition regulations. This audit is one in a series of audits DoD OIG is performing to determine whether DoD procurement efforts for countermine and improvised explosive device defeat systems used in Iraq and Afghanistan were developed, awarded, and managed in accordance with Federal and Defense acquisition regulations.

Contracting for Force Protection for U.S. Installations in Iraq

(PROJECT NO. D2011-D000JB-0098.000, INITIATED DECEMBER 8, 2010)

DoD OIG is determining whether DoD is adequately administering and overseeing private security contracts in Iraq in response to the draw-down of U.S. forces. Specifically, DoD OIG plans to evaluate support requirements in contracts and related security control measures and procedures for access to U.S. military installations in Iraq.

Follow-up of Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia

(PROJECT NO. D2011-D000LF-0041.000, INITIATED NOVEMBER 2, 2010)

DoD OIG is performing this follow-up audit at the request of the former Commander, U.S. Central Command. DoD OIG is determining whether DoD is taking adequate action in billing contractors for health care provided at military treatment facilities in Southwest Asia as identified in Department of Defense Office of Inspector General Report No. D-2009-078, “Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia.”

Contractor Logistics Support Contract for Stryker Vehicles with General Dynamics Land Systems

(PROJECT NO. D2011-D000CH-0032.000, INITIATED OCTOBER 19, 2010)

DoD OIG is reannouncing the Audit of Material Purchases Made Through Partnership Agreements at Anniston Army Depot (D2010-D000CE-0190.000) to focus the audit on the contractor logistics support contract for Stryker vehicles. The revised audit objective is to evaluate the effectiveness of the contractor logistics support sustainment strategy for Stryker vehicles. Specifically, DoD OIG plans to review contract funding procedures, contract type, performance metrics, contractor billings, and controls over government property that is being managed by the contractor.

Controls and Processes Pertaining to the Defense Logistics Agency’s Procurement Automated Contract Evaluation System

(PROJECT NO. D2010-D000LD-0264.000, INITIATED AUGUST 30, 2010)

DoD OIG is determining whether the Defense Logistics Agency (DLA) supply centers awarded contracts through the Procurement Automated Contract Evaluation System (PACE) to suppliers who offered the best value, determine whether

DLA has a process to validate that prices were fair and reasonable, and determine whether the supply centers uniformly applied the controls and rules governing PACE awards.

Army Warfighter Field Operations Customer Support Contract

(PROJECT NO. D2010-D000AS-0266.000, INITIATED AUGUST 9, 2010)

DoD OIG is beginning the first in a series of audits relating to the Warfighter Field Operations Customer Support (FOCUS) contract. For the initial project, DoD OIG is determining whether Army officials are translating mission requirements into appropriate contractual instruments and are conducting appropriate oversight of the Warfighter FOCUS contract in accordance with Federal and DoD policies. Specifically, DoD OIG will determine whether contracting officials adhered to Federal and DoD policies for subcontracting in a contingency environment while administering the Warfighter FOCUS contract.

Special Operations Forces Plans for the Drawdown and Reset of Property in Iraq

(PROJECT NO. D2010-D000JA-0241.000, INITIATED JULY 21, 2010)

DoD OIG is evaluating the Special Operations Forces’ plans for the drawdown and reset of assets in Iraq. This includes ensuring a process exists for the proper transfer, reset, or disposal of assets. Specifically, DoD OIG will determine whether the Special Operations Forces drawdown plan defines clear roles, responsibilities, and lines of reporting; addresses issues including property accountability, visibility, reset, and return; and sets realistic milestones for the initiation and completion of drawdown and reset activities.

Drawdown and Reset of Equipment in Iraq—Supply Support Activity and Central Receiving and Shipping Point Operations in Iraq

(PROJECT NO. D2010-D000JB-0219.000, INITIATED MAY 7, 2010)

DoD OIG is conducting this audit in response to a U.S. Central Command request to focus oversight on asset accountability to ensure that U.S. funded assets are properly accounted for and that there is a process for the proper transfer, reset, or disposal of assets. The overall objective is to determine whether DoD is effectively managing operations at the Supply Support Activities and Central Receiving and Shipping Points in Iraq. Specifically, DoD OIG plans to evaluate the process for the disposition of equipment leaving Iraq and whether that process ensures timely accountability, visibility, and redistribution of the equipment to efficiently and effectively meet DoD needs. DoD OIG plans to also determine whether adequate security procedures are in place to ensure that equipment shipped from Iraq is received at its intended destination.

Realignment of Contractor Support in Response to the Drawdown of U.S. Forces from Iraq

(PROJECT NO. D2010-D000JB-0211.000, INITIATED MAY 6, 2010)

DoD OIG is reviewing the planning and management of actions taken to adjust contractor support in response to the drawdown of U.S. forces from Iraq. Specifically, DoD OIG plans to evaluate the process and methodology used to determine descope actions associated with the LOGCAP contract.

Assessment of DoD Wounded Warrior Matters

(PROJECT NO. D2010-D00SPO-0209.000, INITIATED APRIL 16, 2010)

DoD OIG is performing this assessment in response to a congressional request (Rep. Jones-NC) to conduct, a systematic review of DoD Wounded

Warrior programs. DoD OIG will conduct this review, with a focus on traumatic brain injury (TBI) and Post Traumatic Stress Disorder (PTSD). Additional assessments may be generated as issues arise. Report SPO-2011-004, issued March 17, 2011, addresses wounded warrior matters at Fort Sam Houston.

DoD Countermine and Improvised Explosive Device Defeat Systems Interrogation Arm

(PROJECT NO. D2010-D000AE-0139.000, INITIATED JANUARY 29, 2010)

This audit is the continuation of the audit initiated under D2009-D000AE-0102.000, “DoD Countermine and Improvised Explosive Device Defeat Systems Contracts,” announced on December 9, 2008. The overall audit objective is to determine whether DoD procurement efforts for countermine and improvised explosive device defeat systems used in Iraq and Afghanistan were developed, awarded, and managed in accordance with Federal and Defense acquisition regulations. Specifically, DoD OIG plans to determine whether the Joint Improvised Explosive Device Defeat Organization and Army procurement efforts for the interrogation arm used on Husky and RG-31 vehicles in Iraq and Afghanistan were developed, contracted, and managed in accordance with Federal and Defense acquisition regulations.

Material Purchases Made Through the Partnership Agreement with Sikorsky Aircraft Corporation at Corpus Christi Army Depot

(PROJECT NO. D2010-D000CH-0077.001, INITIATED NOVEMBER 18, 2009)

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

Material Purchases Made Through the Partnership Agreement with the Boeing Company at Corpus Christi Army Depot
(PROJECT NO. D2010-D000CH-0077.000, INITIATED NOVEMBER 17, 2009)

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

Commercial Vendor Services Compliance With Federal Tax Reporting Requirements for Contractors Supporting Operations in Southwest Asia

(PROJECT NO. D2009-D000FH-0292.000, INITIATED SEPTEMBER 23, 2009)

DoD OIG is determining whether the Commercial Vendor Services in Iraq complied with federal tax reporting requirements for payments to contractors in support of operations in Southwest Asia for calendar years 2006 through 2008.

Controls Over the Accountability and Disposition of Government Furnished Property in Iraq

(PROJECT NO. D2009-D000JB-0307.000, INITIATED SEPTEMBER 16, 2009)

DoD OIG is conducting this audit in response to a U.S. Central Command request to focus oversight on asset accountability to ensure that U.S. funded assets are properly accounted for and that there is a process for the proper transfer, reset, or disposal of assets. The objective is to determine whether DoD has adequate controls over Government-furnished property as it prepares to drawdown forces from Iraq. Specifically, DoD OIG is determining whether DoD properly accounted for government-furnished property, whether policies and procedures exist for the proper transfer, reset, or disposal of government-furnished property, and whether those policies and procedures are being executed adequately.

A series of reports is planned. Report D-2010-088 addresses controls over the accountability and disposition of government furnished property in Iraq. The second report will address property accountability within CENTCOM Contracting Command contracts.

Review of Army Response to Sodium Dichromate Exposure at Qarmat Ali Iraq—Part II

(PROJECT NO. D2009-DIPOE3-0306.000, INITIATED SEPTEMBER 11, 2009)

DoD OIG plans to review the U.S. Army's actions regarding the exposure of personnel to sodium dichromate at the Qarmat Ali water injection facility in 2003. The review is being conducted in response to a request from seven members of the United States Senate's Democratic Policy Committee questioning efforts of the U.S. Army and contractors to protect the safety and health of government and contractor personnel at this site. Part I of this project, Report SPO-2010-006, addresses the evaluation of efforts to identify, contact, and provide access to care for personnel.

U.S. Government Efforts to Transition the Security Assistance Mission Supporting the Government of Iraq from Department of Defense Authority to Department of State Authority

(PROJECT NO. D2009-D00SPO-0287.000, INITIATED AUGUST 5, 2009)

DoD OIG plans to determine whether (1) U.S. government goals, objectives, plans, and guidance are issued and operative for the transition of the Iraqi Security Assistance Mission from Department of Defense authority to an office of security cooperation under Department of State authority and (2) ongoing U.S. efforts to provide security assistance to the Government of Iraq are adversely impacted by the drawdown plans of U.S. Forces-Iraq and the implementation of those plans.

Contracts Supporting Base Operations in Kuwait

(PROJECT NO. D2009-D000AS-0266.000, INITIATED JULY 31, 2009)

DoD OIG plans to determine whether DoD properly managed and administered contracts supporting base operations in Kuwait. Specifically, DoD OIG plans to determine whether the contract management and administration complied with federal and DoD policies. A series of reports is planned for this project. DoD OIG issued Report No. D-2010-085 on September 22, 2010, regarding contractors working in key positions without security clearances or common access cards.

FY 2008 Marine Corps Global War on Terror-Related Costs Processed Through the Standard Accounting, Budgeting and Reporting System

(PROJECT NO. D2009-D000FG-0183.000, INITIATED APRIL 7, 2009)

DoD OIG plans to determine whether the Marine Corps accurately reported FY 2008 costs related to the Global War on Terror. DoD OIG is reviewing whether Marine Corps documentation substantiates operation and maintenance obligations processed through the Standard Accounting, Budgeting and Reporting System.

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. A series of reports is planned. DoD OIG issued Report No. D-2010-050, a classified report, on May 21, 2010, regarding the Standard Procurement System Synchronization Utility.

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 mine resistant ambush protected vehicle program and contracting officials are adequately supporting mine resistant ambush protected vehicle maintenance requirements and appropriately awarding and administering maintenance contracts. A series of reports is planned. Report No. D-2011-036, issued February 3, 2011, addresses competition for instructor services for the Mine Resistant Ambush Protected Vehicle Program. DoD OIG issued Report No. D-2010-050, a classified report, on May 21, 2010, regarding the government oversight of field service representative and instructor services in support of the Mine Resistant Ambush Protected Vehicle Program.

DoD Body Armor Contracts

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

DoD OIG is 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. DoD OIG's review of the quality assurance process plans to include reviewing the results of First Article Testing and Lot acceptance Testing for the body armor contracts. Report No. D-2011-030, issued January 3, 2011, addresses improvements needed for the ballistic testing and product quality surveillance for the Interceptor Body Armor-Vest Components. DoD OIG issued Report D-2010-029 on December 21, 2009, discussing the contract award of DoD body armor contracts. DoD OIG plans to issue additional reports related to this project.

Internal Controls and Data Reliability in the Deployable Disbursing System

(PROJECT NO. D2007-D000FL-0252.000, INITIATED AUGUST 31, 2007)

The overall objective is to determine whether the internal controls over transactions processed through the Deployable Disbursing System are adequate to ensure the reliability of the data processed. The audit series plans to include financial information processed by disbursing stations supporting the Global War on Terror and plans to also follow up on “Internal Controls Over Out-of-Country Payments,” (Project No. D2006-D000FL-0208.000). The first report, D-2009-054, addresses U.S. Marine Corps (USMC) processed disbursement transactions that contain classified information into unclassified DoD systems. The second report, D-2010-037, addresses USMC commercial and miscellaneous payments processed through the Deployable Disbursing System. The third report, D-2010-038, addresses the identification of classified information in an unclassified DoD system and an unsecured DoD facility.

Department of State Office of Inspector General

Completed Oversight Reports

The Department of State Office of Inspector General (DoS OIG) completed no oversight reports related to Iraq for the quarter ending March 31, 2011.

Ongoing Oversight Activities

Program Evaluation of the Department of State’s Antiterrorism Assistance Program (ATA) in Iraq

(PROJECT NO. 11MERO3010, INITIATED JANUARY 2011)

The objectives of this evaluation are to (1) determine the degree that ATA training programs have achieved their intended outcomes, (2) assess

whether contracts for ATA training and equipment are effectively managed, and (3) validate controls over foreign government equipment provided in support of the training programs. This review is in the fieldwork stage.

Review of Embassy Baghdad’s Operations and Maintenance Contract with PAE

(PROJECT NO. 11MERO3004, INITIATED DECEMBER 2010)

The objectives are to determine the effectiveness of the administration and oversight of the Department’s contract with PAE for support of operations and maintenance at Embassy Baghdad; the amount of funding the Department has obligated and expended to provide facility operations and maintenance support; the mechanisms in place to control contract costs; the Department’s controls to ensure that costs are reasonable, allocable, and allowable; and PAE’s controls for inventorying, recording, and safeguarding U.S. government-furnished equipment. This review is in the fieldwork stage.

Review of Embassy Baghdad Transition Planning—Phase II (DoD Downsizing)

(PROJECT NO. 10MERO3016, INITIATED JULY 2010)

This project is a follow-on review of the transition planning mechanisms in place within the Department and between the Department and the U.S. military and the government of Iraq; what decisions and actions Department planners have completed concerning key transition issues, including ICASS, security, logistical support, transportation, and the status of regional offices and Provincial Reconstruction Teams; and how the Department is planning to meet the expected costs associated with increased Department roles and responsibilities. This review is in the final report stage.

Government Accountability Office

Completed Oversight Reports

Foreign Operations:

Key Issues for Congressional Oversight

(GAO-11-419T, ISSUED MARCH 3, 2011)

This testimony highlights reports that GAO has issued on foreign operations, including work in Iraq. With regard to Iraq, State and USAID rely extensively on contractors in Iraq to support their direct-hire personnel, implement reconstruction efforts, and address workforce shortfalls such as insufficient numbers of trained agency personnel and the frequent rotations of staff posted to these countries. Robust management and oversight of contractor operations are essential in this challenging environment. However, GAO has found oversight to be inadequate at times, thus raising questions about the agencies' ability to ensure accountability for multibillion-dollar investments. GAO's reviews of international affairs programs have repeatedly found weaknesses in agencies' strategic planning and performance measurement efforts. For example, GAO reported that State significantly expanded its Bureau of Diplomatic Security without the benefit of strategic planning to ensure that the bureau's missions and activities address the department's priority needs. Such a review is vital given that the bureau will assume full responsibility for securing all diplomatic personnel and facilities in Iraq starting in October 2011 as the U.S. military completes its drawdown.

Warfighter Support: DoD Should Have a More Comprehensive Approach for Addressing Urgent Warfighter Needs

(GAO-11-417T, ISSUED MARCH 1, 2011)

This testimony before Congress highlights the findings of GAO-11-273.

Warfighter Support: DoD's Urgent Needs Processes Need a More Comprehensive Approach and Evaluation for Potential Consolidation

(GAO-11-273, ISSUED MARCH 1, 2011)

Over the past two decades, the fulfillment of urgent needs has evolved as a set of complex processes within the Joint Staff, the Office of the Secretary of Defense, each of the military services, and the combatant commands to rapidly develop, equip, and field solutions and critical capabilities to the warfighter. GAO identified at least 31 entities that manage urgent needs and expedite the development of solutions to address them. Moreover, GAO found that some overlap exists. DoD has taken steps to improve its fulfillment of urgent needs, but the department does not have a comprehensive approach to manage and oversee the breadth of its activities to address capability gaps identified by warfighters in-theater. DoD also has not comprehensively evaluated opportunities for consolidation across the department. GAO's Business Process Reengineering Assessment Guide establishes that such a comprehensive analysis of alternative processes should be performed, to include a performance-based, risk-adjusted analysis of benefits and costs for each alternative. In an effort to examine various ways the department might improve its fulfillment of urgent needs, GAO identified and analyzed several potential consolidation options, ranging from consolidation of all DoD urgent needs entities to more limited consolidation of key functions. GAO recommends that DoD develop comprehensive guidance that, among other things, defines roles, responsibilities, and authorities across the department and designates a focal point to lead urgent needs efforts. GAO also recommends that DoD evaluate potential options for consolidation. DoD concurred with the recommendations.

Military Personnel: DoD Addressing Challenges in Iraq and Afghanistan but Opportunities Exist to Enhance the Planning Process for Army Medical Personnel Requirements

(GAO-11-163, ISSUED FEBRUARY 10, 2011)

Given congressional interest about deployed civilians, DoD reported to Congress in April 2010 that with each new mission, the need for new civilian skills has resulted in an increase in deployed civilians and that these civilians are not immune to the dangers associated with contingency operations. It is unclear the extent they can expect routine medical care in theater given that a DoD directive and theater guidance differ with regard to their eligibility for routine care. By clarifying these documents, DoD could reduce uncertainty about the level of routine care deployed DoD civilians can expect in theater and provide more informed insights into the military medical personnel requirements planning process. Army theater commanders have been reconfiguring or splitting medical units to cover more geographical areas in theater to better provide advanced emergency life-saving care quicker, but Army doctrine and the organizational design of these units, including needed staff, have not been fully updated to reflect these changes. By updating Army doctrine and organizational documents for the design of medical units that could be used in other theaters, the Army could benefit from incorporating its lessons learned, where appropriate, and be better assured the current practice of splitting medical units to quickly provide advanced life-saving emergency medical care to those severely injured or wounded does not lead to unnecessary staffing challenges. GAO recommends that (1) DoD clarify the level of routine medical care that deployed DoD civilian employees can expect in theater and (2) the Army update its doctrine and the organizational design of split medical units. In response to a draft of this report, DoD generally concurred with the recommendations.

Ongoing Oversight Activities

State Contracting for Conflict Countries
(PROJECT NO. 120976, DATE INITIATED NOT REPORTED)

GAO will conduct a comprehensive assessment of State's acquisition functions for planning, awarding, administering, and overseeing contracts with performance in conflict environments. GAO's objectives are to assess:

- the organizational alignment of State's acquisition functions with its missions and needs
- state's acquisition workforce, both in terms of number of personnel and their expertise
- state's use and management of contracts awarded and/or administered on its behalf by other federal departments or agencies
- the statutory and regulatory authorities available for use in conflict environments
- the efforts planned or underway to enhance the capacity of State's acquisition workforce and reform its acquisition practices and processes

Marine Corps Equipping Strategies to Reset Equipment Returning from Iraq and Afghanistan

(PROJECT NO. 351552, INITIATED OCTOBER 21, 2010)

GAO will review the extent to which:

- The Marine Corps has a strategy in place to manage the reset of ground and aviation equipment returning from Iraq and Afghanistan.
- The Marine Corps strategy for resetting equipment is aligned with the Marine Corps plan for force modernization.
- The Marine Corps is able to determine the total reset costs for equipment used in operations in Iraq and Afghanistan.
- The Marine Corps budget request from FY 2009–2012 for equipment reset is consistent with budget guidance.

Army's Strategies to Reset Non-Standard Equipment Returning from Iraq

(PROJECT NO. 351559,
INITIATED OCTOBER 8, 2010)

GAO's key questions are:

- To what extent does the Army have processes and procedures for disposal, reuse, or reset of non-standard equipment returning from the theater?
- To what extent are the depots to which this equipment is returned receiving timely and accurate information on the amount and condition of equipment returning from the theater in order to plan and prepare for the expected workload?

Review of Joint Report on Contracting in Iraq and Afghanistan

(PROJECT NO. 120874,
INITIATED AUGUST 6, 2010)

GAO plans to:

- Assess the data and data sources used by DoD, State, and USAID to produce a joint report regarding contracts with performance in Iraq or Afghanistan, associated, personnel, and related matters.
- Review how DoD, State, and USAID are using the data and data sources used to develop the joint report in managing, overseeing, and coordinating contracting in the two countries.
- Assess the plans of the departments and agency have for strengthening or improving their common databases for tracking statutorily required information on contracts and associated personnel.

DoD Task Force on Business

(PROJECT NO. 351525,
INITIATED AUGUST 2, 2010)

The Task Force for Business and Stability Operations (TFBSO) mission is to reduce violence, enhance stability, and restore economic normalcy in areas where unrest and insurgency have created an

environment of economic hardship and violence.

This review focuses on four key questions:

- To what extent has the mission of the Task Force changed since 2006, and has DoD developed plans to institutionalize the Task Force's mission and expand its scope to other countries?
- To what extent has DoD evaluated the Task Force's activities, including establishing goals and metrics to measure outcomes?
- To what extent does the Task Force coordinate its activities with other programs?
- To what extent are the task force's activities similar or dissimilar to other programs, and do opportunities exist to achieve greater efficiencies among programs?

Army Advise and Assist Brigades

(PROJECT NO. 351514, INITIATED JUNE 14, 2010)

The Army is augmenting certain brigade combat teams with additional leaders to advise and assist Iraqi and Afghan security forces. Previously, the Army had created teams of individual leaders, operating separately from brigade combat teams, for this mission. GAO's key questions are:

- To what extent has the Army defined the roles and missions of augmented brigade combat teams?
- To what extent has the Army defined the training and resourcing requirements for augmented brigade combat teams, and to what extent have the Army and DoD assessed their use for security force assistance?
- To what extent has the Army been able to fill the requirements for augmented brigade combat teams, and what impacts, if any, is this having on reported Army readiness?

DoD Iraq Drawdown Planning

(PROJECT NO. 351476, INITIATED APRIL 2010)

This review focuses on four key questions:

- To what extent have DoD's retrograde processes and IT systems ensured the accountability, visibility, and timely disposition of equipment?

- To what extent has DoD planned for and begun to execute the tasks necessary to draw down the remaining U.S. military personnel and equipment from Iraq between September 1, 2010, and December 31, 2011?
- To what extent has DoD met its goal of increasing the proportion of local national contractors performing work in Iraq and ensured adequate oversight?
- What other factors may impact DoD's ability to effectively and efficiently complete the withdrawal of forces and equipment, and what contingency plans does the department have in place?

Army's Equipping Strategies to Reset Equipment Returning from Iraq

(PROJECT NO. 351431,
INITIATED JANUARY 7, 2010)

GAO's key questions are:

- To what extent does the Army prioritize equipment for reset?
- To what extent are the annual depot reset requirements consistent with budget requests?

U.S. Strategy and Joint Campaign Plan for Iraq

(PROJECT NO. 320734,
INITIATED NOVEMBER 2009)

GAO's key questions are:

- To what extent does the 2010 Joint Campaign Plan for Iraq include key planning elements called for by military doctrine for campaign planning as defined by Joint Publication 5-0?
- What are the current conditions and projected needs for the security situation in Iraq and the capability of the Iraqi Security Forces?
- To what extent have the Departments of Defense and State developed plans to address risks to the campaign?

Close-out of Iraq Contracts

(PROJECT NO. 120931, INITIATED JULY 2009)

Since 2003, DoD awarded more than 80,000 contracts worth tens of billions of dollars to support post-conflict reconstruction and stability efforts.

GAO's key questions are:

- What is the number and value of contracts to be closed-out in Iraq, and to what extent does DoD have the resources to close-out these contracts in a timely manner?
- To what extent has the Department established procedures to ensure that the contractors' costs are allowable, allocable, and reasonable?
- To what extent has DoD established a process to identify and disseminate lessons learned during the contract close-out process to help improve further acquisition efforts?

U.S. Army Audit Agency

As of March 31, 2011, USAAA had 29 auditors deployed to Southwest Asia: 20 in Afghanistan, 7 in Iraq, and 2 in Kuwait.

Completed Oversight Reports

Controls Over Vendor Payments Phase II - Afghanistan

(A-2011-0067-ALL, ISSUED FEBRUARY 22, 2011)

USAAA performed the audit at the request of the Assistant Secretary of the Army (Financial Management and Comptroller). Finance offices within Afghanistan took numerous actions to address the Army's material weakness relating to the lack of proper audit trail for commercial payments in a contingency environment. However, in spite of actions taken, USAAA found 81% of the vendor payments reviewed had at least one missing or inaccurate element. Further additional improvements were needed to address the integrity of the automated audit trail and the handling of limited depository accounts because: (1) units did not receive mission specific training before deployment

or additional on-site requested training; (2) working relationships and initiatives between activities in the fiscal triad were not fully synchronized; and (3) command sometimes did not enforce regulatory guidance or did not fully incorporate processes in the internal controls program to monitor operations. Command agreed with the recommendations in the report and initiated corrective actions.

Follow-up Audit of M88A1 Recovery Vehicle FY 09 Reset Maintenance Requirements

(A-2011-0058-ALM, ISSUED FEBRUARY 16, 2011)

USAAA performed this follow-up audit on corrective actions Project Manager, Heavy Brigade Combat Team; PM HBCT took to implement the recommendation in Audit Report A-2009-0077-ALM (“M88A1 Recovery Vehicle FY09 Reset Maintenance Requirements,” dated March 23, 2009). The objective was to determine whether command’s actions corrected the identified problems and achieved the desired results. The follow-up audit showed that PM HBCT’s cancellation of the FY 2009 sustainment-level reset at Aniston Army Depot (ANAD) reduced the FY 2009 overstated requirements by about \$26.2 million. Also, the project office reduced the field-level reset requirements for vehicles repaired at Fort Benning, Georgia, by about \$21.5 million. As a result, the total amount made available to meet other higher priority reset needs was about \$47.7 million. However, 115 of the 287 (40%) on-hand serviceable assets DoD OIG identified during the original audit were never fielded. Consequently, the 115 vehicles deteriorated in storage and required additional repair before fielding even though 99 of the 115 had been reset or recapped during FYs 2007–2008. This occurred because the vehicles remained in storage too long and were not maintained with a care of supplies in storage contract. As a result, the Army funded about \$20 million in FY 2010 Operations and Maintenance supplemental funds to perform additional inspection and repair on vehicles previously reset or recapped. The follow-up report

contained no recommendations, and the Office of the Deputy Chief of Staff, G-4 agreed with the conclusions and the reasonableness of the \$47.7 million in realized cost savings.

Redistribution Property Assistance Teams, United States Forces-Iraq

(A-2011-0063-ALL, ISSUED FEBRUARY 14, 2011)

USAAA performed the audit at the request of the Director, US Forces -Iraq, Director, J-4. The audit addressed property accountability at Redistribution Property Assistance Team (RPAT) yards within Iraq. There were eight RPAT yards to facilitate turn-in of equipment for redistribution or retrograde. The audit showed RPAT yards had controls in place to ensure units had proper clearance and documentation for excess equipment presented for turn-in, and property systems were in place to account for and provide units immediate turn-in credit before leaving the yards. However, some accountability controls were not operating effectively. USAAA found equipment sometimes was not recorded properly and in a timely manner in property systems, and physical inventories of equipment on hand in the yard sometimes was not accurately accounted for and reconciled to the property systems. Control weaknesses existed because operators in the RPAT yards sometimes did not have procedural knowledge and consistency, execution discipline, and oversight. As a result, equipment sometimes was not properly accounted for, and the Army’s ability to maintain good asset stewardship in the RPAT yards was impaired. The Office of the Deputy Chief of Staff, G-4 agreed with the recommendations and command’s proposed corrective actions.

Forward Operating Base Closures-Property Transfers to Government of Iraq

(A-2011-0056-ALL, ISSUED FEBRUARY 1, 2011)

This report is classified.

Contracts for Maintenance Support TACOM Life Cycle Management Command

(A-2011-0054-ALM, ISSUED FEBRUARY 1, 2011)

USAAA performed this audit to support the FY 2009 National Defense Authorization Act (Comprehensive Audit of Spare Parts Purchases and Depot Overhaul and Maintenance of Equipment for Operations in Iraq and Afghanistan, Public Law No. 110-417, Section 852). The audit focused on TACOM Life Cycle Management Command's maintenance support contracts for reset to determine if the Army received services and deliverables the contracts required and if contract costs were supported. Contractors repaired equipment to appropriate standards, but several contractors did not deliver equipment in the time the contract specified. Contracts specified equipment be repaired to serviceable condition and specified a delivery date or turn-around time. In most cases, quality assurance representatives from Defense Contract Management Agency inspected the work and certified that it conformed to maintenance standards, but they did not monitor turnaround time or delivery schedules. For the contracts reviewed, contractors billed the government accurately and provided supporting documentation for their costs. However, contractors used about 20% fewer hours, valued at about \$1.9 million, to repair equipment than they estimated in the fixed-price negotiations. Contracting officers did not reevaluate contractors' labor requirements because they did not have independent government cost estimates or access to work order information from Army systems. Without this analysis, contracting officers could miss opportunities to reduce labor requirements, and the Army risks paying more for repairs than necessary. Additionally, contracts did not require contractors to report maintenance information to the Logistics Support Activity. Consequently, maintenance managers at DA did not have access to work order information to manage maintenance programs and resources.

Ongoing Oversight Activities

Property Accountability in CONUS

(PROJECT NO. A-2011-ALL-0346.000, INITIATED 2Q/FY 2011)

This audit is being performed in CONUS. It will determine whether the Army has sufficient policies, processes, and procedures to account for unit property including sensitive items and equipment shipments from CONUS to Afghanistan.

Commander's Emergency Response Program-Afghanistan

(PROJECT NO. A-2011-ALL-0342.000, INITIATED 2Q/FY 2011)

This audit is being performed in Afghanistan. It will determine whether the established project review and approval processes for the Commander's Emergency Relief Program in Afghanistan promotes selection of projects in compliance with its stated goals of providing immediate benefit to the Afghan people.

Property Accountability in Afghanistan

(PROJECT NO. A-2011-ALL-0344.000, INITIATED 2Q/FY 2011)

This audit is being performed in Afghanistan. It will determine whether command has sufficient policies, processes, and procedures to: (1) account for sensitive item shipments from Afghanistan to CONUS, (2) ensure visibility and transfer of property during Relieve in Place and Transfer of Authority (RIP/TOA), and (3) ensure units used Financial Liability Investigation of Property Loss (FLIPL) appropriately.

Foreign Excess Personal Property (FEPP) Program-Phase II

(PROJECT NO. A-2011-ALL-0092.000, INITIATED 2Q/FY 2011)

This audit is being performed in Iraq. It will determine if U.S. Forces-Iraq has sufficient processes in place to execute the Foreign Excess Personal Property (FEPP) Program IAW the established

transfer authority, including properly documenting equipment transfers to the government of Iraq.

Micro-Purchases of Field Ordering Officers –Afghanistan

(PROJECT NO. A-2011-ALL-0135.000, INITIATED 1Q/FY 2011)

This audit is being performed in Afghanistan. It will determine whether procedures for micro purchases by field ordering officers had sufficient controls in place to justify requirements and accountability of purchases.

The U.S. Equipment Transfer to Iraq (USETTI) Program—Phase II

(PROJECT NO. A-2011-ALL-0107.000, INITIATED 1Q/FY 2011)

This audit is being performed in Iraq. It will determine whether the proper organizational structures, policies, and processes are in place to ensure commands can sufficiently execute the U.S. Equipment Transfer to Iraq in accordance with established transfer authorities.

Bulk Fuel Operations in Afghanistan

(PROJECT NO. A-2011-ALL-0098.000, INITIATED 1Q/FY 2011)

This audit is being performed in Afghanistan. It will determine if Class III bulk fuel depot and terminal sites in Afghanistan have sufficient internal controls over storage and distribution operations to ensure the accurate accountability of bulk fuel products and prevent the unauthorized diversion of fuel.

Management Controls Over Payments for Overseas Contingency Operations Transportation—ARCENT

(PROJECT NO. A-2011-ALL-0087.001, INITIATED 1Q/FY 2011)

This audit is being performed in Kuwait. It will determine if the Army has sufficient management controls to ensure ARCENT Overseas Contingency

Operations funds are appropriately used for transportation requirements.

Management Controls over Department of Defense Activity Address Codes (DODAAC), U.S. Army Central Command

(PROJECT NO. A-2011-ALL-0087.000, INITIATED 1Q/FY 2011)

This audit is being performed in Kuwait. It will determine if U.S. Army Central Command has sufficient management controls over the assignment and use of DODAAC to ensure appropriate use of Overseas Contingency Operations funds for supplies and equipment, and storage and transportation.

Bulk Fuel Operations in Iraq

(PROJECT NO. A-2010-ALL-0541.000, INITIATED 4Q/FY 2010)

This audit is being performed in Iraq. It will determine if there are sufficient processes and procedures for efficient throughput of bulk fuels from theater delivery to retail point of issue in Iraq.

Agreed-Upon Procedures Attestation for USFOR-A LOGCAP Course of Action-Afghanistan

(PROJECT NO. A-2010-ALL-0480.000, INITIATED 3Q/FY 2010)

This review is being performed in Afghanistan. It will determine if the corrective actions presented in the USFOR-A LOGCAP course of action decision brief were implemented and would provide assurance requirements were processed through the appropriate review board.

Followup Audit of Retrograde Operations in Southwest Asia—Multi Class Supplies

(PROJECT NO. A-2010-ALL-0260.000, INITIATED 3Q/FY 2010)

This audit is being performed in Iraq. It will determine if (1) the Army implemented the recommendations from Audit Report A-2009-0080-ALL, and if so, did the corrective actions fix the problems and

(2) the Army has sufficient policies, procedures, and capabilities to effectively retrograde multi-class supplies and materiel from Iraq in support of responsible drawdown operations.

Follow-up Audit of Automatic Reset Induction

(PROJECT NO. A-2010-ALM-0394.000, INITIATED 3Q/FY 2010)

This audit is being performed in the continental United States (CONUS). It will evaluate whether the Army fully implemented recommendations addressed in the two quick reaction reports (A-2009-0071-ALM and A-2009-0077-ALM) and whether those recommendations corrected the reported problems.

Followup Audit of Retrograde Operations—Class VII Equipment in Iraq

(PROJECT NO. A-2010-ALL-0258.000, INITIATED 3Q/FY 2010)

This audit is being performed in Iraq. It will (1) determine if the Army implemented the recommendations from the prior audit and if corrective actions were effective and (2) evaluate the Army's capabilities and capacities to effectively reset equipment and materiel from Iraq as part of the responsible drawdown.

Human Capital Issues—Current Plans (Reachback Capabilities)

(PROJECT NO. A-2010-ALC-0125.003, INITIATED 3Q/FY 2010)

This audit is being performed in the continental United States (CONUS). It will determine if the Army maximized the use of reachback capabilities to mitigate contracting personnel shortages.

LOGCAP IV Contract Requirements Determination—Afghanistan

(PROJECT NO. A-2010-ALL-0421.000, INITIATED 2Q/FY 2010)

This audit is being performed in Afghanistan. It will determine if the requirements determination

and validation processes for the LOGCAP IV contract are in place and operating as intended.

Improvised Explosive Device Defeat (IED-D) Home Station Training

(PROJECT NO. A-2010-FFF-0372.000, INITIATED 2Q/FY 2010)

This audit is being performed in the continental United States (CONUS). It will determine whether (1) home station training is effectively providing Soldiers proficiency in IED-D tasks in a counter insurgency environment and (2) home station training facilities including training aids, devices and simulators are adequate to conduct effective IED-D individual and unit training.

U.S. Equipment Transferred to Iraq

(PROJECT NO. A-2010-ALL-0312.000 INITIATED 2Q/FY 2010)

This audit is being performed in Iraq. It will evaluate whether the Theater's process for transferring specific property to the government of Iraq, as part of responsible drawdown, conforms to DoD policies and Title X authority.

Disposal of Army Equipment and Materials Into Dump Sites in Iraq

(PROJECT NO. A-2010-ALL-0311.001, INITIATED 2Q/FY 2010)

This audit is being performed in Iraq. It will determine if: (1) Army units are complying with guidance on the disposal of Army equipment and materials into dump sites in Iraq and (2) Army units' use of dump sites is enhancing the drawdown mission in Iraq.

Controls over Shipping Container Accountability and Visibility—Iraq

(PROJECT NO. A-2009-ALL-0593.000, INITIATED 4Q/FY 2009)

This audit is being performed in Iraq. It will determine if: (1) command had sufficient controls over the accountability and visibility of shipping containers to support responsible drawdown

operations in Iraq, (2) command had sufficient procedures to determine the condition of government owned/leased shipping containers to support responsible drawdown operations in Iraq, and if (3) command had sufficient procedures to ensure contents of shipping containers were properly identified and packed to mitigate damage during transit to support responsible drawdown operations in Iraq.

Contract for Recycling and Disposing of Waste Material at Camp Steeler, Iraq
(PROJECT NO. A-2009-ALL-0571.000
INITIATED 4Q/FY 2009)

This audit is being performed in Iraq. It will determine if the contractor performed according to the terms, specifications, and conditions of the contract. The sub-objectives are to evaluate the sufficiency of controls over (1) payments to the contractor, (2) delivery of material for recycling and costs associated with recycling, and (3) delivery and use of fuel.

Controls over Vendor Payments—Southwest Asia (Phase II)

(PROJECT NO. A-2009-ALL-0118.000,
INITIATED 2Q/FY 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.

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

(PROJECT NO. A-2009-ALC-0093.000,
INITIATED 1Q/FY 2009)

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 III contract to ensure proper payment of its

legitimate liabilities and deobligations of unused funds.

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

Completed Oversight Reports

This quarter, the USAID Office of Inspector General (USAID OIG) issued no performance audits related to Iraq reconstruction. USAID OIG issued one financial audit report this quarter: the final close-out audit of the Community Stabilization Program managed by International Relief and Development, Inc. (IRD), under a USAID cooperative agreement for the period October 1, 2008, to October 31, 2009. The audit included 3 recommendations, questioning \$18,272,908 out of \$133 million covered by the audit. As of March 31, 2011, thirteen DCAA financial audits are underway.

Ongoing Oversight Activities

Audit of USAID/Iraq's Elections Support Program

(INITIATED 2Q/FY 2011)

The objective is to evaluate if USAID/Iraq's Elections Support Program is achieving its main goal of providing technical training and capacity building to the Independent High Electoral Commission for Iraq (IHEC) to conduct elections in Iraq.

Information Survey of USAID/Iraq's Active Awards and Subawards During Fiscal Year 2010

(INITIATED 4Q/FY 2010)

The objectives are (1) to compile and report data on USAID/Iraq awards during fiscal year 2010, (2) to compile and report data on USAID/Iraq-funded subawards during fiscal year 2010, and (3) to determine whether recipients of USAID awards

have complied with applicable audit requirements for their subawardees.

Audit of USAID/Iraq's Microfinance Activities Under its Provincial Economic Growth Program

(INITIATED 3Q/FY 2010)

The objective is to evaluate if USAID/Iraq's microfinance activities are achieving their main goal of increasing access to inclusive and sustainable financial services in Iraq.

Audit of USAID/Iraq's Community Action Program III Activities

(INITIATED 2Q/FY 2010)

The objective is to evaluate if USAID/Iraq's Community Action Program III has achieved its goal of communities better articulating their needs and mobilizing resources to solve common problems.

Audit of USAID/Iraq's Agribusiness Program

(INITIATED 1Q/FY 2010)

The objective is to evaluate if USAID/Iraq's agribusiness program is achieving its main goal of expanding the competitiveness of the private sector in the production of agriculture and agribusiness sector.

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 September 30, 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 September 30, 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.

