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## DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 5. All information provided is current, as of June 30, 2009.

### 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 its coverage of OCO operations and its presence in Southwest Asia. As the Department continues its OCO, such as Operations Iraqi Freedom and Enduring Freedom, OIG will stay focused on issues important to accomplish the mission and ensure the Department makes efficient use of its resources to support the warfighter. DoD OIG has assigned almost 500 personnel during the third quarter of FY 2009 to its OCO-related projects and investigations.

In May 2009, DoD OIG, on behalf of the member DoD and federal oversight agencies, issued an update to the statutorily required Comprehensive Oversight Plan for Southwest Asia, including the additional FY 2009 statutorily required oversight. The Comprehensive Oversight Plan for Southwest Asia includes the individual oversight plans of the Inspectors General for DoD, Department of State, and the U.S. Agency for International Development; the Special Inspector General for Iraq

Reconstruction; and the Special Inspector General for Afghanistan Reconstruction. It also includes the oversight 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 statutorily required mandates to include other functional areas that DoD OIG believes are germane to supporting Operations Enduring Freedom and Iraqi Freedom, as well as the Overseas Contingency Operations, such as contract administration and management, reset of equipment, financial management, and reconstruction support effort. In addition, the update issued in May 2009 includes 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 led Southwest Asia Joint Planning Group coordinates and deconflicts federal and DoD OCO related oversight activities. The Group held its ninth meeting in May 2009.

During the third quarter of FY 2009, DoD OIG expanded its Southwest Asia presence, deploying additional auditors and investigators to Iraq and Afghanistan. The additional staff support the increased oversight workload required by statutory requirements, congressional requests, senior DoD and military officials’ requests, and as DoD OIG determines based on high-risks and challenges in the operations. DoD OIG’s field offices in Qatar, Iraq, Kuwait, and Afghanistan enhance the ability to provide audit,

TABLE I-1  
DCIS INVESTIGATIONS

INVESTIGATIVE STATUS	PROCUREMENT FRAUD	PUBLIC CORRUPTION	THEFT/TECH PROTECT/OTHER	TOTAL
Open	10	15	4	29
Closed	1	2	0	3
<b>Totals</b>	<b>11</b>	<b>17</b>	<b>4</b>	<b>32</b>

inspection, and investigative support to DoD operations in support to OCO.

On April 29, 2009, the DoD OIG testified before the Senate Homeland Security and Governmental Affairs Committee Subcommittee on Contracting Oversight on “Improving the Ability of Inspectors General to Detect, Prevent, and Prosecute Contract Fraud.”

### Defense Criminal Investigative Service

DCIS continues to conduct criminal investigations in support of DoD GWOT efforts through investigative resources in Southwest Asia; Wiesbaden, Germany; and continental United States task force investigations focusing on public corruption and fraud in the Southwest Asia theater. In conjunction with DoD OIG’s renewed emphasis upon oversight of spending related to Iraqi development, DCIS has continued to deploy special agents on a rotational basis to Iraq, Kuwait, and Afghanistan to conduct criminal investigations in support of DoD operations. Six-month rotational details to Iraq and Kuwait commenced in September 2006. Additionally, six-month rotations to Afghanistan commenced in 2008. Since March 2009, DCIS has deployed seven special agents and one administrative personnel to Iraq, two special agents to Kuwait, and three special agents to Afghanistan. For the status of DCIS investigations, see Table I-1.

### Open Cases

DCIS currently has 29 open investigations being worked jointly with SIGIR. This includes two projects. No case was closed during this period.

### Completed Audits/Reviews

#### *Logistics Support Contracting for the United States Special Operations Command (D-2009-083, ISSUED MAY 28, 2009)*

The Special Operations Forces Support Activity (SOFSA) contracting officers did not develop and implement a Quality Assurance Surveillance Plan (QASP) or designate properly trained Contracting Officer’s Representatives (CORs) for 44 service task orders valued at more than \$514 million. This is approximately 30% of the overall \$1.74 billion obligated as of July 2008 for the two contracts. The SOFSA Contracting Office did designate a CCOR for the overall contracts; however, it is not feasible for one individual to effectively oversee 2,148 task orders requiring surveillance in 20 locations. SOFSA allowed contractor employees to perform inherently governmental functions for task orders valued at approximately \$82 million. The United States Army Special Operations Command, Technology Applications Program Office incorrectly funded at least one task order with \$63.6 million in procurement funds rather than research, development, test, and evaluation funds. SOFSA internal controls were not adequate. DoD OIG

identified material internal control weaknesses in the SOFSA contracts it reviewed.

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

*(D-2009-079, ISSUED MAY 7, 2009)*

Norfolk area disbursing center personnel did not maintain supporting documentation for combat zone (CZ) entitlements, according to record retention requirements. They also did not always obtain adequate supporting documentation to substantiate CZ entitlements. DoD OIG reviewed the adequacy of the support for the CZ entitlements received by 338 Navy military members. The disbursing centers provided complete support for the entitlements of 73 members. However, they provided only partial support for the entitlements of 107 members and no support for the entitlements of 158 members. Therefore, the Navy could not substantiate whether at least 158 of 338 Navy military members received proper CZ entitlements during deployments supporting the Global War on Terror. This could cause financial hardship on Navy warfighters and their families. In addition, the lack of proper supporting documentation adversely affects the Navy's ability to detect fraud or improper payments. The Commander, Navy Installations Command, did not issue guidance, provide training, or conduct quality assurance reviews to ensure that Norfolk area disbursing center personnel maintained supporting documentation, according to retention requirements. Thus, they cannot prevent or detect fraud or improper payments.

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

*(D-2009-078, ISSUED MAY 4, 2009)*

Contract terms for health care provided by military treatment facilities to contractors in Southwest Asia were not adequately addressed. Based on a statistical sample of 2,561 DoD contracts, DoD OIG projected that 1,383, or 54%, of the contracts had health care terms that were vague and subject to interpretation, or were silent on health care terms. Military treatment facilities were not billing and collecting payment from contractors for health care provided. DoD internal controls were inadequate. DoD OIG identified a material internal control weakness in billing and collecting payments from contractors that receive health care from military treatment facilities in Southwest Asia. Military treatment facilities in Southwest Asia may have provided health care billable in the millions without seeking reimbursement. DoD OIG did not project a potential monetary benefit. During the audit, DoD officials from various organizations established a working group to discuss how to implement a billing and collection process in contingency operations.

***Defense Contract Management Agency (DCMA) Actions on Audits of Cost Accounting Standards and Internal Control Systems at DoD Contractors Involved in Iraq Reconstruction Activities***

*(D-2009-6-004, ISSUED APRIL 8, 2009)*

The objective of this review was 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." The DCMA Houston contracting officers did not adequately justify

their actions on two DCAA audit reports of potential cost accounting standard noncompliances and one audit report of accounting system deficiencies. In addition, a DCMA Philadelphia contracting officer did not adequately coordinate with DCAA in responding to DCAA-reported estimating system deficiencies. DCMA Philadelphia and Houston did not timely process DCAA-reported noncompliances in accordance with FAR 30.605 and did not accurately report contract audit follow-up data. DCMA concurred with 13 recommendations and partially concurred with 1 recommendation. DoD OIG requested that DCMA reconsider its comments concerning our recommendation that DCMA contracting officers add DCAA Field Detachment audits into the contract audit follow-up system.

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

*(D-2009-073, ISSUED APRIL 8, 2009)*

Of the 130 sample points, DoD OIG could not determine whether 59 sample dollar points, associated with \$6.23 billion in appropriated funds, were obligated for the purposes authorized by Congress or used in support of the Global War on Terror. DoD OIG concluded that the Office of the Under Secretary of Defense (Comptroller) and four DoD Components (the Army, the Navy, the Marine Corps, and the Washington Headquarters Service) did not consistently maintain adequate audit trails or separate Global War on Terror supplemental and bridge funding from annual and other supplemental appropriations in their accounting systems.

***Controls Over Air Force Materiel Command Unliquidated Obligations on Department of the Air Force Contracts Supporting the Global War on Terror***

*(D-2009-067, ISSUED APRIL 3, 2009)*

DFAS Columbus and six Air Force bases erroneously reported that they reviewed and validated 100 % of Air Force Materiel Command Unliquidated Obligations (ULOs). This increased the risk of Air Force losing funds not de-obligated timely. DFAS Columbus could not provide evidence that it accomplished tri-annual reviews for 31 ULOs. As a result, the Air Force has no assurance that DFAS Columbus reviewed and validated ULOs valued at \$169.7 million and that the Air Force still needs the obligated funds. DFAS and Air Force internal controls were not effective. DFAS and the Air Force did not provide adequate oversight of the tri-annual review process. DFAS Columbus did not maintain supporting documentation of its reviews.

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

*(D-2009-066, ISSUED APRIL 1, 2009)*

The Marine Corps recovery and reset efforts for the items of equipment reviewed were generally effective. For the recovery program, the Marine Corps received the supplemental funds it requested in FY 2007 and effectively overhauled the items of equipment DoD OIG reviewed. For the reset program, the Marine Corps also received the supplemental funds it requested from Congress for FY 2007. Further, the equipment requirement computations were supported in the Total Force Structure Management System database. In addition, most of the \$6.9 billion in supplemental procurement fund requirements for FY 2007 were supported by documentation that included justifications and priorities.

However, \$383.3 million in requirements, or approximately 5.6 % of the supplemental funds requested, did not meet DoD or Marine Corps guidance for inclusion in its supplemental funds request. Specifically, the Marine Corps requested: \$266.6 million in requirements that the Marine Corps categorized as low priority and desirable but not essential; \$61.8 million in estimated, not actual, combat losses; \$29.9 million in requirements that were based on inaccurate unit prices; and \$25 million in requirements that exceeded approved requirements. In addition, about \$1.9 billion in requirements were not prioritized, and \$138 million were not traceable to supporting documents. DoD OIG identified an internal control weakness in that the Marine Corps officials did not follow the established guidance or provide sufficient oversight to ensure compliance with the guidance. As a result, the Marine Corps requirements for \$383.3 million in supplemental funds may have been put to better use, and \$138 million were unsupported.

***Audit of the Management of Signals Intelligence Counterterrorism Enterprise Analysts***

*(09-INTEL-05, ISSUED MARCH 24, 2009)*

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

## Ongoing Audits

***Transportation for DoD Personnel and Cargo Relocation from Iraq Drawdown***

*(PROJECT NO. D2009-D000LC-0240.001, INITIATED JUNE 18, 2009)*

DoD OIG plans to conduct a series of audits which will address the transportation of troops, support personnel, and equipment during the relocation efforts. DoD OIG will evaluate the planning process used by the U.S. Transportation Command in determining how to meet the combat troop withdraw goals by August 31, 2010. Specifically, DoD OIG will evaluate the timeline of transportation needs, the identification of transportation methods, and the timeline for relocating combat troops and their support equipment.

***Air Cargo Transportation Contracts in Support of Operation Iraqi Freedom and Operation Enduring Freedom***

*(PROJECT NO. D2009-D000LC-0237.000, INITIATED JUNE 11, 2009)*

DoD OIG will determine whether air cargo transportation contracts in support of Operation Iraqi Freedom and Operation Enduring Freedom are administered in accordance with applicable Federal and DoD regulations. Specifically, DoD OIG will determine whether the decision to use air transportation was justified, whether delivery orders were awarded in accordance with vendor selection criteria, and whether the cargo transported by air was delivered within required time frames.

***Asset Accountability at Forward Operating Bases Scheduled for Closure or Transfer to the Iraqi Security Forces***

*(PROJECT NO. D2009-D000JB-0220.000, INITIATED MAY 18, 2009)*

This audit is 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 these assets. DoD OIG plans to begin a series of asset accountability audits in Iraq in May 2009. DoD OIG will focus on the management of high-priority assets, such as wheeled trucks and truck tractors and communications security equipment, at forward operating bases scheduled for closure or transfer to the Iraqi Security Forces.

***Marine Corps Fulfillment of Urgent Universal Need Statements for Laser Dazzlers***

*(PROJECT NO. D2009-D000AE-0210.000, INITIATED APRIL 28, 2009)*

This audit is in response to the Assistant Commandant of the Marine Corps addressing allegations of mismanagement in fulfilling Urgent Universal Need Statements for laser dazzlers. DoD OIG's objective is to determine whether acquisition managers in the United States Marine Corps effectively responded to the urgent needs of deployed Marines in acquiring a nonlethal laser dazzler capability in accordance with federal and Defense acquisition regulations. DoD OIG will fully consider suggestions from management on additional or revised objectives. DoD OIG will perform the audit at the Marine Corps Combat Development Command and the Marine Corps Systems Command.

***Allowances and Differentials Paid to DoD Civilian Employees Supporting the Global War on Terror***

*(PROJECT NO. D2009-D000FC-0199.000, INITIATED APRIL 17, 2009)*

DoD OIG's overall objective is to determine whether civilian pay disbursed in support of the Global War on Terror is paid in accordance with established laws and regulations. Specifically, DoD OIG will determine whether eligible DoD civilian employees properly received authorized allowances and differentials.

***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)*

This audit is the first in a series of audits. DoD OIG will determine whether the Marine Corps accurately reported FY 2008 costs related to the Global War on Terror. DoD OIG will review whether Marine Corps documentation substantiates operation and maintenance obligations processed through the Standard Accounting, Budgeting and Reporting System.

***Multi-National Force-Iraq/Multi-National Corps-Iraq Fire Services Inspection and Training Program***

*(PROJECT NO. D2009-D000JB-0181.000, INITIATED APRIL 3, 2009)*

DoD OIG will assess whether Multi-National Force-Iraq is meeting requirements for fire services inspection and training through the use of contracted services. Specifically, DoD OIG will review fire inspection reports to determine whether fire inspection personnel are properly performing fire safety reviews. DoD OIG will identify contracted personnel assigned as expeditionary fire fighters

and review their training records to determine whether the training they completed met contract, DoD, and Army requirements. In addition, DoD OIG will assess the effectiveness of quality control and quality assurance provisions of contracts and task orders related to the Fire Services Inspection and Training Program.

***Information Operations in Iraq***

*(PROJECT NO. D2009-D000JA-0108.002, INITIATED APRIL 2, 2009)*

DoD OIG is conducting this audit at the request of the Commander, U.S. Central Command. DoD OIG will evaluate Information Operations activities in support of Operation Iraqi Freedom. Specifically, DoD OIG will determine the process for establishing Psychological Operations requirements and identify the resources applied against those requirements.

***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)*

DoD OIG 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-0108.001, 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, DoD OIG 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.

***Air Force Depot Maintenance Public-Private Partnerships***

*(PROJECT NO. D2009-D000LD-0110.000, INITIATED JANUARY 29, 2009)*

DoD OIG is examining the management of the public-private partnership arrangements entered into by Air Force depots. Specifically, DoD OIG will determine whether the Air Force depots have established baselines and metrics to measure public-private partnership benefits.

***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 anticipates 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)*

The Commander, U.S. Central Command, requested that 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 fiscal years 2006-2008. Additionally, DoD OIG will determine the amount of money obligated for each contract or task order.

***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 Force health care system are issued and operative; whether previous DoD, Office of the Inspector General, recommendations regarding developing and sustaining the Afghan National Security Force health care system have been implemented; and whether ongoing efforts to develop an enduring health care system for the Afghan National Security Force 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 its audit fieldwork under the originally announced project (D2007-D000FD-0198.000), DoD OIG determined an additional project was required to separately discuss relevant issues identified during its fieldwork. Accordingly, under the original project number, DoD OIG issued Report No. D-2009-063, which addressed the transfer of funds to the 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 Foreign Military Sales Trust Fund, are being properly managed. However, DoD OIG has reduced the sub-objectives to determining whether the appropriated funds transferred into the Foreign Military Sales 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 (HMMWV) 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. A series of reports are planned for this project. The first report will discuss HMMWV variants. The remaining reports will discuss the testing procedures used on light tactical vehicle variants and the requirements for developing a joint Army and Marine Corps tactical vehicle management strategy.

***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 number 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. DoD OIG 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 Operations Iraqi Freedom and 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. DoD OIG will update the information from the prior summary report, Report No. D-2008-086, 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.

**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 will 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 will include reviewing the results of First Article Testing and Lot acceptance Testing for the body armor contracts.

**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.

***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.

***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. A series of reports are planned. Report D-2009-085, issued during the third quarter of FY 2009, addresses contracting for nontactical vehicles in support of Operation Enduring Freedom.

***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)*

DoD OIG is determining the extent and causes of deferred maintenance on the Air Force C-130 aircraft used in the Global War on Terror.

***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 (HM-MWV) and associated up-armor procured from AM General, LLC.

***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.

***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)*

DoD OIG is determining the extent and causes of deferred maintenance on the Army Abrams tanks that were used in the Global War on Terror.

***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.

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

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

DoD OIG is determining whether personnel assigned as Contracting Officer’s Representatives to the Joint Contracting Command-Iraq/Afghanistan have proper training and expertise to perform their duties.

***Review of Electrocution Deaths in Iraq***

*(PROJECT NO. D2008-DIPOE2-0196, IPO  
2008C006, 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, Baghdad, Iraq. 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. DoD OIG identified a total of 18 electrocutions in Iraq involving U.S. military and contractor personnel. Following a July 30, 2008, hearing by the House Committee on Oversight and Government Reform, the team expanded the scope of the project to include a review of the command actions, investigation case files, and safety mishap investigations of eight additional electrocution deaths in Iraq. Consequently, the Army reopened investigations into four of the electrocutions. The Navy reopened another case in September 2008, as a result of finding new information. DoD IG representatives completed a data collection and field work, including a site visit to Iraq, in May 2009. DoD OIG staffed a draft report with stakeholders in late June 2009.

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

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

DoD OIG is evaluating 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)*

DoD OIG is determining 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)*

DoD OIG is determining 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)*

DoD OIG is reviewing 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 July 2009.

***Price Reasonableness for Contracts at U.S. Special Operations Command***

*(PROJECT NO. D2008-D000CG-0123.000, INITIATED FEBRUARY 7, 2008)*

DoD OIG is determining 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)*

DoD OIG is determining whether controls over Common Access Cards provided to contractors are in place and work as intended. Specifically, DoD OIG will determine whether DoD officials verify the continued need for contractors to possess 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***

*(PROJECT NO. 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 (DERF) 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.

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

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

DoD OIG plans to issue a series of reports in this project. 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 will include financial information processed by disbursing stations supporting the Global War on Terror and will also follow up on “Internal Controls Over Out-of-Country Payments,” (Project No. D2006-D000FL-0208.000). The first report, D2009-054, addresses U.S. Marine Corps (USMC) processed disbursement transactions that contain classified information into unclassified DoD systems.

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

*(PROJECT NO. D2007-D000CK-0201.000, INITIATED JUNE 18, 2007)*

DoD OIG is reviewing 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.

## Department of State Office of Inspector General

### Completed Audits

The Department of State Office of Inspector General (DoS OIG) completed three audits related to Iraq for the quarter ending June 30, 2009.

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

*(MERO-IQO-09-06, ISSUED JUNE 12, 2009)*

The objectives were to determine the requirements and provisions of the contract; the 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.

The report issued these findings:

- DynCorp’s personal protection has been effective in ensuring the safety of chief of mission personnel in northern Iraq.
- DynCorp successfully conducted requested, but limited, personal protection movements at the Regional Embassy Office in Kirkuk before it was closed in December 2008.
- Until mid-2008, there were weaknesses in the Bureau of Diplomatic Security’s (DS) management and monitoring of DynCorp contract performance in Erbil because there was only one DS special agent there. However, in mid-2008, Embassy Baghdad tripled the number of DS special agents assigned to the Regional Reconstruction Team in Erbil, and the current three regional security officers at the Regional Reconstruction Team adequately oversee the personal protective service contractors.

- DynCorp has a professional, experienced workforce, but has had difficulty maintaining required staff in two labor categories, dog handlers and designated marksmen.
- Personnel rosters (muster sheets) prepared by DynCorp were neither reviewed nor signed by Bureau of Diplomatic Security special agents at the Regional Embassy Office in Kirkuk, and they are neither reviewed nor signed by special agents at the Regional Reconstruction Team in Erbil. Therefore, it is not certain whether personnel staffing data, as represented by the muster sheets, is complete and accurate, or whether the labor costs incurred and charged by DynCorp are proper.
- Bureau of Diplomatic Security special agents and personal security specialists in Iraq had problems with long-range, multiband communication using hand-held radios. In northern Iraq, the information management officer at the Regional Embassy Office in Kirkuk was able to modify the frequencies of these hand-held radios and successfully use them for long-range communication. At DoS OIG's recommendation, the regional security officer in Kirkuk relayed this information to Embassy Baghdad, and plans were made to resolve these communication problems. These plans included the hiring of two tactical radio specialists to improve field communication, as recommended in the Status of the Secretary of State's Panel on Personal Protective Services in Iraq Report Recommendations (MERO-IQO-09-01, December 2008).
- DynCorp successfully manages inventory and safeguards government-furnished armored protection vehicles and weapons.
- The maintenance facility for all the vehicles assigned to the Regional Reconstruction Team in Erbil is located over 60 miles away at the Kirkuk Airbase, requiring at least five hours for even basic vehicle services. This is an inefficient use of personal security specialists' time and skills, and decreases productivity.
- The report issued three recommendations:
- The Bureau of Diplomatic Security should ensure DynCorp provides personnel in the labor categories required by the second Worldwide Personal Protective Services contract. (Action: DS)
- The Bureau of Diplomatic Security should ensure that its special agents at Regional Reconstruction Team Erbil review and verify the accuracy of muster sheets prepared by DynCorp before the sheets are sent to the Bureau of Diplomatic Security contraction officer's representative. (Action: DS)
- Embassy Baghdad should ensure there is appropriate maintenance support in Erbil for armored protection vehicles. (Action: Embassy)

***Joint Review with SIGIR of the Blackwater Contract for Worldwide Personal Protective Services***

*(AUD/IQO-09-16, ISSUED JUNE 5, 2009)*

The objectives were to determine the contracting process; the requirements and provisions of the contract; the costs and funding sources of the contract; and how the Department of State (DoS) administered the contract to oversee Blackwater's performance.

The total estimated costs for the DoS's contracts and task orders with Blackwater for Iraq were over \$1 billion as of May 29, 2008. The contracts were funded primarily with DoS Diplomatic and Consular Programs funds and about \$76 million of Iraq Relief and Reconstruction Funds. DoS OIG found that the contract and two of the three task orders were awarded to Blackwater through standard competitive

processes and that the third task order, which had been awarded noncompetitively, was justified. DoS is doing a commendable job in providing oversight of weapons and vehicles provided to Blackwater. However, DoS oversight of all other government-furnished property was inadequate, and contractor lists were incomplete and inaccurate and therefore unreliable. In some instance, Blackwater property was erroneously identified as government property. Improvements were needed by DoS in administering the contract and providing more stringent oversight of Blackwater's cost and performance in Iraq. The report noted that full manning of protective details was important to the safety of the individuals being protected, as well as for the members of the protective detail. However, DoS did not assess penalties for noncompliance with contract staffing requirements. As a result, DoS OIG estimated deductions totaling \$55 million that were applicable to manpower shortages during 2006 and 2007. The report also noted that DoS did not adequately review travel costs, which resulted in ineligible costs of \$127,364 being paid for premium airfare in excess of coach fare. The contracting officer recovered \$56,457 of the \$127,364 and anticipates collecting the balance of \$70,907.

***Review of the Activities of Triple Canopy under the State Department's Worldwide Personal Protective Service Contracts (WPPS) in Iraq (MERO-IQO-09-03, ISSUED MAY 5, 2009)***

The objectives were to determine the requirements and provisions of the contract; objectives of the contracts and what indicators have been established to measure performance; and how DoS administered the contract to oversee Triple Canopy's performance.

The report issued these findings:

- Triple Canopy's personal protection operation has been highly effective in ensuring the safety of chief of mission personnel in southeastern Iraq's complex security environment. Triple Canopy has a commendable record of restraint in the use of deadly force while on protection missions.
- Triple Canopy has safeguarded government-furnished vehicles, weapons, and communication and other equipment in Iraq.
- Triple Canopy has had recurring difficulties maintaining required staffing for the critical labor categories of emergency medical technicians, designated marksmen, interpreters, and dog handlers. Personnel rosters (muster sheets) are not reviewed by special agents in the Regional Security Offices (RSOs), and therefore, it is uncertain whether the labor costs incurred and charged by Triple Canopy are proper.
- The heavy, armored Suburban protection vehicles are ill-suited to the rugged desert terrain of southeastern Iraq. Furthermore, Triple Canopy's poorly functioning maintenance and parts distribution chain delays delivery of critical repair parts, resulting in downtime for essential protection vehicles.
- Triple Canopy's personnel's use on base of protection vehicles for administrative tasks puts unnecessary wear and tear on these expensive vehicles. A standard Suburban armored protection vehicle costs approximately \$100,000.
- Embassy Baghdad has had significant problems managing and monitoring Triple Canopy's performance due to frequent staff turnover and gaps in coverage, inadequate contract monitoring training, failure to maintain contract files, and the Bureau of Diplomatic Security (DS) special agents' focus on the protection and safety of personnel,

making contractor oversight a secondary responsibility.

- The report issued two recommendations:
- The Bureau of Diplomatic Security should implement an armored protection vehicle package specifically tailored for the requirements of protection missions in geographically challenging terrain.
- The Bureau of Diplomatic Security should provide a sufficient number of standard road vehicles suitable for required administrative, non-protection transportation.

## Ongoing Audits

### ***Property Inventory and Accountability at Embassy Baghdad***

(PROJECT NO. 09MERO3017,  
INITIATED JUNE 2009)

The objectives are to evaluate DoS's controls for inventorying, recording, and safeguarding U.S. government equipment and property in Iraq. This review is in the fieldwork stage.

### ***LOGCAP Task Order for Embassy Baghdad***

(PROJECT NO. 09MERO3016,  
INITIATED JUNE 2009)

The objectives are to evaluate and assess the contractor's compliance with contract terms and conditions, task order terms and conditions, and applicable laws and regulations. This review is in the fieldwork stage.

### ***Personal Security Detail (WPPS) Contract—DynCorp (Iraq) (Procurement and Financial Related)***

(PROJECT NO. 09MERO3013,  
INITIATED APRIL 2009)

The objectives are to evaluate the procurement process to include the methods for determining

the contract requirements and the contract award decisions; and the funding sources and allowability, allocability, and reasonableness of costs claimed under the contract. This review is in the fieldwork stage.

### ***Personal Security Detail (WPPS) Contract—Triple Canopy (Iraq) (Procurement and Financial Related)***

(PROJECT NO. 09MERO3012,  
INITIATED APRIL 2009)

The objectives are to evaluate the procurement process to include the methods for determining the contract requirements and the contract award decisions; and the funding sources and allowability, allocability, and reasonableness of costs claimed under the contract. This review is in the fieldwork stage.

### ***Inspection of Embassy Baghdad***

(PROJECT NO. 09-ISP-3020,  
INITIATED JANUARY 2009)

The objectives are to evaluate the Embassy's implementation of policy, management of resources, adequacy of management controls, and measures to protect people, information, and facilities. This review is in the final report stage.

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

(PROJECT NO. 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 DoS 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 final report stage.

***Role, Staffing, and Effectiveness of the Regional Embassy Offices (REO) in Iraq***  
(PROJECT NO. 09MERO3003,  
INITIATED NOVEMBER 21, 2008)

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

***Audit of Contract Administration, Commissioning and Accreditation of the NEC Baghdad***  
(PROJECT NO. 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 draft report stage.

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

### **Completed Audits**

This quarter, the USAID Office of Inspector General (USAID OIG) issued three performance audits related to Iraq reconstruction. In addition,

USAID OIG issued six financial audits covering \$192.0 million in costs incurred under USAID contracts and cooperative agreements, which were performed for USAID OIG by DCAA. These six audits identified questioned costs totaling \$17,691,090. Eighteen other financial audits are in process.

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

(E-267-09-004-P, ISSUED JUNE 3, 2009)

USAID/Iraq's \$233 million Economic Governance II (EGII) Program, begun in September 2004, was designed to provide technical assistance to the Government of Iraq to develop and enable economic reforms through policy, regulations, laws, and institutional structures that would foster a competitive private sector. USAID OIG conducted this audit to determine if the EGII Program was achieving intended results and its impact. USAID OIG concluded that the program has not been successful in providing the foundation for an open, modern, mixed-market economy, and it has not made a significant impact on the economic environment in Iraq. Further, although the program provided a great deal of technical assistance, USAID OIG could not find any direct or indirect linkages between the contractor's deliverables and improvements in the seven functional areas upon which the program was expected to make an impact.

The EGII Program aimed to improve seven key economic areas through the accomplishment of 398 individual tasks. However, USAID officials did not establish a systematic mechanism to monitor the myriad of tasks and thus, could not track whether the tasks had been performed, were on schedule, or were behind schedule. Without such knowledge, the mission was unable to manage the contract effectively or

measure improvements in the seven functional areas in which the EGII Program was meant to have the greatest effect. Consequently, in September 2008, after 4 years and \$192 million in incurred costs, fewer than half of the originally planned 398 tasks had been performed. In addition, implementation of a major information system (the Iraq Financial Management Information System) was behind schedule, and not fully operational. USAID OIG's report contained 12 recommendations to improve oversight of the program and to address other issues, including the need to conduct mandatory, program-funded information technology reviews; reduce the implementing contractor's subcontract approval level; and implement controls over nonexpendable property.

***Audit of USAID/Iraq's Local Governance Program II Activities***

*(E-267-09-003-P, ISSUED MAY 31, 2009)*

USAID/Iraq's \$370 million Local Governance Program II was designed to establish and strengthen the conditions, institutions, capacity, and legal and policy framework for a democratic local governance system. USAID OIG conducted the audit to determine if the program was achieving its intended results and its impact. USAID OIG concluded that the Local Governance Program II had been partially successful. The program achieved some success with the technical assistance and training that it provided to Iraq's 18 Provincial Councils. However, in regard to building the capacity of local council members and Iraqi government officials, USAID/Iraq did not establish criteria for selecting recipients for training and approved an approach that essentially allowed Iraqi officials to enroll in whatever training courses they felt would benefit them. Consequently,

approximately 27,000 Iraqis received training, but the success or short-term impact of that significant amount of training on improving local governance was not measured. In addition, controls to prevent officials from taking courses more than once had not been established.

The audit process also identified weaknesses in USAID/Iraq's contractor performance review process. In particular, the reviews had not been prepared timely or accurately. USAID OIG's report contained five recommendations to strengthen the mission's oversight of training planned under a follow-on program—Local Governance III—and its contractor performance review process.

***Audit of USAID/Iraq's Compliance with the Federal Information Security Management Act of 2002 for Fiscal Year 2009***

*(REPORT NO. NOT REPORTED, SUMMARY ISSUED APRIL 30, 2009)*

USAID OIG conducted this audit work in support of the Agency-wide Audit of the Federal Information Security Management Act (FISMA). USAID OIG provided information on USAID/Iraq's compliance with FISMA to OIG Headquarters that they will incorporate into an Agency-wide FY 2009 FISMA report.

**Ongoing Audits**

***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.

TABLE I.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	59	11
Other Special Requested Audits (2)	63	25	68
Incurred Cost (3)	78	12	198
Labor Timekeeping (4)	40	39	62
Internal Controls (5)	26	18	68
Preaward Accounting Survey (6)	4	2	7
Purchase Existence and Consumption (7)	12	20	25
Cost Accounting Standards (8)	44	5	103
Other (9)	45	24	91
<b>Total</b>	<b>378</b>	<b>204</b>	<b>633</b>

**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. **Incurred 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. **Preaward Accounting Survey** – Preaward 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

### **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.

### **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 I-2 shows both the Iraq-related audits closed during FY 2008 and the audits closed and still open in FY 2009 (as of June 30, 2009).

## U.S. Army Audit Agency

During the third quarter of fiscal year 2009, USAAA had 28 auditors deployed to Iraq, Afghanistan, and Kuwait.

### Completed Audits

#### ***Sustaining Left-Behind Equipment, U.S. Army Sustainment Command***

*(A-2009-0146-ALM, ISSUED JUNE 22, 2009)*

USAAA reported the Army Sustainment Command issued guidance and sites visited during the audit followed the guidance for managing left behind equipment. However, the program did not prioritize critical equipment during the induction, technical inspection, and maintenance processes to help alleviate equipment shortages. About 20% of the left behind equipment inventory were critical items requiring maintenance. Additionally, Army Sustainment Command did not have controls in place to ensure property accountability contractors entered all left behind equipment into the Standard Army Maintenance System and promptly open work orders. During a 3-month period, contractors did not enter about 33% of equipment requiring maintenance into the maintenance system, causing a loss of visibility and the ability to influence workflow for critical equipment.

#### ***Improvised Explosive Device Training for Explosive Ordnance Disposal Soldiers, Deputy Chief of Staff G-3/5/7 and Training and Doctrine Command***

*(A-2009-0120-FFD, ISSUED JUNE 17, 2009)*

This report is classified For Official Use Only (FOUO). It focused on the training explosive ordnance disposal soldiers received on the latest improvised explosive device defeat methods and

the equipment used for the training. USAAA concluded that the Army needed (1) a better process to research, analyze, and document current explosive device trends and defeat methods for ordnance disposal soldiers; (2) to develop a center of excellence to allow for the communication and synchronization of explosive ordnance disposal concepts; and (3) to establish a formal, integrated process to identify and fulfill all enduring institutional training equipment requirements associated with rapidly acquired explosive ordnance disposal equipment.

#### ***Body Armor Requirements, Office of the Deputy Chief of Staff, G-3/5/7***

*(A-2009-0130-FFD, ISSUED JUNE 8, 2009)*

USAAA evaluated the Army's process for determining quantitative requirements for body armor and the adequacy of fielding plans. The Army needed to improve the process for reviewing and formally documenting body armor requirements. About 20 percent of the quantitative requirements (194,000 of the 966,000 sets) were not adequately supported. The requirements determination process also did not take into account historical data to derive quantities for initial spares and sizing, or include factors for equipping DA civilians and contractors working in deployed environments. In addition, the Army used about \$3 billion of supplemental funds to procure body armor from FY 2003 to FY 2007 but only programmed about \$40 million a year—about 7.5 percent of the funds expended. For the most part, the Army had an adequate plan for fielding the newer generation improved outer tactical vest, which addressed 25 of the 26 criteria specified in AR 700-142. However, the fielding plan needed to specifically address a redistribution process for the displaced prior generation body armor.

**Commander's Emergency Response Program—  
Multi-National Division-Baghdad**

*(A-2009-0119-ALL, ISSUED JUNE 8, 2009)*

This report is classified For Official Use Only (FOUO). The Commander, Multi-National Force-Iraq requested this audit. USAAA reported that internal controls were in place but issues existed at the division and unit level over the application of fund guidance to include incomplete project files, insufficient justification for some projects and some instances of projects funded that fell outside a permissible use of the fund. These issues occurred primarily because of shortfalls in training and the experience level of personnel performing the fund's management, oversight, and execution actions. Additionally, improvements were needed in the fund's guidance on controls over cash transactions.

**Ongoing Audits**

**Award Fee Determinations on Logistics Civil Augmentation Program (LOGCAP) III Contract, Task Order 0139**

*(PROJECT NO. A-2009-ALC-0535.000, INITIATED MAY 21, 2009)*

This audit is being performed in the continental United States (CONUS). It was requested by the Secretary of the Army. It will determine whether award fee determinations for task order 0139 were justified and consistent with applicable policies, regulations, and contract provisions.

**Reserve Component Post Mobilization Training**

*(PROJECT NO. 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 NO. 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 NO. 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 NO. 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 NO. 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 NO. 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 NO. 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 NO. 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 – Iraq***

*(PROJECT NO. 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 NO. 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.

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

*(PROJECT NO. 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 (Iraq)***

*(PROJECT NO. 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 NO. 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 (Iraq)**

(PROJECT NO. 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 NO. 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 NO. 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.

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

(PROJECT NO. 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.

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

(PROJECT NO. 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.

**Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan—Kandahar and Salerno (Afghanistan)**

(PROJECT NO. 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—Training Program Evaluation Group (PEG)**

(PROJECT NO. 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.

**Controls over Logistics Civil Augmentation Program (LOGCAP)—White Property**  
(PROJECT NO. 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.

**Housing Contracts—Area Support Group (ASG)-Kuwait**  
(PROJECT NO. 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 NO. 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 NO. 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 NO. 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.

**Follow-up Audit of Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase I)**  
(PROJECT NO. 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.

**Automatic Reset Items – Depot**  
(PROJECT NO. 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.

**Controls Over Vendor Payment — U.S. Army Contracting Command (USACC), SWA-Kuwait Phase I**  
(PROJECT NO. 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 NO. 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 NO. 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 if the problems previously identified were fixed.

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

(PROJECT NO. 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 Workload Supporting Reset**

(PROJECT NO. 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 NO. 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 NO. 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 NO. 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 NO. 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, 3d Infantry Division (ID)***

*(PROJECT NO. 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 NO. 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 NO. 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 was consistent and cost effective and if the oversight and administration of Role-Player contractors was adequate.

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

*(PROJECT NO. 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 NO. 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 NO. 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 NO. 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 NO. 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.

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

*(PROJECT NO. 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 NO. 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 NO. 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.

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

*(PROJECT NO. 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 NO. 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**

GAO will continue to provide oversight of the U.S. drawdown from Iraq, DoD programs and initiatives in Iraq, and the transition to a U.S. presence led by the State Department. GAO will conduct audits, as mandated by law, such as a review of the campaign plan and oversight of contracts and contractors.

### **Completed Reports**

***Human Capital: Actions Needed to Better Track and Provide Timely and Accurate Compensation and Medical Benefits to Deployed Federal Civilians***

*(GAO-09-562, ISSUED JUNE 26, 2009)*

The Department of Defense (DoD) and other executive agencies increasingly deploy civilians

in support of contingency operations in Iraq and Afghanistan. GAO was asked to compare agency policies and to identify any issues in policy or implementation regarding (1) compensation, (2) medical benefits, and (3) identification and tracking of deployed civilians.

Although policies concerning compensation for deployed civilians are generally comparable across agencies, GAO found some issues that affect the amount of compensation—depending on such things as the agency’s pay system or the employee’s grade/band—and the accuracy, timeliness, and completeness of this compensation. For example, two civilian supervisors with comparable salaries who deploy under different pay systems receive different overtime pay because the overtime rate is determined by the employee’s pay system and grade/band level. While a congressional subcommittee asked OPM to develop a benefits package for all deployed civilians to war zones and to recommend enabling legislation, OPM has not yet developed such a package or provided legislation.

Although agency policies on medical benefits are similar, GAO found some issues with medical care following deployment, workers’ compensation, and post deployment medical screenings that affect the benefits of deployed civilians. Specifically, while DoD allows its treatment facilities to care for “non-DoD” civilians following deployment in some cases, the circumstances are not clearly identified in guidance and some agencies were unaware of DoD’s policy. Civilians who deploy also may be eligible for medical benefits through worker’s compensation. GAO’s analysis of 188 such claims filed with Labor revealed some significant processing delays resulting in part from lack of clarity about the documentation required to support claims.

Each agency provided GAO with a list of deployed civilians, but none had fully implemented policies to identify and track these civilians. DoD, for example, had procedures to identify and track deployed civilians but concluded that its guidance was not consistently implemented.

***V-22 Osprey Aircraft: Assessments Needed to Address Operational and Cost Concerns to Define Future Investments***

*(GAO-09-692T, ISSUED JUNE 23, 2009)*

Since the 1980s, the V-22, developed to transport combat troops, supplies, and equipment for the U.S. Marine Corps and to support other services’ operations, has experienced several fatal crashes, demonstrated various deficiencies, and faced virtual cancellation—much of which it has overcome. Although recently deployed in Iraq and regarded favorably, it has not performed the full range of missions anticipated, and how well it can do so is in question.

As of January 2009, the 12 MV-22s in Iraq successfully completed all missions assigned in a low-threat theater of operations—using their enhanced speed and range to deliver personnel and internal cargo faster and farther than the legacy helicopters being replaced. However, challenges to operational effectiveness were noted that raise questions about whether the MV-22 is best suited to accomplish the full repertoire of missions of the helicopters it is intended to replace. Additionally, suitability challenges, such as unreliable component parts and supply chain weaknesses, led to low aircraft availability rates.

Additional challenges have been identified with the MV-22’s ability to operate in high-threat environments, carry the required number of combat troops and transport external cargo, operate from Navy ships, and conduct missions in more extreme environments throughout the

world. While efforts are underway to address these challenges, it is uncertain how successful they will be as some of them arise from the inherent design of the V-22.

The V-22's original program cost estimates have changed significantly. From 1986 through 2007, the program's Research, Development, Test, and Evaluation cost increased over 200 percent—from \$4.2 to 12.7 billion—while the cost of procurement increased 24 percent from \$34.4 to \$42.6 billion. This increase coincided with significant reductions in the number of aircraft being procured—from nearly 1,000 to less than 500—resulting in a 148 percent increase in cost for each V-22. Operations and support costs are expected to rise. An indication is the current cost per flying hour, which is over \$11,000—more than double the target estimate for the MV-22.

After more than 20 years in development, the MV-22 experience in Iraq demonstrated that the Osprey can complete missions assigned in low-threat environments. Its speed and range were enhancements. However, challenges may limit its ability to accomplish the full repertoire of missions of the legacy helicopters it is replacing. If so, those tasks will need to be fulfilled by some other alternative. Additionally, the suitability challenges that lower aircraft availability and affect operations and support costs need to be addressed.

***Rebuilding Iraq: Improved Management Controls and Iraqi Commitment Needed for Key State and USAID Capacity-Building Programs (GAO-09-526, ISSUED JUNE 3, 2009)***

Since 2003, the United States has provided \$49 billion to help rebuild Iraq. To build the capacity of Iraq's central and provincial governments to sustain this effort, the United States is implementing programs including Department

of State's (DoS's) Provincial Reconstruction Development Committee (PRDC) and the U.S. Agency for International Development's (USAID) National Capacity Development (NCD). The use of key management controls, such as appropriate organizational structure and program monitoring, helps ensure programs achieve their objectives. Through field visits in Iraq, interviews with program officials, analyses of official reports, and examination of a sample of projects, GAO assessed whether the PRDC and NCD's management controls support the programs' objectives of building the capacity of Iraq's government. GAO also assessed Iraq's commitment to sustaining these U.S. programs. Through the PRDC program, DoS and USACE work with Iraqis in the provinces to develop proposals and undertake small-scale projects such as building schools, repairing roads, and developing water facilities. However, weaknesses in DoS's management controls hinder achieving the program objective to build provincial government capacity.

First, the program involves multiple organizations and a complex process but had no clearly identified program manager until May 2009 when DoS designated one in response to GAO's findings. Second, DoS lacks a performance monitoring system that measures progress toward building provincial capacity to deliver essential services. Third, the program's guidelines and policies have changed frequently, but DoS did not adequately communicate or consult with USACE, the program implementer, about these changes. Finally, USACE's financial controls for the timekeeping process did not ensure adequate documentation of time and attendance records for labor charges on projects.

USAID's management controls generally supported the NCD program's objective of building

ministry capacity by training Iraqi employees in administrative skills such as planning and budgeting and supporting Iraqi training centers. First, USAID's organizational structure is clear, including who is responsible for overall program management. Second, in response to an audit report, USAID narrowed the NCD program objective to improving ministries' administrative capabilities and clearly linked them to measures of outcome. Some of these measures include Iraqi ministries' execution of their capital budgets, including the number of capital projects approved and the rate of spending on capital projects. USAID reported it was on track to meet or exceed its 2008 targeted results. However, as of March 2009, final data on results were not available. Third, USAID's guidelines and program expectations for NCD are documented, clear, and communicated throughout the organization. However, with regard to financial controls, GAO found that USAID officials did not confirm receipt of goods and services for invoices totaling about \$17 million of \$79 million, prior to payment. The officials did not always document reasons such as security risks, when confirmation was not possible. Iraq has committed to sustaining U.S.-funded programs and sharing in their costs, but actual budget expenditures for such activities are unclear. For the PRDC program, 16 of the 40 projects in GAO's sample had evidence that the Iraqi government agreed to sustain the project; however, the records did not specify actual financial or budget commitments. For the NCD program, the Iraqi government is supporting the program by providing trainers and allocating funds in their 2009 budgets for training center equipment and other NCD efforts. These funds are to be spent in 2009. GAO has previously reported that the Iraqi government includes funding in its budgets for investment activities

such as operating and maintaining U.S.-funded reconstruction projects and training, but does not subsequently expend these funds.

***Iraqi Refugee Assistance: Improvements Needed in Measuring Progress, Assessing Needs, Tracking Funds, and Developing an International Strategic Plan***

*(GAO-09-120, ISSUED APRIL 21, 2009)*

Iraqi refugees are one of the largest urban populations the UN has been called on to assist. The UN reports government estimates of up to 4.8 million Iraqis displaced within the last 5 years, with 2 million fleeing, primarily to Syria and Jordan. GAO examined challenges in (1) measuring and monitoring progress in achieving U.S. goals for assisting Iraqi refugees, (2) providing humanitarian assistance to Iraqi refugees, (3) offering solutions for Iraqi refugees, and (4) developing an international strategic plan to address the Iraqi refugee situation. GAO analyzed reports and data; met with officials from the U.S. government, the UN High Commissioner for Refugees (UNHCR), international organizations, and NGOs; and did fieldwork in Jordan and Syria.

To implement its 2008 goal and objectives for Iraqi refugees, DoS primarily funded and monitored the efforts of its implementing partners, which include international organizations and nongovernmental organizations (NGO). These activities provided Iraqi refugees and host country populations with education, vocational training, health care, food, and financial support. However, DoS did not clearly link program achievements to its stated goal and objectives for Iraqi refugees. As a result, DoS has limited information to assess and report its progress in reaching its goal and objectives and improve program effectiveness. Insufficient numbers of staff

to monitor projects, difficulties gaining access to projects and refugees, and the lack of reliable data have challenged DoS's efforts to ensure that projects help the intended beneficiaries. U.S. and international efforts to provide humanitarian assistance to Iraqi refugees in neighboring countries are impeded by the lack of reliable estimates on the needs of Iraqi refugees and data on the funding targeted at Iraqi refugee programs. Iraqi refugees live interspersed among the local urban populations and are not easily identified. Official government estimates on the number of Iraqi refugees in each country may be overstated. It is also difficult to determine the amount of funding provided for Iraqi refugee programs because the U.S. government and UNHCR, the largest bilateral and multilateral funding sources, do not report funding for Iraqi refugee programs separately from that provided for all Iraq-related humanitarian assistance. The U.S. government and UNHCR face challenges in offering solutions for Iraqi refugees. According to UNHCR, voluntary repatriation is the preferred solution, but conditions in Iraq are not yet suitable for Iraqis to return. According to the International Organization for Migration, the Iraqi government has cited improvements in security and offered financial incentives to returning refugee families. Although another solution is integration and settlement in host countries, Syria and Jordan consider Iraqi refugees "guests" who should return to Iraq once the security situation improves. The U.S. government has made progress in resettling Iraqi refugees under its U.S. Refugee Admissions Program, with 15,431 refugees resettled in the United States in fiscal years 2007 and 2008. According to U.S., UN, foreign government, and NGO officials, the international community lacks a comprehensive international strategy to address the Iraqi refugee

situation. Although the 2009 UN Consolidated Appeal showed progress in strategic planning, the UN and international community continue to lack a longer-term approach. First, the international community lacks a comprehensive independent assessment of the needs of vulnerable Iraqi refugees and the populations that host them. Second, DoS, UNHCR, and NGOs do not have a strategy that addresses factors that may affect assistance efforts. Third, the international community has lacked a coordination mechanism that involves all stakeholders.

***Contingency Contracting: DoD, State, and USAID Are Taking Actions to Track Contracts and Contractor Personnel in Iraq and Afghanistan***

*(GAO-09-538T, ISSUED APRIL 1, 2009)*

The Departments of Defense (DoD) and State (DoS) and the U.S. Agency for International Development (USAID) have relied extensively on contractors to support troops and civilian personnel and carry out reconstruction efforts in Iraq and Afghanistan. While recognizing the benefits of using contractors, GAO and others have noted the risks and challenges associated with relying on contractors. To help increase contractor oversight, the National Defense Authorization Act for Fiscal Year 2008 directed DoD, DoS, and USAID to sign a memorandum of understanding (MOU) on contracting in Iraq and Afghanistan that identified a database to track information on contractor personnel and contracts performed in the two countries. In their July 2008 MOU, the agencies designated the Synchronized Pre-Deployment and Operational Tracker database (SPOT) as their system for tracking the required information. GAO's testimony addresses how contractor personnel and contract information can aid agencies in

managing contracts and the status of SPOT's implementation. It is drawn from GAO's ongoing and prior contingency contracting work. This work involved meeting with agency officials, including those in Iraq, and reviewing agency documents. GAO obtained agency views on previously unreported information, which the agencies generally agreed with.

GAO has reported extensively on the management and oversight challenges related to using contractors in contingency operations and the need for decision makers to have contract and contractor personnel information as a starting point to address these challenges. The lack of such information limits agency planning efforts, increases costs, and introduces unnecessary risk. For example, GAO previously determined that by not considering contractor resources when developing an assistance strategy for Afghanistan, USAID's ability to make informed resource allocation decisions was impaired. Similarly, it was estimated in 2006 that DoD's lack of visibility on what government support contractors were entitled to cost an extra \$43 million in Iraq as the government provided them free meals and a food allowance. Many of GAO's past recommendations focused on improving agency officials' ability to obtain contract and contractor personnel information. While actions have been taken to address GAO's recommendations, agency officials have noted that their ability to access information on contracts and contractor personnel still needs improvement and SPOT has the potential to bring information together so it can be used to better manage and oversee contractors. Although SPOT is capable of tracking contractor personnel and

contracts as agreed to in the MOU, not all of the required information is being entered and the agencies continue to rely on other systems to obtain information on contractor personnel and contracts in Iraq and Afghanistan. DoD, DoS, and USAID now require their contractors in Iraq to enter personnel data into SPOT, but only DoD and DoS require their contractors to do so in Afghanistan. A critical factor in prompting the use of SPOT was DoD's requirement that contractor personnel have SPOT-generated letters of authorization (LOA) to, among other things, enter Iraq or Afghanistan. However, not all personnel need SPOT-generated LOAs and are being entered into SPOT. USAID officials said that the lack of an LOA requirement for its contractors in Afghanistan is one reason they do not have to be entered into SPOT. Officials from the three agencies also acknowledged that data on Iraqi and Afghan nationals in SPOT are incomplete, which is in part because they typically do not need LOAs and are more difficult to track. Despite the agencies' progress in implementing SPOT, they continue to rely on other systems to obtain information on contractor personnel and contracts in Iraq and Afghanistan. For example, DoD relies on a quarterly census of contractor personnel because it is regarded as more complete than SPOT whereas USAID relies entirely on ad hoc queries of its contractors. As the agencies consider how to use SPOT data to inform planning and management decisions, they have raised questions about what information needs to be in the system. For example, USAID officials have questioned the need to track information on contracts for which personnel do not need LOAs.

## Ongoing Audits

### *U.S., Iraqi, and International Efforts to Address Challenges in Reintegrating Displaced Iraqis*

(PROJECT NO. 320645, INITIATED MARCH 9, 2009)

The UN reports that over 4.8 million Iraqis have been displaced, including about 2.8 million within Iraq. In April 2009, GAO issued a report on assistance to Iraqi refugees in Jordan and Syria. In anticipation of a growing number of returns from within and outside Iraq, the international community has encouraged Iraq to develop plans to reintegrate displaced Iraqis. This engagement will focus on challenges in reintegrating Iraqis returning from other countries and those displaced within Iraq. This report will address the following:

- What challenges do the United States, Iraq, and the international community face in reintegrating displaced Iraqis?
- What actions have they taken to address these challenges?
- What gaps remain, and what more needs to be done to address these challenges?

### *DoD's Basis for Unmanned Aircraft Systems Program Levels and Plans to Support Those Levels*

(PROJECT NO. 351271, INITIATED MARCH 1, 2009)

Battlefield commanders have increased their reliance on unmanned aircraft systems (UAS) to perform missions in ongoing operations. DoD has steadily increased UAS program levels to meet operational requests for UAS. DoD has experienced mission success with UAS but the increase in UAS poses challenges for DoD to support these systems. GAO's key questions are:

- To what extent did DoD consider factors, such as personnel availability and training needs,

when determining UAS funding and program plans?

- To what extent do joint and service tactics, techniques, and procedures reflect UAS usage in current joint operations?
- What factors, if any, affect the services' ability to train individuals and units for UAS practices used in current joint operations?

### *DoD's Planning for the Withdrawal of U.S. Forces from Iraq*

(PROJECT NO. 351321, INITIATED FEBRUARY 2009)

On November 17, 2008, the U.S. government and the Government of Iraq signed a security agreement that dictates a withdrawal of U.S. forces from Iraq by December 31, 2011. In light of this deadline, and based on previous GAO work, there are several complex issues that need to be addressed:

- 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 security agreement 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 (DoS), 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, DoS, 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 have been taken to effectively manage contractors performing such tasks?

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

- 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?

#### ***Iraq Cost Sharing Arrangements***

*(PROJECT NO. 351237, INITIATED OCTOBER 8, 2008)*

This report will assess U.S. efforts to share or transfer security costs to Iraq by identifying the:

- Mechanisms the United States is using to share or transfer security costs to the Iraqi government and the results these mechanisms have produced
- Foreign government support of the presence of U.S. forces in their countries and the extent to

which features of these arrangements could be applied to Iraq

- Financial resources Iraq has to pay for its reconstruction and security, the extent to which it has expended these resources, and the size of its budget surplus or deficit

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

(PROJECT NO. 351247, 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?

### **Intelligence, Surveillance, and Reconnaissance (ISR) Processing Capabilities**

(PROJECT NO. 351242, INITIATED AUGUST 7, 2008)

DoD continues to invest in capabilities to collect ISR data, but its infrastructure for analyzing and using that data is stressed. The report will address the following:

- To what extent has DoD developed the capabilities it needs to process, exploit, and disseminate the information that it receives from its ISR systems?
- To what extent does DoD identify gaps in its tasking, processing, exploitation, and dissemination cycle when developing future ISR collection requirements?

### **Urgent Wartime Requirements**

(PROJECT NO. 351236, INITIATED JUNE 2008)

The changing tactical conditions in Southwest Asia have highlighted the need for DoD to respond rapidly to wartime needs for new capabilities. DoD has been moving toward a joint process to meet these needs that would reduce duplication and costs. However, it is unclear whether DoD has fully and effectively implemented its joint process to that end. These are the key questions:

- To what extent do DoD's urgent need response processes comply with the response timeframes established in DoD guidance documents?
- What factors have affected the responsiveness of DoD processes in meeting urgent need requests?

- What challenges, if any, have affected the coordination and integration of DoD's urgent need response processes?

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

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

The DoD Joint IED Defeat Organization's (JIEDDO's) mission is to improve the U.S. military's capability for defending against improvised explosive device (IED) attacks. GAO reviews have continued to raise concerns about JIEDDO's ability to strategically manage and to achieve its objectives. These are the key questions:

- To what extent has JIEDDO made progress in developing a strategic plan?
- To what extent has JIEDDO developed a process to identify, evaluate, select, and develop counter-IED initiatives?
- To what extent has the Office of the Secretary of Defense provided direction and oversight for JIEDDO operations and activities?

#### ***DoD Integration of IED Defeat Capabilities***

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

The DoD Joint IED Defeat Organization's (JIEDDO's) mission is to improve the U.S. military's capability for defending against improvised explosive device (IED) attacks, by quickly and flexibly identifying, evaluating, selecting, developing, and fielding counter-IED solutions, including technological solutions. 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?
- To what extent have IED defeat capabilities been integrated within DoD?

#### ***Fuel Demand at Forward Locations***

*(PROJECT NO. 351172, INITIATED MARCH 2008)*

U.S. military forces rely heavily on petroleum-based fuel to conduct operations. Fuel presents an enormous logistics burden for DoD when planning and conducting military combat operations from forward-deployed locations. These are the key questions:

- What are the characteristics of DoD's fuel demands for selected forward-deployed locations?
- To what extent are Camp Arifjan and Camp Lemonier taking actions to reduce their fuel demands?

#### ***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?

#### ***Body Armor Programs and Testing***

*(PROJECT NO. 351282, INITIATED AUGUST 2007)*

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

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

***Use of Private Security Contractors in Iraq***  
(PROJECT NO. 351083, INITIATED AUGUST 2007)

These questions will be addressed:

- What is the extent to which the Departments of Defense and State have developed and implemented policies and procedures to ensure that the backgrounds of private security contractor employees in Iraq have been appropriately screened?
- What is the extent to which the Department of Defense has developed guidance to address the elements of Section 862 of the National Defense Authorization Act of FY 2008?
- What measures have the two agencies taken to ensure that private security contractor employees meet contract-specified training requirements, to account for private security contractor weapons, and to develop policies to govern alcohol use among private security contractor employees in Iraq?

## **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 June 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 June 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.