

DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 5. All information provided is current, as of September 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). The Department of Defense Office of Inspector General (DoD OIG) has identified priorities based on those challenges and has responded by expanding coverage of OCO operations and its presence in Southwest Asia (SWA). As the Department continues its OCO, such as Operations Iraqi Freedom and Enduring Freedom, DoD OIG will stay focused on issues important to accomplish the mission and ensure that the Department makes efficient use of its resources to support the warfighter.

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, update issued in May 2009 includes the request of the Commander, U.S. Central Command, 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 tenth meeting in August 2009.

During FY 2009, DoD OIG expanded its SWA 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 DoD OIG's ability to provide audit, inspection, and investigative support to DoD operations in support to OCO.

Defense Criminal Investigative Service

The 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 the DoD OIG's renewed

TABLE G-1
DCIS INVESTIGATIONS

INVESTIGATIVE STATUS	PROCUREMENT FRAUD	PUBLIC CORRUPTION	THEFT/TECH PROTECT/OTHER	TOTAL
Open	10	16	5	31
Closed	1	2	0	3
Totals	11	18	5	34

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 October 2009, DCIS has deployed 8 special agents and one administrative personnel to Iraq, 2 special agents to Kuwait, and 6 special agents to Afghanistan

Open Cases

DCIS currently has 31 open investigations being worked jointly with SIGIR, including two projects. No case was closed during this period.

Completed Audits/Reviews

Medical Equipment Used to Support Operations in Southwest Asia

(D-2009-113, ISSUED SEPTEMBER 30, 2009)

The theater lead agent for medical logistics supports military treatment facilities and medical logistics activities; however, the lead agent cannot effectively perform life-cycle management because it does not have visibility or oversight of all theater-wide medical equipment and repair part procurements. The theater lead agent, Army, Marine Corps military treatment facilities, and logistics activities do not use a standard data system for tracking medical equipment procurements, inventory, and maintenance information. DoD OIG identified an internal control weakness in the recording and reporting of medical equipment

procurement, accountability, and maintenance transactions. Several management initiatives should improve the medical equipment accountability and procurement process.

Internal Controls Over Naval Special Warfare Command Comptroller Operations in Support of Contingency Operations

(D-2009-118, ISSUED SEPTEMBER 29, 2009)

The Command components had internal controls in place to provide justification for obligating and expending Global War on Terror (GWOT) funds for all 45 line items tested. The components also accounted for all 14 line items tested for existence. However, the Command did not implement adequate internal controls. DoD OIG identified the following internal control weaknesses in the reporting of obligations and expenditures in the FY 2008 GWOT Report. Components did not:

- report obligations and expenditures under the correct operation (3 of 45 line items) or cost code (6 of 45 line items)
- accurately report obligations and expenditures (7 of 45 line items)
- capture actual expenditures monthly (6 of 45 line items)
- provide supporting documentation for obligations and expenditures (6 of 45 line items)

Controls Over Air Combat Command and Pacific Air Forces Unliquidated Obligations from Department of the Air Force Contracts Supporting Contingency Operations

(D-2009-117, ISSUED SEPTEMBER 29, 2009)
 Defense Finance and Accounting Service (DFAS) Limestone and Japan incorrectly coded 30 of 115 unliquidated obligations (UOs) as “valid.” DFAS Limestone and Japan did not adequately review the period of performance and did not coordinate with contracting officers or fundholders to resolve the cause of the unliquidated balances. As a result, the Air Force needs to deobligate approximately \$1.7 million. Since the audit began, the Air Force has deobligated over \$524,000. The Office of the Assistant Secretary of the Air Force for Financial Management and Comptroller (SAF/FM) failed to identify the fundholders that did not validate all UOs during the FY 2009 first period tri-annual review. It did not support its confirmation statement either with the progress and management reports or with the subordinate commands’ review. As a result, the Air Force is at an increased risk of losing funds that are not deobligated in a timely manner. DFAS and Air Force internal controls were not effective. DFAS Limestone and Japan did not provide adequate oversight over the validation of UOs. In addition, the SAF/FM did not have adequate controls over the preparation of the Air Force confirmation statements.

Summary of Information Operations Contracts in Iraq

(D-2009-115, ISSUED SEPTEMBER 29, 2009)
 As requested by the Commander, U.S. Central Command, this report identifies and summarizes IO contracts in Iraq from FY 2006 through FY 2008. U.S. Central Command provided us with copies of the IO contracts, which DoD OIG examined to identify award value and any contract modifications. This report provides a summary of the contract data and does not attest to the validity or completeness of the data.

Transition Planning for the Logistics Civil Augmentation Program IV Contract

(D-2009-114, ISSUED SEPTEMBER 25, 2009)
 Although the Logistics Civil Augmentation Program (LOGCAP) office planned for the transfer of 11 task orders, which accounted for \$5 billion of \$31 billion spent on the LOGCAP III contract, to new performance contractors, planning efforts still needed improvement. DoD OIG identified internal control weaknesses in planning, controlling costs, and overseeing property and contractors. The LOGCAP office did not validate that all organizations involved in the transfer process had the most up-to-date version of the transition plan. Despite spending \$31 billion on LOGCAP III work, the LOGCAP procuring contracting officer did not develop a standard performance work statement or identify goods and services that could be acquired under firm-fixed-price task orders, both of which would have reduced costs to the Army. The LOGCAP office did not properly oversee \$4 billion in LOGCAP property and has no assurance that all government property will transfer to new performance contractors. The quality assurance representative and contracting officer’s representatives in Kuwait did not evaluate contractor performance on a consistent and routine basis.

Deferred Maintenance on the Air Force C-130 Aircraft

(D-2009-112, ISSUED SEPTEMBER 25, 2009)
 Air Force Materiel Command (AFMC) did not have an adequate internal control process for managing deferred C-130 aircraft Programmed Depot Maintenance (PDM). Specifically, AFMC did not ensure that: PDM was performed by the scheduled date, C-130 aircraft obtained and retained the required PDM extensions, and a reliable process was in place for reviewing PDM extensions. In addition, partially deferred maintenance was not accurately recorded and reported. AFMC process for deferring PDM was inadequate because AFMC either did not have procedures or did not follow

established procedures to comply with federal and DoD regulations and Air Force instructions, including Air Force Technical Orders 00-25-107 and 00-25-4. As a result, the Air Force may have flown 36 C-130 aircraft that were considered unsafe, and 11 of these may have flown over the course of 365 days or more.

For FYs 2005-2007, the Air Force reported approximately \$135.45 million in C-130 aircraft deferred maintenance. However, that amount was unreliable because the Air Force did not validate its maintenance requirements at the end of the fiscal year. Thus, the Air Force did not comply with established guidance. As a result, the Air Force inaccurately reported deferred maintenance for the C-130 aircraft in the Required Supplementary Information of the FYs 2005-2007 financial statements. Implementing these recommendations would help resolve the internal control weaknesses in the AFMC process for deferring C-130 aircraft PDM and in accurately reporting the amount of deferred maintenance in the financial statements.

Contracts Supporting the DoD Counter Narcoterrorism Technology Program Office

(D-2009-109, ISSUED SEPTEMBER 25, 2009)

The Counter Narcoterrorism Technology Program Office (CNTPO) internal controls were not adequate. DoD OIG identified weaknesses in the management, surveillance, and billing processes of the contracting officials and the CNTPO. U.S. Army Space and Missile Defense Command/Army Forces Strategic Command (SMDC) contracting officials and contracting officer's representatives (CORs) did not perform proper contract management for the 35 task orders reviewed valued at \$98.8 million, which could waste \$439,000 on fees to acquire commercial items. SMDC contracting officials and CORs did not develop surveillance plans, use receiving reports to formally accept goods and services, or review expenses charged by contractors. DoD officials did not ensure that the contractors were entitled to the \$47.9 million paid

on the CNTPO indefinite-delivery, indefinite-quality task orders. CNTPO officials had four potential Purpose Statute violations, which could result in potential Antideficiency Act violations amounting to approximately \$20.5 million.

U.S. Air Forces Central War Reserve Materiel Contract

(D-2009-108, ISSUED SEPTEMBER 23, 2009)

U.S. Air Forces Central officials did not effectively manage or administer the war reserve materiel contract in accordance with federal or DoD policies or provide sufficient oversight of contract administration actions and decisions. The contracting officer:

- could not provide basic, general information and documentation on the contract
- executed 75 of the 120 contract modifications that did not completely define or specify the work to be accomplished by DynCorp
- did not effectively monitor or track \$161.1 million in costs incurred on the contract and frequently failed to document key decisions
- inappropriately authorized \$893,160 in award fees after actual costs were determined, resulting in a prohibited cost-plus-a-percentage-of-cost system of contracting
- improperly obligated \$6 million and as much as \$56 million in Operations and Maintenance funds for minor military construction projects

DoD OIG identified potential monetary benefits totaling approximately \$273,000 because contracting personnel did not adequately oversee the sale of government property. As a result of issues raised during the audit, Air Force officials revoked the contracting officer's warrant in September 2008.

Investigation of Allegations of the Use of Mind-Altering Drugs to Facilitate Interrogations of Detainees

(09-INTEL-13, ISSUED SEPTEMBER 23, 2009)

This investigation responded to a request from members of the U.S. Senate. The objective of this investigation was to determine the facts surrounding reports that detainees and prisoners captured in Southwest Asia may have been administered mind-altering drugs to facilitate interrogations. Allegations made by or on behalf of present and former detainees that they had been administered mind-altering drugs for interrogation purposes while at DoD interrogation facilities were not substantiated.

Price Reasonableness Determinations for Contracts Awarded by the U.S. Special Operations Command

(D-2009-102, ISSUED SEPTEMBER 18, 2009)

On 4 of 15 contracts, contracting officials of the U.S. Special Operations Command (USSOCOM) did not perform or document the price reasonableness determination in accordance with the Federal Acquisition Regulation. In total, USSOCOM did not adequately document \$721 million in negotiated prices on the four contracts. Of the \$721 million, USSOCOM did not adequately support \$356 million on one contract for commercial hardware items. On two contracts, DoD OIG was unable to fully evaluate the contracting officers' price reasonableness decisions because essential documentation was not retained as part of the contract file. As a result, DoD OIG was unable to verify USSOCOM's analyses of the \$360 million not-to-exceed amount for time-and-materials and firm-fixed-price direct labor costs. On the final contract, USSOCOM did not completely translate the supporting documentation for \$5.0 million into English. USSOCOM internal controls were not adequate to ensure that USSOCOM contracting officials approved required contracting documentation or that the contract files contained the

supporting documentation of the price reasonableness decisions. In addition, USSOCOM policies and procedures did not address the alpha contracting methods being used to negotiate the contracts.

Information Operations Contracts in Iraq
(D-2009-091, ISSUED JULY 31, 2009)

The Joint Contracting Command-Iraq/Afghanistan awarded indefinite-delivery, indefinite-quantity contracts to four contractors in accordance with the Federal Acquisition Regulation. However, the Joint Contracting Command-Iraq/Afghanistan combined psychological operations and public affairs requirements in one contract. Although DoD OIG did not obtain any evidence that psychological operations were intended for a U.S. audience, the contract language did not clearly differentiate between psychological operations and public affairs, as required by doctrine, creating the appearance that psychological operations were associated with a U.S. audience.

Overall, the contracting process resulted in a contract vehicle that was not optimal and may not meet initial psychological operations requirements or user needs. In addition, DoD OIG determined that an internal control weakness exists in the oversight of the media services contracts. Specifically, the Joint Contracting Command-Iraq/Afghanistan did not prepare a Quality Assurance Surveillance Plan for these contracts, and the review of contract documentation did not find evidence that a Contracting Officer's Representative was appointed.

Status of the Defense Emergency Response Fund in Support of the Global War on Terror

(D-2009-098, ISSUED JULY 30, 2009)

On April 15, 2004, DoD transferred more than \$126 million from Defense Emergency Response Fund (DERF) to Iraq Freedom Fund (IFF) as required by the public laws. However, the DoD components' internal controls were not adequate to

ensure that DoD transferred all DERF for GWOT balances to IFF. The components did not review their obligations to ensure that they were valid and accurate and that unliquidated obligations were deobligated. As a result, five years and six months after the public law has mandated the transfer of balance in DERF to IFF, there is still about \$108.9 million, classified as unpaid obligations, and an additional \$151.1 million, classified as unobligated, for a total of \$260 million in DERF for GWOT that DoD needs to transfer to the Department of Treasury because the law to transfer the funds to IFF had expired. In addition, there is \$15.3 million in DERF for disaster and humanitarian assistance that DoD needs to transfer to the Department of Treasury. Because it has been more than five years and six months since the public law mandated the transfer of balance in DERF to IFF, the Defense Finance and Accounting Service should not make any more disbursements from DERF.

Contracting for Transportation Services for U.S. Army Corps of Engineers, Gulf Region Division

(D-2009-095, ISSUED JULY 29, 2009)

DoD OIG found that the Gulf Region Division (GRD) of the U.S. Army Corps of Engineers did not effectively administer the task order for transportation services because it did not establish or implement processes for invoice and inventory reconciliation and discrepancy resolution. In addition, it did not establish standard policies for justification and utilization of nontactical vehicles. As a result, discrepancies in vehicle inventories could cost GRD at least \$1.2 million a year for vehicles it may not currently have.

DoD OIG also found that GRD could not provide assurance that the contractor complied with all contract requirements for transportation services under task order 17. This occurred because GRD did not develop and implement a quality assurance surveillance plan or ensure that contracting officer's representatives adequately documented

contractor performance. As a result, GRD cannot validate that it received transportation services totaling approximately \$69.9 million. These deficiencies in administration and oversight of contracts for transportation services constitute a weakness in the internal controls. GRD can improve these deficiencies by implementing these recommendations.

Contracts for the U.S. Army's Heavy-Lift VI Program in Kuwait

(D-2009-096, ISSUED JULY 28, 2009)

DoD OIG identified internal control weaknesses regarding contract oversight of the Heavy-Lift VI program. The U.S. Army Contracting Command (ACC), Southwest Asia-Kuwait did not develop appropriate surveillance methods to assess contractors' compliance to performance objectives, approve contractors' quality control plans at the time of award, or perform legal reviews timely, and key contracting documents were not always available. Since procuring contracting office responsibilities were later transferred to ACC Rock Island Contracting Center and administrative contracting office responsibilities were delegated to the Defense Contract Management Agency-Kuwait, contract oversight has improved. However, clear guidance was not in place to assist in the oversight process and a memorandum of agreement between the procuring contracting office and the administrative contracting office was needed to detail contract administration responsibilities. Although ACC Rock Island Contracting Center and Defense Contract Management Agency- Kuwait have taken corrective actions to strengthen the administration and oversight of the Heavy-Lift VI program, DoD did not have reasonable assurance that contractors were complying with requirements, achieved standards, and that the \$522 million spent for contractors' services represented the best value to the government.

Review of Electrocution Deaths in Iraq: Part II—Seventeen Incidents Apart from Staff Sergeant Ryan D. Maseth, U.S. Army
(IPO-2009-E001, ISSUED JULY 27, 2009)

Based on preliminary work conducted in support of Part I, and growing congressional interest, DoD OIG sought information on all electrocutions that occurred in Iraq since Operation Iraqi Freedom began in March 2003. DoD OIG identified 17 other electrocutions involving U.S. military or contractor personnel. Nine of the 17 electrocutions involved accidental deaths from the victims touching or coming into contact with live electrical power lines. The circumstances surrounding these deaths were straightforward, and the respective investigations laid out the relevant facts surrounding these incidents and established responsibility for the deaths. The remaining eight electrocutions involved equipment malfunctions that could have related to whether equipment maintenance complied with proper electrical standards or whether the respective chain of command acted responsibly in protecting Service members. DoD OIG's examination of the eight cases at issue determined four cases warranted further investigation. DoD OIG referred those four cases for additional investigation by the Army or Navy.

Review of Electrocution Deaths in Iraq: Part I—Electrocution of Staff Sergeant Ryan D. Maseth, U.S. Army
(IPO-2009-006, ISSUED JULY 24, 2009)

DoD OIG reported that multiple systems and organizations failed, leaving SSG Maseth and other U.S. service members exposed to unacceptable risk of injury or death. The report contains various recommendations to the Commander, Multi-National Force-Iraq; Director, Joint Staff; the Commander, U.S. Central Command; the Army Chief of Engineers; and Director, Defense Contracting Management Agency relating to DoD OIG's process review of the circumstances surrounding the electrocution of SSG Maseth.

Ship Utilization in Support of the Global War on Terror

(D-2009-093, ISSUED JULY 15, 2009)

USTRANSCOM's commercial vessel selection process does not evaluate whether a liner or charter vessel is the most cost-effective alternative. Also, USTRANSCOM officials do not document South-west Asia vessel selection rationale when selecting from Surface Deployment and Distribution Command (SDDC) recommendations. SDDC does not enforce penalties for late delivery of cargo under the Universal Service Contract-5. USTRANSCOM has no formal process to implement or document DoD requirements to annually size the United States sealift fleet in order to meet peacetime, contingency, and projected wartime requirements. DoD OIG identified internal control weaknesses for the USTRANSCOM vessel selection process and for SDDC relating to the absence of contract management controls to enforce penalties for late deliveries of cargo.

Ongoing Audits

Ministerial Capacity Development of the Iraqi Ministries of Defense and Interior Inspectors General

(PROJECT NO. NOT REPORTED, DATE INITIATED NOT REPORTED)

DoD OIG has embedded a senior level liaison with the Multi-National Security Transition Command-Iraq to: 1) develop and strengthen the Iraqi Ministry of Interior and Ministry of Defense IG oversight capabilities, 2) provide support to the U.S. Mission's Interagency Anti-Corruption Program, and 3) institutionalize MOI IG Weapons Accountability Inspections Program.

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

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

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

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

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

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

Review of Inter-Theater Transportation Planning, Capabilities, and Execution for the Drawdown from Iraq

(PROJECT NO. D2009-D000LC-0240.002, INITIATED SEPTEMBER 10, 2009)

The inter-theater portion is the second in a series of reviews related to the relocation of personnel and assets during the Iraq drawdown. The first review focused on U.S. Transportation Command's planning process. This review will track

the execution of the drawdown plan. The objective is to determine if the transportation plan will meet the withdrawal goals of August 31, 2010, for combat troops and December 31, 2011, for remaining troops and assets. Specifically, DoD OIG will evaluate the plan's assumptions, transportation methods, disposition of equipment, and timeframe limitations. This project is being performed in conjunction with D2009-D00SPO-0310.000.

Assessment of Intra-Theater Transportation Planning, Capabilities, and Execution for the Drawdown from Iraq

(PROJECT NO. D2009-D00SPO-0310.000, INITIATED SEPTEMBER 10, 2009)

DoD OIG is conducting this assessment to determine whether U.S. Central Command and its subordinate and supporting organizations' intra-theater logistical planning, selected capabilities, and execution are adequate to support and manage the movement of cargo and equipment being drawdown from Iraq.

Contract Audit Follow-Up Review on Incurred Cost Audits Related to Iraq Reconstruction Activities

(PROJECT NO. D2009-DIPOAI-0305, INITIATED SEPTEMBER 1, 2009)

This is the second in a series of reviews specific to the funding of Iraq reconstruction activities. Contracting official actions will be evaluated for compliance with DoD Instruction 7640.02, "Policy for Follow-up on Contract Audit Reports," August 22, 2008.

Assessment of U.S. Government Efforts to Develop the Logistics Sustainment Capability of the Iraq Security Forces
(PROJECT NO. D2009-D00SPO-0286.000, INITIATED AUGUST 11, 2009)

DoD OIG is conducting this assessment to determine: 1) whether the planning and operational implementation of efforts by U.S. forces to train, advise, and assist in the development of an enduring logistics sustainability capability for the Iraqi Security Forces are effective; 2) whether the plans, training, preparations, and designated missions of the inbound U.S. advisory and assistance brigades and sustainment brigades to train, advise, and assist in the development of an enduring logistics sustainability capability for Iraqi Security Forces are synchronized with in-country plans and operational assumptions and needs; and 3) whether the planning and operational implementation of efforts by U.S. forces to train, advise, and assist in the development of a casualty evacuation capability for ISF are effective.

DoD's Plans for the Drawdown and Reset of Property in Iraq
(PROJECT NO. D2009-D000JB-0280.000, INITIATED AUGUST 10, 2009)

DoD OIG is conducting this audit in response to a U.S. Central Command request to focus oversight on asset accountability to ensure that U.S.-funded assets are properly accounted for and that there is a process for the proper transfer, reset, or disposal of assets. The objective is to evaluate DoD's plans for the drawdown and reset of the DoD property in Iraq. Specifically, DoD OIG will determine whether roles, responsibilities, and lines of reporting are clearly defined and documented; whether the plans comprehensively address issues including property accountability, visibility, reset, and return; and whether realistic milestones have been established for the initiation and completion of drawdown and reset activities.

Contracts Supporting Base Operation in Kuwait

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

DoD OIG will determine whether DoD properly managed and administered contracts supporting base operations in Kuwait. Specifically, DoD OIG will determine whether the contract management and administration complied with federal and DoD policies.

Air Forces Central War Reserve Materiel Contract

(PROJECT NO. D2009-D000AS-0264.000, INITIATED JULY 20, 2009)

DoD OIG will determine whether Air Force officials awarded and are providing oversight of the Air Forces Central War Reserve Materiel contract (FA4890-08-C-0004) in accordance with federal and DoD policies.

Contracting for Organizational and Direct Support Maintenance at Joint Base Balad, Iraq

(PROJECT NO. D2009-D000JB-0254.000, INITIATED JULY 13, 2009)

DoD OIG will determine whether DoD is efficiently and effectively contracting for organizational and direct support maintenance at Joint Base Balad, Iraq. Specifically, DoD OIG will evaluate the contract requirements and statement of work, contractor workload and utilization data, and whether organic assets are available to perform the maintenance.

Contracts Supporting the Broad Area Maritime Surveillance Program

(PROJECT NO. D2009-D000AS-0247.000, INITIATED JULY 10, 2009)

DoD OIG will determine whether DoD officials properly managed and administered the contracts

supporting the Broad Area Maritime Surveillance Program. Specifically, DoD OIG will determine whether the contract management and administration complied with federal and DoD policies.

International Oil Trading Company Contracts to Supply Fuel to U.S. Troops in Iraq

(PROJECT NO. D2009-D000CH-0244.000, INITIATED JULY 7, 2009)

This audit was initiated in response to a request from Congress. The objective of the audit will be to review the Defense Energy Support Center's decision to award the International Oil Trading Company a series of contracts for the delivery of fuel through Jordan to U.S. troops in Iraq. Specifically, the audit will determine whether prices paid were fair and reasonable, whether an exclusive supply arrangement had an impact on prices, and whether the fuel needs to be supplied through Jordan.

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 that 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.

Assessment of the Defense Hotline Allegations Concerning Traumatic Brain Injury Research Integrity in Iraq

(PROJECT NO. D2009-D00SPO-0242.00, INITIATED JUNE 11, 2009)

DoD OIG is conducting an inquiry of Research Integrity Misconduct in Iraq at the request of the DoD Hotline to determine if clinical research using an unapproved medication was conducted on U.S. service members with Traumatic Brain Injury in Iraq.

Review of the Joint Task Force Guantanamo Inclusion of Detainee Mental Health Information in Intelligence Information Reports

(PROJECT NO. D2009-DINT01-0203.000, INITIATED JUNE 10, 2009)

This project was developed as a result of information obtained during the Investigation of Allegations of the Use of Mind Altering Drugs to Facilitate Interrogations (09-INTEL-13, Issued September 23, 2009). The objectives of the review are to determine if DoD intelligence reports published by Joint Task Force Guantanamo considered detainee mental health status as an indicator of reliability

and if such information was made available for use by intelligence consumers for their determination of source reliability and accuracy of information. The project will also review DoD guidance pertaining to the inclusion of source mental health information in intelligence reports and if DoD policy regarding privacy of medical information for intelligence purposes complies with existing law and DoD regulations.

Assessment Research on the Case Management Processes for Combat Amputees

(PROJECT NO. D2009-D000IG-D00SPO.0225.000, INITIATED MAY 15, 2009)

DoD OIG is researching the Case Management of Combat Amputees to determine whether the Military Health System is achieving its stated performance measures in delivering ongoing care to disabled service members eligible for Title 10-funded medical programs.

Assessment Research on Enlisted Administrative Separations

(PROJECT NO. D2009-D000IG-D00SPO.0226.000, INITIATED MAY 15, 2009)

DoD OIG is conducting a research focused on Enlisted Administrative Separations for service members who served in Iraq or Afghanistan. This project resulted from concern expressed by a member of Congress that U.S. marines with multiple combat tours in Iraq were being administratively separated under Other than Honorable Conditions, making them ineligible for benefits from the Department of Veterans Affairs. In addition, the project is assessing whether service members were evaluated for combat-related mental health conditions before being separated.

Marine Corps Fulfillment of Urgent 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 U.S. 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.

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)

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-0182.002, 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.

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 Partnership

(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.

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.

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 is addressing 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 (HMMWW) 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 cause 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.

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.

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.

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.

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. Report D-2009-095 addresses contracting for transportation services for U.S. Army Corps of Engineers, Gulf Region Division.

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 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-D000J C-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.

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-D000J C-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.

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.

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.

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, D-2009-054, 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 September 30, 2009.

Review of the Roles, Staffing, and Effectiveness of Regional Embassy Offices in Iraq

(MERO-IQO-09-09, ISSUED AUGUST 25, 2009)

The objectives were to determine the role of the Regional Embassy Offices and were they effective; were sufficient financial and human resources provided to support the REO mission; were there any security concerns that affected REO operations; and did participating organizations effectively coordinate their programs and operational support with the REOs. The report issued these findings:

- Four Regional Embassy Offices were established in Iraq in the summer of 2004, and three were in operation at the start of this audit in December 2008. However, currently, only one Regional Embassy Office is operating in Hillah.
- Regional Embassy Offices were effective bases for conducting engagements with Iraqis, reported firsthand on political and economic developments in the provinces, and served as vital nearby staging areas for personal protection operations.
- Operating and supporting a forward-deployed U.S. government civilian presence in Iraq is challenging and expensive. For example, the Department of State spends more than \$75 million annually and has employed as many as

700 people to secure, operate, and maintain the Regional Embassy Office in Hillah.

- Total U.S. government staffing for the Regional Embassy Office in Basrah, the Regional Reconstruction Team in Erbil, and the Regional Embassy Office in Hillah was 265. A total of 1,027 contractors provided life support and personal protective services. These numbers resulted in a ratio of nearly four life support and personal security contractors to every one U.S. government staff member at these Regional Embassy Offices and Regional Reconstruction Team.
- A 2004 agreement on the exchange and use of diplomatic and consular properties between the U.S. government and the Iraqi Interim Government transferred to the United States title to properties for future consulate sites in Basrah and Mosul. No decisions have been made as to the number and location of consulates in Iraq, and no steps have been taken to plan or budget for the eventual opening of consulates. Current buildings and facilities used by Department of State personnel in the provinces are inadequate platforms to support consular operations.

The report issued one recommendation:

- Upon receiving policy direction from the Administration to proceed forward in the normalization of relations with the Government of Iraq, Embassy Baghdad should develop a detailed plan for establishing consulates in Iraq. The plan should include an analysis of the security situation, life support, and other logistical requirements, including associated costs and future funding requirements at proposed sites.

Performance Audit of Embassy Baghdad's Transition Planning for a Reduced United States Military Presence in Iraq

(MERO-A-09-10, ISSUED AUGUST 25, 2009)

The objectives were to review what transition planning mechanisms are in place within the Department and between the Department and the U.S.

military and the Government of Iraq; what are the key transition issues facing Department planners, including the provision of security, logistical support, transportation, and the status of regional offices and Provincial Reconstruction Teams; and what are the expected costs associated with increased Department roles and responsibilities.

The report issued these findings:

- Planning for the relocation to the new embassy compound and the movement toward normal diplomatic relations with the Government of Iraq have taken precedence over Embassy Baghdad planning for downsizing of the U.S. military.
- Although the U.S. military drawdown will have a significant impact on Embassy Baghdad, at the time of OIG's evaluation (December 2008-June 2009), the Embassy had not formulated a unified transition plan to anticipate the military's departure, and there was no single office or point of contact to direct these efforts. However, in mid-July 2009, the Embassy reported that a transition plan had been developed and was under final review. The Embassy had also created a central planning cell in the political/military section.
- The security situation in Iraq remains unstable, and U.S. military drawdown will affect protection of the new embassy compound in Baghdad, as well as convoy security provided by the military for goods brought into Iraq to support embassy operations.
- The Iraq Transition Assistance Office (ITAO) is managing 216 infrastructure projects valued at more than \$700 million. Only 25 of 46 authorized positions have been filled in ITAO, and nine of 11 military staff members have been reassigned. This staffing shortage has already affected ITAO's effectiveness in carrying out these projects, and will need to be addressed in the transition.
- Embassy Baghdad has relied heavily on the Logistics Civil Augmentation Program managed by the U.S. Army to provide services such as food, fuel, and transportation. The Embassy will need

to examine other potentially more costly options for service provision.

- Department budget officials are identifying costs associated with the U.S. military drawdown as requirements are identified, and they believe sufficient funds have been budgeted through FY 2011 to meet projected embassy operational requirements as currently defined. However, OIG has identified several areas in which the military drawdown may result in additional costs. These areas include requirements for: (1) enhanced security around the new embassy compound; (2) convoy security for fuel, food, and other supplies; (3) commercial air travel as an alternative to military transport; and (4) private sector design, contract preparation, and contract oversight to replace U.S. Army Corps of Engineers' support services.

The report issued four recommendations:

- Embassy Baghdad should develop a unified transition plan in anticipation of the U.S. military drawdown in Iraq and assign a senior level official to serve as overall transition planning coordinator.
- Embassy Baghdad should develop a workforce plan for the Iraq Transition Assistance Office to provide effective management and oversight of contractors and ensure the timely completion of projects.
- Embassy Baghdad should develop plans to determine what Logistics Civil Augmentation Program (LOGCAP) services will be required and ensure adequate qualified contract management personnel are available to manage and oversee the LOGCAP contract.
- Embassy Baghdad should verify resource needs to meet the expected increase of logistical and program support requirements stemming from the downsizing and departure of U.S. military resources and should request additional funds as necessary to efficiently and effectively manage embassy operations and Department programs in Iraq.

Inspection of Embassy Baghdad

(09-ISP-3020, ISSUED JULY 2009)

The objectives were to evaluate the Embassy's implementation of policy, management of resources, adequacy of management controls, and measures to protect people, information, and facilities.

Ongoing Audits

De-mining Programs in Iraq

(PROJECT NO. 10-ISP-3013, INITIATED SEPTEMBER 2009)

The objectives are to evaluate the implementation and effectiveness of de-mining programs in Iraq. This review is in the fieldwork stage.

Baghdad Embassy Security Force (BESF)

(PROJECT NO. 09MERO3021, INITIATED AUGUST 2009)

The objectives are to provide an overall review and summary of the requirements and provisions of the Baghdad Embassy Security Force contract; objectives of the contracts and task orders, what indicators have been established to measure performance; and how the Department administered the contract to oversee Triple Canopy's performance and costs of the contract. The report will assess the status of contract records, management controls, cost, and value of this contract to the mission of the U.S. Department of State. This review is in the fieldwork stage.

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. As of August 2009, this review has been suspended until further notice due to inadequate documentation available by the Bureau and DoS.

**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. As of August 2009, this review has been suspended until further notice due to inadequate documentation available by the Bureau and DoS.

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

(PROJECT NO. 08AUD3023,
INITIATED JULY 2008)

The 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 one performance audit related to Iraq reconstruction. In addition, USAID OIG issued four financial audits covering \$85.2 million in costs incurred under USAID contracts and cooperative agreements, which were performed for USAID OIG by DCAA. These four audits identified questioned costs totaling \$88.9 million. (The total amount questioned exceeded the total amount audited because USAID OIG also questioned a fixed fee of \$3.7 million, which DCAA had not included in their audit report.) Seventeen other financial audits are in process. USAID/Iraq also conducted work in support of USAID OIG's "Audit of USAID's Fiscal Year 2009 Financial Statements" and provided information to USAID OIG headquarters for use in that audit.

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

(E-267-09-005-P, ISSUED AUGUST 16, 2009)
USAID/Iraq's \$200 million Iraq Rapid Assistance Program was designed to provide Iraq provincial

reconstruction teams with a flexible funding mechanism to support community leaders and local Iraqi organizations in improving public services, education, and economic opportunities. Grants awarded under the program ranged from \$25,000 to \$2 million and funded a variety of activities. USAID OIG concluded that USAID/Iraq's Rapid Assistance Program was achieving its goal for the majority of the grants reviewed. Specifically, the audit found that at least 30 of the 40 sampled grants tested (75%) had either fully or substantially achieved their intended results. However, some grants had not achieved their intended results due to a host of problems, which included design-related issues, lack of coordination with local authorities, poor performance by the implementing partner's subcontractors, and weak monitoring.

The audit also identified a series of financial irregularities involving at least 18 of the 40 grants reviewed (45%), which underscored the need for improved oversight. The irregularities included evidence of fictitious invoices, possible cost manipulation, and other improper billing practices. The irregularities were immediately referred to the USAID OIG/Iraq Office of Investigations. The report contained three recommendations to improve monitoring procedures and controls.

Ongoing Audits

Audit of the Implementation of USAID/Iraq's Iraqi Financial Management Information System

(INITIATED 4Q/FY 2009)

The objective is to evaluate if the Iraq Financial Management Information System (IFMIS) has been implemented and its main goals achieved.

Survey of Incidents Reported by Private Security Contractors of USAID/Iraq's Contractors and Grantees

(INITIATED 4Q/FY 2009)

The objectives are to determine the number of serious security incidents that occurred during the two-year period ending June 30, 2009, and to determine if USAID/Iraq has effectively implemented recommendations made in a prior OIG audit report on private security contractors ("Audit of USAID/Iraq's Oversight of Private Security Contractors in Iraq," E-267-09-002-P, dated March 4, 2009).

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.

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

TABLE G.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	119	31
Other Special Requested Audits (2)	63	33	76
Incurred Cost (3)	78	25	190
Labor Timekeeping (4)	40	67	45
Internal Controls (5)	26	29	69
Preaward Accounting Survey (6)	4	5	7
Purchase Existence and Consumption (7)	12	28	22
Cost Accounting Standards (8)	44	22	110
Other (9)	45	30	101
Total	378	358	651

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

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 September 30, 2009).

U.S. Army Audit Agency

As of September 30, 2009, USAAA had 24 auditors deployed to Iraq, Afghanistan, and Kuwait.

Completed Audits

Logistics Civil Augmentation Program (LOGCAP) Operations in Support of Operation Iraqi Freedom—Power Generators

(A-2009-0245-ALL,
ISSUED SEPTEMBER 30, 2009)

USAAA reported that although the contractor provided the electrical power needed to support the mission and life support requirements in Iraq, government oversight and contractor use of power

generators were not fully effective under the LOG-CAP III contract. Specifically, improvements were needed in five areas: (1) process control procedures, (2) frequency of evaluating preventative maintenance, (3) maintenance requirements and records, (4) completeness and accuracy of property records, and (5) testing and validation of the property control system. Improvements in these areas were needed primarily due to a lack of government oversight caused by a limited number of appointed contracting officer technical representatives. USAAA found that the contractor's property book was accurate in terms of quantities and locations of generators, but it was incomplete regarding some specific details, such as serial number and generator capacities. Additionally, USAAA found 279 unused, mission-capable generators in a storage yard. The generators, which were valued at about \$18.5 million, were considered to be excess.

U.S. Army Corps of Engineers Contract Functions in Iraq, Gulf Region Division, Baghdad, Iraq

(A-2009-0244-ALL, ISSUED SEPTEMBER 30, 2009)

USAAA reported that processes and procedures were not adequate to ensure that the Gulf Region Division (GRD) executed procurement actions to maximize the delivery of construction in Iraq. Internal controls needed strengthening to ensure that: actions were taken to correct identified deficiencies within the contracting offices; proper oversight was provided to GRD contracting offices; required documents were prepared and retained to support key acquisition decisions; adequate training was provided to GRD contracting personnel; and a long-term staffing plan was in place to ensure that GRD could meet the demands of Iraqi reconstruction. In addition, the reach-back program that was intended to provide support to GRD personnel stationed in Iraq was not operating effectively or efficiently.

Property Book Unit Supply Enhanced, I Corps and Fort Lewis

(A-2009-0242-ALR, ISSUED SEPTEMBER 30, 2009)

The former Secretary of the Army requested this audit. USAAA reported that I Corps and Fort Lewis used the Property Book Unit Supply Enhanced System to account for equipment and system data was generally accurate. All but 8 of 4,615 equipment items tested were recorded on property records, but 6% of the records tested contained inaccurate serial numbers, and 3% contained inaccurate or missing registration numbers. Property book officers were properly appointed and units performed annual inventories, but some units did not have documentation to support sensitive-item and change-of-command inventories. Procedures did not result in reporting all excess equipment and requisitioning all equipment shortages. The units reviewed had about \$14.4 million of excess equipment that needed to be laterally transferred or turned in. The transfers would allow gaining units to cancel requisitions totaling about \$1.5 million. Additionally, some units did not have valid requisitions for \$4.1 million of equipment and did not follow Financial Liability Investigations of Property Loss guidance.

Retrograde Operations in Southwest Asia—Management of Automatic Return and Critical Items

(A-2009-0228-ALL, ISSUED SEPTEMBER 30, 2009)

This report is classified For Official Use Only (FOUO). The Army's Deputy Chief of Staff, G-4 requested this multi-phased audit. USAAA reported that the Army had established "retrograde teams" in theater to manually identify and expedite the return of automatic return items (ARIs) and critical items. Despite the Army's proactive initiative, USAAA identified significant delays with processing and returning these items to depots in the United States. Reviews at five redistribution

warehouses showed it took up to 71 days to return items because:

- Critical items were managed separately from ARIs.
- Many of the redistribution warehouses relied heavily on an unskilled contracted workforce.
- Units in Southwest Asia did not want to release aviation items outside the area of operations due to the criticality of the parts.

Processing delays resulted in excess inventory at the warehouses. Additionally, Class IX retrograde, which included ARIs and critical items, was a low priority for backhaul transportation. The low transportation priority caused delays in movement of these items out of theater and back to the depots. Consequently, depots sometimes had to acquire new items instead of relying on returns from theater to meet production requirements. USAAA's recommendations will help the Army reprioritize transportation of ARIs and critical items, reduce the retention of excess critical items, and prevent depot production slowdowns and unnecessary procurement actions.

Contracting Operations, U.S. Army Contracting Command Southwest Asia - Kuwait

(A-2009-0132-ALL, ISSUED SEPTEMBER 29, 2009)

USAAA performed the audit at the request of U.S. Army Criminal Investigation Command and Commander, U.S. Army Central Command. USAAA found that up to spring 2007, contracting practices related to the overall management of contracts awarded by the contracting office in Kuwait were not operating effectively and according to established laws and regulations. Adequate internal controls were not in place to make sure contract requirements were properly planned, awarded, and administered. The internal control weaknesses created an environment where contracting actions were highly susceptible to fraud, waste, and misuse

and increased cost to the Army. The audit also identified some potential fraudulent activities that went undetected and some goods and services that were not acquired in the most cost-effective manner. In addition, the Army did not have assurance it received all the goods and services it paid for.

USAAA's recommendations to improve contracting operations in Kuwait should achieve substantial savings.

During the audit, the Army initiated significant actions to improve the efficiency and effectiveness of operations conducted out of the contracting office in Kuwait. One action was to transfer operational control of the office to U.S. Army Materiel Command. USAAA initiated a separate audit to evaluate the effectiveness of the actions taken to improve contracting operations at the contracting office in Kuwait

Army Acquisition Objective Process

(A-2009-0233-ALA, ISSUED SEPTEMBER 25, 2009)

The Office of the Deputy Chief of Staff, G-3/5/7 requested this audit. USAAA conducted the audit in response to concerns about how the Army was setting the Army Acquisition Objective (AAO) during a time of war. USAAA reported the Army needed to update its guidance to help ensure it had a deliberate, orderly process for identifying and adjusting its AAO requirements to account for wartime needs. The Army's process did not include some key AAO components in the calculations, such as war reserve stocks and maintenance float. Also, the Army did not properly update AAOs and did not adequately document initial AAO and adjustment decisions. Without an effective and reliable AAO process, the Army could not accurately represent the complete, unconstrained requirements for budgetary purposes. Also, the modernization and future readiness levels of Army units could be at risk.

Effect of Mine Resistant Ambush Protected Vehicle (MRAP) Upon Tactical Vehicle System Requirements, Office of the Deputy Chief of Staff, G-3/5/7

(A-2009-0221-ALA, ISSUED SEPTEMBER 21, 2009)

This report is classified For Official Use Only (FOUO). USAAA performed the audit to determine if the Army adequately planned, assessed, and adjusted requirements for new and existing vehicle systems impacted by the acquisition and deployment of the MRAP vehicle system.

USAAA found the Army and Marine Corps quickly identified and met an urgent in-theater need in Iraq and Afghanistan for the MRAP vehicle system to fill capability gaps encountered by Up-Armored High-Mobility Multipurpose Wheeled Vehicles (UAHs). However, the Army could make the most of the MRAP vehicle system by:

- Developing a long-range plan for the vehicle after its current mission in theater and making the vehicle system a Program of Record.
- Further assessing the vehicle's impact on in-theater High-Mobility Multipurpose Vehicle requirements; a one-for-one (MRAP for UAH) replacement ratio will save the Army \$620 million over three years.
- Planning for the displacement or disposal of High-Mobility Multipurpose Wheeled Vehicles being replaced by MRAP vehicles.
- Determining to what extent the mission of the MRAP overlaps with the mission and requirements of the future Joint Light Tactical Vehicle and incorporating changes in the tactical vehicle fleet mix in its Tactical Wheeled Vehicle Strategy.

USAAA also reviewed the strategy to transport MRAP vehicles to the Iraq/Afghanistan Theater. The three weeks time saved did not justify the cost of airlift. USAAA briefed these results to Army and CENTCOM personnel, who took action to discontinue airlifting vehicles. By discontinuing airlift in favor of sealift, the Army saved about \$254 million through December 2008.

Sensitive Items Accountability and Control, Abu Ghraib Warehouse, Iraq

(A-2009-0219-ALL, ISSUED SEPTEMBER 21, 2009)

This report is classified For Official Use Only (FOUO). USAAA performed the audit at the request of the Director, CJ 1/4/8, Multi-National Force-Iraq (MNF-I). USAAA found that processes and procedures were adequate to ensure property accountability and controls over sensitive items at the Abu Ghraib warehouse. However, the Commercial Logistics Distribution Agency needed to improve how it monitored contractor performance and documented compliance with the established quality assurance plans for contracts associated with the Abu Ghraib warehouse mission. MNF-I agreed with the report's conclusions and recommendations and stated it had taken or would take action to implement the recommendations.

Requirements for Mobilized Soldiers

(A-2009-0212-FFS, ISSUED SEPTEMBER 17, 2009)

USAAA reported that, for the most part, soldiers mobilized in support of contingency operations outside of theater continued to have valid mission-essential requirements; however, the Army lacked a clear definition for valid requirements and a process for Army activities to validate their requests. Some soldiers were performing duties that were not mission-essential to contingency operations, and other soldiers were not performing duties they were mobilized for, or were performing duties that were enduring requirements that will continue to be necessary even if contingency operations cease.

Overall, the Army did not have an accurate picture of its requirements for mobilized soldiers outside of theater and may not be making optimal use of them considering its current demands on the Operating Force. USAAA found that 51% of the requirements reviewed could be effectively performed by civilian or contractor personnel at a lower cost and use of such personnel could offer

a more long-term solution for meeting mission needs than using mobilized soldiers. USAAA made 10 recommendations to the Deputy Chiefs of Staff for G-1 and G-3/5/7 to improve these conditions. Both activities agreed with the recommendations and initiated corrective actions.

Use of Role-players for Training— Exclusive of Combat Training Centers

(A-2009-0202-FFF, ISSUED AUGUST 28, 2009)

The Office of the Deputy Chief of Staff, G-3/5/7 requested this audit. USAAA reported the process used to acquire role-players was not cost effective because each training site contracted for role-players individually, instead of using a more corporate-wide approach. In addition, the Army needed guidance to clearly define the types of role-players and the best type of contract to use to acquire role-players. Although the type and source of logistical support provided to role-players were consistent, the costs for weapons rental and ammunition purchases varied between training sites and reduced cost-effectiveness. Logistical support costs varied because each training site contracted for role-players using various contracting sources. Furthermore, the Army paid some contractor charges that were not properly supported and overpaid other charges for some logistical support items. The Army could save about \$25.9 million by using a corporate-wide contracting approach and recouping overpayments from the contractor.

Property Accountability, 3rd Infantry Division, Rear Detachment, Fort Stewart, Georgia

(A-2009-0181-ALR, ISSUED AUGUST 18, 2009)

The Deputy Chief of Staff, G-4 requested this audit. USAAA reported that the six units it visited used the Property Book Unit Supply Enhanced (PBUSE) system to account for their equipment. However, there were some errors. Units did not properly account for about \$215,000 of the

\$22 million of equipment that USAAA validated, and some property management procedures were not working as intended. Although battalion commanders properly appointed property book officers in writing, the property book officers sometimes were not fully qualified and trained when appointed. Company commanders sometimes did not conduct periodic inventories when required or follow established procedures when they conducted inventories. The accountability errors occurred and the procedures did not work as intended because of a lack of emphasis on property accountability.

Controls Over Vendor Payments— Kuwait (Phase I—U.S. Army Contracting Command, Southwest Asia, Camp Arifjan, Kuwait)

(A-2009-0173-ALL, ISSUED JULY 29, 2009)

USAAA performed this audit as part of a series of audits on Controls Over Vendor Payments in Southwest Asia. USAAA reported that the Army took positive steps to increase the validity and accuracy of vendor payments for contracts awarded and/or administered by U.S. Army Contracting Command, Southwest Asia–Kuwait. One primary factor was redirecting vendor pay operations to Defense Finance and Accounting Service (DFAS) Rome and DFAS Columbus. Also, during the audit, the Kuwait office updated its Standard Operating Procedures to include invoice and receiving report requirements.

However, the Army needed to take additional measures to improve overall payment integrity. For instance, personnel were not aware of their responsibility to review invoice packages before submitting the packages to DFAS for payment. USAAA found that DFAS returned 32% of the invoice packages the Kuwait office submitted for payment because they were incomplete or incorrect. The office also needed to improve its tracking log (used to document the status of the invoices it submitted) to provide a detailed and reliable audit trail.

Until the Army resolves these issues, it will continue to submit questionable invoice packages for payments. To strengthen the accuracy of vendor payments (as well as deter fraud, waste, and abuse), the Army needs to educate units to make sure they are aware of payment procedures and put proper controls in place before units submit invoice packages for payment.

Commander's Emergency Response Program—Iraq

(A-2009-0169-ALL, ISSUED JULY 28, 2009)

(A-2009-0182-ALL, ISSUED AUGUST 18, 2009)

(A-2009-0235-ALL, ISSUED SEPTEMBER 28, 2009)

The Commander, Multi-National Force- Iraq (MNF-I), requested this audit. USAAA performed the audit to assess whether the Commander's Emergency Response Program (CERP) in Iraq had adequate controls in place to make sure commanders implemented the program properly. USAAA performed work at four locations throughout Iraq and issued separate reports (one in the third quarter FY 09-Report A-2009-0119-ALL, dated June 8, 2009, and three in the fourth quarter FY 2009 as shown above) on the results of each site review. USAAA will incorporate its overall audit results in a summary report that will be issued in FY 2010. The summary report will include the Army's official position on the overall audit results, conclusions, and recommendations. None of the four site reports that USAAA issued included an official Army position, and all four reports were classified For Official Use Only (FOUO).

Audit results showed that the vast majority of projects reviewed were valid. However, USAAA identified numerous challenges related to the application of CERP guidance in the *Money As A Weapons System* manual. Some of the common challenges the audits identified included making sure that:

- project files had required documents such as memorandums of agreement, financial forms,

and letters of justification to allow program officials to make sure projects were authorized and sustainable

- statements of work were sufficiently detailed and clearly written so command could effectively monitor contactor performance and make sure it received the goods and services it paid for
- project purchasing officers accompanied purchasing agents when making payments to minimize the potential for questionable payments

The challenges USAAA identified occurred primarily because of shortfalls in training and the experience level of personnel performing the fund's management, oversight, and execution actions. Generally, commanders agreed with the audit results and took prompt, aggressive corrective actions. The overall summary report will include additional recommendations to strengthen guidance and controls over CERP throughout the MNF-I.

Assessing Future Base Budget Requirements

(A-2009-0159-ALM, ISSUED JULY 27, 2009)

(A-2009-0192-FFF, ISSUED AUGUST 25, 2009)

(A-2009-0196-ALO, ISSUED AUGUST 27, 2009)

(A-2009-0188-FFM, ISSUED SEPTEMBER 1, 2009)

(A-2009-0164-FFS, ISSUED SEPTEMBER 1, 2009)

These five reports address the same subject and are classified For Official Use Only (FOUO). Report A-2009-0188-FFM is the overall summary report. It summarizes the work and results of seven audit teams. USAAA reported that the Army did an adequate job of identifying requirements in the FYs 2010-2015 Program Objective Memorandum (POM). However, the process that five of the six Program Evaluation Groups used to determine critical requirements was not fully transparent, and in many cases requirements were not classified as critical if supplemental funds were available. USAAA also identified that some enduring

requirements for FYs 2010-2015 were not fully considered while building the POM. These conditions occurred primarily because of conflicting and changing DoD guidance and the Army's continued reliance on the supplemental. Additionally, the Army needed greater transparency and better criteria for identifying incremental costs of war to be included in Overseas Contingency Operations requests and those enduring requirements that need to migrate to the base budget. If the recommendations in the report are implemented, the Army can better make its case for increases in base budget funding, and make more informed and transparent decisions on where to take additional risks.

Army Foreign Language Program Contracting

(A-2009-0144-ZBI, ISSUED JULY 23, 2009)

This report is classified For Official Use Only (FOUO). USAAA reported that the Army had adequate processes and procedures for validating requirements for contract linguists. However, improvements were needed to ensure all requirements for linguist support go through the Office of the Deputy Chief of Staff, G-2 for validation. USAAA also found that the Army's linguist contracts were structured to provide the best value to the government. However, USAAA found one of the contracts could have included the use of fixed-price orders or line items that would reduce the risk to the government and provide maximum incentive for the contractor to control costs.

Followup Audit of Management Controls Over Offline Purchases

(A-2009-0165-ALL, ISSUED JULY 16, 2009)

USAAA followed up on actions the Office of the Deputy Chief of Staff, G-4 (ODCS, G-4) took to implement recommendations in Audit Report: A-2006-0136-ALL, Management Controls Over Offline Purchases. The original audit concluded that activities circumvented established controls

in the standard Army supply and procurement systems, and purchased property and materiel through offline systems without the knowledge of fund control and materiel managers. USAAA reported that:

- ODCS, G-4 reported offline purchases as an area of concern in the FY 06 Annual Assurance Statement. However, the Army did not appropriately monitor the area of concern and therefore the action didn't fix the problem.
- ODCS, G-4 did not establish upfront interfaces with offline purchasing systems and the Army's supply and financial systems. Instead, it established supply policies and selective control mechanisms in an attempt to control offline purchases. However, these actions did not fully resolve the control weaknesses.

USAAA also found that offline purchases had increased since the original audit. Consequently, unauthorized offline purchases continue to affect Army supply and financial systems' integrity by (i) weakening the ability of fund control and materiel managers to budget and forecast properly, (ii) hindering the Army's visibility and accountability of supplies and materiel, and (iii) opening the door to abuse and illegal acts, and possible Antideficiency Act violations. To help resolve these issues, USAAA recommended the ODCS, G-4:

- Report offline purchases as a material weakness to the Secretary of the Army for inclusion in the FY 09 Annual Assurance Statement.
- Implement interfaces and control mechanisms between offline purchase systems and the Army supply and financial systems.
- Include supply policy governing offline purchases in Army regulations.
- Develop metrics to capture the amount of offline purchases and disseminate that information to subordinate commands to enforce supply discipline and reduce the risks associated with offline purchases.

Field Level Maintenance Operations, U.S. Army Sustainment Command and U.S. Army Garrison, Fort Hood, Texas

(A-2009-0156-ALM, ISSUED JULY 9, 2009)

USAAA reported that the Sustainment Command assigned maintenance workload to sources of repair and prioritized workload to be sure repair activities completed reset workload within 180 days and left-behind equipment within 365 days. Fort Hood completed assigned workload, but its management information system did not have adequate controls to ensure correct billing or reporting to the logistics systems. Fort Hood billed \$114,864 in erroneous charges during January through May 2008 and \$63,384 for unsupported labor charges to military interdepartmental purchase requests. Fort Hood also underreported labor charges by more than \$476,000 to the Army's logistics systems. Fort Hood recently implemented the Standard Army Maintenance System-IE to improve controls, but managers needed to update labor rates for the system to report accurate information to the Army's logistics systems.

Ongoing Audits

Contract for Recycling and Disposing of Waste Material at Camp Steeler, Iraq

(PROJECT NO. A-2009-ALL-0571.000, INITIATED Q4/FY 2009)

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

Camp Buehring Fuel Farm Operations—Kuwait

(PROJECT NO. A-2009-ALL-0590.000, INITIATED Q4/FY 2009)

This audit is being performed in Kuwait. It will determine whether controls over fuel farm operations at Camp Buehring were adequate to ensure proper accountability and limit access at fuel points.

Commander's Emergency Response Program - Afghanistan

(PROJECT NO. A-2009-ALL-0531.000, INITIATED Q4/FY 2009)

This audit is being performed in Afghanistan. It will determine if the program in Afghanistan had adequate internal controls in place to ensure commanders and unit personnel implemented the program properly.

Controls over Shipping Container Accountability and Visibility—Iraq

(PROJECT NO. A-2009-ALL-0593.000, INITIATED Q4/FY 2009)

This audit is being performed in Iraq. It will determine if: (1) controls over shipping container accountability and visibility were effective, (2) Command implemented recommendations in the prior report and, if so, did the corrective actions fix the conditions identified, and (3) controls over shipping container condition and sea worthiness were effective.

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.

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

(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.

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 LOGCAP III contract to ensure proper payment of its legitimate liabilities and deobligations of unused funds.

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.

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.

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.

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.

Audit of 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.

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.

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 (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.

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.

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.

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 Department of State (DoS). GAO will conduct audits as mandated by law, such as a review of the campaign plan and oversight of contracts and contractors.

Completed Reports

Overseas Contingency Operations: Reported Obligations for the Department of Defense

(GAO-09-1022R, ISSUED SEPTEMBER 25, 2009)

Since 2001, Congress has provided the Department of Defense (DoD) with \$893 billion in supplemental and annual appropriations, as of June 2009, primarily for Overseas Contingency Operations (OCO). DoD's reported annual obligations for OCO have shown a steady increase from about \$0.2 billion in FY 2001 to about \$162.4 billion in FY 2008. For FY 2009, Congress appropriated \$151 billion in war-related requests. A total of \$89.1 billion has been obligated through the third quarter of FY 2009 through June 2009. The U.S. commitments to OCO will likely involve the continued investment of significant resources, requiring decision makers to consider difficult trade-offs as the nation faces an increasing long-range fiscal challenge.

The magnitude of future costs will depend on several direct and indirect cost variables and, in some cases, decisions that have not yet been made. DoD's future costs will likely be affected by the pace and duration of operations, the types of facilities needed to support troops overseas, redeployment plans, and the amount of equipment to be repaired or replaced. DoD compiles and reports monthly and cumulative incremental obligations incurred to support OCO in a monthly report commonly called the Contingency Operations Status of Funds Report. DoD leadership uses this report, along with other information, to advise Congress on the costs of the war and to formulate future OCO budget requests. DoD reports these obligations by appropriation, contingency operation, and military service or defense agency. DoD has prepared monthly reports on the obligations incurred for its involvement in OCO since FY 2001.

As of June 2009, Congress has appropriated a total of about \$893 billion primarily for OCO since 2001. Of that amount, \$151 billion was

appropriated for use in FY 2009. DoD has reported obligations of about \$744 billion for OCO from FY 2001 through FY 2008 and for FY 2009 (October 2008 through June 2009). The \$149 billion difference between DoD's appropriations and reported obligations can generally be attributed to the remaining FY 2009 appropriations; multiyear funding for procurement; military construction; and research, development, test, and evaluation from previous OCO-related appropriations that have yet to be obligated; and obligations for classified and other items, which DoD considers to be non-OCO related, that are not reported in DoD's cost-of-war reports. Of DoD's total cumulative reported obligations for OCO through June 2009 (about \$744 billion), about \$570 billion is for operations in and around Iraq as part of Operation Iraqi Freedom, and about \$146 billion is for operations in Afghanistan, the Horn of Africa, the Philippines, and elsewhere as part of Operation Enduring Freedom. The remainder of about \$28 billion is for operations in defense of the homeland as part of Operation Noble Eagle.

DoD's reported obligations for Operation Iraqi Freedom have consistently increased each fiscal year since operations began. The increases in reported obligations for Operation Iraqi Freedom are in part due to continued costs for military personnel, such as military pay and allowances for mobilized reservists, and for rising operation and maintenance expenses, such as higher contract costs for housing, food, and services and higher fuel costs.

In FY 2009, through June 2009, DoD reported obligations of about \$89.1 billion, which is more than one half of the total amount of obligation it reported for all of FY 2008. Reported obligations for Operation Iraqi Freedom for the same period continue to account for the largest portion of total reported OCO obligations by operation--about \$61.5 billion. In contrast, reported obligations associated with Operation Enduring Freedom total about \$27.4 billion, and reported obligations

associated with Operation Noble Eagle total about \$138.2 million.

Department of State: Additional Steps Needed to Address Continuing Staffing and Experience Gaps at Hardship Posts

(GAO-09-874, ISSUED SEPTEMBER 17, 2009)

Despite some progress in addressing staffing shortfalls since 2006, DoS's diplomatic readiness remains at risk due to persistent staffing and experience gaps at key hardship posts. Several factors contribute to these gaps. First, DoS continues to have fewer officers than positions, a shortage compounded by the personnel demands of Iraq and Afghanistan. Second, while DoS has reduced its mid-level experience gap, the department does not anticipate eliminating this gap until 2012 and continues to face difficulties attracting experienced applicants to hardship posts--especially posts of greatest hardship. Third, although DoS's assignment system has prioritized the staffing of hardship posts, it does not explicitly address the continuing experience gap at such posts, many of which are strategically important, yet are often staffed with less experienced officers. Staffing and experience gaps can diminish diplomatic readiness in several ways, according to DoS officials. For example, gaps can lead to decreased reporting coverage, loss of institutional knowledge, and increased supervisory requirements for senior staff, detracting from other critical diplomatic responsibilities.

DoS uses a range of incentives to staff hardship posts, but their effectiveness remains unclear due to a lack of evaluation incentives to serve in hardship posts range from monetary benefits to changes in service and bidding requirements, such as reduced tour lengths at posts where dangerous conditions prevent some family members from accompanying officers. In a 2006 report on staffing gaps, GAO recommended that DoS evaluate the effectiveness of its incentive programs for hardship post assignments. In response, DoS added a question about hardship incentives to a recent employee survey.

However, the survey does not fully meet GAO's recommendation for several reasons, including that DoS did not include several incentives in the survey.

DoS also did not comply with a legal requirement to assess the effectiveness of increasing danger and hardship pay in filling certain posts. Recent legislation increasing Foreign Service Officers' basic pay will increase the cost of existing incentives, thereby heightening the importance that DoS evaluate its incentives for hardship post assignments to ensure resources are effectively targeted and not wasted.

Human Capital Management: Improved Tracking and Additional Actions Needed to Ensure the Timely and Accurate Delivery of Compensation and Medical Benefits to Deployed Civilians

(GAO-09-1019T, ISSUED SEPTEMBER 16, 2009)

The Department of Defense (DoD) and other executive agencies increasingly deploy civilians in support of contingency operations in Iraq and Afghanistan. Prior GAO reports show that the use of deployed civilians has raised questions about the potential for differences in policies on compensation and medical benefits. When these civilians are deployed and serve side by side, differences in compensation or medical benefits may become more apparent and could adversely impact morale.

While policies concerning compensation for deployed civilians are generally comparable, GAO found some issues that affect the amount of compensation—depending on such things as the pay system, and the accuracy, timeliness, and completeness of this compensation. For example, two comparable civilian supervisors who deploy under different pay systems may receive different rates of overtime pay because this rate is set by the employee's pay system and grade/band. While a congressional subcommittee asked OPM to develop a benefits package for all civilians deployed to war zones and recommend enabling legislation,

at the time of GAO's review, OPM had not yet done so. Also, implementation of some policies may not always be accurate or timely. For example, GAO estimates that about 40 percent of the deployed civilians in its survey reported experiencing problems with compensation, including danger pay. GAO recommended, among other things, that OPM oversee an agency working group on compensation to address differences and, if necessary, make legislative recommendations. OPM generally concurred with this recommendation.

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 defined and some agencies were unaware of DoD's policy. Civilians who deploy also may be eligible for benefits through workers' compensation. GAO's analysis of 188 such claims revealed some significant delays resulting in part from a lack of clarity about the documentation required. Without clear information on what documents to submit, applicants may continue to experience delays.

Further, while DoD requires medical screening of civilians before and following deployment, DoS requires screenings only before deployment. Prior GAO work found that documenting the medical condition of deployed personnel before and following deployment was critical to identifying conditions that may have resulted from deployment. In June 2009, GAO recommended, among other things, that DoS establish post-deployment screening requirements and that DoD establish screening requirements to ensure its post-deployment screenings requirements are completed. 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 civilians but concluded that its guidance was not consistently

implemented. While the other agencies had some ability to identify and track civilians, some had to manually search their systems. Thus, agencies may lack critical information on the location and movement of personnel, which may hamper their ability to intervene promptly to address emerging health issues. GAO recommended that DoD enforce its tracking requirements and the other five agencies establish tracking.

Contingency Contract Management: DoD Needs to Develop and Finalize Background Screening and Other Standards for Private Security Contractors

(GAO-09-351, ISSUED JULY 31, 2009)

DoS and DoD have developed policies and procedures to conduct background screenings of PSC personnel working in Iraq who are U.S. citizens, but only DoS has done so for foreign nationals. Homeland Security Presidential Directive 12 (HSPD-12) directs U.S. government agencies to establish minimum background screening requirements in order to issue access credentials. But DoD has not developed department-wide procedures for conducting background screenings of its foreign national PSC personnel. Disagreements among the various DoD offices responsible for developing and implementing these policies and procedures hindered timely execution of the HSPD-12 requirements, and the completion of this development and implementation has been hampered by the lack of a focal point to resolve these disagreements. For example, officials at the Office of the Under Secretary of Defense for Intelligence interpret HSPD-12 as requiring a government screening process for foreign national contractor personnel that is equivalent to the National Agency Check with Written Inquiries (NACI) currently used for U.S. citizen contractor personnel. But officials at the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics maintain that a NACI-equivalent screening for foreign nationals would not be feasible, given the inherent difficulty of screening

foreign nationals and the inconsistent quality of criminal and employment records from one country to another, and further, such an approach would severely limit the numbers of foreign national contractor personnel DoD could use.

The offices also differ as to who should approve background screenings, known as adjudication. The Commander of Multi-National Force-Iraq has established a screening process for PSCs, but GAO has identified several shortcomings that limit the effectiveness of this process. For example, the process directs contractors to obtain background screening for entities that will not provide data to contractors. While DoD has acknowledged the inherent force protection risk it assumes when using contractor employees, without the timely development of standardized policies and procedures, DoD lacks full assurance that all its PSCs are properly screened.

While DoD is developing guidance to meet the requirements of the 2008 National Defense Authorization Act, the draft guidance does not meet all of the requirements of that act. For example, the draft guidance does not address the requirement for establishing minimum standards for background screening of PSCs. Instead it directs the combatant commanders to establish standards for their respective areas of responsibility, though it does not establish time frames within which they should do so. Without addressing these concerns, DoD's draft guidance only partially meets the requirements of the 2008 National Defense Authorization Act. DoD and DoS have taken actions on other issues related to PSCs in Iraq. For example, they have implemented similar processes to ensure that PSC personnel are trained, and to account for PSC weapons. Both agencies have also developed policies related to alcohol use by PSCs.

Overseas Contingency Operations: Reported Obligations for the Department of Defense

(GAO-09-791R, ISSUED JULY 10, 2009)

Since 2001, Congress has provided the Department of Defense (DoD) with \$888 billion in supplemental and annual appropriations, as of June 2009, primarily for Overseas Contingency Operations (OCO). DoD's reported annual obligations for OCO have shown a steady increase from about \$0.2 billion in FY 2001 to about \$162.4 billion in FY 2008. For FY 2009 OCO, Congress provided DoD with about \$65.9 billion in the FY 2009 DoD Appropriations Act and about \$80.0 billion in a supplemental appropriation enacted in June 2009. A total of \$59.6 billion has been obligated through the second quarter of FY 2009 through March 2009. U.S. commitments to OCO will likely involve the continued investment of significant resources, requiring decision makers to consider difficult trade-offs as the nation faces an increasing long-range fiscal challenge.

The magnitude of future costs will depend on several direct and indirect cost variables and, in some cases, decisions that have not yet been made. DoD's future costs will likely be affected by the pace and duration of operations, the types of facilities needed to support troops overseas, redeployment plans, and the amount of equipment to be repaired or replaced. DoD compiles and reports monthly and cumulative incremental obligations incurred to support OCO in a monthly report commonly called the Contingency Operations Status of Funds Report. DoD leadership uses this report, along with other information, to advise Congress on the costs of the war and to formulate future OCO budget requests. DoD reports these obligations by appropriation, contingency operation, and military service or defense agency. DoD has prepared monthly reports on the obligations incurred for its involvement in OCO since FY 2001.

Section 1221 of the National Defense Authorization Act for FY 2006 requires us to submit quarterly updates to Congress on the costs of Operation

Iraqi Freedom and Operation Enduring Freedom based on DoD's monthly cost-of-war reports. This report, which responds to this requirement, contains analysis of DoD's reported obligations for overseas contingencies through March 2009. Specifically, GAO assessed (1) DoD's cumulative appropriations and reported obligations for military operations in support of overseas contingencies and (2) DoD's FY 2009 reported obligations from October 2008 through March 2009, the latest data available for OCO by military service and appropriation account.

Ongoing Audits

Readiness of Air Force Combat and Expeditionary Combat Forces

(PROJECT NO. 351376, INITIATED SEPTEMBER 2009)

High operational tempos have challenged the Air Force's ability to provide certain types of units and personnel to support ongoing operations and other commitments. GAO's key questions are:

- What are the demands for Air Force combat and expeditionary combat support capabilities?
- To what extent is the Air Force able to provide combat and expeditionary combat support forces?
- What factors affect the Air Force's ability to meet demands for ongoing operations and maintain sufficient forces and capabilities to meet other commitments?
- To what extent has the Air Force identified any potential gaps in meeting demands and developed plans to address such gaps, including adjustments to forces structure and manning authorizations?

Review of Combat Skills Training for Support Forces

(PROJECT NO. 351385, INITIATED SEPTEMBER 2009)

This report will address the following:

- How do the services determine the appropriate level of training to provide to their non-combat compared to combat forces?
- What, if any, unique factors have the services considered when determining the appropriate level of training to provide to non-combat arms forces deploying to Iraq and Afghanistan?
- To what extent is the current training of support forces consistent with identified service-specific and theater-specific training requirements for an asymmetric combat environment?
- To what, if any, extent have the services collected information about the effectiveness of pre- and post-deployment training from non-combat arms forces that have deployed to Iraq or Afghanistan?
- To what extent have the services adjusted the training of their non-combat arms forces based on lessons learned from ongoing combat operations in Iraq and Afghanistan?

Review of Army and Marine Corps Training Capacity

(PROJECT NO. 351387, INITIATED SEPTEMBER 2009)

This report will address the following:

- To what extent have DoD, the Army, and the Marine Corps identified differences in ground force training requirements for Iraq and Afghanistan?
- To what extent have DoD, the Army, and the Marine Corps quantified training capacities and analyzed the key factors that currently limit capacities to train ground forces for ongoing operations in Afghanistan and Iraq?
- To what extent, if any, have DoD, the Army, and the Marine Corps developed plans and timelines for adjusting training capacities to meet

requirements for increasing force levels in Afghanistan while continuing to support requirements in Iraq?

Review of Availability of Trained and Ready Forces for Iraq and Afghanistan

(PROJECT NO. 351388, INITIATED SEPTEMBER 2009)

This report will address the following:

- To what extent has DoD identified near-term and long-term requirements for the types of capabilities needed to support continuing operations in Iraq and expanded operations in Afghanistan?
- To what extent has DoD developed an approach and processes to manage the identification and deployment of forces to meet requirements, including any analysis to identify and manage the competing demands of operations in Iraq and Afghanistan?
- What are the implications of continuing demand for forces for ongoing operations on overall force readiness and DoD's ability to meet other global commitments?

DoD Health Care Requirements for Contingency Operations

(PROJECT NO. 351393, INITIATED AUGUST 2009)

DoD's military health care professional are needed to support combat contingency operations to treat injured military personnel and save lives. For current contingency operations, GAO's key questions are:

- To what extent have DoD and the services identified their wartime health care personnel requirements?
- What challenges, if any, are DoD and the services encountering in meeting their wartime health care personnel requirements?

- To what extent do DoD and the services have or use the tools they need to meet their wartime health care personnel requirements?

U.S. Military Burns of Solid Waste in Open Pits in Iraq and Afghanistan

(PROJECT NO. 361123, INITIATED AUGUST 2009)

GAO's key questions for this review will be determined later.

U.S. Civilian Agency Planning for the Drawdown of U.S. Troops in Iraq

(PROJECT NO. 320691, INITIATED JULY 2009)

This report will address the following:

- How have U.S. civilian agencies planned for the U.S. military drawdown, including prioritizing post-drawdown mission and programs, right-sizing civilian staff for these missions, and planning for their future security and logistical needs?
- How effectively have civilian agencies planned for continuing programs previously funded by DoD?
- What are the estimated additional costs to maintain a civilian presence in Iraq as U.S. forces draw down?

Iraq Refugee and SIV Employment in the United States

(PROJECT NO. 320694, INITIATED JULY 2009)

About 15,000 Iraqi refugees were admitted to the United States in FY 2007-2008. Some served the U.S. government in Iraq as translators, for examples, and were granted special immigrant visas (SIV). The National Defense Authorization Act for Fiscal Year 2009 gave the Defense and State Departments the authority to jointly establish a temporary program to offer employment to Iraqi SIV holders as translators, interpreters, or cultural

awareness instructors. This report will address the following:

- What federal offices require Arabic speakers or Iraqi expertise and to what extent have they hired Iraqi refugees?
- What are the requirements for federal positions that require Arabic or knowledge of Iraq?
- What challenges, if any, do Iraqi refugees face in obtaining U.S. government employment?

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 Cost Sharing Arrangements

(PROJECT NO. 320638, 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?

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?

U.S. Department of the Treasury

During this period, the Department of Treasury did not conduct any work related to, in support of, or in Iraq. Additionally, as of September 30, 2009, the Department of Treasury has no plans to conduct any work in the future and will no longer be reported on in this section.

Department of Commerce

During this period, the Department of Commerce did not conduct any work related to, in support of, or in Iraq. Additionally, as of September 30, 2009, the Department of Commerce has no plans to conduct any work in the future and will no longer be reported on in this section.