



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

DEC 6 2004

MEMORANDUM FOR AUDIT FOLLOWUP FOCAL POINT, OUSD(AT&L)

Subject: Followup on GAO Report GAO-04-854, "Military Operations: DoD's Extensive Use of Logistics Support Contracts Requires Strengthened Oversight," July 19, 2004

In accordance with DoD Directive 7650.3, we are reviewing this case to ensure that adequate management action is taken on the report's agreed-upon findings and recommendations. Followup status will be reflected in our Defense Audit Management Information System (DAMIS) and, as appropriate, in reports to the Secretary of Defense, the Government Accountability Office, and the Congress.

At this time, a status update is needed for the four recommendations included in the subject report. Specifically, please address the following:

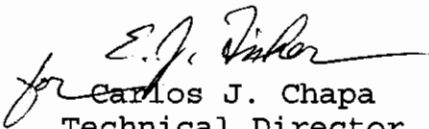
- **Recommendations 1 and 2 (0001-0001 and 0003-0001, respectively in DAMIS).** Your comments to the draft report, dated July 9, 2004, indicated that the Department would issue a policy memorandum to reiterate the need to comply with guidance to identify operational requirements that are to be provided by contractors early in the planning process and to involve the contractors in the planning, where applicable. In addition, the memorandum would reiterate the need to have teams of subject matter experts make periodic visits to locations where logistics support is being provided by contractors to evaluate if the appropriate services and level of services are being provided.

- **Recommendation 3 (0002-0001 in DAMIS).** The Department agreed to investigate the best method to capture the users, customers, and auditors' lessons learned and determine a central data base that would be available to all communities.

- **Recommendation 4 (0003-0002 in DAMIS).** The Department agreed to initiate discussions with the Defense Acquisition University, the Services and the Defense Contract Management Agency to address how to unify current disparate training for Logistics Support personnel, including unit commanders.

For the recommendations that have been fully implemented, please provide supporting documentation to substantiate closure of the recommendation(s). If action is ongoing, describe the progress made toward full implementation of each open recommendation and provide the estimated completion date.

This information should be forwarded to us by **January 18, 2005**. Mail should be addressed to the IG DoD, Attn: AFTS, 400 Army Navy Drive, and may be forwarded through the OSD Mail Room, 3A948, the Pentagon. The action officer for this case is Linda C.Y. Lee, (703) 604-9647, <llee@dodig.osd.mil>.


for Carlos J. Chapa
Technical Director
Audit Followup & GAO Affairs