



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

In reply refer to:
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04 DEC 2002

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: End Use Monitoring (EUM) Responsibilities in Support of the Department of Defense Golden Sentry EUM Program (DSCA Policy Memorandum Number 02-43)

REFERENCES: a. Message, SECDEF Washington DC//USDP-DSCA, Subject: Golden Sentry End-Use Monitoring Program First Yearly Update, DTG 031524Z APR 01

b. Message, SECDEF Washington DC//USDP-DSCA, Subject: FY02 Department of Defense (DoD) End-Use Monitoring (Golden Sentry) Program Yearly Update, DTG 121109Z AUG 02

Section 4 of the Arms Export Control Act (AECA) and Section 503 of the Foreign Assistance Act (FAA) of 1961, as amended, require that defense articles and services can only be transferred to countries and international organizations for purposes of internal security, legitimate self defense, civic action, or regional/collective arrangements. The USG has a continual responsibility (from the time of transfer until eventual disposal) to ensure defense articles/services transferred under these authorities are being used for these purposes. In 1996, Section 40A of the AECA [22 U.S.C. 2785] was amended to require "...to the extent practicable, such program shall be designed to provide reasonable assurances that the recipient is complying with the requirements imposed by the United States Government with respect to the use, transfers, and security of defense articles and monitoring of U.S. arms transfers, and security of defense articles and services."

As our response to the AECA Section 40A requirements, DSCA established the "Golden Sentry" EUM Program to ensure proper end use monitoring of government-to-government transfers (references a. and b.). Golden Sentry's objectives are to minimize security risks to the USG, our friends and allies, and assure compliance with established technology control requirements. Golden Sentry oversees actions throughout the security cooperation community to prevent violation of the AECA, FAA, and other conditions of sale. In order to ensure the Golden Sentry program is effective in enforcing compliance with these laws and agreements, responsibilities must be clearly delineated. The purpose of this memorandum is to identify specific responsibilities for end use monitoring activities.

Golden Sentry EUM vigilances are in two categories: Routine and Enhanced.

a. Routine EUM is conducted on defense articles and services that are transferred to a presupposed trusted partner. The Letters of Offer and Acceptance (LOA) for these articles/services do not include any unique notes/conditions associated with the specific transfer. Routine EUM responsibilities are performed in conjunction with other required security assistance duties.

b. Enhanced EUM is required for sensitive defense articles, services and technologies; defense articles provided under the provision of Section 505(f) FAA; and, technology transfers made within sensitive political situations. Enhanced EUM transfers are contingent on the principle of trust with verification and uncompromising end use monitoring procedures. Enhanced EUM transfers warrant special notes/provisos within the LOA or other transfer agreements, (e.g., Section 505, Exceptions to the National Disclosure Policy (ENDP), Memorandums of Agreement and Understanding, etc.).

Using these broad categories as a guide, attachment A outlines specific end use monitoring responsibilities for DSCA, implementing agencies, the Unified Commands, etc. These responsibilities are effective immediately and will be included in the next formal change to the Security Assistance Management Manual (SAMM). Proper end use monitoring is not only in our collective best interests, but it also is a duty we are mandated by law to perform. Golden Sentry will give recognition to our partners that practice good export controls and identify those who do not comply with our policies. Golden Sentry is an important security cooperation program, and I trust that each of you will execute your responsibilities at attachment A to the fullest. If you have any questions or require assistance implementing this program, my point of contact is Mr. Leon N. Yates at (Voice) 703-601-3865 (DSN 329), (FAX) 703-604-6547 (DSN 664), NIPRNET address Leon.Yates@osd.pentagon.mil, and SIPRNET address Leon.Yates@dsc.osd.smil.mil.


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LIEUTENANT GENERAL, USAF
DIRECTOR

Attachment as stated:
End Use Monitoring (EUM) Responsibilities in Support of the
Department of Defense Golden Sentry EUM Program

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End Use Monitoring (EUM) Responsibilities in Support of the Department of Defense Golden Sentry EUM Program

a. DSCA will:

- (1) Perform overall management of the Department of Defense End Use Monitoring program, referred to as Golden Sentry.
- (2) In coordination with the military departments and other agencies, identify sensitive technologies and government-to-government arms transfers with unique EUM notes and provisos.
- (3) Oversee the fiscal Budget Planning, Programming and Execution of the FMS funding of all EUM activities. The use of FMS Administrative funding is authorized in support of the Golden Sentry program.
- (4) Promulgate guidance to keep the Golden Sentry program current and update DoD Manual 5105.38-M, the Security Assistance Management Manual (SAMM), with policies/procedures for end use monitoring.
- (5) Work with other Agencies to enhance the monitoring process of the phases of the export process that are most susceptible to diversion or retransfer (i.e., shipping, use, storage, and disposal). Forward reports from the “field” of possible AECA and FAA end use violations to the Department of State Bureau of Political-Military Affairs.
- (6) Support bi-lateral USG meetings with EUM as an agenda item, focusing on how nations and international organizations must comply with Golden Sentry objectives, and actions needed for the prevention of AECA and FAA end use violations.
- (7) Conduct visits to:
 - (a) Unified Commands Headquarters and the Areas of Responsibility (AOR) for regional forums.
 - (b) Security Assistance Organizations.
 - (c) Host nations and International Organizations to assess compliance with Enhanced EUM procedures, and to respond to allegations of possible FAA or AECA violations, referred to as “Tiger Team” visits.
- (8) Periodically publish and distribute reports resulting from the three-part visit program described above, thereby providing lessons learned to the security cooperation community.

b. Defense Institute of Security Assistance Management (DISAM) will:

- (1) Maintain a Golden Sentry primary point of contact.
- (2) Include information on the DSCA Golden Sentry EUM program in its courses of instruction and in its textbook.

c. Military Departments and Implementing Agencies will:

- (1) Maintain a Golden Sentry primary point of contact.
- (2) Ensure that all EUM activities are captured and reported during the fiscal Budget Planning, Programming and Execution cycles. The use of FMS Administrative funding is authorized in support of the Golden Sentry program.
- (3) Identify and provide DSCA a listing of sensitive technologies and defense articles, and establish physical security and accountability notes or provisos, for technology transfer protection, thereby requiring Enhanced EUM compliance visits.
- (4) Highlight any Enhanced EUM notes or provisos included in Letters of Offer and Acceptance (LOA) on the accompanying checklist during the countersignature approval process. For standardization, coordinate wording of any EUM notes or provisos with DSCA/P3.
- (5) Review all LOAs for required non-standard notes for articles and services dictating physical security and accountability procedures.
- (6) Enhance your monitoring process of the phases of the export process that are most susceptible to diversion or retransfer (i.e., shipping, use, storage, and disposal), and report possible FAA or AECA violations to DSCA.
- (7) Educate personnel traveling to countries that have sensitive technologies transferred with Enhanced EUM provisos, and, provide DSCA feedback and reports of any possible FAA or AECA violations observed during the visits.
- (8) Support Golden Sentry goals and objectives in bi-lateral USG discussions, such as military-to-military meetings, where appropriate.
- (9) Support Golden Sentry request for subject matter experts to augment Enhanced EUM ("Tiger Team") visits.
- (10) Incorporate EUM into your workforce training programs, and support efforts by DISAM to educate the security cooperation community on the Golden Sentry program.

d. Unified Commands will:

- (1) Maintain a Golden Sentry primary point of contact.
- (2) Ensure that all EUM activities are captured and reported during the fiscal Budget Planning, Programming and Execution cycles. The use of FMS Administrative funding is authorized in support of the Golden Sentry program.
- (3) In accordance with DoDD 5132.3 paragraphs 5.9.3 and 5.9.7, ensure that Golden Sentry is assigned as a primary responsibility to assigned Security Assistance Organizations (including Defense Attaché Offices or U.S. Diplomatic Missions fulfilling Security Assistance responsibilities) within your AOR.

- (4) In accordance with DoDD 5132.3 paragraph 5.9.3, ensure that all EUM activities are captured during the fiscal Budget Planning, Programming and Execution cycles.
- (5) In accordance with DoDD 5132.3 paragraph 5.9.8, provide adequate funding to Security Assistance Organizations to perform EUM.
- (6) In accordance with DoDD 5132.3 paragraph 5.9.9, assess the effectiveness of EUM compliance during Inspector General, or similar evaluation team, visits by your Headquarters of the Security Assistance Organizations.
- (7) Support hosting of, or attendance at, regional EUM forums conducted by DSCA.

e. Security Assistance Organizations (SAO) (including Defense Attaché Offices and U.S. Diplomatic Missions fulfilling Security Assistance responsibilities) will:

- (1) Maintain a Golden Sentry primary point of contact.
- (2) Ensure that all EUM activities are captured during the fiscal Budget Programming and Execution cycles.
- (3) Review all LOAs and other instruments authorizing government-to-government transfer of defense articles and services (i.e., Memorandums of Agreement and Understanding), for notes or provisos requiring Enhanced EUM physical security or accountability procedures.
- (4) Conduct Routine EUM visits with host nations in conjunction with other assigned duties utilizing. As a guide, you are to use the DSAA Pamphlet, *End-Use Monitoring of Defense Articles & Services*, December 1996 (incorporated in the DISAM (Green Book), *The Management of Security Assistance*, Appendix 5, 21st Edition, June 2001 at the website <http://web2.deskbook.osd.mil/reflib/DTNG/001CS/029/001CS029DOC.HTM#C1>).
- (5) Ensure Routine monitoring of the phases of the export process that are most susceptible to diversion or retransfer (i.e., shipping, use, storage, and disposal). If possible AECA and FAA violations are observed, report observations to the Department of State Bureau of Political-Military Affairs and DSCA.
- (6) Establish inventory and reporting procedures with the host nation for all Enhanced EUM items. This requirement includes items whose change of end use is under the provision of Section 505(f) FAA (i.e., Military Assistance Program (MAP), Excess Defense Articles (EDA), Presidential Drawdowns, Foreign Military Financing (FMF) procurements, etc.) in the host nations' inventory.
- (7) Report to DSCA when required Enhanced EUM inventories are completed, and the projected dates of future Enhanced EUM compliance visits. To maximize resources, and minimize the disruptions upon host nations, when possible, USG Enhanced EUM visits should be scheduled in conjunction with the dates of required host nations' inventory of their Enhanced EUM items.
- (8) Respond to queries pertaining to the shipping, receipt, use, or disposal of defense articles and services provided to host nations.

(9) Establish and maintain liaison with the U.S. Embassy's Blue Lantern representatives (Blue Lantern is the direct commercial sales counterpart of the Golden Sentry program. The DISAM Green Book, Appendix 5 discusses the Blue Lantern program in more detail). Identify (to include any associated costs) any Blue Lantern support performed by SAO personnel.

(10) Support Golden Sentry team visits and coordinate details with host nations.

(11) Support hosting of, or attendance at, regional EUM forums conducted by DSCA.