

OFFICE OF INSPECTOR GENERAL

Overseas Contingency Operations: Operation Enduring Freedom (OEF)/Operation Iraqi Freedom/New Dawn (OIF/OND) Operation and Maintenance, Defense-Wide Budget Activity 04 Administrative and Service Wide Activities

I. Description of Operations Financed: The DoD OIG promotes integrity, accountability, and improvements of DoD personnel, programs, and operations to support the Department's mission and to serve the public interest. This includes performing audits, investigations, and inspections of issues and high risk areas related to Operation New Dawn (OND) and Operation Enduring Freedom (OEF). Overseas Contingency Operations in Southwest Asia continue to be a top priority of the DoD OIG. The DoD OIG is conducting oversight efforts of various functions and activities such as contracts, readiness, logistics, funds management, contract fraud accountability, theft, corruption, and intelligence efforts. To maintain a forward presence, the deployment and redeployment of our personnel will continue to be a critical issue warranting additional management attention and efforts. We will adjust the number of deployed personnel according to the (1) Warfighter's ability to sustain the size of our presence; (2) Priority of work being performed; and (3) Actual workload demands.

To accomplish its oversight mission, the DoD OIG has adopted a strategy that is based on maintaining the right-size presence in theater, but which also recognizes that much of our work can be done away from the war zones, ensuring safety of personnel and saving the unnecessary monetary funds it would cost to send our people there. An important part of our oversight effort is to improve inter-service and inter-agency coordination and collaboration to minimize duplication of effort and ensure that we have only the staff needed in theater to accomplish the mission. To provide a more effective and efficient oversight role, the DoD OIG has established field offices in strategic Southwest Asia locations and continues key placement of DoD OIG personnel in Southwest Asia. This facilitates timely reviews and reporting of results in theater and minimizes disruption to the warfighter. The DoD OIG has adopted an expeditionary workforce model to support efforts throughout all of Southwest Asia. The DoD OIG has core staff forward deployed at all times. The core contingent is comprised of individuals serving between 6 and 12 month deployments. Expeditionary team members deploy for as long as needed to complete the review. The actual number of auditors, investigators, and inspectors in Southwest Asia fluctuates depending on the requirements.

Afghanistan – As additional resources for the Overseas Contingency Operations are needed in Afghanistan, the DoD OIG continues to relocate its oversight capabilities to the rebuilding country. While reducing levels in Iraq, the DoD OIG is now expanding its operations in Afghanistan, which has placed additional requirements on an already lean workforce. To accomplish its mission and meet its requirements, the DoD OIG has adopted a strategy involving both permanent staff in-country supplemented by visiting team of auditors, agents and investigators who serve in the area on a shorter term basis as they focus on specific tasks and issues. This is an important part of the DoD OIG mission as we attempt to stamp out instances of fraud, waste and abuse in an increasingly heated conflict. Currently there are three Audit offices in Afghanistan: Camp Eggers in Kabul, staffed with six auditors; Bagram Airfield, staffed with six auditors; and Kandahar Airfield, staffed with five auditors. A team from Camp Eggers is conducting the audit of

“Afghanistan National Army Equipment Maintenance Apprenticeship and Services Program Contract.” The Bagram Airfield office is conducting the audit of “the Construction of the Detention Facility in Parwan, Afghanistan.” The Kandahar Airfield office is conducting the audit of “Implementation of Security Provisions of a U.S. Army Intelligence and Security Command Contract for Linguist Support.” Our overall strategy in Afghanistan is to work with Congressional Oversight Committees, U.S. Central Command, U.S. Forces – Afghanistan, the Combined Security Transition Command – Afghanistan, and other oversight and law enforcement organizations as necessary to battle the number one impediment to a lawful society in Afghanistan – CORRUPTION. Additionally, the Defense Criminal Investigative Service (DCIS) has a full-time presence in Afghanistan. DCIS personnel in Afghanistan in FY 2011 are projected to remain at the current level of eight DCIS special agents. These agents investigate matters involving corruption, theft, procurement fraud, bid-rigging, product substitution and conflicts of interest.

Our investigative efforts in the region have identified corrupt business practices, loss of U.S. funds through contract fraud, and theft of critical military equipment destined for Coalition Forces in Southwest Asia. Because of the magnitude and scope of alleged criminal activity relating to Overseas Contingency Operations, DCIS continues to collaborate with its mission partners including the Department of Justice, in order to combat fraud, waste and abuse in Southwest Asia and to successfully prosecute criminal violations. DCIS maintains a close working relationship with the International Contract Corruption Task Force which was formed to maximize collaborative efforts to effectively investigate and prosecute fraud and corruption criminal cases. DCIS is also assigned as a member of Task Force 2010 and works with mission partners such as DHS, SIGAR, FBI and Afghan investigators in an effort to develop greater visibility of the flow of contracting funds below the prime contractor level in order to better employ contracting in support of counterinsurgency operations. The DCIS’ success in its efforts to combat fraud, waste and abuse is evidenced by its FY 2010 statistics for its investigations relating to Overseas Contingency Operations (OCO). During FY 2010, DCIS’ investigations resulted in 41 charges/indictments, 26 convictions, and recoveries of \$135,401,374. In addition, Special Plans and Operations recently added four full-time positions to Afghanistan to provide assessment oversight that facilitates informed, timely decision-making by senior leaders and the U.S. Congress in addressing security objectives.

Iraq - In coordination with the Commanding General, Multi-National Force-Iraq and the U.S. Central Command, the DoD OIG established field offices in Iraq at Camp Victory, Joint Base Balad, and the International Zone. Currently, there are seven auditors at the Victory Base. The in-country teams continue to work on the following four audit projects: “Controls Over the Accountability and Disposition of Government Furnished Property in Iraq,” “Contracting for U.S. Facilities in Iraq,” “Realignment of Contractor Support in Response to the Drawdown of U.S. Forces from Iraq,” and “Drawdown and Reset of Equipment in Iraq – Supply Support Activity and Central Receiving Shipping Point Operations.” Currently DCIS has deployed seven special agents to various regions in Iraq in support of ongoing criminal investigations pertaining to contract fraud, corruption, and other potential criminal activities. As aforementioned, DCIS’ success in its efforts to combat fraud, waste and abuse is evidenced by its FY 2010 statistics for its investigations relating to OCO. In conjunction with Operation New Dawn, the DCIS is assessing its distribution of manpower resources within Iraq to determine how many agents shall remain

in Iraq and if the remaining agents should be deployed to strengthen our existing commitments in Afghanistan or Kuwait, or to establish a DCIS presence in Qatar. During 2011, the OIG presence will continue to draw down in concert with the U.S. presence or as the need for full-time oversight and investigative staff no longer exists.

Qatar – The DoD OIG maintains a field office in Qatar collocated with U.S. Central Command Air Forces on Al Udeid Air Base, Qatar. The field office is used as a back-office for deploying and redeploying staff providing oversight in Afghanistan. In addition, Audit will deploy in January 2011 five full-time staff to the Qatar base where the CENTCOM Contracting Command is also located. DoD OIG plans to further increase that staff complement to 10 full-time positions working from the Al Udeid Air Base.

Kuwait – The DoD OIG established a field office at Camp Arifjan in Kuwait. Kuwait currently serves as the principle office for the Special Deputy Inspector General for Southwest Asia in his role of providing coordination among Federal oversight agencies working in Southwest Asia. DCIS special agents are also temporarily assigned here and are focused on contract fraud, corruption, and other potential criminal activities in Kuwait that impact Southwest Asia efforts. These agents are collocated and work jointly with special agents from the U.S. Army Criminal Investigation Command and the FBI. In addition, Kuwait serves as a back-office for audit work being performed in Iraq and serves as our logistical support hub to facilitate our oversight staff deploying into and redeploying from theater.

II. Financial Summary (\$ in Thousand)

CBS No.	CBS Title	FY 2010 Actual	FY 2011 Total	Delta	FY 2012 Total
OEF					
1.0	Personnel	\$3,416	\$1,786	\$1,242	\$3,028
2.0	Personnel Support	\$873	\$903	\$451	\$1,354
3.0	Operating Support	\$664	\$41	\$235	\$276
4.0	Transportation	\$0	\$0	\$0	\$0
	Total	\$4,953	\$2,730	\$1,928	\$4,658
OND (FY 2010 was OIF)					
1.0	Personnel	\$5,733	\$5,580	(\$529)	\$5,051
2.0	Personnel Support	\$704	\$1,695	(\$731)	\$964
3.0	Operating Support	\$320	\$524	(\$142)	\$382
4.0	Transportation	\$0	\$0	\$0	\$0
	Total	\$6,757	\$7,799	(\$1,402)	\$6,397
	SAG Total	\$11,710	\$10,529	\$526	\$11,055

	FY 2010 Actual	FY 2011 Total	Delta	FY 2012 Total
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A. Subactivity Group

OEF

1. Cost Breakdown Structure (CBS) Category/Subcategory 1.0 Personnel	\$3,416	\$1,786	\$1,242	\$3,028
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- a. **Narrative Justification:** Personnel costs in support of Afghanistan, Qatar, and Kuwait operations are for civilian overtime and premium pay (Sunday, hazardous duty, and night and post differential). The OIG has personnel continuously deployed in theater of operation. The number of personnel fluctuates as teams rotate in and out of areas of responsibility. These costs fluctuate based on the level of support required to conduct contingency operations.
- b. **Explanation of Change Between FY 2011 and FY 2012:** Higher personnel costs are due to mission focus shift to OEF along with more personnel deployments with associated overtime and premium pay.

OND (FY2010 was OIF)

2. Cost Breakdown Structure (CBS) Category/Subcategory 1.0 Personnel	\$5,733	\$5,580	(\$529)	\$5,051
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- a. **Narrative Justification:** Personnel costs in support of Iraq operations are for civilian overtime and premium pay (Sunday, hazardous duty, and night and post differential). The OIG will continue to conduct audit, inspections, and investigations as long as U.S. Forces are present.
- b. **Explanation of Change Between FY 2011 and FY 2012:** Reduction to personnel costs due to lower hazardous duty and post differential costs as more work will be accomplished within CONUS.

	FY 2010 Actual	FY 2011 Total	Delta	FY 2012 Total
OEF				
3. CBS Category/Subcategory 2.0 Personnel Support	\$873	\$903	\$451	\$1,354
<p>a. <u>Narrative Justification:</u> Personnel support costs for OEF operations cover temporary duty (TDY) expenses for audit teams, investigators, and inspectors to deploy overseas and travel in the theater of operation. Personnel support costs also include contracted mental health services to assist personnel upon return from this high stress region.</p> <p>b. <u>Explanation of Change Between FY 2011 and FY 2012:</u> Higher personnel support costs are due to mission focus shift to OEF as more personnel will deploy in support of OEF.</p>				
OND (FY2010 was OIF)				
4. CBS Category/Subcategory 2.0 Personnel Support	\$704	\$1,695	(\$731)	\$964
<p>a. <u>Narrative Justification:</u> Personnel support costs for OND operations cover temporary duty (TDY) expenses for audit teams, investigators, and inspectors to deploy overseas and travel in the theater of operation. Personnel support costs also include contracted mental health services to assist personnel upon return from this high stress region.</p> <p>b. <u>Explanation of Change Between FY 2011 and FY 2012:</u> Reduction to personnel support costs due to fewer deployments in support of OND as more work will be accomplished within CONUS.</p>				
OEF				
5. CBS Category/Subcategory 3.0 Operating Support	\$664	\$41	\$235	\$276
<p>a. <u>Narrative Justification:</u> The OIG locations at Afghanistan, Qatar (Al Udeid Air Base), and Kuwait require operational and logistical support to maintain the offices. This funding covers support costs for housing, transportation, and other service support expenses associated with establishing and running overseas offices. The funding will also support investigative review costs in scanning, retrieving, and assessing records and vouchers from the DFAS Deployable Disbursing Stations. Operating support costs also covers supplies, equipment, acquisition and service costs for blackberries, satellite phones, computers and radios for OIG personnel deployed in theater.</p>				

	FY 2010 Actual	FY 2011 Total	Delta	FY 2012 Total
b. <u>Explanation of Change Between FY 2011 and FY 2012:</u> Higher operating support costs are due to mission focus shift OEF as the OIG will have a higher presence in theater in support of OEF.				
OND (FY2010 was OIF)				
6. CBS Category/Subcategory 3.0 Operating Support	\$320	\$524	(\$142)	\$382
a. <u>Narrative Justification:</u> The OIG will continue to incur OIF related operating support such as supplies, equipment, acquisition and service costs for blackberries, satellite phones, computers and radios until all audits, investigations, and inspections have been completed.				
b. <u>Explanation of Change Between FY 2011 and FY 2012:</u> Reduction to operating support costs due to fewer deployments in support of OND as more work will be accomplished within CONUS.				
OEF				
7. CBS Category/Subcategory 4.0 Transportation	\$0	\$0	\$0	\$0
a. <u>Narrative Justification:</u> n/a				
b. <u>Explanation of Change Between FY 2011 and FY 2012:</u> n/a				
OND (FY2010 was OIF)				
8. CBS Category/Subcategory 4.0 Transportation	\$0	\$0	\$0	\$0
a. <u>Narrative Justification:</u> n/a				
b. <u>Explanation of Change Between FY 2011 and FY 2012:</u> n/a				
Total	\$11,710	\$10,529	\$526	\$11,055

OP 32 Line items as Applicable (Dollars in thousands):

<u>OP 32 Line</u>	<u>FY 2010</u> <u>Actuals</u>	<u>Change</u> <u>FY 2010/FY 2011</u>		<u>FY 2011</u> <u>Estimate</u>	<u>Change</u> <u>FY 2011/FY 2012</u>		<u>FY 2012</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	9,149	0	-1,783	7,366	0	713	8,079
199 Total Civ Compensation	9,149	0	-1,783	7,366	0	713	8,079
308 Travel of Persons	1,577	22	991	2,590	36	-318	2,308
399 Total Travel	1,577	22	991	2,590	36	-318	2,308
912 GSA Leases	0	0	0	0	0	99	99
914 Purch Communications	33	0	17	50	1	5	56
915 Rents, Leases (non GSA)	105	1	-106	0	0	0	0
920 Supplies/Matl (non fund)	86	1	21	108	2	-13	97
922 Eq't Maint Contract	116	2	-118	0	0	208	208
923 Facilities Maint Contr	0	0	190	190	3	-173	20
925 Eq't Purch (non fund)	424	6	-430	0	0	0	0
931 Contract Consultants	0	0	0	0	0	1	1
987 Other IntraGovt Purch	135	2	-47	90	1	41	132
989 Other Contracts	85	1	49	135	2	-82	55
999 Total Other Purchases	984	13	-424	573	9	86	668
Total	11,710	35	-1,216	10,529	45	481	11,055