

The seal of the Office of the Special Inspector General for Iraq Reconstruction is a large, circular emblem in the background. It features a central eagle with its wings spread, holding an olive branch and arrows. The eagle's chest is covered by a shield with vertical stripes. Above the eagle's head is a sunburst with stars. The seal is surrounded by text in both English and Arabic. The English text reads "INSPECTOR GENERAL" at the top and "RECONSTRUCTION" at the bottom. The Arabic text reads "مفتش العام" at the top and "إعادة إعمار العراق" at the bottom.

IRAQI SECURITY FORCES:  
REVIEW OF PLANS TO IMPLEMENT  
LOGISTICS CAPABILITIES

**SIGIR-06-032**  
**OCTOBER 28, 2006**



## SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

October 28, 2006

MEMORANDUM FOR CHAIRMAN, COMMITTEE ON ARMED SERVICES,  
UNITED STATES SENATE  
SECRETARY OF DEFENSE  
U.S. AMBASSADOR TO IRAQ  
COMMANDING GENERAL, MULTI-NATIONAL FORCE-IRAQ

SUBJECT: Iraqi Security Forces: Review of Plans to Implement Logistics Capabilities  
(SIGIR-06-032)

We are providing this report for your information and use. This review was requested by the Chairman, Committee on Armed Services, United States Senate. In his request, the Chairman stated that a critical element of the reconstruction effort in Iraq is the development of logistics support capabilities for the Iraqi Security Forces (ISF) within the Ministries of Defense and Interior. In order for the ISF to independently conduct combat and other operations, the Ministries of Defense and Interior along with the Ministry of Finance need to develop the organizations, infrastructure, policies and systems to manage and sustain logistics capabilities over the long-term.

We considered comments from the Defense Reconstruction Support Office, the Multi-National Force-Iraq, the Multi-National Security Transition Command-Iraq, and the Multi-National Corps-Iraq on the draft of this report when preparing the final report. Their comments are addressed in the report, where applicable, and copies of the response letters from the Multi-National Force-Iraq and Defense Reconstruction Support Office are included in the Management Comments section of this report.

We appreciate the courtesies extended to the staff. For additional information on this report, please contact Mr. Joseph T. McDermott ([joseph.mcdermott@sigir.mil](mailto:joseph.mcdermott@sigir.mil) / 703-604-0982, or in Baghdad at 703-343-7926); or Mr. Steven H. Sternlieb ([steven.sternlieb@sigir.mil](mailto:steven.sternlieb@sigir.mil) / 703-428-0240). See Appendix F for the report distribution.

A handwritten signature in black ink that reads "Stuart W. Bowen, Jr." followed by a period.

Stuart W. Bowen, Jr.  
Inspector General

cc: See Distribution

# Special Inspector General for Iraq Reconstruction

SIGIR-06-032

October 28, 2006

## Iraqi Security Forces: Review of Plans to Implement Logistics Capabilities

### Executive Summary

**Introduction.** The Administration's *National Strategy for Victory in Iraq* lays out the goals and general framework to achieve security and stability in Iraq to include building the capacity of the Iraqi government to defeat terrorists and neutralize insurgents and illegal armed groups. On October 13, 2005, the Department of Defense (DoD) reported to the Congress that the development and fielding of the Iraqi logistics' capabilities<sup>1</sup> is a critical component for the Iraqi Security Forces (ISF) in conducting security operations independently.<sup>2</sup> Multi-National Force-Iraq (MNF-I) is using funds from both the Iraq Relief and Reconstruction Fund (IRRF) and the Iraq Security Forces Fund to build the logistics capabilities of the Iraqi Army under the Ministry of Defense and the Iraqi local and national police forces under the Ministry of Interior. Our report is limited to the use of IRRF to achieve these goals, while the DoD Office of Inspector General and the U.S. Government Accountability Office have been charged with reporting on Iraq Security Forces Fund expenditures. As of August 1, 2006, the United States had spent \$666 million from the IRRF on the development and fielding of these capabilities.

**Objectives.** The purpose of this review was to identify whether efforts to build logistics capabilities within the ISF are being properly managed and are achieving their intended outcomes. Specifically, the objectives of the audit were to determine:

- DoD's plans and timelines for implementing a functioning logistics operation within the ISF
- plans and timelines for transitioning a sustainable and maintainable logistics operation to the Ministry of Defense and the Ministry of Interior for sustaining and maintaining the force structure
- barriers and resource limitations to the success of long-term sustainment capabilities within the ISF

To respond to the audit objectives, we structured the report in two sections to discuss the findings. The first section focuses on the development of the Iraqi Army logistics capabilities within the Ministry of Defense. The Iraqi Army and its support forces comprise about 98% of the total force that the MNF-I is training for the Ministry of Defense. Because the Iraqi Navy and Air Force will not be fully formed until at least the summer of 2007, we focused on MNF-I's efforts in the Ministry of Defense to implement logistics capabilities to support the Iraqi Army. The assessment centered on the

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<sup>1</sup> ISF logistics capabilities include the ability to maintain equipment, provide the supply support to the security forces, transport personnel and equipment, and maintain the health of Iraqi soldiers and police.

<sup>2</sup> DoD submitted its October 13, 2005, *Measuring Security and Stability in Iraq* report to the Congress pursuant to Section 1024 of Public Law 109-13 (for reporting through the end of fiscal year 2006).

development of the Iraqi Army's tactical and operational maintenance, transportation, supply, and health logistics support. The second section focuses on the development of the logistics capabilities of the Ministry of Interior and its local and national police forces.

**Results.** MNF-I has made some progress in its efforts to build effective logistics capabilities within the Iraqi Army and to transition these capabilities to the control of the Ministry of Defense. However, significant challenges remain that put at risk MNF-I's goal to transition a sustainable and maintainable logistics operation to the Ministry of Defense by January 1, 2008. Further, we found that the planning for the logistics capabilities for the Ministry of Interior is incomplete. Consequently, we also believe that MNF-I will face significant challenges in implementing and transitioning logistics capabilities to the Ministry of Interior and its local and national police forces.

**Ministry of Defense.** MNF-I has much to do to meet its goal of implementing logistics capabilities within the Iraqi Army, to transition these to Ministry of Defense control periodically over the next 14 months, and to transfer all capabilities by January 1, 2008. Although MNF-I does not know how many logistics personnel it has trained, MNF-I has made some progress in its efforts to build logistics capabilities within the Iraqi Army and to transition these capabilities to the control of the Ministry of Defense. Nevertheless, significant challenges remain that put MNF-I's goal at risk:

- *Adequate personnel to train Iraqi Army logistics units* – MNF-I has acknowledged that it has an insufficient number of logistics personnel in Iraq to train Iraqi Army logistics units simultaneously and that it has not developed a plan to address this shortfall. MNF-I told us that it is considering using a train-the-trainer model, in which Iraqi logistics soldiers who have already been trained would be paired with other Iraqi soldiers. This would maximize the number of trained personnel. MNF-I has yet to commit to this course of action.
- *Ensuring that there are enough trained soldiers to implement its plans*—the Multi-National Security Transition Command-Iraq (MNSTC-I) could not tell us how many personnel have been trained to support these logistics functions. Further, not all trained soldiers are assigned to and remain with logistics units, particularly for operational-level logistics units that require personnel with advanced specialty training, such as doctors, nurses, medics, and mechanics.
- *Ensuring that the Ministry of Defense provides enough funds to sustain the logistics capabilities that MNF-I is planning to transfer to Iraqi Army control in 2007*—MNSTC-I estimates that it will cost the Ministry of Defense about \$3.5 billion to sustain its operations in 2007. Because the Ministry of Defense's budget has not been submitted to or approved by the Iraqi Parliament, it is not possible to assess whether the Ministry of Defense is prepared to provide sufficient funds to support logistics capabilities in 2007.

**Ministry of Interior.** MNF-I does not expect to complete its plans to develop the logistics capabilities within the Ministry of Interior until the end of November 2006. Once finalized, we believe that MNF-I will face significant challenges that will put its plans at risk:

- *Implementing its plan and achieving logistics capabilities within the Ministry of Interior*—because the Ministry does not control the Iraqi Police Service.<sup>3</sup>
- *Training enough logistics personnel to implement its plans*—because MNF-I plans are not yet final, there can be no assurance that MNSTC-I is planning to train enough police forces logistics personnel by the end of 2006.
- *Ensuring that the Ministry of Interior provides enough funds to sustain the logistics capabilities of the Iraqi police forces in 2007*—MNSTC-I estimates it will cost the Ministry of Interior about \$2.4 billion to sustain its operations in 2007. Because the Ministry of Interior’s budget has also not been submitted to or approved by the Iraqi Parliament, it is not possible to assess whether the Ministry of Interior is prepared to provide sufficient funds to support logistics capabilities in 2007.

Given the challenges that MNF-I faced within the Ministry of Interior, we believe that there is a significant risk that even if the initial goal to develop a sustainable logistics capability plan is achieved by the end of November 2006, the Ministry of Interior will not be capable of assuming and sustaining logistics support for the Iraqi local and national police forces in the near term.

**Related Observation.** During the audit we examined data that the Multi-National Corps-Iraq (MNC-I) used to track its expenditures for supplies and other services that it provided to the ISF from January through June 2006. We found that the MNC-I did not account for a relatively small amount of the funds (about \$900,000) that were spent in this period. We also found that neither 22% of the funds spent to support the Iraqi Armed Forces nor 84% of the funds spent to support the Iraqi local and national police forces were assigned to an appropriate supply category, although MNC-I was required to assign both.

**Management Actions.** During this audit, we notified MNF-I of several discrepancies in the data MNC-I used to track its expenditures for supplies and other services that it provided to the ISF from January through June 2006. Although MNF-I has already made adjustments to the reporting process to improve the accuracy and consistency of MNC-I’s reporting, MNC-I officials said they would also take action to adjust the data to accurately reflect the historical costs of its logistics support to the ISF. Corrective action to improve data accuracy had not been completed as of the preparation of this report.

**Recommendations.** We recommend that the Commanding General, MNF-I, direct his staff and MNF-I subordinate commands to take these actions:

1. In cooperation with the Ministry of Defense, identify Iraqi Army logistics personnel requirements and formulate a plan for training these personnel.
2. In cooperation with the Ministry of Interior, identify Iraqi local and national police forces logistics personnel requirements and formulate a plan for training these personnel.
3. On receipt of the Iraqi Ministry of Defense and Ministry of Interior budgets for 2007, identify the extent to which they adequately support the logistics capabilities that MNF-I plans to transfer to it.

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<sup>3</sup> The Iraqi Police Service is the name for the local police force.

Developing and fielding Iraqi logistics capabilities is a critical component of the U.S. government effort to help the ISF of the Ministry of Defense and the Ministry of Interior become capable of independently conducting security operations. Therefore, we recommend that the Secretary of Defense take these actions:

4. Provide Congress an assessment in the quarterly report, *Measuring Security and Stability in Iraq*,<sup>4</sup> to include:
  - a. details of MNF-I's plan(s) and progress in executing the plan(s) to train ISF logistics personnel, for both the Ministry of Defense and the Ministry of Interior
  - b. the adequacy of the Ministry of Defense and Ministry of Interior budgets to support their respective logistics capability

**Management Comments and Audit Response.** We received written comments from MNF-I and, on behalf of the Secretary of Defense, from the Defense Reconstruction Support Office (DRSO). MNF-I concurred with our recommendations. DRSO said that it would include our recommended information in its quarterly report, *Measuring Security and Stability in Iraq*—to the extent the information reflects the statutory scope of the report. However, DRSO also stated that our recommended assessment is outside the scope of the current legislation. DRSO asserted that information contained in the quarterly report is directed by law and that DRSO follows the statutory language in determining content. The comments from MNF-I and DRSO are included in the Management Comments section of this report.

We disagree with the DRSO response. We believe that the assessments recommended to be part of the DoD quarterly report are well within the scope of current legislation. Specifically, Section 9010 (c) of the National Defense Appropriations Act for 2007, Public Law 109-289, directs that the report address, at a minimum, the operational readiness status of the Iraqi military forces, key criteria for assessing the capabilities and readiness of the Iraqi police and other Ministry of Interior forces, and goals for achieving certain readiness and capability levels. As discussed, the Commanding General, MNF-I, stated on August 30, 2006, that logistics capabilities were one of the key enablers to help get the ISF to the point where they can provide security independent of U.S. and coalition forces. As a result, we believe that including in the quarterly report an assessment of MNF-I's logistics support plans and the Iraqi government's willingness to provide funding to maintain logistics capabilities is both appropriate and necessary.

MNF-I, MNSTC-I, and MNC-I also provided technical comments and additional documentation in response to a draft of this report. We considered this information in finalizing our report, making revisions as appropriate.

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<sup>4</sup> DoD submits this quarterly report to the Congress under Section 9010 of Public Law 109-148 (a continuation of the reporting through the end of fiscal year 2006, as also required under Section 1024 of Public Law 109-13), and Public Law 109-289 (for reporting through the end of fiscal year 2007).

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# Introduction

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## Background

The Administration's *National Strategy for Victory in Iraq* lays out the goals and general framework to achieve security and stability in Iraq to include building the capacity of the Iraqi government to defeat terrorists and neutralize insurgents and illegal armed groups. On October 13, 2005, the Department of Defense (DoD) reported to the Congress that the development and fielding of the Iraqi logistics' capabilities is a critical component for the Iraqi Security Forces (ISF) in conducting security operations independently.<sup>5</sup> The Commanding General of the Multi-National Force-Iraq (MNF-I) stated on August 30, 2006, that logistics capabilities were one of the key enablers to help get the ISF to the point (in the next 12-17 months) where they can provide security in Iraq independent of U.S. and coalition forces.

The Chairman of the Joint Chiefs of Staff ordered the development of the ISF's logistics capabilities on February 1, 2005. In response, MNF-I and its subordinate commands initiated the development of separate of logistics support concepts for the Iraqi government's Ministry of Defense and Ministry of Interior. The intent of each "Concept" is to broadly outline and describe the desired long-term logistics capabilities for the Ministry of Defense's Iraqi Armed Forces, which encompasses the Iraqi Army, Air Force, and Navy; and the Ministry of Interior's local and national police forces, consisting of the Iraqi Police Service (i.e. the local police), National Police, and Support Forces.<sup>6</sup> These Concepts govern operational orders and other plans to develop and implement logistics capabilities within the ISF including the ability to maintain equipment, supply security forces, transport personnel and equipment, and maintain the health of Iraqi soldiers and police.

MNF-I is using funds from both the Iraq Relief and Reconstruction Fund (IRRF) and the Iraq Security Forces Fund to build these logistics capabilities.<sup>7</sup> As of August 1, 2006, the United States had spent about \$666 million from the IRRF to build the logistics capabilities of the Iraqi Army under the Ministry of Defense and the Iraqi local and national police forces under the Ministry of Interior. This includes expenditures of about \$596 million for the Ministry of Defense and \$70 million for the Ministry of Interior, and represents 13.3% of the \$5.0 billion of the IRRF allocated to reconstructing Iraq's Security and Law Enforcement infrastructure. These expenditures are discussed in more detail in Appendix B. The DoD Office of the Inspector General and the U.S. Government Accountability Office are charged with reporting on Iraq Security Forces Fund expenditures. Therefore, the Iraq Security Forces Fund expenditures are not discussed in this report.

**Department of Defense Program Responsibilities.** The U.S.-led MNF-I, headquartered in Baghdad, Iraq, leads coalition efforts to train, equip, and organize ISF. These efforts are executed by two subordinate commands for MNF-I. The Multi-National Security Transition Command-Iraq (MNSTC-I) conducts the initial organization, training, and

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<sup>5</sup> DoD submitted its October 13, 2005 *Measuring Security and Stability in Iraq* report to the Congress pursuant to Section 1024 of Public Law 109-13 (for reporting through the end of fiscal year 2006).

<sup>6</sup> MNF-I does not currently count approximately 145,000 Facilities Protection Service personnel, who are under the control of the Ministry of Interior, as part of the ISF.

<sup>7</sup> For the Iraq Reconstruction and Relief Fund, see Public Law 108-11 and Public Law 108-106. For the Iraq Security Forces Fund, see Public Law 109-13.



equipping of ISF, as well as develops the capabilities of the Ministries of Defense and Interior to execute contracts and prepare their budget submissions to the Ministry of Finance. The Multi-National Corps-Iraq (MNC-I) provides on-the-job training of the ISF through mentoring and partnership arrangements. Both MNF-I commands conduct assessments of these forces, including ISF logistics commands and units, to determine the degree to which they can perform combat operations and other missions independent of MNF-I forces.

**Department of State Program Responsibilities.** The Department of State's Iraq Reconstruction Management Office assists the U.S. Ambassador to Iraq in setting reconstruction policy and coordinating with the Commanding General, MNF-I. Although the Iraq Reconstruction Management Office initially was the lead U.S. agency providing expertise and operational assistance to the Iraqi Ministries of Defense and Interior, these responsibilities were transferred to MNSTC-I on October 1, 2005, to ensure that the development of pivotal ministerial functions is synchronized with the development of ISF. Nevertheless, the Iraq Reconstruction Management Office is still responsible for managing the IRRF and assisting the Ministry of Finance with building the annual Iraqi government budget submission to the Iraqi Parliament.<sup>8</sup> The submission for 2007 will include the proposed budget for the Iraqi Ministries of Defense and Interior and was due to be presented to the Iraqi Parliament by October 10, 2006, for the upcoming calendar year, but this did not occur.

**Design of the Concept of Logistics Support for the Ministry of Defense.** The Concept of Logistics Support for the Ministry of Defense (the "Concept") was approved by the Iraqi Ministry of Defense's planning and operations committee and the Multi-National Force-Iraq on March 1, 2006. The Concept describes the roles of Ministry of Defense components to execute logistics functions at strategic, operational, and tactical levels. These responsibilities are divided in the following manner:

- At the strategic level, the Ministry of Defense Director General of Acquisition, Logistics and Infrastructure manages and controls Iraqi Armed Forces acquisition of goods and services, logistics and infrastructure operations, and the national supply and maintenance systems.
- At the operational level, the Support Command is responsible for planning, coordinating, directing, and monitoring the activities of Taji National Depot and the Regional and Garrison support units in support of Iraqi Armed Forces tactical units.
- At the tactical level, the Iraqi Army divisions and Navy and Air Force squadrons have their own logistics units that are integrated within the divisions and squadrons to provide support during combat operations and other missions.

**Design of the Concept of Logistics Support for the Ministry of Interior.**

Development of the *Ministry of Interior Logistic Handbook*, which describes the concept of logistics support for the Iraqi Ministry of Interior, was completed by MNSTC-I and approved by MNF-I at the end of September 2006. This Concept enumerates national, provincial, and district-level responsibilities and processes for the Ministry of Interior and its local and national police forces. Although MNSTC-I has discussed the Concept with

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<sup>8</sup> The Iraqi government's fiscal year is the same as the normal calendar year and thus begins on January 1, 2007. The Ministries of Defense and Interior were to provide their annual budget submissions to the Ministry of Finance on July 15, 2006, but these were not submitted until the beginning of October 2006.

the Ministry of Interior, Ministry officials had not formally agreed to implement the Concept as of the preparation of our report. Further, MNF-I has not yet finalized its logistics support plans for the Ministry of Interior. As MNF-I's plans were not yet finalized, our review was limited to observations of MNF-I's ongoing efforts for planning and transitioning logistics capabilities to the Ministry of Interior. We also identified potential challenges that MNF-I will likely face in implementing the Concept, if and when it is agreed to by the Iraqi government.

## Objectives

The purpose of this review was to identify whether efforts to build logistics capabilities within the ISF are being properly managed and are achieving their intended outcomes. Specifically, the objectives of the audit were to determine:

- DoD's plans and timelines for implementing a functioning logistics operation within the ISF
- plans and timelines for transitioning a sustainable and maintainable logistics operation to the Ministry of Defense and the Ministry of Interior for sustaining and maintaining the force structure
- barriers and resource limitations to the success of long-term sustainment capabilities within the ISF

To respond to the audit objectives, we structured the report in two sections to discuss our findings. The first section focuses on the development of the Iraqi Army's logistics capability within the Ministry of Defense. The Iraqi Army and its support forces comprise about 98% of the total force that MNF-I is training for the Ministry of Defense. Because the Iraqi Navy and Air Force will not be fully formed until at least the summer of 2007, we focused our report on MNF-I's efforts to implement logistics capabilities to support the Iraqi Army. The assessment centered on the development of the Iraqi Army's tactical and operational maintenance, transportation, supply, and health logistics support. The second section focuses on the development of the logistics capabilities of the Ministry of Interior and its local and national police forces.

For a discussion of the audit scope and methodology, and a summary of prior coverage, see Appendix A. For a description of IRRF expenditures, see Appendix B. For descriptions of the Iraqi Army logistics units, see Appendix C. For a listing of Iraqi Army logistics personnel authorizations, see Appendix D. For definitions of the acronyms used in this report, see Appendix E. For a list of the report's distribution, see Appendix F. For a list of the audit team members, see Appendix G.

# Development of Iraqi Army Logistics Capabilities

MNF-I plans to implement a functioning logistics operation within the Iraqi Army and transition these operations to the Ministry of Defense by January 1, 2008. By that time, MNF-I expects the Iraqi Army and Ministry of Defense to be able to self-sustain its forces and maintain the logistics capabilities that MNF-I transferred to them. MNF-I is building what it terms “good enough” tactical and operational logistics capabilities within the Iraqi Army. By “good enough” MNF-I means that the Iraqi Army’s 10 divisions can only conduct counter-insurgency combat operations and other types of missions in their geographic areas of responsibility within Iraq. The logistics capabilities being developed include maintenance, transportation, supply, and health logistics capabilities, which are intended to be executed by several different types of logistics units as specified in the Concept of Logistics Support for the Ministry of Defense (herein referred to as the “Concept”). While MNF-I has processes in place to transition this capability, including equipment and facilities, to the Ministry of Defense, it faces the challenges of having enough logistics trainers, having enough trained Iraqi personnel to support the logistics Concept, and ensuring that the Ministry of Defense sufficiently budgets for enough funds to sustain this capability over time.

## **Building Capabilities**

There are seven types of logistics units envisioned in the Concept for the Iraqi Ministry of Defense’s logistics capability, as shown in Table 1. The table lists the types of logistics units, the number required by the Concept, and the dates on which these units are expected to transition to the control of the Ministry of Defense.

**Table 1: Iraqi Army Logistics Units Transition Timelines**

| Type of Unit Required by the Concept <sup>a</sup> | Number of Units Required by the Concept | Projected Transition Date for all Units |
|---|---|---|
| Headquarters and Services Company                 | 158 <sup>b</sup>                        | December 2007                           |
| Motorized Transportation Regiment                 | 9                                       | May 2007                                |
| Mechanized Logistics Battalion                    | 4                                       | June 2007                               |
| Regional Support Unit                             | 5                                       | June 2007                               |
| Garrison Support Unit                             | 77                                      | December 2007                           |
| Taji National Depot                               | 1                                       | December 2007                           |
| Support Command                                   | 1                                       | December 2007                           |

Notes:

<sup>a</sup> See Appendix C for descriptions of the units.

<sup>b</sup> This total includes Headquarters and Services Companies that are part of the Iraqi Army battalion, brigade, and divisional headquarters for the 10 divisions; and the Iraqi Ground Forces Command. It does not include Headquarters and Services Companies resident in the Motorized Transportation Regiments and Mechanized Logistics Battalions.

Source: MNF-I as of September 30, 2006.

**Implementing “Good Enough” Logistics Capabilities within the Iraqi Army.** MNF-I plans to build logistics capabilities within the Iraqi Army that are “good enough” to enable independent counter-insurgency operations. As discussed earlier, by “good enough” MNF-I means that the Iraqi Army’s 10 divisions can only conduct counter-insurgency combat operations and other types of missions in their geographic areas of responsibility within Iraq. For example, the 1<sup>st</sup> and 7<sup>th</sup> Iraqi Army Divisions will only be able to sustain combat operations and other missions for five days without being re-supplied by its Regional Support Unit. Because MNF-I pursued a “good enough” solution to building the Iraqi Army’s logistics capabilities, some of these divisions’ tactical supply capability resides at its Regional Support Unit rather than within these divisions.

MNF-I has been developing the Concept since early 2005 in accordance with the directive from the Chairman of the U.S. Joint Chiefs of Staff. According to MNF-I officials, the Concept was based on the United Kingdom’s model of logistics support. Supply consumption rates and personnel manning data were determined using standard U.S. Army logistics rules and analytical software. Once the analysis was completed, MNF-I went through an iterative process using professional military judgment to make adjustments to the analysis. On March 1, 2006, the current version of the Concept was approved by the Ministry of Defense’s planning and operations committee and MNF-I.

The Concept states that maintenance, supply, transportation, and health support are the key logistics functions required to sustain Iraqi Army combat and other types of operations. These four support functions will be implemented by logistics units that are being formed across two tactical and two operational “lines of support” pursuant to the Concept. These functions are defined in the following way:

- *Maintenance support:* the service, repair and overhaul of vehicles, weapons, aircraft, watercraft, and other equipment
- *Supply support:* the procurement, receiving, storing, issue and accounting of all types, or classes, of supplies such as food, fuel, ammunition, and spare parts for vehicles
- *Transportation support:* the movement of personnel, cargo and liquids, and equipment
- *Health support:* the integrated medical system to promote, improve, conserve, or restore the mental and physical well-being of personnel in the Iraqi Army

At the tactical level, units will be integrated with Iraqi Army infantry or mechanized divisions.<sup>9</sup> For example, a Headquarters and Services Company will provide maintenance, transportation, and supply support to either type of division. Other logistical units are specialized to support either an infantry or mechanized division. For example, a Motorized Transportation Regiment will provide both maintenance and transportation support to an infantry division whereas Mechanized Logistics Battalions provide this support to the one mechanized division in the Iraqi Army.

At the operational level the Concept has stand-alone units that provide logistics support to the Iraqi Army divisions. These include the Regional Support Units and their subordinate Garrison Support Units, which provide maintenance, supply, and health support to the divisions. Each Regional Support Unit supports two Iraqi Army divisions located in their respective regions by providing support directly to the division or to the Garrison Support Units that operate and maintain the Iraqi Army’s bases and support the

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<sup>9</sup> The mechanized division combines tank and infantry battalions in each of its three brigades.

divisions while they are in garrison on a base. Depending on its size and purpose, some Garrison Support Units also provide maintenance and/or health support to Iraqi Army divisions. Also at the operational level, Taji National Depot provides maintenance and supply logistics support to all Iraqi Army divisions. The Support Command, once formed, will oversee all of these operational level logistics units.

As part of the “good enough” solution, there are no specific logistics units for some lines of support. For example, at the tactical level, health support is provided through a soldier’s combat lifesaver skills that are taught in basic training or by medics that are part of the Headquarters and Services Companies integrated with each division. Trauma surgery for combat-related injuries and other advanced health care will be provided by civilian hospitals run by the Ministry of Health. Other lines of support are currently performed by contractors rather than Iraqi Army personnel. For example, the Iraqi Army uses trucking contractors to provide transportation support. These contractors transport equipment and supplies from vendors and from sea and air ports to the Taji National Depot and the Regional Support Units; and from vendors directly to Regional Support Units.

MNF-I officials we interviewed said that while the Ministry of Defense realizes that the current logistics capabilities of the Iraqi Army requires supplemental support from contractors, its goal is to have all support performed by Iraqi Army personnel and, in the future, they may build an additional Motorized Transportation Regiment to meet the additional transportation requirements. The Iraqi Army is also relying on contractor support for some operational level maintenance capabilities and base life support. Whether these contracts become a permanent part of the Iraqi Army’s logistics operations has not been determined. Table 2 depicts the tactical and operational units by lines of support for the nine infantry and one mechanized Iraqi Army divisions.

**Table 2: Logistics Units Arrayed by Level and Support Function**

| Line of Support <sup>a</sup> | Maintenance Support   | Transportation Support  | Supply Support   | Health Support                                  |
|------------------------------|---|---|--|---|
| First tactical level         | Headquarters and Services Company                                   | Headquarters and Services Company                                   | Headquarters and Services Company                                    | No Specific Unit                                |
| Second tactical level        | Motorized Transportation Regiment or Mechanized Logistics Battalion | Motorized Transportation Regiment or Mechanized Logistics Battalion | Regional Support Unit or Mechanized Logistics Battalion <sup>b</sup> | Headquarters and Services Company               |
| First operational level      | Regional or Garrison Support Unit                                   | None (provided by contractors)                                      | Regional or Garrison Support Unit                                    | Regional or Garrison Support Unit               |
| Second operational level     | Taji National Depot   | None (provided by contractors)                                      | Taji National Depot <sup>c</sup>                                     | None (to be provided by the Ministry of Health) |

Notes:

<sup>a</sup> For clarity and consistency, we referred to the four lines of support by their tactical or operational levels in this report.

<sup>b</sup> Second line supply support for the infantry divisions is provided by the supply company resident at the Regional Support Unit.

<sup>c</sup> The Iraqi Army’s current ammunition supply point is part of the second operational level supply support. This will eventually be closed and instead each of the five Regional Support Units will have their own ammunition supply point.

Source: SIGIR Analysis as of August 2006. See Appendix C for a description of the tactical and operational levels and units.

**Transitioning Capabilities to the Ministry of Defense.** MNF-I has three types of processes for transitioning logistics support units, equipment, and facilities to Iraqi control. First, MNF-I uses a structured process known as the “Transition Readiness Assessment” that it developed to determine when logistics units are ready to begin their transition to Iraqi Army control. As discussed in previous DoD and U.S. Government Accountability Office reports, this assessment process has been and is similar to the process DoD uses for rating the “readiness” of U.S. units to perform their missions.<sup>10</sup> Second, for equipment transfers, MNF-I uses a paper process to transfer equipment, including weapons, to the Iraqi Army. Third, MNF-I, through MNSTC-I, has a well-defined process to transfer real property to the Iraqi Army and the Ministry of Defense.

#### Transition Process for Logistics Units

The process by which MNF-I transitions logistics units to Iraqi control is usually set up in several phases over a period of time. Initial organizing, training, and equipping of Iraqi Army units is conducted by MNSTC-I. On-the-job training to get Iraqi units to a point where they can operate independently and be transitioned to Iraqi Army control is conducted by MNC-I. MNF-I assesses the progress of Iraqi logistics units by conducting a Transition Readiness Assessment of each individual unit, and these assessments are reported to the Commanding General, MNF-I, each month. The assessments are classified, and therefore, the ratings of specific logistics units are not discussed in this report.

These assessments rate the readiness of an Iraqi Army unit by four levels of capability. These ratings start from when the unit is formed (level 4); to when it can fight side by side with MNF-I forces (level 3); to when it is deemed capable of controlling its own area of responsibility with coalition support (level 2); to when it is able to independently conduct operations (level 1). When a unit is rated level 2, MNF-I will begin the process to transition the unit to Iraqi Army and Ministry of Defense control. An Iraqi Army unit will be rated level 2 when it has at least 85% of its equipment on hand and authorized personnel assigned. At this point, MNF-I begins the process of transitioning a level 2 unit to Iraqi Army and Ministry of Defense control. MNF-I’s priority has been on training Iraqi Army divisions to conduct counter-insurgency operations.

In keeping with these priorities, MNF-I has focused on transitioning the tactical logistics units that integrated with the divisions. MNF-I has been most successful applying this process of building, training, and transitioning logistics units of the Motorized Transportation Regiments to Iraqi control within roughly 195 days. This is comprised of the following steps:

- MNSTC-I conducts initial training and equipping of a Motorized Transportation Regiment in about 60 days.
- MNC-I then conducts on-the-job training over a period of 90 days by partnering with the Motorized Transportation Regiment and integrating it into the MNC-I’s overall logistics system. In this way, the regiment learns by providing support to their parent Iraqi Army infantry division through current operations.
- Once the Motorized Transportation Regiment and its parent division are determined to be capable of controlling its own area of responsibility with coalition support, MNC-I begins a 45-day validation process to ensure a smooth transition of the regiment to Iraqi control.

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<sup>10</sup> See *Measuring Security and Stability in Iraq* (DoD, May 26, 2006) and *Rebuilding Iraq: More Comprehensive National Strategy Needed to Help Achieve U.S. Goals and Overcome Challenges* (GAO-06-953T, July 11, 2006).

MNF-I has already transitioned three of nine Motorized Transportation Regiments to Iraqi control with two more scheduled to transition to Iraqi control by the end of October 2006. The remaining four Motorized Transportation Regiments are scheduled to transition to Iraqi control by May 2007. MNC-I will follow-up 60 days after each of the Motorized Transportation Regiments has been transitioned to the Iraqi Army to assess its performance.

#### Transition Process for Equipment

MNF-I uses a paper process to transfer equipment to Iraqi Army logistics units. This process includes the receipt of an itemized list of equipment by serial number, vehicle identification number, or other unique identifying number. Equipment being transitioned to the Iraqi Army is counted out by MNF-I officials in front of an Iraqi Army officer or official. The Iraqi and MNF-I official then both sign the receiving document. This document is then scanned and sent to MNSTC-I and the paper copy is kept by the Iraqi Army unit. If the equipment is issued to a soldier, the process will be repeated and the soldier is fully responsible for the cost of the equipment if it is lost or stolen. We found that MNF-I is on schedule to deliver 85% of all 17 key items, which includes assault rifles, uniforms, body armor, armored vehicles, and trucks; to each of the 10 Iraqi Army divisions by the end of 2006.<sup>11</sup>

Nevertheless, MNF-I believes that the Iraqi Army has adequate procedures to maintain accountability, but these procedures have not been sufficiently enforced to date. Therefore, MNF-I and the Ministry of Defense are taking steps to improve the Iraqi Army's enforcement of the procedures for the accountability of equipment. For example, on September 6, 2006, the Ministry of Defense published a manual describing how accountability of equipment should be maintained and audited. Also, MNF-I published an order requiring all MNC-I units to conduct a full inventory of the Iraqi Army's equipment this fall to include serial numbers for weapons. This effort will correspond with a Ministry of Defense directive for all Iraqi Army battalions to have an official property book established by November 1, 2006. Although there is some degree of risk associated with a paper system and the Concept intends for information technology at the operational level to eventually automate logistics processes to improve accountability for equipment ordered and issued, five Iraqi Army units that we queried had accountability of weapons down to the individual to whom the weapon was issued.

#### Transition Process for Real Property

As we previously reported,<sup>12</sup> MNSTC-I has a well established process for transferring real property to the Ministry of Defense by using standard DoD facilities management procedures. MNSTC-I's Real Property Transfer Report documents the facilities, infrastructure systems, site security and transition life support responsibility, such as base operations and maintenance and long-range capital investment requirements. This document serves as the basic information that feeds into the planning, programming, and budgeting processes required to effectively manage real property assets, and will provide Iraqi infrastructure engineers information to manage the transferred assets. MNSTC-I has responsibility for \$324.7 million in IRRF construction projects related to the development of logistics capabilities in the Ministry of Defense to include the Iraqi Army.

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<sup>11</sup> In a related report, we observed management control weaknesses in MNSTC-I's processes for accounting for three types of weapons that were purchased with the IRRF for the ISF. *Iraqi Security Forces: Weapons Provided by the U.S. Department of Defense Using the Iraq Relief and Reconstruction Fund* (SIGIR-06-033, October 28, 2006).

<sup>12</sup> See *Multi-National Security Transition Command-Iraq Management of the Transfer of Iraq Relief and Reconstruction Fund Projects to the Iraqi Government* (SIGIR-06-006, April 29, 2006).

For whole base transfers, MNSTC-I's process entails a 120-day notification timeline. The process involves the Ministry of Defense in all phases of the transfer process from notification of transfer; to conducting a joint inventory and inspection of the property; to the official transfer ceremony and the handover of responsibility for life support and security. As of August 30, 2006, 32 of 82 forward operating bases and six other installations have been transferred to the Ministry of Defense.

To manage the bases that were transferred and will be transferred to Iraqi Army control, in July 2006, the Ministry of Defense took over 62 base life support contracts from MNSTC-I to supplement the capabilities of Garrison Support Unit personnel. These contracts provide Iraqi Army soldiers with a variety of support, including food, water, morale items, and waste services while they are in garrison. According to MNSTC-I officials, this improvement in the ability to contract for these services marks an important increase in the strategic capability of the Ministry of Defense to execute contracts for services. Although there have been some reports of difficulties and contractors walking off the job in Al-Anbar province, according to one MNSTC-I general officer we met with MNSTC-I officials believe the transition of the services from MNSTC-I to the Ministry of Defense was successful and the responsibility for other types of services may be transferred in this manner.

**Potential Barriers and Resource Limitations.** MNF-I will face three key challenges to the successful transition of logistics operations to the Ministry of Defense. MNF-I will need to determine:

- how to increase its logistics training personnel
- how many trained Iraqi Army logistics personnel are required and then properly assigned to conduct logistics operations
- the cost of logistics operations and whether the Ministry of Defense is adequately budgeting to sustain logistics operations in 2007 and beyond

If not overcome, these challenges could limit the long-term success of the Iraqi Army's logistics operations.

#### Training

In building logistics units, MNF-I would like to train all of the Iraqi Army logistics units in the same manner it has trained the Motorized Transportation Regiments. MNF-I does not, however, have enough qualified logistics training personnel resident in MNSTC-I or MNC-I to conduct training of other types of logistics units simultaneously. Therefore, MNF-I has discussed using the Motorized Transportation Regiments as a test bed to develop a "train-the-trainer" system, whereby maintenance and transportation personnel in the Motorized Transportation Regiment would train their counterparts in the Headquarters and Services Companies. However, MNF-I had not committed to this approach as of the preparation of this report. Additionally, MNF-I is looking to leverage lessons learned from transitioning the Motorized Transportation Regiments to improve the training of other logistics units.

#### Personnel

To plan for and successfully transition logistics operations to the Ministry of Defense, MNF-I faces challenges regarding the fielding and training of logistics personnel. MNF-I could not identify how many logistics personnel the Concept requires in order to be properly implemented. In the absence of MNF-I data, we calculated that between 37,800 to 44,500 personnel will be required for the total number of logistics units required by the



Concept to support the Iraqi Army.<sup>13</sup> These numbers reflect between 85% and 100% of Iraqi Army personnel needed to fill the logistics units staffing as required by the Concept. After providing technical comments to our draft report that questioned our calculation, and upon further discussion, MNSTC-I officials we shared this information with agreed with our analysis. MNF-I is drafting an order to identify the number of additional Iraqi Army logistics personnel required to implement the Concept, but these numbers were not available as of the preparation of this report.

MNF-I does not know how many logistics personnel it has trained because they do not have historical records due to a loss of computerized data. However, after reviewing a draft of this report, MNSTC-I officials provided information documenting that as of September 30, 2006, a total of 42,900 “support forces” have been trained since 2004. This total includes not only logistics personnel but also military police and communications and administrative personnel.<sup>14</sup> Although MNSTC-I officials said the majority of the support personnel trained since 2004 were logistics personnel, MNSTC-I only had records available for about 6,900 Iraqi Army logistics personnel that were trained between January and September 2006. Further, according to MNSTC-I officials, their records for logistics personnel trained prior to 2006 were lost as a result of a network crash, thus not available for our review or their records.

However, not all personnel receiving logistics training are currently assigned to logistics units. In some instances Iraqi Army division commanders divert trained logistics personnel to combat units; in other instances some decide to leave the army because Iraqi soldiers do not have a legal obligation to complete their service. MNF-I officials said the command is taking a proactive approach to address these issues directly with the Ministry of Defense.

We believe that MNF-I still faces major challenges for ensuring that the personnel requirements for certain logistics specialties and operational-level units are met. For example, we found that the Iraqi Army is particularly short of trained medical personnel for health support. As of August 23, 2006, the Iraqi Army had 24% of its required doctors, 22% of its required nurses, 42% of its required medics, and 22% of its required pharmacists currently assigned to Iraqi Army units. Complicating this shortage, division commanders often assign Iraqi Army medics that are trained at the Iraqi Army Support and Services Institute to non-medic positions in rifle companies or to fill the needs of other units instead of assigning these medics to the medical platoons of the Headquarters and Services Companies. As one of the measures planned, MNF-I is to work with the Ministry of Defense to better identify medics and have the Ministry publish guidance requiring division commanders to assign these personnel to the Headquarters and Services Companies. Furthermore, Iraq is chronically short of doctors, nurses, and dentists across the country. We were told by MNSTC-I officials that the shortage of health support personnel exists because of the exodus from Iraq to avoid the violence in the country. In addition, the Iraqi Army has to compete with the Ministry of Health for

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<sup>13</sup> See Appendix D for a discussion of how this estimate was calculated. Our estimate does not include the 5,000 to 5,900 logistics personnel required to be assigned to the Iraqi Army divisions in the logistics section of division, brigade, or battalion command staffs or combat companies.

<sup>14</sup> MNSTC-I reported there were 9,600 support soldiers in the August 29, 2006, DoD Report to the Congress titled, *Measuring Security and Stability in Iraq*. According to MNSTC-I officials, these soldiers were reported under the general Support Forces category and had been trained to fill requirements in operational-level Iraqi Army units. Other support forces trained to meet tactical-level requirements were included in the category for the total number of Iraqi Army personnel trained by MNSTC-I.

the medical personnel that remain in Iraq, further complicating the Iraqi Army's recruitment and retention of qualified medical personnel, according to MNSTC-I officials. MNF-I has not yet completed a plan to address the shortage of health support personnel.

We also found the logistics units comprising the Concept's operational lines of support are severely undermanned. As of September 25, 2006, the five Regional Support Units were the best staffed operational level units with 49% (3,454) of their total minimum authorized personnel assigned. Of the 77 Garrison Support Units that are authorized by the Concept to support the Iraqi Army, only 5 are currently forming and MNF-I has not determined how it will organize the rest. Given this shortage of personnel, it is unclear how the Regional Support Units will be able to transition to Iraqi Army control by June 2007 and how all 77 Garrison Support Units will transition by January 1, 2008.

The lack of trained personnel assigned to these units has consequences. Since the Iraqi Army did not have the intrinsic capability to perform the maintenance that Regional and Garrison support units would provide, the U.S. Army awarded a National Maintenance Contract on May 19, 2005, to a U.S. contractor to provide vehicle maintenance for the Iraqi Army for an initial cost of \$11.5 million to be funded with the IRRF. Over time, this contract expanded to include maintenance on vehicles, communications equipment, and night vision equipment. The contract is to expire on March 31, 2007, and has grown to a total cost of \$247 million. The additional \$235.5 million above the initial cost is to be paid from the Iraq Security Forces Fund.

Under the terms of the contract, the contractor trained local Iraqis to be mechanics and to perform other supply functions. The intent was for these mechanics to become Iraqi Army civilian or uniformed mechanics when the Regional Support Units transitioned off the contract by January 2007 and the Garrison Support Units transitioned off the contracts by the end of March 2007. Although one Regional Support Unit transitioned its maintenance capability from the contractors to Iraqi Army control, MNSTC-I officials believe the contract will need to be extended through the end of 2007 to continue to build up the capability of the other Regional and Garrison support units.<sup>15</sup> Moreover, three of the five Garrison Support Units being formed are not currently authorized to have mechanics, making it unlikely that these units could absorb contractor personnel into their staffs when the National Maintenance Contract expires. As a result, it is unclear when the Iraqi Army will have a fully functioning Iraqi-controlled maintenance capability.

MNF-I's plan to transition the Taji National Depot by January 1, 2008, may also be at risk. Although the equipment to operate and maintain the depot should be on site by the end of 2006, the depot only had 27% (274) of its minimum authorized personnel on September 25, 2006, but none were logistics support personnel. The 27% were soldiers with the depot's security detachment. As the depot will require highly skilled logistics personnel to perform heavy grade maintenance such as vehicle overhauls or manage national stocks of supplies, it may take several years before the depot has enough mechanics and supply personnel to be fully operational and transitioned to Iraqi Army control, according to some MNF-I officials we interviewed. The U.S. Army Materiel Command currently has a team working with the Iraqi Army to improve the situation at

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<sup>15</sup> DoD reported in its August 29, 2006, *Measuring Security and Stability in Iraq* report that two Regional Support Units transitioned to Iraqi Army control. We determined that only the maintenance facility of one of the Regional Support Units transitioned off the National Maintenance Contract to the control of the Iraqi Army.

the depot and develop a depot-level concept of operations and policy and procedures documents.

Finally, the Support Command is responsible for commanding all operational level logistics units including the Taji National Depot, the five Regional Support Units, and the 77 planned Garrison Support Units. MNF-I and the Ministry of Defense have developed doctrine for the Support Command. However, the command only exists on paper and no personnel have been assigned to it. As with the depot, this command requires highly trained logistics personnel to plan, coordinate, direct, and monitor operational level logistics support to sustain combat operations, and other types of missions, and forecast short- and long-term support requirements. Moreover, the Support Command is essential to carrying out and implementing the logistics policies that are being developed by the Ministry of Defense with MNF-I's assistance. To address this shortfall of logistics command and control capability, MNF-I has worked with the Ministry of Defense to develop a nucleus of the Support Command within the Joint Headquarters to have oversight of current support operations. The effect of this, however, has been a blurring of the roles and responsibilities of the Joint Headquarters, which oversees all Iraqi Armed Forces operations for the Ministry of Defense, and what are intended to be the responsibilities of the Support Command, according to MNF-I officials.

#### Funding

MNSTC-I has estimated the Ministry of Defense costs to sustain its overall operations at \$3.5 billion in 2007. However, the Ministry of Defense had not finalized its budget submission with the Ministry of Finance for 2007 when this report was prepared. MNF-I officials told us that MNF-I has informed the Ministry of Defense that they will not provide any supplies or funds to sustain Iraqi Army operations in 2007 (except in an emergency). Therefore, it will be entirely up the Iraqi government to provide enough funding in the Ministry of Defense's budget to sustain and maintain the logistics capabilities. However, since the budget for the Ministry of Defense has not been approved by the Iraqi Parliament, it is not possible to assess whether the Ministry of Defense is prepared to provide sufficient funds to support the logistics capabilities that MNF-I is planning on transitioning to it in 2007.

# Development of Ministry of Interior and Local and National Police Forces Logistics Capabilities

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DoD notified the Congress in its August 29, 2006, *Measuring Security and Stability in Iraq* report that the logistics systems for the Ministry of Interior were ineffective. In particular, DoD reported that the Ministry's capabilities were inadequate to support the local and national police forces being trained by MNSTC-I. Further, there is a continued lack of clarity within the Ministry about the responsibilities of the central Ministry and provincial governments for sustaining local and national police forces. According to one MNSTC-I general officer, establishing effective logistics support processes will take time and effort.

MNF-I officials stated that the command is in the final stages of completing its plans to build logistics capabilities within the Ministry of Interior and its local and national police forces—the Iraqi Police Service; the National Police; and the Support Forces, such as the Department of Border Enforcement and the Ports of Entry Directorate. Development of the Ministry of Interior Logistic Handbook, which describes the concept of logistics support (the Concept) for the Iraqi Ministry of Interior, was completed by MNSTC-I and approved by MNF-I at the end of September 2006.<sup>16</sup> This Concept details national, provincial, and district-level responsibilities and processes for the Ministry of Interior and its local and national civilian police force logisticians. Although MNSTC-I has discussed the Concept with the Ministry of Interior, it has not yet been approved by Ministry officials.

A conference for developing the Ministry of Interior's logistics capabilities, anticipated to be held in October 2006, is to focus on the synchronization of MNF-I, MNSTC-I, and MNC-I efforts to build the Ministry of Interior logistics capabilities. The conference had not taken place by the time this report was prepared. Both the Concept and the conference are required to enable MNF-I to finalize its plans for building Ministry of Interior logistics capabilities by the end of November 2006. As MNF-I's plans were not yet finalized, our review was limited to observations of MNF-I's ongoing efforts for planning and transitioning logistics capabilities to the Ministry of Interior. We also identified potential challenges that MNF-I will likely face in implementing the Concept, if and when it is agreed to by the Iraqi government.

**Organization of the Ministry of Interior.** The Deputy Minister for Administration is responsible for all logistics functions in the Ministry of Interior including approving all logistics decisions and expenditures ranging from fuel to vehicle maintenance to general office supplies. These responsibilities are delegated to the Director General of Logistics. This structure supports the logistics requirements of the national police forces reporting directly to the Ministry of Interior. The management and reporting structure of the various police forces reporting directly to the Ministry of Interior and logistically supported by the Director General of Logistics is comprised of:

- National Police forces
- Border Enforcement forces
- Ports of Entry forces

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<sup>16</sup> Despite its formal title of "Ministry of Interior Logistic Handbook", MNSTC-I officials generically refer to this document as the concept of logistics support (i.e. the Concept). For clarity and consistency, we used the generic term in this report.

Further, under the proposed Concept, the Iraqi Police Service which reports directly to the Provincial Governors could be supported by the Director General of Logistics on a cost-reimbursement basis.

**Logistics Planning for the Ministry of Interior.** The “Concept” of logistics support for the Ministry of Interior was only recently completed in part because MNF-I had given top priority to building the logistics capabilities within the Ministry of Defense for the Iraqi Army based on security considerations. To focus attention and effort on the Ministry of Interior’s local and national police forces, MNF-I designated 2006 as the “Year of the Police.” Although MNSTC-I has been working on developing the logistics capabilities of the local and national police forces since 2004, and the management capabilities of the Ministry of Interior since at least June 2005, MNSTC-I only had three staff officers assigned to developing the Concept until July 2006. Since July, MNSTC-I increased its staffing to about ten officers and MNF-I attached a liaison officer to support MNSTC-I efforts to formulate the “Concept.” According to MNSTC-I officials, these additional resources made it possible for MNSTC-I to significantly increase the breadth and scope of the “Concept” during the months of July and August 2006. MNF-I approved the Concept at the end of September 2006. Although the “Concept” has been discussed with Ministry officials, and MNSTC-I is proceeding with its training of tactical forces in accordance with the Concept, there has been no formal agreement yet with Ministry officials to implement it.

Unlike the Iraqi Army, where logistics units are being added to the force structure, the local and national police forces have generally been in place since the previous regime was in power according to MNSTC-I officials. To augment these structures, MNSTC-I has worked with the Ministry of Interior forces to train existing personnel as logisticians to manage and account for equipment and supplies. However, according to MNSTC-I officials, the local and national police forces’ tactical capabilities to maintain their equipment was a continuing challenge that is being addressed. Further, the Ministry lacks the capabilities to transport supplies and equipment to Border Enforcement personnel stationed at forts along Iraq’s almost 2,400-mile border. Further, since the Concept has not been agreed upon, it is difficult to assess whether or not the existing cadre of personnel will be sufficient or adequately trained.

**Transitioning Security Operations, Equipment, and Facilities to the Ministry of Interior.** To support the logistics capabilities being planned, MNF-I has processes for transitioning the security of provinces, equipment, and facilities to Ministry of Interior control.

#### Security

As the local and national police forces are under either Ministry of Interior or provincial government control, MNF-I uses its transition readiness assessment process to measure the progress of each unit to operate independently. In commenting on the draft of this report, MNSTC-I officials elaborated on MNF-I’s ability to objectively judge the logistics capabilities of the local and national police. This ability varied depending on whether the unit was:

- under the control of the Ministry of Interior
- under the control of a Province
- centrally organized or regionally dispersed

For example, MNF-I has good visibility of progress for National Police forces, which directly report to the Ministry; somewhat less visibility of progress for Border Enforcement and Ports of Entry forces, which also directly report to the Ministry even though dispersed across Iraq; and even less visibility of progress for the Iraqi Police Service, whose forces are dispersed throughout Iraq and controlled by the provincial governors. We have no reason to believe that this visibility is any different for the Ministry. We were also told that when MNF-I determines that the Ministry of Interior forces in a province are capable enough to secure it, along with Iraqi Army forces, MNF-I will turn over security of a province to the control of the Iraqi government, as recently occurred in the Dahuk and Muthanna provinces.<sup>17</sup>

### Equipment

MNF-I uses a paper-based procedure for transferring equipment to the Ministry of Interior and its local and national forces. When MNSTC-I issues equipment to police forces, it requires the receiving police official to sign for the equipment as well as a MNF-I official that is assigned to train the police unit. According to MNSTC-I officials, this paper process works well when MNSTC-I first provides equipment to the Ministry logisticians, who subsequently transfer the equipment to the respective local and national police logisticians. However, until the practice was discontinued in April 2006, MNSTC-I often bypassed the Ministry of Interior logisticians and issued equipment directly to local and national police forces. Because of this practice, the Ministry of Interior's accountability of equipment provided by MNSTC-I directly to the police units, rather than through the logistician, prior to 2006 remains poor.

MNF-I is proactively assisting the Ministry of Interior to improve its equipment accountability, including drafting an order to assist the Ministry in having copies of equipment transfer receipts provided to the police unit, regional police headquarters, Ministry of Interior headquarters, and MNSTC-I. Although these records will still be kept in paper form, MNF-I officials believe that this would be a step forward in improving the accountability of equipment transferred to the local and national police forces.

In commenting on the draft of this report, MNSTC-I officials noted that in September 2006, the Ministry of Interior completed a full inventory of its headquarters equipment and that of the National Police, thereby establishing updated property books of the equipment it has on-hand. Additionally, the Ministry is taking steps to computerize its records. It has not yet been determined whether the Ministry can account for all equipment provided to it by MNSTC-I since 2004.<sup>18</sup>

### Facilities

We also previously reported that MNSTC-I attempted to develop a working relationship with the Ministry of Interior in order to properly transfer capital assets and real property, but it has not been as successful in these efforts as it was with the Ministry of Defense.<sup>19</sup> This was due to the uncertain and changing political climate at the Ministry of Interior,

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<sup>17</sup> The turnover of control of the security of a province depends on many factors including the capability of the provincial government to govern the province.

<sup>18</sup> In a related report, we observed management control weaknesses in MNSTC-I's processes for accounting for three types of weapons that were purchased with the IRRF for the ISF. Whether these weaknesses will impede the Ministry of Interior's ability to account for its equipment has yet to be determined. See *Iraqi Security Forces: Weapons Provided by the U.S. Department of Defense Using the Iraq Relief and Reconstruction Fund*, (SIGIR-06-033, October 28, 2006).

<sup>19</sup> See *Multi-National Security Transition Command-Iraq Management of the Transfer of the Iraq Relief and Reconstruction Fund Projects to the Iraq Government* (SIGIR-06-006, April 29, 2006).

which has created a turbulent and unpredictable organizational process, and not to a lack of effort by MNSTC-I. For example, MNSTC-I developed a timeline in November 2005 for the Ministry of Interior to organize both national and provincial infrastructure planning for the transfer of construction projects, but the Ministry of Interior has not recognized assets transferred at the local level for the past two years according to MNSTC-I program managers.

**Potential Barriers and Resource Limitations.** We believe that MNF-I will face three potential challenges that, if not adequately addressed, could limit the implementation of the Concept for the Ministry of Interior.

First, the Ministry of Interior does not control the Iraqi Police Service, which represents 72% (135,000) of the Ministry of Interior forces (188,300) to be trained by MNSTC-I by the end of 2006. The Iraqi Police Service precincts, like any local police force in the United States, fall under the control of their local municipality and the provincial government in which the municipality is located pursuant to the Iraqi constitution. As we understand the proposed concept of logistics support to the Iraqi Police Service, the local police force will have its own budget and have authority from the Provincial government to procure its own logistics support. However, the Ministry of Interior will also make available select high-dollar equipment that can be supplied through a national contract on a reimbursable basis. For example, the provincial police chiefs have a choice to either procure high-dollar equipment such as vehicles and weapons through the Ministry or procuring them directly from a vendor. However, the provincial police chiefs are not required to procure equipment through the Ministry or follow its equipment accountability procedures.

A second potential challenge is the issue of whether Iraqi local and national police forces will have adequate logistics personnel to implement the Concept when it is finalized. Currently the Concept does not require Iraqi local and national police forces to add a significant amount of logistics personnel because the Ministry of Interior already has much of its logistics personnel in place, according to MNSTC-I officials. MNSTC-I states it will complete its training of Ministry of Interior forces by the end of December 2006. However, given that the logistics concept has not been approved and that the Ministry of Interior does not have an agreed to plan for supporting the local police in the Provinces, we question whether the number of existing logistics personnel is adequate to support and sustain Ministry of Interior logistics capabilities and operations. Depending on MNF-I's final plans to implement the Concept, MNSTC-I may need to provide training on logistics skills and possibly train additional personnel in order to implement a functioning logistics operation within the Ministry of Interior to include potential support for the Iraqi Police Service in the Provinces.

The last, and perhaps most significant challenge, will be whether the Ministry of Interior adequately budgets to sustain the logistics capabilities and processes that that MNF-I is designing for it. As with the Ministry of Defense, the Ministry of Interior had not finalized its budget submission with the Ministry of Finance for 2007 at the time we were completing this report. MNSTC-I estimated that the Ministry of Interior would need \$2.4 billion to sustain its operations in 2007. DoD reported in its August 29, 2006, *Measuring Security and Stability in Iraq* report that MNF-I requested \$151 million for assistance to sustain the Ministry of Interior and its police forces in 2007. As a result, the Ministry of Interior would have to budget more than \$2.2 billion in calendar year 2007 in order to sustain its operations, including the current level of logistics support. As was the case for the Ministry of Defense, because the Ministry of Interior budget has not yet been approved by the Iraqi Parliament, it is not possible to assess whether the Ministry is prepared to provide sufficient funds to support logistics capabilities in 2007.

## **Related Observations**

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During the audit we examined MNC-I's monthly reports used to track expenditures for supplies and other services that MNC-I's subordinate units provided to ISF from January through June 2006. Although MNC-I cost reports indicated that it spent about \$40.3 million, our calculations showed that MNC-I actually spent about \$41.2 million. Of the \$41.2 million total we calculated, roughly \$40.7 million was spent in support of the Iraqi Armed Forces and about \$440,000 was spent in support of the Iraqi local and national police forces.<sup>20</sup> The difference of about \$900,000, or 2% of the \$41.2 million total we calculated, was primarily due to mathematical errors in the spreadsheets MNC-I's used to track these costs.

We also found other recordkeeping errors. Specifically, we found that neither 22% of the funds spent for supplies and services provided to support the Iraqi Armed Forces nor 84% of the funds spent to support the Iraqi local and national police forces were properly assigned to an appropriate supply category, although MNC-I was required to assign both. For example, several lines of expenditures were notes for "bulk funds" but the purpose of the funds was not recorded. Because these expenditures were not properly categorized, we designated them as "other" expenditures.

## **Management Actions**

During this audit, we notified MNF-I officials of the discrepancies in MNC-I's data. Subsequently, MNF-I made adjustments to the reporting process to improve the accuracy and consistency of how costs to support the ISF are reported. Additionally, MNC-I officials said they would take action to adjust the data to accurately reflect the historical costs of its logistics support to the ISF. Corrective action to improve data accuracy had not been completed as of the preparation of this report.

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<sup>20</sup> These numbers do not add up to \$41.2 million due to rounding.



# Conclusion and Recommendations

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## Conclusion

**Ministry of Defense.** Although MNF-I does not know, and therefore cannot report, how many logistics personnel it has trained, MNF-I has made some progress in its efforts to build logistics capabilities within the Iraqi Army and to transition these capabilities to the control of the Ministry of Defense. However, significant challenges remain that put at risk MNF-I's goal to transition a sustainable and maintainable logistics operation to the Ministry of Defense by January 1, 2008:

- *Adequate personnel to train Iraqi Army logistics units* – MNF-I has acknowledged that it has an insufficient number of logistics personnel in Iraq to train Iraqi Army logistics units simultaneously and that it has not developed a plan to address this shortfall. However, MNF-I told us that MNF-I is considering using a train-the-trainer model in which Iraqi logistics soldiers who have already been trained would be paired with other Iraqi soldiers. This would maximize the number of trained personnel. MNF-I has yet to commit to this course of action.
- *Ensuring there are enough trained soldiers to implement its plans*—MNSTC-I could not tell us how many personnel have been trained to support these logistics functions. Further, not all trained soldiers are assigned to and remain with logistics units, particularly for operational-level logistics units that require personnel with advanced specialty training such as doctors, nurses, medics, and mechanics.
- *Ensuring that the Ministry of Defense provides enough funds to sustain the logistics capabilities that MNF-I is planning to transfer to Iraqi Army control in 2007*—MNSTC-I estimates that it will cost the Ministry of Defense about \$3.5 billion to sustain its operations in 2007. Because the Ministry of Defense's budget has not been submitted to or approved by the Iraqi Parliament, it is not possible to assess whether the Ministry of Defense is prepared to provide sufficient funds to support logistics capabilities in 2007.

**Ministry of Interior.** MNF-I does not expect to complete its plans to develop the logistics capabilities within the Ministry of Interior until the end of November 2006. Once finalized, we believe that MNF-I will face significant challenges that will put its plans at risk:

- *Implementing its plan and achieving logistics capabilities within the Ministry of Interior*—because the Ministry does not control the Iraqi Police Service.
- *Training enough logistics personnel to implement its plans*—because MNF-I plans are not yet final, there can be no assurance that MNSTC-I is planning to train enough police forces logistics personnel by the end of 2006.
- *Ensuring that the Ministry of Interior provides enough funds to sustain the logistics capabilities of the Iraqi police forces in 2007*—MNSTC-I estimates it will cost the Ministry of Interior about \$2.4 billion to sustain its operations in 2007. Because the Ministry of Interior's budget has also not been submitted to or approved by the Iraqi Parliament, it is not possible to assess whether the Ministry of Interior is prepared to provide sufficient funds to support logistics capabilities in 2007.

Because of the challenges that MNF-I faced within the Ministry of Interior, we believe that there is a significant risk that even if the initial goal to develop a sustainable logistics capability plan is achieved by the end of November 2006, the Ministry of Interior will not be capable of assuming and sustaining logistics support for the Iraqi local and national police forces in the near term.

## **Recommendations**

We recommend that the Commanding General, MNF-I direct his staff and MNF-I subordinate commands to take these actions:

1. In cooperation with the Ministry of Defense, identify Iraqi Army logistics personnel requirements and formulate a plan for training these personnel.
2. In cooperation with the Ministry of Interior, identify Iraqi local and national police forces logistics personnel requirements and formulate a plan for training these personnel.
3. On receipt of the Iraqi Ministry of Defense and Ministry of Interior budgets for 2007, identify the extent to which they adequately support the logistics capabilities that MNF-I plans to transfer to it.

Developing and fielding Iraqi logistics' capabilities is a critical component of the U.S. government effort to help the ISF of the Ministry of Defense and the Ministry of Interior become capable of independently conducting security operations. Therefore, we recommend that the Secretary of Defense take these actions:

4. Provide Congress an assessment in the quarterly report, *Measuring Security and Stability in Iraq*,<sup>21</sup> to include:
  - a. details of MNF-I's plan(s) and progress in executing the plan(s) to train ISF logistics personnel, for both the Ministry of Defense and Ministry of Interior
  - b. the adequacy of the Ministry of Defense and Ministry of Interior budgets to support their respective logistics capability

## **Management Comments and Audit Response**

We received written comments from MNF-I and, on behalf of the Secretary of Defense, from the Defense Reconstruction Support Office (DRSO). MNF-I concurred with our recommendations. DRSO said that it would include our recommended information in its quarterly report, *Measuring Security and Stability in Iraq*—to the extent the information reflects upon the statutory scope of the report. However, DRSO also stated that our recommended assessment is outside the scope of the current legislation. DRSO asserted that information contained in the quarterly report is directed by law and that DRSO follows the statutory language in determining content. The comments from MNF-I and DRSO are included in the Management Comments section of this report.

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<sup>21</sup> DoD submits this report to the Congress pursuant to Section 9010 of Public Law 109-148 (a continuation of the reporting through the end of fiscal year 2006, as also required under Section 1024 of Public Law 109-13), and Public Law 109-289 (for reporting through the end of fiscal year 2007).

We disagree with the DRSO response. We believe that the assessments recommended to be part of the DoD quarterly report are well within the scope of current legislation. Specifically, Section 9010 (c) of the National Defense Appropriations Act for 2007, Public Law 109-289, directs that the report address, at a minimum, the operational readiness status of the Iraqi military forces, key criteria for assessing the capabilities and readiness of the Iraqi police and other Ministry of Interior forces, and goals for achieving certain readiness and capability levels. As discussed, the Commanding General, MNF-I, stated on August 30, 2006, that logistics capabilities were one of the key enablers to help get ISF to the point where they can provide security independent of U.S. and coalition forces. As a result, we believe that including in the quarterly report an assessment of MNF-I's logistics support plans and the Iraqi government's willingness to provide funding to maintain logistics capabilities is both appropriate and necessary.

MNF-I, MNSTC-I, and MNC-I also provided technical comments and additional documentation in response to a draft of this report. We considered this information in finalizing our report, making revisions as appropriate.

## Appendix A. Scope and Methodology

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This review was requested by the Chairman of the United States Senate Armed Services Committee. In his request, the Chairman stated that a critical element of the reconstruction effort in Iraq is the development of logistics support capabilities for the Iraqi Security Forces (ISF) within the Ministries of Defense and Interior. In order for the ISF to independently conduct combat and other operations, the Ministries of Defense and Interior along with the Ministry of Finance need to develop the organizations, infrastructure, policies and systems to manage and sustain logistics capabilities over the long-term. Therefore, this audit was initiated on June 26, 2006, (Project No. 6020) to determine whether U.S. efforts to build the logistics capabilities within the ISF, using the Iraq Relief and Reconstruction Fund (IRRF), were achieving their intended outcomes. Specifically, the objectives of the audit were to determine:

- Department of Defense's (DoD) plans and timelines for implementing a functioning logistics operation within the ISF
- plans and timelines for transitioning a sustainable and maintainable logistics operation to the Ministry of Defense and the Ministry of Interior, for sustaining and maintaining the force structure
- barriers and resource limitations to the success of long-term sustainment capabilities within the ISF

To respond to the audit objectives, we structured the report in two sections to discuss our findings. The first section discusses our findings on the development of Iraqi Army logistics capabilities within the Ministry of Defense. The Iraqi Army and its support forces comprise about 98% of the total force that the Multi-National Force-Iraq (MNF-I) is training for the Ministry of Defense. Because the Iraqi Navy and Air Force will not be fully formed until at least the summer of 2007, we focused our report on MNF-I's efforts in the Ministry of Defense to implement logistics capabilities to support the Iraqi Army. Our assessment centered on the development of the Iraqi Army's tactical and operational maintenance, supply, transportation, and health logistics support capabilities. The second section discusses our observations on the development of the logistics capabilities of the Ministry of Interior and its local and national police forces.

To determine how MNF-I is developing, implementing, and transitioning logistics capabilities to the Iraqi Ministry of Defense and Ministry of Interior, we interviewed MNF-I officials responsible for these activities, including officials from its subordinate commands the Multi-National Security Transition Command-Iraq (MNSTC-I) and the Multi-National Corps-Iraq (MNC-I). From these officials we collected and reviewed the March 1, 2006, logistics support Concept for the Ministry of Defense and the July through September 2006 drafts of the Concept for the Ministry of Interior, and supporting documentation. We also collected and reviewed other MNF-I guidance, fragmentary orders, budget information and other documentation to substantiate the statements of MNF-I officials. We also reviewed DoD quarterly reports submitted to the Congress pursuant to Section 1024 of Public Law 109-13 and Section 9010 of Public Law 109-148.

To determine the amount of IRRF spent on developing Iraqi Army and Iraqi local and national police forces logistics capabilities, we collected and examined MNSTC-I's data for IRRF expenditures. This data was in the form of spreadsheets derived from the U.S. Army Corps of Engineers Financial Management System. This information was cross-

checked with quarterly reports submitted to the Congress to meet the IRRF reporting requirements of Section 2207 of Public Law 108-106, and documents in the Joint Contracting Command-Iraq/Afghanistan contracts database for consistency. We consulted with MNSTC-I officials to ensure we had accurately captured the appropriate logistical costs.

To determine Iraqi Army logistics personnel levels required by the Concept of Logistics Support for the Ministry of Defense, we obtained personnel authorization data by the types and the number of logistics units authorized from MNSTC-I, multiplied these numbers, and summed the totals. We provided our results to both MNF-I and MNSTC-I officials and verified with MNSTC-I that we (1) had the most current data, and (2) only used the additional logistics support personnel requirements added by the Concept to provide logistics support the Iraqi Army. We also obtained the equipment costs per unit from MNSTC-I and applied the same process to derive the total costs of equipment. These costs, however, included average costs for the Headquarters and Services Companies, and the different size Garrison Support Units as there are various configurations of each type of unit.

To determine the cost of supplies MNC-I provided to the Iraqi Army and Iraqi police forces, we obtained spreadsheets containing monthly data from January to June 2006 from MNC-I. We then analyzed this data to determine whether all the costs had been identified appropriately and accurately accounted for. Where there were discrepancies between the totals that were reported by MNC-I and what the data showed, we noted these discrepancies and provided the information back to MNC-I for verification.

This audit was conducted from June 2006 through October 2006, in accordance with generally accepted government auditing standards.

**Use of Computer-Processed Data.** We reviewed IRRF expenditures that were compiled in MNSTC-I spreadsheets. This information was derived from data contained in the U.S. Army Corps of Engineers Financial Management System; however we did not audit this financial management system. For more information on the reliability of data drawn from the U.S. Army Corps of Engineers Financial Management System, see the following U.S. Government Accountability Office (GAO) reports.

- *Information Security: Corps of Engineers Making Improvements But Weaknesses Continue* (GAO-02-589, June 10, 2002)
- *Financial Management: Significant Weaknesses in Corps of Engineers' Computer Controls* (GAO-01-89, October 11, 2000)

**Prior Coverage.** We issued these reports related to the logistics capabilities of the Ministries of Defense and Interior:

- *Iraqi Security Forces: Weapons Provided by the U.S. Department of Defense Using the Iraq Relief and Reconstruction Fund* (SIGIR-06-033, October 28, 2006). This report discusses the ISF's limited capability to maintain weapons bought using IRRF money due to the lack of spare parts, technical repair manuals, and arms maintenance personnel. During this review we also observed questionable practices in maintaining the accuracy of weapons inventories reflected in MNSTC-I property records for 3 of the 12 weapons types purchased with IRRF funds for the ISF.

- *Multi-National Security Transition Command-Iraq Management of the Transfer of Iraq Relief and Reconstruction Fund Projects to the Iraq Government* (SIGIR-06-006, April 29, 2006). This report found MNSTC-I had a process in place for transferring real property, such as forward operating bases, to the Ministry of Defense but did not have similar process in place to transfer real property to the Ministry of Interior. This was due to the Ministry of Interior's reluctance to work with MNSTC-I to establish a transfer process.

The Departments of Defense and State Offices of the Inspector General issued, *Interagency Assessment of Iraq Police Training*, jointly on July 15, 2005. This report recommended MNF-I, in coordination with MNSTC-I and the MNC-I and in consultation with the Ministry of Interior, establish internal controls to track the transfer and accountability of equipment to the Iraqi Police Service.

In addition, GAO has discussed the development of logistics capabilities of ISF and Transition Readiness Assessments in these reports:

- *Stabilizing Iraq: An Assessment of the Security Situation* (GAO-06-1094T, September 11, 2006)
- *Rebuilding Iraq: More Comprehensive National Strategy is Needed to Help Achieve U.S. Goals and Overcome Challenges* (GAO-06-953T, July 11, 2006)
- *Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges* (GAO-06-697T, April 25, 2006)
- *Rebuilding Iraq: Stabilization, Reconstruction, and Financing Challenges* (GAO-06-428T, February 8, 2006)
- *Rebuilding Iraq: Enhancing Security, Measuring Program Results, and Maintaining Infrastructure Are Necessary to Make Significant and Sustainable Progress* (GAO-06-179T, October 18, 2005)
- *Rebuilding Iraq: Preliminary Observations on Challenges in Transferring Security Responsibilities to Iraqi Military and Police* (GAO-05-431T, March 14, 2005)

Both GAO and the DoD Office of the Inspector General have on-going audits of ISF logistics capabilities. We coordinated our efforts with these organizations.

## Appendix B. IRRF Expenditures for ISF Logistics Capabilities

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The table below summarizes the results of our review of IRRF used to develop the logistics capabilities of Iraqi Security Forces. Of the total \$666.2 million expended as of August 1, 2006, we found about \$596 million was spent to develop the logistics capabilities of the Iraqi Armed Forces and about \$70.2 million was spent to develop the capability of the Iraqi local and national police forces. These expenditures were classified into three categories:

- Non-Construction: for services such as the training of logistics personnel
- Construction: to build logistics-related facilities such as a supply warehouse or maintenance facility
- Quick Response Fund: to address emergency or immediate needs with provisions such as generators, uniforms, and food for the ISF logistics personnel

The \$666.2 million spent on developing logistics capabilities represents about 13.3% of the \$5 billion of the IRRF allocated (as of July 2006) to reconstructing Iraq's Security and Law Enforcement infrastructure.

**Table: IRRF Expenditures for ISF Logistics Capabilities**

| Ministry                          | Type of Expenditure | Expenditures         |
|-----------------------------------|---------------------|----------------------|
| Ministry of Defense               | Non-Construction    | \$248,709,556        |
|                                   | Construction        | \$324,740,778        |
|                                   | Quick Response Fund | \$22,516,542         |
| <i>Total Ministry of Defense</i>  |                     | <i>\$595,966,876</i> |
| Ministry of Interior              | Non-Construction    | \$42,098,790         |
|                                   | Construction        | \$21,940,408         |
|                                   | Quick Response Fund | \$6,169,345          |
| <i>Total Ministry of Interior</i> |                     | <i>\$70,208,543</i>  |
| <b>Total</b>                      |                     | <b>\$666,175,419</b> |

Source: SIGIR analysis of MNSTC-I data for IRRF expenditures for ISF logistics as of August 1, 2006.

## **Appendix C. Descriptions of Iraqi Army Logistics Units**

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The following briefly summarizes the responsibilities and capabilities of the logistic units as discussed in the Concept of Logistics Support for the Ministry of Defense. These units provide tactical and operational support to Iraqi Army divisions. Each type of support can be further divided into two levels such as the 1<sup>st</sup> and 2<sup>nd</sup> tactical levels. For example,

- 1<sup>st</sup> level tactical support is primarily provided by the Headquarters and Services Companies, which are integrated with the divisions' subordinate combat units (e.g. a brigade or battalion) and the divisional headquarters.
- 2<sup>nd</sup> level tactical units, such as the Motorized Transportation Regiments and Mechanized Logistics Battalions, integrated with the divisional headquarters or the divisions' brigades and have more capability than what is resident in the Headquarters and Services Companies.

Similarly, the operational is divided into the 1<sup>st</sup> and 2<sup>nd</sup> operational levels. All operational units are intended to report to the Support Command when it is functional.

- The 1<sup>st</sup> operational level is comprised of the Regional and Garrison support units, which provide support to a specific division but are external to those divisions.
- Taji National Depot is at the 2<sup>nd</sup> operational level unit and provides support to all Iraqi Army divisions.

### ***Headquarters and Services Company***

The primary role of the Headquarters and Services Company is to provide 1<sup>st</sup> tactical level maintenance, supply, and transportations support, and 2<sup>nd</sup> tactical level health support to the unit it supports. The Headquarters and Services Company is part of the headquarters element of an Iraqi Army battalion, brigade, or division and includes medics, mechanics, food service personnel, supply specialists, and transportation personnel.

### ***Motorized Transportation Regiment***

The primary role of the Motorized Transportation Regiment is to provide 2<sup>nd</sup> tactical level transportation support, to include vehicle recovery, through the delivery of people, supplies, and equipment to and from its division. Its secondary duty includes providing 2<sup>nd</sup> tactical level maintenance support to its division. The regiment includes four transportation companies comprised of heavy, medium and light military and civilian trucks and vans, and recovery vehicles, such as tow trucks, to facilitate transportation requirements.

### ***Mechanized Logistics Battalion***

The primary role of the Mechanized Logistics Battalions is to provide 2<sup>nd</sup> tactical level maintenance, supply and transport companies support to the mechanized division. This includes medics, mechanics, food service personnel, supply specialists, and transportation personnel.



### ***Regional Support Unit***

The primary role of the Regional Support Unit is to provide 1<sup>st</sup> operational level maintenance, supply, and health support to two Iraqi Army divisions located in its region either directly or indirectly via the Garrison Support Units that it commands. Each unit will eventually have an ammunition supply point on base.

### ***Garrison Support Unit***

The Garrison Support Unit manages a forward operating base, providing life support to the soldiers garrisoned at the base. Depending on the size and purpose some Garrison Support Units also provide some 1<sup>st</sup> operational level maintenance and/or health support.

### ***Taji National Depot***

The Taji National Depot comprises military, defense civilian and contractor staff for providing 2<sup>nd</sup> operational level maintenance and supply to the Iraqi Armed Forces. This includes managing national stocks of supplies and performing heavy grade maintenance on vehicles and other equipment.

### ***Support Command***

The Support Command will oversee the Taji National Depot, Regional and Garrison support units. The Support Command is responsible for planning, directing, providing and monitoring of daily logistics support to forward operating bases and Iraqi Army divisions. It also is responsible for providing input to the Ministry of Defense for long-term logistics planning.

## Appendix D. Iraqi Army Logistics Personnel Authorizations

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The table below lists the total number of Iraqi Army logistics personnel that are authorized for each type of logistics unit required to be added to the Iraqi Army by the Concept of Logistic Support for the Ministry of Defense. MNF-I's goal is to train and equip at least 85% of a logistics units' authorized personnel. As this is the minimum amount of personnel that must be assigned to a unit before it can be transitioned to Iraqi Army control, we have displayed the number of soldiers needed to meet 85% and 100% of total personnel requirements for comparison.

These totals were derived from data contained within the units' Table of Organization and Equipment, which lists the number of soldiers and equipment each unit is authorized to have. The Tables of Organization and Equipment were provided by MNSTC-I and are current as of October 6, 2006. To determine our estimate of the total number of personnel required for each unit we multiplied the number of personnel authorized to be in each unit by the number of units required by the Concept to provide logistics support to the Iraqi Army. Our estimate does not include the 5,000 to 5,900 logistics personnel required to be assigned to the Iraqi Army divisions in the logistics section of division, brigade, or battalion command staffs or combat companies.

**Table: Iraqi Army Logistics Personnel Required by the Concept of Logistics Support**

| Type of Unit Required by the Concept | Number of Units Required by the Concept | 85% of Total Personnel Requirement | 100% of Total Personnel Requirement |
|--------------------------------------|---|------------------------------------|-------------------------------------|
| Headquarters and Services Companies  | 158                                     | 17,536                             | 20,630                              |
| Motorized Transportation Regiments   | 9                                       | 6,296                              | 7,407                               |
| Mechanized Logistics Battalions      | 4                                       | 1,242                              | 1,461                               |
| Regional Support Units               | 5                                       | 6,922                              | 8,144                               |
| Garrison Support Units               | 77                                      | 4,984                              | 5,677                               |
| Taji National Depot                  | 1                                       | 1,012                              | 1,190                               |
| Support Command                      | 1                                       | Not yet determined                 | Not yet determined                  |
| <b>Total</b>                         | <b>255</b>                              | <b>37,833</b>                      | <b>44,509</b>                       |

Source: SIGIR Analysis of MNSTC-I personnel authorizations figures as of October 6, 2006.

## **Appendix E. Acronyms**

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|         |   |
|---------|---|
| DoD     | Department of Defense                             |
| DRSO    | Defense Reconstruction Support Office             |
| GAO     | U.S. Government Accountability Office             |
| ISF     | Iraqi Security Forces                             |
| IRRF    | Iraq Relief and Reconstruction Fund               |
| MNC-I   | Multi-National Corps-Iraq                         |
| MNF-I   | Multi-National Force-Iraq                         |
| MNSTC-I | Multi-National Security Transition Command-Iraq   |
| SIGIR   | Special Inspector General for Iraq Reconstruction |

## **Appendix F. Report Distribution**

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### **Department of State**

Secretary of State

Senior Advisor to the Secretary and Coordinator for Iraq

U.S. Ambassador to Iraq

Director, Iraq Reconstruction Management Office

Mission Director-Iraq, U.S. Agency for International Development

Inspector General, Department of State

### **Department of Defense**

Secretary of Defense\*

Deputy Secretary of Defense

Director, Defense Reconstruction Support Office

Under Secretary of Defense (Comptroller)/Chief Financial Officer

Deputy Chief Financial Officer

Deputy Comptroller (Program/Budget)

Inspector General, Department of Defense

Director, Defense Contract Audit Agency

Director, Defense Finance and Accounting Service

Director, Defense Contract Management Agency

### **Department of the Army**

Assistant Secretary of the Army for Acquisition, Logistics, and Technology

Principal Deputy to the Assistant Secretary of the Army for Acquisition,  
Logistics, and Technology

Deputy Assistant Secretary of the Army (Policy and Procurement)

Director, Project and Contracting Office

Commanding General, Joint Contracting Command-Iraq/Afghanistan

Assistant Secretary of the Army for Financial Management and Comptroller

Chief of Engineers and Commander, U.S. Army Corps of Engineers

Commanding General, Gulf Region Division

Auditor General of the Army

### **U.S. Central Command**

Commanding General, Multi-National Force-Iraq\*

Commanding General, Multi-National Corps-Iraq

Commanding General, Multi-National Security Transition Command-Iraq

Commander, Joint Area Support Group-Central

### **Other Federal Government Organizations**

Director, Office of Management and Budget

Comptroller General of the United States

Inspector General, Department of the Treasury

Inspector General, Department of Commerce

Inspector General, Department of Health and Human Services

Inspector General, U.S. Agency for International Development

President, Overseas Private Investment Corporation

President, U.S. Institute for Peace

\*Recipient of the draft audit report.

# **Congressional Committees and Subcommittees, Chairman and Ranking Minority Member**

## **U.S. Senate**

Senate Committee on Appropriations

Subcommittee on Defense

Subcommittee on State, Foreign Operations and Related Programs

Senate Committee on Armed Services

Senate Committee on Foreign Relations

Subcommittee on International Operations and Terrorism

Subcommittee on Near Eastern and South Asian Affairs

Senate Committee on Homeland Security and Governmental Affairs

Subcommittee on Federal Financial Management, Government Information and International Security

Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia

## **U.S. House of Representatives**

House Committee on Appropriations

Subcommittee on Defense

Subcommittee on Foreign Operations, Export Financing and Related Programs

Subcommittee on Science, State, Justice and Commerce and Related Agencies

House Committee on Armed Services

House Committee on Government Reform

Subcommittee on Management, Finance and Accountability

Subcommittee on National Security, Emerging Threats and International Relations

House Committee on International Relations

Subcommittee on Middle East and Central Asia

## **Appendix G. Audit Team Members**

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This report was prepared and the review was conducted under the direction of Joseph T. McDermott, Assistant Inspector General for Audit, Office of the Special Inspector General for Iraq Reconstruction. The staff members who contributed to the report include:

Michael Bianco

Walt Keays

Nelson Reyes

Steven Sternlieb

Jason Venner

# Management Comments

## Multi-National Force-Iraq

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REPLY TO  
ATTENTION OF:

**HEADQUARTERS**  
MULTI-NATIONAL FORCE - IRAQ  
BAGHDAD, IRAQ  
APO AE 09342-1400

06 OCT 2006

MNFI-CG

MEMORANDUM FOR Office of the Special Inspector General for Iraq Reconstruction (SIGIR)

SUBJECT: Draft Audit Report on Review of Plans to Implement Logistics Capabilities in the Iraq Security Forces (SIGIR-06-032)

1. The draft audit report was provided to MNF-I, MNC-I and MNSTC-I for review. SIGIR requested MNF-I to consolidate a response to the Draft Audit Report's recommendations. The recommendations with responses and management comments are below. Technical comments are contained in the enclosures and are currently being addressed by the Office of the SIGIR.

Recommendation 1: In cooperation with the Ministry of Defense, identify Iraqi Army logistics personnel requirements and formulate a plan for training these personnel.

Response: Concur. MNSTC-I has identified logistics personnel requirements for the Iraqi Armed Forces and is currently refining the logistics training plan.

Recommendation 2: Upon receipt of the Iraqi Ministry of Defense and Ministry of Interior budgets for 2007, identify the extent to which they adequately support the logistics capabilities that MNF-I plans to transfer to it.

Response: Concur.

Recommendation 3: SecDef provide an ISF Logistics Assessment to Congress, via the quarterly Measuring Security and Stability in Iraq report. The assessment must include:

a. Details of MNF-I's plan and progress being made in the execution of the plan to train Iraqi Army logistics personnel.

b. Adequacy of the Ministry of Defense and Interior budgets to support their respective logistics capability.

Response: Concur

3. Point of Contact for this memorandum is Captain Richard A. Guernsey, U.S. Navy, MNF-I R&S Director of Logistics, DSN: 318-852-1222, [richard.guernsey@mnstci.iraq.centcom.mil](mailto:richard.guernsey@mnstci.iraq.centcom.mil).

SUBJECT: Draft Audit Report on Review of Plans to Implement Logistics Capabilities in the Iraq Security Forces (SIGIR-06-032)

FOR THE COMMANDER:

- 2 Encls
- 1. MNSTC-I Response
- 2. MNC-I Response



Thomas L. Moore, Jr.  
MajGen, USMC  
Chief of Staff



# Management Comments

## Defense Reconstruction Support Office

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DEFENSE  
RECONSTRUCTION  
SUPPORT OFFICE

OFFICE OF THE SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON DC 20301-1000

September 29, 2006

Mr. Joseph T. McDermott  
Assistant Inspector General for Audit  
400 Army Navy Drive  
Arlington, Virginia 22202

Dear Mr. McDermott,

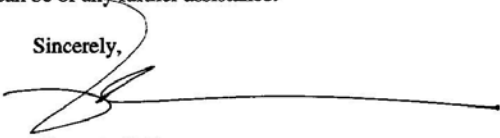
*M. Key*

We appreciate the opportunity to review your draft report, "Iraqi Security Forces: Review of Plans to Implement Logistics Capabilities," (SIGIR-06-032).

The information contained in the quarterly report on *Measuring Security and Stability in Iraq* is directed by public law and the Defense Reconstruction Support Office follows the statutory language in determining content. The assessment suggested in recommendation three of your draft audit report is outside the scope of the current legislation. To the extent that the information reflects upon the statutory scope of the "9010" Report we will of course include it.

Please let me know if we can be of any further assistance.

Sincerely,

  
Victor A. D. Rostow  
Director