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## DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 5. All information provided is current, as of December 31, 2009.

### Department of Defense Office of Inspector General

DoD continues to face many challenges in executing its Overseas Contingency Operations (OCO). The Department of Defense Office of Inspector General (DoD OIG) has identified priorities based on those challenges and has responded by expanding coverage of OCO operations and its presence in Southwest Asia. As the Department continues its OCO, such as Operations Iraqi Freedom and Enduring Freedom, DoD OIG will stay focused on issues important to accomplish the mission and ensure that the Department makes efficient use of its resources to support the warfighter.

DoD OIG-led Southwest Asia Joint Planning Group coordinates and deconflicts federal and DoD OCO-related oversight activities. The Group held its eleventh meeting in November 2009 and is currently coordinating the FY 2010 update to the Comprehensive Oversight Plan for Southwest Asia. The comprehensive plan was expanded beyond the statutory mandates to include other functional areas that DoD OIG believes are germane to supporting Operations Enduring Freedom and Iraqi Freedom, as well as the Overseas Contingency Operations, such as contract administration and management, reset of equipment, financial management, and reconstruction support effort.

During the first quarter of FY 2010, DoD OIG deployed additional auditors and investigators to Iraq and Afghanistan. The additional staff support the increased oversight workload required by statutory requirements, congressional requests, senior DoD and military officials requests, and DoD's drawdown efforts in Iraq and increased operational tempo in Afghanistan. DoD OIG's field offices in Qatar, Iraq, Kuwait, and Afghanistan enhance the ability to provide audit, inspection, and investigative support to DoD operations in support to OCO.

### Defense Criminal Investigative Service

DCIS continues to conduct criminal investigations in support of DoD GWOT efforts through investigative resources in Southwest Asia; Wiesbaden, Germany; and continental U.S. task force investigations focusing on public corruption and fraud in the Southwest Asia theater. In conjunction with DoD OIG's renewed emphasis on oversight of spending related to Iraqi development, DCIS has continued to deploy special agents to Iraq, Kuwait, and Afghanistan to conduct criminal investigations in support of DoD operations. Six-month rotational details to Iraq and Kuwait commenced in September 2006. Six-month rotations to Afghanistan commenced in 2008. As of January 2010, DCIS has deployed 7 special agents and one administrative staff member to Iraq, 2 special agents to Kuwait, and 6 special agents to Afghanistan.

**TABLE G-1  
DCIS INVESTIGATIONS**

| INVESTIGATIVE STATUS | PROCUREMENT FRAUD | PUBLIC CORRUPTION | THEFT/TECH PROTECT/OTHER | TOTAL |
|----------------------|-------------------|-------------------|--------------------------|-------|
| Open                 | 10                | 18                | 5                        | 33    |
| Closed               | 2                 | 2                 | 1                        | 5     |
| <b>Totals</b>        | 12                | 20                | 6                        | 8     |

**Open Cases**

DCIS currently has 33 open investigations being worked jointly with SIGIR, including three projects. Two cases were closed during this period.

**Completed Audits/Reviews**

***DoD Countermine and Improvised Explosive Device Defeat Systems Contracts–Husky Mounted Detection System***

*(D-2010-032, Issued December 31, 2009)*

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***DoD Contractor Qualifications and Selection Criteria for Body Armor Contracts***

*(D-2010-029, Issued December 21, 2009)*

Army officials awarded body armor contracts appropriately. The seven body armor contractors we evaluated were qualified to receive contracts according to the Federal Acquisition Regulation (FAR) and other applicable criteria. The contractors had prior industry experience and other qualifications necessary to produce body armor protection products prior to the award of the Interceptor Body Armor contracts. The background and qualifications of each company adequately support that each was capable of producing protective equipment. In addition, DoD OIG did not identify any information that would have precluded the Army acquisition centers from awarding these contracts or indications that the contract awards were not in the best interest of the government. Pre-award documentation for

the 13 body-armor contracts demonstrated the Army’s compliance with applicable FAR and DoD regulations. For the seven hard body-armor and six soft body-armor contracts, the Army acquisition centers and the Program Executive Office Soldier followed applicable regulations in determining the technical review criteria used to select the contractors for the 13 contracts. DoD OIG did not find evidence that any contracts were awarded inappropriately.

***Rapid Acquisition and Fielding of Materiel Solutions by the Navy***

*(D-2010-028, Issued December 15, 2009)*

The Navy had adequate procedures for identifying and validating urgent capability needs and was following these procedures. However, internal controls in the following areas still need improvement. Navy Program Executive Officers, through their approval of rapid acquisition strategies, did not attempt to control initially procured quantities to mitigate the risks of procuring large quantities of not fully proven materiel solutions. Controls over initially procured quantities were needed to prevent significant acquisitions of equipment whose operational performance was not known. The Assistant Secretary of the Navy (Research, Development, and Acquisition) did not provide specific guidance or lessons learned for planning and executing acquisition strategies for fulfilling urgent needs requests. Acquisition managers need this specific guidance and institutional knowledge to facilitate the timely and effective planning and

execution of urgent needs acquisitions. Navy program sponsors did not request that the Commander, Operational Test and Evaluation Force, perform quick reaction assessments of materiel solutions designated as rapid development and deployment efforts. The quick reaction assessments were needed to provide an independent early evaluation of the operational effectiveness and suitability of materiel solutions before the solutions were deployed.

***Transportation Planning for the Withdrawal of DoD Personnel and Assets from Iraq***

*(D-2010-025, Issued December 11, 2009)*

U.S. Central Command has developed a plan for withdrawing all combat troops from Iraq by the President's goal of August 31, 2010. U.S. Transportation Command is responsible for providing transportation to fulfill this plan. USCENTCOM and USTRANSCOM collaborated with their components to prepare a plan that contained the transportation requirements identified. They addressed redeployment of combat troops from Iraq by August 31, 2010, and deployment of other troops to Iraq. The combat troops to be moved are defined; however, the timing of the movements could be altered depending on contingencies. DoD assets that are to be moved and the methods for transporting these assets are still being identified. In addition, the potential impact of moving DoD contractors and contractor assets remains to be defined. DoD OIG has concluded, based on evaluations and observations, that USTRANSCOM and USCENTCOM have produced a plan that is a reasonable representation of the transportation needs that have been defined at the time. The transportation plan is still fluid. Whether it is fully executable cannot be determined. Therefore, DoD OIG did not make any

recommendation in this report. This was the first in a series of DoD OIG audits that will address the transportation of troops, support personnel, and equipment during the relocation efforts.

***Army's Management of the Operations and Support Phase of the Acquisition Process for Body Armor***

*(D-2010-027, Issued December 8, 2009)*

The Army should improve the management of the operations and support phase of the acquisition process for Interceptor Body Armor (IBA). Army officials were not properly storing (6 sites), shipping (3 sites), or maintaining (2 sites) the Enhanced Small Arms Protective Inserts (ESAPI). Army officials also did not properly maintain the IBA vests (3 sites) and did not develop repair guidance for the Improved Outer Tactical Vest and ESAPI. The Army's visual and automated inspection process for ballistic plates should be improved. Army officials did not adequately identify ESAPI with external material failures (6 sites) or ESAPI specified for return (2 sites) in accordance with guidance, and they were not x-raying ballistic plates as senior Army officials had believed. Defense Reutilization and Marketing Service (DRMS) officials at two locations disposed of potentially serviceable IBA because of noncompliance and limitations in disposition guidance. As a result of the audit, DRMS officials returned IBA components to the Army worth approximately \$7,024,083 from April through June 2009.

***Using System Threat Assessments in the Acquisition of Tactical Wheeled Vehicles***

*(D-2010-021, Issued November 23, 2009)*

The Army and Marine Corps processes used to identify threats to tactical wheeled vehicles and communicate this information to program

managers and the test communities were effective. As a result, program offices for seven Army and Marine Corps tactical wheeled vehicles that were deployed to Southwest Asia reacted to updated system threat assessments by incorporating armor into the vehicles' design. Specifically, the program offices obtained updated threat assessments, modified their contracts to incorporate armor requirements in the vehicle design, and had the test community determine the suitability and effectiveness of the design changes made in response to the changing threat. Further, requirements organizations within the Army and Marine Corps were in the process of updating tactical wheeled vehicle capability documents to reflect the updated threat information and required updated capabilities.

***Management of Nontactical Vehicles in Support of Operation Iraqi Freedom***

*(D-2010-022, Issued November 20, 2009)*

Although Multi-National Force-Iraq (MNF-I) and Multi-National Corps-Iraq (MNC-I) implemented some corrective actions to strengthen controls over nontactical vehicles (NTV) management, further actions are needed to improve the accountability of NTVs, as well as management of the size and distribution of the NTV fleet. Plans to decrease the U.S. presence in Iraq highlight the need to improve visibility of NTVs. DoD OIG estimated the General Services Administration (GSA) NTVs cost about \$70 million to purchase, and all 9,793 NTVs in the fleet cost about \$109.8 million annually to lease and maintain. However, NTV records were unreliable for making NTV allocation and distribution decisions. For example, 3,854 GSA NTVs (5,194, or about 74 percent) were not accounted for properly. In addition, 531 GSA NTVs (about 10 percent) were not accounted for at all. Without

accurate NTV records, DoD cannot make effective decisions regarding the NTV fleet. MNF-I policy did not establish a standard procedure for NTV registration to ensure NTV records were accurate. In addition, MNF-I and MNC-I did not have a centralized strategy to identify and manage NTV requirements or acquisition.

***Department of the Army Deferred Maintenance on the Bradley Fighting Vehicle***

*(Memorandum, Issued November 16, 2009)*

The objective was to determine the extent and causes of deferred maintenance on the Army's Bradley Fighting Vehicle. DoD OIG accomplished a limited evaluation of the reliability of Bradley Fighting Vehicle deferred maintenance amounts reported on the Army General Fund Financial Statements for FYs 2007 and 2008. DoD OIG assessed the effect of deferred maintenance on Army deployments to Iraq (Bradley Fighting Vehicles are not used in Afghanistan). DoD OIG found no Bradley Fighting Vehicle deferred maintenance misstatements or material issues that hindered deployment.

***Information Security at the Fleet and Industrial Supply Center, Sigonella, Detachment Bahrain***

*(D-2010-005, Issued November 3, 2009)*

DoD OIG identified internal control weaknesses in controlling and securing classified information at the Fleet and Industrial Supply Center, Sigonella (FISCSI Det Bahrain), Detachment Bahrain. U.S. Navy personnel did not follow DoD regulations on handling classified documentation. Specifically, the Office of the Chief of Naval Operations did not correctly mark the documents with a declassification date, and FISCSI Det Bahrain personnel stored classified

documents in unclassified files that they did not safeguard or mark properly.

### Ongoing Audits

***Update to the Summary Report on Challenges, Recommendations, and Initiatives Impacting OEF/OIF As Reported by Federal and Defense Oversight Organizations for FY 2003-FY 2009***

*(Project No. D2010-D000G-0073.000, Initiated December 7, 2009)*

DoD OIG is updating the summaries of issues and actions taken or planned based on recommendations identified in audit reports and testimonies on Operations Iraqi Freedom and Enduring Freedom by major oversight organizations that are members of the Southwest Asia Joint Planning Group. DoD OIG will also update the report on the program management initiatives and corrective actions taken and still pending by the respective organizations and agencies. Additionally, DoD OIG will be gathering information on oversight initiatives planned or underway by the oversight community. This effort reannounces and expands the scope of the DoD OIG summary project D2008-D000JC-0274.000 to include the Special Inspector General for Afghanistan Reconstruction, Department of State, and U.S. Agency for International Development at the request of the Commission on Wartime Contracting. This effort updates the first summary report, D-2008-086, which focused on Operations Iraqi Freedom and Enduring Freedom-related reports and testimonies issued from FY 2003 through FY 2007.

***Management of Operations in the Theater Retrograde, Camp Arifjan, Kuwait***

*(Project No. D2010-D000JA-0055.000, Initiated October 27, 2009)*

DoD OIG is conducting this audit in response to a U.S. Central Command request to focus oversight on U.S.-funded assets to ensure that they are properly accounted for and that there is a process for their proper transfer, reset, or disposal. DoD OIG is determining whether DoD is effectively managing operations in the Theater Retrograde, Camp Arifjan, Kuwait. Specifically, DoD OIG is determining whether adequate policies and procedures are in place at the Retro Sort, General Supply Warehouse, and Theater Redistribution Center for proper reutilization and disposition of equipment. DoD OIG is also determining whether adequate resources are available to effectively process the current and anticipated volume of equipment at the Theater Retrograde during the drawdown of U.S. forces from Iraq.

***Controls Over the Disposition of Equipment at the Defense Reutilization and Marketing Office at Camp Arifjan, Kuwait***

*(Project No. D2010-D000JA-0054.000, Initiated October 27, 2009)*

DoD OIG is conducting this audit in response to a U.S. Central Command request to focus oversight on U.S.-funded assets to ensure that they are properly accounted for and that there is a process for their proper transfer, reset, or disposal. DoD OIG is evaluating whether adequate policies and procedures are in place to ensure the proper disposition of equipment at the Defense Reutilization and Marketing Office at Camp Arifjan, Kuwait. Specifically, DoD OIG is evaluating whether adequate controls exist to ensure the proper receipt, inspection, coding,

and disposition of equipment in accordance with applicable guidance.

***Logistics Civil Augmentation Program IV Support Contract***

*(Project No. D2010-D000AS-0031.000, Initiated October 27, 2009)*

DoD OIG is determining whether the Logistics Civil Augmentation Program IV support contract was managed and administered in accordance with federal and DoD guidance.

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

*(Project No. D2009-D000FH-0292.000, Initiated September 23, 2009)*

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

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

*(Project No. Not Reported, Date Initiated Not Reported)*

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

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

*(Project No. D2009-D000JB-0307.000, Initiated September 16, 2009)*

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

***Review of Army Response to Sodium Dichromate Exposure at Qarmat Ali Iraq***

*(Project No. D2009-DIPOE3-0306.000, Initiated September 11, 2009)*

The project will review the U.S. Army's actions regarding the exposure of personnel to sodium dichromate at the Qarmat Ali water injection facility in 2003. The review is being conducted in response to a request from seven members of the United States Senate questioning efforts of the U.S. Army and contractors to protect the safety and health of government and contractor personnel at this site.



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

*(Project No. D2009-D000LC-0240.002, Initiated September 10, 2009)*

DoD OIG is conducting a multi-disciplined review of the transportation efforts for the drawdown of forces in Iraq. The inter-theater audit portion is the second in a series of reviews DoD OIG Auditing is performing related to the relocation of personnel and assets during the Iraq drawdown. The first report, D-2010-025, focused on U.S. Transportation Command's planning process. In this second review, DoD OIG is identifying transportation issues as DoD assets transit from Iraq through Kuwait to their final destination, and the resolution of these issues by the U.S. Transportation Command and the U.S. Central Command. Specifically, DoD OIG will identify challenges that are being or will be encountered by the U.S. Transportation Command in ensuring DoD assets are properly transitioned through Kuwait ports for sealift and airport facilities for airlift. DoD OIG will also identify issues related to the transitioning of contractor assets that may impede or impact the transportation of DoD assets by the U.S. Transportation Command. This project is being done in coordination with DoD OIG Special Plans and Operations project D2009-D00SPO-0310.000, which is looking at the intra-theater aspects.

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

*(Project No. D2009-D00SPO-0310.000, Initiated September 10, 2009)*

DoD OIG is conducting this assessment to determine whether U.S. Central Command and its subordinate and supporting organizations'

intra-theater logistical planning, selected capabilities, and execution are adequate to support and manage the movement of cargo and equipment being drawdown from Iraq.

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

*(Project No. D2009-DIPOAI-0305, Initiated September 1, 2009)*

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

***DoD's Plans for the Drawdown and Reset of Property in Iraq***

*(Project No. D2009-D000JB-0280.000, Initiated August 10, 2009)*

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

***Contracts Supporting Base Operation in Kuwait***  
(Project No. D2009-D000AS-0266.000,  
Initiated July 31, 2009)

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

***Air Forces Central War Reserve Materiel Contract***  
(Project No. D2009-D000AS-0264.000,  
Initiated July 20, 2009)

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

***Contracting for Organizational and Direct Support Maintenance at Joint Base Balad, Iraq***  
(Project No. D2009-D000JB-0254.000,  
Initiated July 13, 2009)

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

***Contracts Supporting the Broad Area Maritime Surveillance Program***  
(Project No. D2009-D000AS-0247.000,  
Initiated July 10, 2009)

DoD OIG will determine whether DoD officials properly managed and administered the contracts supporting the Broad Area Maritime Surveillance Program. Specifically, DoD OIG

will determine whether the contract management and administration complied with federal and DoD policies.

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

(Project No. D2009-D000CH-0244.000,  
Initiated July 7, 2009)

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

***Air Cargo Transportation Contracts in Support of Operation Iraqi Freedom and Operation Enduring Freedom***

(Project No. D2009-D000LC-0237.000,  
Initiated June 11, 2009)

DoD OIG will determine whether air cargo transportation contracts in support of Operation Iraqi Freedom and Operation Enduring Freedom are administered in accordance with applicable federal and DoD regulations. Specifically, DoD OIG will determine whether the decision to use air transportation was justified, whether delivery orders were awarded in accordance with vendor selection criteria, and whether the cargo transported by air was delivered within required time frames.



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

*(Project No. D2009-DooSPO-0242.00, Initiated June 11, 2009)*

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

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

*(Project No. D2009-DINT01-0203.000, Initiated June 10, 2009)*

This project was developed as a result of information obtained during the Investigation of Allegations of the Use of Mind Altering Drugs to Facilitate Interrogations (09-INTEL-13, Issued September 23, 2009). The objectives of the review are to determine if DoD intelligence reports published by Joint Task Force Guantanamo considered detainee mental health status as an indicator of reliability and if such information was made available for use by intelligence consumers for their determination of source reliability and accuracy of information. The project will also review DoD guidance pertaining to the inclusion of source mental health information in intelligence reports and if DoD policy regarding privacy of medical information for intelligence purposes complies with existing law and DoD regulations.

***Assessment Research on the Case Management Processes for Combat Amputees***

*(Project No. D2009-D000IG-DooSPO.0225.000, Initiated May 15, 2009)*

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

***Assessment Research on Enlisted Administrative Separations***

*(Project No. D2009-D000IG-DooSPO.0226.000, Initiated May 15, 2009)*

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

***Marine Corps Fulfillment of Urgent Universal Need Statements for Laser Dazzlers***

*(Project No. D2009-D000AE-0210.000, Initiated April 28, 2009)*

DoD OIG initiated this audit in response to the Assistant Commandant of the Marine Corps request for addressing allegations of mismanagement in fulfilling Urgent Universal Need Statements for laser dazzlers. DoD OIG is determining whether acquisition managers in the U.S.

Marine Corps effectively responded to the urgent needs of deployed Marines in acquiring a nonlethal laser dazzler capability in accordance with federal and Defense acquisition regulations.

***Allowances and Differentials Paid to DoD Civilian Employees Supporting the Global War on Terror***

*(Project No. D2009-D000FC-0199.000, Initiated April 17, 2009)*

DoD OIG is determining whether civilian pay disbursed in support of the Global War on Terror is paid in accordance with established laws and regulations. Specifically, DoD OIG will determine whether eligible DoD civilian employees properly received authorized allowances and differentials.

***FY 2008 Marine Corps Global War on Terror-Related Costs Processed Through the Standard Accounting, Budgeting and Reporting System***

*(Project No. D2009-D000FG-0183.000, Initiated April 7, 2009)*

DoD OIG will determine whether the Marine Corps accurately reported FY 2008 costs related to the Global War on Terror. DoD OIG will review whether Marine Corps documentation substantiates operation and maintenance obligations processed through the Standard Accounting, Budgeting and Reporting System.

***Multi-National Force-Iraq/Multi-National Corps-Iraq Fire Services Inspection and Training Program***

*(Project No. D2009-D000JB-0181.000, Initiated April 3, 2009)*

DoD OIG will assess whether Multi-National Force-Iraq is meeting requirements for fire services inspection and training through the use

of contracted services. Specifically, DoD OIG will review fire inspection reports to determine whether fire inspection personnel are properly performing fire safety reviews. DoD OIG will identify contracted personnel assigned as expeditionary fire fighters and review their training records to determine whether the training they completed met contract, DoD, and Army requirements. In addition, DoD OIG will assess the effectiveness of quality control and quality assurance provisions of contracts and task orders related to the Fire Services Inspection and Training Program.

***Information Operations in Iraq***

*(Project No. D2009-D000JA-0182.002, Initiated April 2, 2009)*

DoD OIG is conducting this audit at the request of the Commander, U.S. Central Command. DoD OIG will evaluate Information Operations activities in support of Operation Iraqi Freedom. Specifically, DoD OIG will determine the process for establishing Psychological Operations requirements and identify the resources applied against those requirements.

***Controls Over Unliquidated Obligations for Department of the Army Contracts Supporting the Global War on Terror***

*(Project No. D2009-D000FC-0176.000, Initiated March 19, 2009)*

DoD OIG is determining whether the Department of the Army has established adequate controthe Army contracts supporting the Global Is over unliquidated obligations on Department of War on Terror. Specifically, DoD OIG will determine whether unliquidated obligations are being properly accounted for and de-obligated in a timely manner.

***Controls Over Department of the Navy  
Military Payroll Processed in Support of  
the Global War on Terror at San Diego-  
Area Disbursing Centers***

*(Project No. D2009-D000FC-0165.000,  
Initiated March 4, 2009)*

The Commander, Naval Installations Command, requested this audit. DoD OIG is determining whether Department of the Navy (DoN) military payroll processed in support of the Global War on Terror is performed in accordance with established laws and regulations. Specifically, DoD OIG will determine whether DoN San Diego-area disbursing centers and the Defense Finance and Accounting Service efficiently obtain and maintain adequate supporting documentation for combat zone entitlements related to Global War on Terror deployments.

***Army and Navy Small Boats Maintenance  
Contracts***

*(Project No. D2009-D000AS-0163.000,  
Initiated March 2, 2009)*

DoD OIG is determining whether contracts providing ship repair and maintenance to the U.S. Army operations in Bahrain and to Navy operations in Bahrain, Qatar, and the United Arab Emirates were properly managed and administered. DoD OIG issued Report No. D-2010-005, November 3, 2009, regarding internal controls weaknesses with securing classified information. DoD OIG plans to issue additional reports for this project.

***Material Purchases Made Through  
Partnership Agreements at Corpus Christi  
Army Depot***

*(Project No. D2009-D000FI-0150.000,  
Initiated February 13, 2009)*

DoD OIG is evaluating material purchases made at Corpus Christi Army Depot through

partnership agreements with private-sector firms. Specifically, DoD OIG will determine whether the partnership agreements in place with original equipment manufacturers are effective in minimizing the cost of direct materials to the depot.

***Controls over the Common Access Card in Non-Department of Defense Agencies***

*(Project No. D2009-D000JA-0136.000, Initiated January 30, 2009)*

DoD OIG is determining whether controls over CACs provided to civilians and contractors working for non-Department of Defense agencies were in place and worked as intended.

***Air Force Depot Maintenance Public-Private Partnership***

*(Project No. D2009-D000LD-0110.000, Initiated January 29, 2009)*

DoD OIG is examining the management of the public-private partnership arrangements entered into by Air Force depots. Specifically, DoD OIG will determine whether the Air Force depots have established baselines and metrics to measure public-private partnership benefits.

***Review of Army Decision Not to Withhold Funds on the Logistics Civil Augmentation Program (LOGCAP) III Contract***

*(Project No. D2009-DIPoAI-0141, Initiated January 29, 2009)*

In response to a request from the Senate Committee on Armed Services, DoD OIG is performing a review of the Army's decision not to withhold funds on the LOGCAP III contract after the Defense Contract Audit Agency had questioned certain contract costs. As part of the review, DoD OIG will determine the appropriateness of related Army official decisions, including compliance

with the Federal Acquisition Regulation. In addition, DoD OIG will review the Army's use of Resource Consultants, Inc. to perform price and cost analyses on the LOGCAP III contract. DoD OIG recently completed a site visit at the Rock Island Arsenal, Rock Island, Illinois, where it obtained sworn testimony from several active and retired Army contracting personnel. A draft report was issued October 6, 2009.

***Deployment of the Standard Procurement System in the Joint Contracting Command Iraq/Afghanistan***

*(Project No. D2009-D000FB-0112.000, Initiated January 5, 2009)*

DoD OIG is determining whether the deployment of the Standard Procurement System (to include the Standard Procurement System-Contingency configuration) in the Joint Contracting Command Iraq/Afghanistan, was properly planned and executed.

***DoD Countermine and Improvised Explosive Device Defeat Systems Contracts***

*(Project No. D2009-D000AE-0102.000, Initiated December 9, 2008)*

DoD OIG is determining whether DoD procurement efforts for countermine and improvised explosive device defeat systems for use in Iraq and Afghanistan were developed, awarded, and managed in accordance with federal and Defense acquisition regulations. A series of reports is planned to be issued for this project.

***Maintenance and Support of the Mine Resistant Ambush Protected Vehicle***

*(Project No. D2009-D000CK-0100.000, Initiated December 9, 2008)*

DoD OIG is determining whether mine resistant ambush protected vehicle program and

contracting officials are adequately supporting mine resistant ambush protected vehicle maintenance requirements and appropriately awarding and administering maintenance contracts.

***DoD's Use of Time and Materials Contracts***

*(Project No. D2009-D000CF-0095.000, Initiated December 1, 2008)*

DoD OIG is determining whether time and material contracts for Southwest Asia were awarded and administered in accordance with the Federal Acquisition Regulation.

***Counter Radio-Controlled Improvised Explosive Device Electronic Warfare Program***

*(Project No. D2009-D000AS-0092.000, Initiated December 1, 2008)*

DoD OIG is reviewing the award and administration of contracts under the Navy's Counter Radio-Controlled Improvised Explosive Device Electronic Warfare (CREW) program. Specifically, DoD OIG will determine whether the Navy effectively transitioned from CREW developmental contracts to production contracts and whether CREW contracts are consistent with federal and DoD acquisition and contract policy.

***Implementation of Predator/Sky Warrior Acquisition Decision Memorandum Dated May 19, 2008***

*(Project No. D2009-D000CD-0071.000, Initiated November 12, 2008)*

DoD OIG is determining the implementation status of the Acquisition Decision Memorandum. The objective is to evaluate whether implementation by the Air Force and the Army complies with the Acquisition Decision Memorandum, and whether alternatives, such as the Reaper Program, were considered.

***Reannouncement of the Audit of Funds Appropriated for Afghanistan and Iraq Processed Through the Foreign Military Sales Trust Fund***

*(Project No. D2007-D000FD-0198.001, Initiated October 10, 2008)*

Based on DoD OIG observations during its audit fieldwork under the originally announced project (D2007-D000FD-0198.000), DoD OIG determined an additional project was required to separately discuss relevant issues identified during its fieldwork. Accordingly, under the original project number, DoD OIG addressed the transfer of funds to the FMS Trust Fund and the collection of administrative fees from these funds in Report No. D-2009-063.

Under the second announced project (D2007-D000FD-0198.001), DoD OIG will sustain the originally announced overall audit objective to determine whether the funds appropriated for the security, reconstruction, and assistance of Afghanistan and Iraq and processed through the Foreign Military Sales Trust Fund, are being properly managed. However, DoD OIG has reduced the sub-objectives to determining whether the appropriated funds transferred into the Foreign Military Sales Trust Fund are properly accounted for, used for the intended purpose, and properly reported in DoD financial reports.

***Army Acquisition Actions in Response to the Threat to Light Tactical Wheeled Vehicles***

*(Project No. D2009-D0000AE-0007.000, Initiated September 29, 2008)*

DoD OIG is determining whether the Army effectively managed efforts to develop, test, and acquire armor solutions for light tactical wheeled vehicles. These solutions are needed in response to the threat to High Mobility Multi-Purpose

Wheeled Vehicle (HMMWV) variants and use in developing the next-generation vehicle for the Global War on Terror. In addition, DoD OIG will determine whether DoD exercised adequate operational test and live-fire test oversight of the Army's High Mobility Multi-Purpose Wheeled Vehicle program.

***Defense Contract Management Agency Acquisition Workforce for Southwest Asia***

*(Project No. D2008-D000AB-0266.000, Initiated September 18, 2008)*

DoD OIG is determining Defense Contract Management Agency (DCMA) requirements to support Southwest Asia (SWA) contracting operations and the number of available DCMA civilian, military, foreign national, and support contractors supporting such operations. They will also evaluate whether the DCMA Acquisition workforce for SWA is adequately trained and certified.

***Medical/Surgical Prime Vendor Contracts Supporting Coalition Forces in Iraq and Afghanistan***

*(Project No. D2008-D000LF-0267.000, Initiated September 12, 2008)*

DoD OIG is determining whether terms and conditions for the Medical/Surgical Prime Vendor contracts were adequately developed and whether the administration of the contracts and delivery orders was effective.

***Information Assurance Controls Over the Outside the Continental United States Navy Enterprise Network as related to the Global War on Terror***

*(Project No. D2008-D000FN-0230.000, Initiated August 28, 2008)*

DoD OIG is assessing the integrity, confidentiality, and availability of the Outside the Continental

United States Navy Enterprise Network (ONE-NET) as it relates to the Global War on Terror. Specifically, DoD OIG is determining whether the controls over ONE-NET have been implemented and are operating effectively as prescribed by DoD Instruction 8500.2, "Information Assurance Implementation," February 6, 2003.

***Central Issue Facilities***

*(Project No. D2008-D000LD-0245.000, Initiated August 27, 2008)*

DoD OIG is determining whether central issue facilities are providing the required clothing and equipment to deploying personnel, and whether those personnel are returning the clothing and equipment when their deployments are complete.

***DoD Body Armor Contracts***

*(Project No. D2008-D000CD-0256.000, Initiated August 7, 2008)*

DoD OIG is examining the contracts and contracting process for body armor and related test facilities. Specific objectives will include evaluating the background and qualifications of the contractors, the criteria for awarding the contracts, the quality assurance process, and any relationships that may exist between the contractors and government officials. DoD OIG's review of the quality assurance process will include reviewing the results of First Article Testing and Lot Acceptance Testing for the body armor contracts. DoD OIG issued Report No. D-2010-029 on December 21, 2009, discussing the contract award of DoD body armor contracts. DoD OIG plans to issue additional reports related to this project.



***Department of the Air Force Military Pay in Support of the Global War on Terror***

*(Project No. D2008-D000FP-0252.000, Initiated August 1, 2008)*

DoD OIG is determining whether the Department of the Air Force military payroll disbursed in support of the Global War on Terror is paid in accordance with established laws and regulations. Specifically, DoD OIG will review DoD military pay disbursements to determine whether U.S. Air Force military personnel on Active Duty status are paid accurately and timely.

***Army's Use of Award Fees on Contracts That Support the Global War on Terror***

*(Project No. D2008-D000AE-0251.000, Initiated July 21, 2008)*

DoD OIG is determining whether Army award fees paid to contractors in support of the Global War on Terror are justified. Specifically, it will review the procedures for awarding the fees and the proper allocation of award fees on the contracts.

***Equipment Repair and Maintenance Contracts for Aircraft and Aircraft Components Supporting Coalition Forces in Iraq and Afghanistan***

*(Project No. D2008-D000LH-0249.000, Initiated July 14, 2008)*

DoD OIG is determining whether equipment repair and maintenance contracts for aircraft and aircraft components supporting Coalition forces in Iraq and Afghanistan are effective.

***DoD and DoD Contractor Efforts To Prevent Sexual Assault/Harassment Involving Contractor Employees within Operations Enduring Freedom and Iraqi Freedom Areas of Operation***

*(Project No. D2008-D000CE-0221.000, Initiated June 9, 2008)*

DoD OIG is performing this audit as a result of a congressional inquiry. DoD OIG is reviewing whether contracts that support Operations Enduring Freedom and Iraqi Freedom (OEF/OIF) Areas of Operation contain clauses that adequately address DoD policies regarding sexual assault/harassment of and by contractor personnel. DoD OIG will also determine whether either DoD or DoD contractors, or both, provided sexual assault/harassment awareness, prevention, and reporting training to DoD and contractor employees prior to their deployment to OEF/OIF Areas of Operation. This project is being performed in coordination with the project "Evaluation of DoD Sexual Assault Response in Operations Enduring and Iraqi Freedom Areas of Operation," Project No. 2008C003.

***Department of the Army Deferred Maintenance on the Abrams Tank Fleet as a Result of the Global War on Terror***

*(Project No. D2008-D000FJ-0210.000, Initiated May 30, 2008)*

DoD OIG is determining the extent and causes of deferred maintenance on the Army Abrams tanks that were used in the Global War on Terror.

***Contracts for Spare Parts for Vehicle-Mounted Small Arms in Support of the Global War on Terror***

*(Project No. D2008-D000FD-0214.000, Initiated May 20, 2008)*

As a result of initial research, DoD OIG reannounced the Audit of Defense Logistics Agency Contracts for Combat Vehicle Parts in Support of the Global War on Terror, May 20, 2008, to specify a more detailed focus area. The new audit, “Contracts for Spare Parts for Vehicle-mounted Small Arms in Support of the Global War on Terror,” was announced August 14, 2008. DoD OIG is determining whether DoD organizations used appropriate and effective contracting procedures to provide customers with the vehicle-mounted small arms spare parts needed to support the Global War on Terror.

***Acquisition of Ballistic Glass for the High-Mobility Multipurpose Wheeled Vehicle***

*(Project No. D2008-D000CE-0187.000, Initiated April 23, 2008)*

The audit is the result of an audit suggestion filed with the Office of the Deputy Inspector General for Audit. The objective is to determine whether the award and administration of the High Mobility Multipurpose Wheeled Vehicle ballistic glass contracts comply with the Federal Acquisition Regulation.

***Class III Fuel Procurement and Distribution in Southwest Asia***

*(Project No. D2008-D000JC-0186.000, Initiated April 23, 2008)*

DoD OIG is determining whether fuel used for ground operations in Southwest Asia to support Operations Iraqi Freedom and Enduring Freedom is procured and distributed efficiently and effectively. Specifically, DoD OIG

is determining whether fuel is procured at fair and reasonable prices, whether fuel is distributed economically and efficiently to operational commands, and whether fuel supply points maintain accurate inventories.

***Internal Controls Over Army, General Fund, Cash, and Other Monetary Assets Held in Southwest Asia***

*(Project No. D2008-D000FP-0132.000, Initiated February 25, 2008)*

DoD OIG is reviewing whether internal controls for Army, General Fund, Cash, and Other Monetary Assets held in Southwest Asia are effectively designed and are operating to adequately safeguard, account for, document, and report cash and other monetary assets.

***Evaluation of DoD Sexual Assault Response in Operations Enduring Freedom and Iraqi Freedom Areas of Operation***

*(Project No. 2008C003, Initiated February 7, 2008)*

In response to the concerns of more than 100 members of Congress, this project evaluates policies and practices for reporting and referring for investigation sexual assault complaints by contractor employees in combat areas. Based on new congressional interest, DoD OIG expanded the scope to DoD’s oversight of contractors regarding sexual assault/harassment deployment training and contractor accountability for employee misconduct in combat areas. A draft report was issued for comment on July 1, 2009. The final report will be available in January 2010.

### ***Internal Controls and Data Reliability in the Deployable Disbursing System***

*(Project No. D2007-D000FL-0252.000, Initiated August 31, 2007)*

The overall objective is to determine whether the internal controls over transactions processed through the Deployable Disbursing System are adequate to ensure the reliability of the data processed. The audit series will include financial information processed by disbursing stations supporting the Global War on Terror and will also follow up on “Internal Controls Over Out-of-Country Payments” (Project No. D2006-D000FL-0208.000). The first report, D2009-054, addresses U.S. Marine Corps (USMC) processed disbursement transactions that contain classified information into unclassified DoD systems.

## **Department of State Office of Inspector General**

### **Completed Audits**

The Department of State Office of Inspector General (DoS OIG) completed one audit related to Iraq for the quarter ending December 31, 2009.

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

*(AUD/IQO-09-25, Issued October 21, 2009)*

The objective was to determine whether OBO and its Emergency Project Coordination Office (EPCO) effectively oversaw and certified the construction the NEC Baghdad in accordance with applicable requirements and standards.

### **Ongoing Audits**

### ***De-mining Programs in Iraq***

*(Project No. 10-ISP-3013, Initiated September 2009)*

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

### ***Baghdad Embassy Security Force (BESF)***

*(Project No. 09MERO3021, Initiated August 2009)*

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

### ***Property Inventory and Accountability at Embassy Baghdad***

*(Project No. 09MERO3017, Initiated June 2009)*

The objectives are to evaluate DoS controls for inventorying, recording, and safeguarding U.S. government equipment and property in Iraq. This review is in the final report stage.

### ***LOGCAP Task Order for Embassy Baghdad***

*(Project No. 09MERO3016, Initiated June 2009)*

The objectives are to evaluate and assess the contractor’s compliance with contract terms and conditions, task order terms and conditions, and applicable laws and regulations. This review is in the draft report stage.

## U.S. Agency for International Development Office of Inspector General

totaling \$1.4 million. Sixteen other financial audits are in process.

### Completed Audits

This quarter, the USAID Office of Inspector General (USAID OIG) issued no performance audits related to Iraq reconstruction. In addition, USAID OIG issued two financial audits covering \$35.6 million in costs incurred under USAID contracts and cooperative agreements, which were performed for USAID OIG by DCAA. These two audits identified questioned costs

### Ongoing Audits

#### *Audit of USAID/Iraq’s Agriculture Private Sector Development–Agribusiness Program*

*(Initiated 1Q/FY 2010)*

The objective is to evaluate if USAID/Iraq’s agribusiness program is achieving its main goals.

**TABLE G-2**  
**DCAA AUDITS RELATED TO IRAQ FOR FY 2009 AND FY 2010**

| DESCRIPTION OF AUDIT AREA              | FY 2009 CLOSED | FY 2010   |            |
|--|----------------|-----------|------------|
|  |                | CLOSED    | OPEN       |
| Price Proposals (1)                    | 119            | 21        | 13         |
| Other Special Requested Audits (2)     | 33             | 7         | 68         |
| Incurring Cost (3)                     | 25             | 20        | 186        |
| Labor Timekeeping (4)                  | 67             | 2         | 49         |
| Internal Controls (5)                  | 29             | 4         | 69         |
| Pre-award Accounting Survey (6)        | 5              | 1         | 9          |
| Purchase Existence and Consumption (7) | 28             | 1         | 18         |
| Cost Accounting Standards (8)          | 22             | 8         | 122        |
| Other (9)                              | 30             | 6         | 104        |
| <b>Total</b>                           | <b>358</b>     | <b>70</b> | <b>638</b> |

**Note:**

1. Price Proposals – Audits of price proposals submitted by contractors in connection with the award, modification, or repricing of government contracts or subcontracts
2. Other Special Requested Audits – Audit assistance provided in response to special requests from the contracting community based on identified risks
3. Incurring Cost – Audits of costs charged to government contracts to determine whether they are allowable, allocable, and reasonable
4. Labor Timekeeping – Audits to determine if the contractor consistently complies with established timekeeping system policies and procedures for recording labor costs
5. Internal Controls – Audits of contractor internal control systems relating to the accounting and billing of costs under government contracts
6. Pre-Award Accounting Survey – Pre-Award audits to determine whether a contractor’s accounting system is acceptable for segregating and accumulating costs under government contracts
7. Purchase Existence and Consumption – The physical observation of purchased materials and services and related inquiries regarding their documentation and verification of contract charges
8. Cost Accounting Standards – Audits of Contractor Disclosure Statements and compliance with Cost Accounting Standards
9. Other – Significant types of other audit activities including compliance with Truth in Negotiations Act, audits of provisional billing rates, and audits of claims and termination settlement proposals

***Audit of USAID/Iraq’s Implementation of the Iraq Financial Management Information System***

*(Initiated 4Q/FY 2009)*

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

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

*(Initiated 4Q/FY 2009)*

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

***Audit of USAID’s Internally Displaced Persons Activities in Iraq***

*(Initiated 1Q/FY 2009)*

The objective is to evaluate if USAID’s Office of Foreign Disaster Assistance internally displaced persons and vulnerable population activities are achieving their main goals.

**Defense Contract Audit Agency**

The services of the Defense Contract Audit Agency (DCAA) include professional advice to acquisition officials on accounting and financial matters to assist them in the negotiation, award, administration, and settlement of contracts.

In addition to DCAA’s involvement in the negotiation and award of contracts, significant

resources are also dedicated to overseeing the allowability, allocability, and reasonableness of incurred and billed costs. Procedures that govern the costs incurred in-country are also tested through reviews of contractor timekeeping, subcontract management, and cash management/disbursement. Finally, to ensure that adequate internal controls are in place regarding the contractor’s policies and procedures, DCAA performs audits associated with critical internal control systems, with an emphasis on estimating, subcontract management, and billing systems.

DCAA plans and performs work on a fiscal year basis. Table G-2 shows both the Iraq-related audits closed during FY 2009 and the audits closed and still open in FY 2010 (as of December 31, 2009).

**U.S. Army Audit Agency**

As of December 31, 2009, USAAA had 1 auditor deployed to Southwest Asia. By mid-February 2010, USAAA expects to have 29 deployed auditors: 12 in Iraq, 10 in Afghanistan, and 7 in Kuwait.

**Completed Audits**

***Management and Visibility of Government Property Provided to the Contractor Performing Bulk Fuel Operations in Kuwait***

*(A-2010-0018-ALL, Issued December 17, 2009)*

USAAA performed this audit at the request of the Army’s Office of the Deputy Chief of Staff, G-4; Commander, Area Support Group – Kuwait; and Commander, 408th Contracting Support Brigade. USAAA concluded the Army did not have adequate management and visibility over government property provided to the

contractor performing bulk fuel operations in Kuwait. The contractor did not properly account for the government property it was provided.

This occurred mainly because:

- The contracting officer and government property administrator did not require the contractor to keep property accountability records.
- The property provided to the contractor was not identified in the contract.
- The government did not fully identify and properly transfer property to the contractor.
- The property book officer and government property administrator did not establish a fiduciary account on the theater property book needed to provide the Army visibility over the property provided to the contractor.

As a result, the Army was not aware of the total amount of property provided to the contractor and the property was not visible to Headquarters, DA. In a limited inventory test, auditors found 36 shipping containers with property and material that were not recorded on the Army's property records. Inventory not on the property records is more susceptible to theft, loss, and misuse. The activities included in the audit agreed with the conclusions and recommendations in the report and stated they implemented or would implement the recommendations addressed to them.

***Contracting Operations, Joint Contracting Command-Iraq/Afghanistan, Baghdad Regional Contracting Center and Theater-Wide Requirements Division, International Zone, Baghdad, Iraq***

*(A-2010-0030-ALL, Issued December 14, 2009)*  
USAAA performed the audit at the request of the U.S. Army Criminal Investigation Command and with the cooperation of the Commander,

Joint Contracting Command-Iraq/Afghanistan. USAAA concluded that internal controls over the contract pre-award, award, and administration phases needed improvement. USAAA found:

- Requiring activities sometimes did not sufficiently justify and support their requirements.
- Personnel did not effectively perform contract award procedures such as using open solicitation.
- Personnel sometimes overlooked contract administration practices such as substantiating whether contracting officers' representatives were qualified to perform their jobs, developing quality assurance plans, and retaining contract files.

The primary reason these issues occurred was a lack of qualified contracting personnel to keep pace with an increasing workload. Secondary reasons included personnel in requesting activities sometimes lacked the knowledge to sufficiently define requirements. In addition, command's emphasis on quickly awarding contracts resulted in an imbalance with contracting officers unable to perform the necessary contract administration practices. These issues, combined with high turnover of personnel in the contracting offices, magnified the problems. As a result, poorly defined requirements sometimes prevented contractors from bidding for contracts or delayed contractor execution. Additionally, contract solicitations sometimes were not posted, which could limit competition and increase cost to the government. The audited activities agreed with the report's conclusions and recommendations and initiated corrective actions.



***Time-Sensitive Issue—Nonstandard Equipment Sustainment of Terminated Systems***

*(A-2010-0019-ALM, Issued December 8, 2009)*

This report contains details of an issue that needed immediate management attention. The issue was developed during USAAA's audit of Nonstandard Equipment (NSE) Sustainment (an ongoing audit as of 31 December 2009 – Project Code A-2009-ALM-0059.000 – that was requested by the Army's Deputy Chief of Staff, G-4). USAAA reported that the CECOM Life Cycle Management Command overstated its FY 09 NSE supplemental requirements by including 10 systems terminated by the Capabilities Development for Rapid Transition process in its budget submission to the Army Materiel Command. Current Army policy prohibits use of funding for sustaining terminated NSE but CECOM personnel were not aware the items were designated as terminated. As a result, CECOM overstated its FY 09 supplemental Operation and Maintenance, Army funding requirements by about \$1.4 million in its budget submission to Army Materiel Command (about \$11.5 million through FY 15). USAAA recommended that CECOM reallocate the \$1.4 million for terminated items to other valid sustainment requirements before the end of FY 09, reduce its FY 10 approved budget by about \$1.5 million and update its projected FYs 11–15 requirements for the remaining \$8.6 million. The Army Materiel Command and CECOM Life Cycle Management Command fully agreed with the recommendations and associated potential monetary benefits, and initiated the needed corrective actions.

***Retrograde Operations in Southwest Asia—Kuwait, Class IX Aviation Warehouse, Camp Arifjan, Kuwait***

*(A-2010-0021-ALL, Issued December 8, 2009)*

The Army's Deputy Chief of Staff, G-4 requested this multiphase audit. USAAA reported that the Army established retrograde and redistribution processes for Class IX aviation assets in theater. However, further improvements could be realized by implementing better management controls and restructuring operations. USAAA found (1) item managers could not readily direct stock from the warehouse, resulting in a buildup of \$62.2 million in excess stock; and (2) work requirements and performance standards for supply operations performed in the warehouse were ill-defined within the contract statement of work and quality assurance surveillance plan. Warehouse personnel maintained adequate accountability for serviceable assets, but needed to improve accountability for unserviceable assets and visibility over incoming shipments. For instance, over a one-year period, the audit identified 6,464 short-ship receipts totaling \$218 million for incoming retrograded items which affected the visibility of warehouse and item managers to properly manage stock items in support of contingency operations and Reset. The audit activities agreed with the report's recommendations and initiated prompt corrective actions.

***Retrograde Operations in Southwest Asia, Multi-Class Retrograde, Camp Arifjan, Kuwait***

*(A-2010-0022-ALL, Issued December 7, 2009)*

The Army's Deputy Chief of Staff, G-4 requested this multiphase audit. USAAA reported that the Army did not effectively and efficiently manage

unserviceable retrograde operations in Kuwait. Auditors determined:

- Some incoming items were not properly received or secured (to include sensitive items).
- Supply system operators used improper receipt procedures.
- Technical inspectors misclassified item serviceability.
- Repackaging procedures compromised in-transit visibility of outgoing retrograde items.

These issues were caused by a series of breakdowns in supply procedures due, in part, to the Army's reliance on a foreign-contracted workforce with little supply experience. In addition, the Army did not sufficiently oversee retrograde operations. Government personnel responsible for overseeing the retrograde operations were overwhelmed due to insufficient staffing, increased contracted workload, and limited contracting administration experience.

Consequently, these breakdowns caused delays in the return of needed materiel to U.S. depots in support of RESET and left Army materiel managers unsure of the supply data's reliability to make redistribution and procurement decisions.

Due to the severity of these breakdowns, USAAA reported several incidents to the local investigative agencies. The commands and activities responsible for the operations audited by USAAA agreed with the report's recommendations and initiated prompt corrective actions to improve operations.

## ***Automatic Reset Induction Retrograde and Depot Operations***

*(A-2010-0013-ALM, Issued November 16, 2009)*

This report is classified For Official Use Only (FOUO). The Army's Office of the Deputy Chief of Staff, G-4, requested this audit. This is a summary report of the overall Automatic Reset Induction (ARI) process from sustainment level retrograde of equipment used in the Southwest Asia Theater, through depot operations in the United States. USAAA concluded the Army's ARI program achieved improved return to sustainment level sources of repair for more than half of the equipment reviewed. However, inefficiencies in the materiel returns process and inadequate management controls in the transportation pipeline adversely affected the retrograde timeline from Southwest Asia. Additionally, the review of depot operations representing two life cycle management commands concluded the Army adequately managed most ARI items from pre-induction through post-completion for sustainment level reset. However, some items did not have future operational requirements that supported accumulating assets at depots. During the audit, the Army took many actions to correct weaknesses in the ARI process. This included distributing the FY 09 reset execution order with guidance to improve the ARI process during retrograde and depot operations.

## **Ongoing Audits**

### ***Contracting for Maintenance Support—Life Cycle Management Commands***

*(Project No. A-2010-ALM-0008.000, Initiated 1Q/FY 2010)*

This audit is being performed in the continental United States (CONUS). It will determine if contracts for maintenance services required

equipment to be repaired in a timely, technically sound, and cost-effective manner. It will also evaluate contract administration controls to determine if appropriate value is received for costs incurred.

***Contracting Activities in Iraq during and after Force Drawdown***

*(Project No. A-2010-ALC-0122.000, Initiated 1Q/FY 2010)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army has a workable plan for continuing contracting activities in Iraq during and after the force drawdown.

***Life Support Contracts for U.S. Forces at Basra-Iraq***

*(Project No. A-2010-ALL-0087.000, Initiated 1Q/FY 2010)*

This audit is being performed in Iraq. It will determine if: (1) the transition of the LOGCAP contract to sustainment contracting was cost-effective and (2) the requirements determination process led to contracts that supported the requesting unit's needs.

***Forward Operating Base Closures—Property Transfers to Government of Iraq***

*(Project No. A-2010-ALL-0232.000, Initiated 1Q/FY 2010)*

This audit is being performed in Iraq. It will evaluate the process for creating forward operating base closure transfer packages and determine if the process can be streamlined.

***Follow-up Audit on Forward Operating Base Closures—Iraq***

*(Project No. A-2010-ALL-0105.000, Initiated 1Q/FY 2010)*

This follow-up audit is being performed in Iraq. It will determine if the recommendations from the prior audit were implemented and, if so, if the recommendations fixed the problem.

***Follow-up Audit on Sensitive Items Accountability and Control at Abu Ghraib-Iraq***

*(Project No. A-2010-ALL-0106.000, Initiated 1Q/FY 2010)*

This follow-up audit is being performed in Iraq. It will determine if the recommendations from the prior audit were implemented and, if so, if the recommendations fixed the problem.

***Joint Contracting Command-Iraq/Afghanistan Attestation***

*(Project No. A-2009-ALC-0594.000, Initiated 4Q/FY 2009)*

This attestation is being performed in the continental United States (CONUS). It was requested by the Commander, Joint Contracting Command-Iraq/Afghanistan (JCC-I/A). It will attest to the methodology and procedures used by the Contract Closeout Task Force to close out the backlog of contracts awarded between FY 04-08 by the JCC-I/A.

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

*(Project No. A-2009-ALL-0571.000, Initiated 4Q/FY 2009)*

This audit is being performed in Iraq. It will determine if the contractor performed according to the terms, specifications, and conditions of the contract. The sub-objectives are to evaluate

the adequacy of controls over (1) payments to the contractor, (2) delivery of material for recycling and costs associated with recycling, and (3) delivery and use of fuel.

***Camp Buehring Fuel Farm Operations–Kuwait***

*(Project No. A-2009-ALL-0590.000, Initiated 4Q/FY 2009)*

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

***Commander’s Emergency Response Program–Afghanistan***

*(Project No. A-2009-ALL-0531.000, Initiated 4Q/FY 2009)*

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

***Controls over Shipping Container Accountability and Visibility–Iraq***

*(Project No. A-2009-ALL-0593.000, Initiated 4Q/FY 2009)*

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

***Award Fee Determinations on Logistics Civil Augmentation Program (LOGCAP) III Contract, Task Order 0139***

*(Project No. A-2009-ALC-0535.000, Initiated May 21, 2009)*

This audit is being performed in the continental United States (CONUS). It was requested by the Secretary of the Army. It will determine whether award fee determinations for Task Order 0139 were justified and consistent with applicable policies, regulations, and contract provisions.

***Reserve Component Post Mobilization Training***

*(Project No. A-2009-FFS-0075.000, Initiated March 31, 2009)*

This audit is being performed in the continental United States (CONUS). It will determine if post-mobilization training requirements were adequately identified and executed by the Army Reserve and National Guard. It will also determine if necessary unit and individual training requirements were identified and completed prior to deployment, and if post-mobilization training requirements unnecessarily duplicated pre-mobilization training.

***Force Protection–Security Badging (Kuwait)***

*(Project No. A-2009-ALL-0133.000, Initiated March 26, 2009)*

This audit is being performed in Kuwait. It will evaluate the effectiveness of internal controls at the Area Support Group-Kuwait for issuing, accounting for, and using security badges. It will also evaluate the adequacy of procedures for safeguarding personal information contained in automated systems used in the security badging process.

***Controls over Vendor Payments—  
Southwest Asia (Phase II)***

*(Project No. A-2009-ALL-0118.000,  
Initiated February 10, 2009)*

This audit is being performed at various locations in Southwest Asia. It will determine if the Army has effective controls to ensure the accuracy of vendor payments for contingency operations in Southwest Asia.

***Multi-National Security Transition  
Command-Iraq (MNSTC-I), Iraqi Security  
Forces Fund (ISFF)***

*(Project No. A-2009-ALL-0110.000,  
Initiated February 2, 2009)*

This audit is being performed in Iraq. It will evaluate Command's process for planning, budgeting, and reviewing resources of the ISFF.

***Contracting Operations at the Joint  
Contracting Command-Iraq/Afghanistan—  
Jalalabad (Afghanistan)***

*(Project No. A-2009-ALL-0106.000,  
Initiated February 2, 2009)*

This audit is being performed in Afghanistan. It will determine if goods and services acquired under contract were properly justified, awarded, and administered.

***Non-Standard Equipment Sustainment***

*(Project No. A-2009-ALM-0059.000,  
Initiated January 27, 2009)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army has adequate visibility over non-standard equipment items, and if it has an effective sustainment plan to ensure that repair sources and repair parts are available to sustain non-standard equipment.

***Forward Operating Base (FOB) Closures***

*(Project No. A-2009-ALL-0354.000,  
Initiated January 20, 2009)*

This audit is being performed in Iraq. It will determine whether processes and procedures for the closure of FOBs in Iraq are adequate.

***Foreign Military Sales (FMS)***

*(Project No. A-2008-ALA-0588.000,  
Initiated January 20, 2009)*

This audit is being performed in the continental United States (CONUS). It will determine if FMS to Iraq and Afghanistan are effectively managed and administered.

***Logistics Civil Augmentation Program  
(LOGCAP) III, Contract Close-out***

*(Project No. A-2009-ALC-0093.000,  
Initiated October 20, 2008)*

This audit is being performed in the continental United States (CONUS) and various locations in Southwest Asia. It will determine if the Army has procedures and controls in place to effectively close out the LOGCAP III contract to ensure proper payment of its legitimate liabilities and deobligations of unused funds.

***Unit Training on Defeat Improvised  
Explosive Devices (IEDs)***

*(Project No. A-2008-FFF-0081.000,  
Initiated September 10, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if units are conducting appropriate training to counter the improvised explosive devices (IEDs) threat.

***Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan—Kandahar and Salerno (Afghanistan)***

*(Project No. A-2008-ALL-0401.000, Initiated September 1, 2008)*

This audit is being performed in Afghanistan. It will determine if goods and services acquired under the contract were properly justified, awarded, and administered.

***Controls over Logistics Civil Augmentation Program (LOGCAP)—White Property***

*(Project No. A-2008-ALL-0398.000, Initiated July 21, 2008)*

This audit is being performed in Iraq. It will determine if the Logistics Civil Augmentation Program (LOGCAP) contractor properly managed and accounted for government acquired property.

***Housing Contracts—Area Support Group (ASG)-Kuwait***

*(Project No. A-2008-ALL-0403.000, Initiated July 7, 2008)*

This audit is being performed in Kuwait. It will determine if the housing program in Kuwait was properly managed and if property or assets provided by the government and acquired by the contractor were adequately managed.

***U.S. Army Corps of Engineers (USACE) Pilot Defense Base Act (DBA) Insurance Program***

*(Project No. A-2008-ALL-0633.000, Initiated June 18, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if DBA insurance, as acquired under the USACE pilot program, is a cost-effective solution for satisfying overseas workers compensation insurance requirements for the Army.

***Follow-up Audit of Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase I)***

*(Project No. A-2008-ALL-0625.000, Initiated June 9, 2008)*

This audit is being performed in Kuwait. It evaluates the effectiveness of actions taken to improve Army contracting operations in Kuwait.

***Directorate of Logistics Workload Supporting Reset***

*(Project No. A-2008-ALM-0311.000, Initiated February 18, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the Army Garrison has an adequate process in place to identify and meet field-level reset requirements in support of the Army Force Generation (ARFORGEN) model.

***Management of the Prepositioned Fleet at Combat Training Centers***

*(Project No. A-2008-FFF-0044.000, Initiated February 12, 2008)*

This audit is being performed in the continental United States (CONUS). It will determine if the pre-positioned fleets are adequately configured. It will also determine if rotational units are effectively using the pre-positioned fleets and if the maintenance costs for the pre-positioned fleets were reasonable.

***Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan (Bagram)***

*(Project No. A-2008-ALL-0320.000, Initiated January 28, 2008)*

This audit is being performed in Afghanistan. It will determine if goods and services acquired



under contract were properly justified, awarded, and administered.

***Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan (Victory)***

*(Project No. A-2007-ALL-0887.002, Initiated July 26, 2007)*

This audit is being performed in Iraq. It will determine if goods and services acquired under contract were properly justified, awarded, and administered.

***Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase II)***

*(Project No. A-2007-ALL-0859.000, Initiated June 18, 2007)*

This audit is being performed in Kuwait. It will determine if: 1) contracts for heavy lift services were adequately developed and effectively administered; 2) laundry services were effectively managed; and 3) if the Defense Base Act (DBA) insurance was properly administered on Kuwait contracts.

## **Government Accountability Office**

GAO will continue to provide oversight of the U.S. drawdown from Iraq, DoD programs and initiatives in Iraq, and the transition to a U.S. presence led by DoS. GAO will conduct audits as mandated by law, such as reviews of the Joint Campaign Plan for Iraq and oversight of contracts and contractors.

## **Completed Reports**

***Overseas Contingency Operations: Funding and Cost Reporting for the Department of Defense***

*(GAO-10-288R, Issued December 18, 2009)*

This report formally transmits the briefing on work performed under the authority of the Comptroller General to conduct evaluations on his own initiative.

***State Department: Diplomatic Security's Recent Growth Warrants Strategic Review***

*(GAO-10-156, Issued November 12, 2009)*

The Department of State's Bureau of Diplomatic Security (Diplomatic Security) is responsible for the protection of people, information, and property at over 400 foreign missions and domestic locations. Diplomatic Security must be prepared to counter threats such as crime, espionage, visa and passport fraud, technological intrusions, political violence, and terrorism. GAO was asked to assess (1) how Diplomatic Security's mission has evolved since 1998, (2) how its resources have changed over the last 10 years, and (3) the challenges it faces in conducting its missions. GAO analyzed Diplomatic Security data; reviewed relevant documents; and interviewed officials at several domestic facilities and 18 international missions.

Diplomatic Security's mission, to ensure a safe environment for the conduct of U.S. foreign policy, involves activities such as the protection of people, information, and property overseas, and dignitary protection and passport and visa fraud investigations domestically. These activities have grown since 1998 in reaction to a number of security incidents. Diplomatic Security funding and personnel have also increased considerably over the last 10 years. In 1998, Diplomatic Security's budget was about \$200 million; by fiscal year

2008, it had grown to approximately \$1.8 billion, of which over \$300 million was for security in Iraq. In addition, the size of Diplomatic Security's direct-hire workforce has doubled since 1998 and will likely continue to expand. Recently, Diplomatic Security's reliance on contractors has grown to fill critical needs in high-threat posts. Diplomatic Security faces several challenges that could affect the bureau's ability to provide security and use its resources efficiently. First, DoS's policy to maintain missions in increasingly dangerous posts requires a substantial amount of resources. Second, although Diplomatic Security's workforce has grown considerably over the last 10 years, staffing shortages in domestic offices and other operational challenges – such as inadequate facilities, language deficiencies, experience gaps, and balancing security needs with DoS's diplomatic mission – further tax its ability to implement all of its missions. Finally, Diplomatic Security's tremendous growth has been in reaction to events and does not benefit from adequate strategic guidance. Neither DoS's departmental strategic plan nor Diplomatic Security's bureau strategic plan specifically addresses the bureau's resource needs or management challenges.

***Contingency Contracting: Further Improvements Needed in Agency Tracking of Contractor Personnel and Contracts in Iraq and Afghanistan***

*(GAO-10-187, Issued November 2, 2009)*

This statement discusses ongoing efforts by the Department of Defense, the Department of State, and the U.S. Agency for International Development to track information on contractor personnel and contracts in Iraq and Afghanistan. Reliable, meaningful data on contractors and the services they provide are necessary to inform

agency decisions on when and how to effectively use contractors, provide support services to contractors, and ensure that contractors are properly managed and overseen. The importance of such data is heightened by the unprecedented reliance on contractors in Iraq and Afghanistan and the evolving U.S. presence in the two countries. The statement focuses on (1) how information on contractor personnel and contracts can assist agencies in managing and overseeing their use of contractors and (2) the status of DoD, DoS, and USAID's efforts to track statutorily-required information on contractor personnel and contracts in Iraq and Afghanistan, as well as GAO's recent recommendations to address the shortcomings identified in their efforts. This statement is drawn from GAO's October 2009 report on contracting in Iraq and Afghanistan, which was mandated by section 863 of the National Defense Authorization Act for Fiscal Year 2008 (NDAA for FY2008), and a related April 2009 testimony. GAO's prior work was prepared in accordance with generally accepted government auditing standards. Those standards require that GAO plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. GAO believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

The need for information on contracts and contractor personnel to inform decisions and oversee contractors is critical given DoD, DoS, and USAID's extensive reliance on contractors to support and carry out their missions in Iraq and Afghanistan. The agencies' lack of complete and accurate information on contractors supporting contingency operations may inhibit planning, increase costs, and introduce unnecessary risk,

as illustrated in the following examples:

(1) Limited visibility over contractors obscures how extensively agencies rely on contractors to support operations and help carry out missions; (2) Without incorporating information on contractors into planning efforts, agencies risk making uninformed programmatic decisions; (3) A lack of accurate financial information on contracts impedes agencies' ability to create realistic budgets; (4) Lack of insight into the contract services being performed increases the risk of paying for duplicative services; and (5) Costs can increase due to a lack of visibility over where contractors are deployed and what government support they are entitled to. DoD, DoS, and USAID have made progress in implementing the Synchronized Predeployment and Operational Tracker (SPOT). However, as GAO reported in October 2009, DoD, DoS, and USAID's ongoing implementation of SPOT currently falls short of providing agencies with information that would help facilitate oversight and inform decision making, as well as fulfill statutory requirements.

***Operation Iraqi Freedom: Preliminary Observations on DoD Planning for the Drawdown of U.S. Forces from Iraq (GAO-10-179, Issued November 2, 2009)***

The United States and the Government of Iraq have signed a Security Agreement calling for the drawdown of U.S. forces from Iraq. Predicated on that agreement and U.S. Presidential guidance, Multi-National Force-Iraq (MNF-I) has issued a plan for the reduction of forces to 50,000 U.S. troops by August 31, 2010, and a complete withdrawal of forces by the end of 2011. The drawdown from Iraq includes the withdrawal of approximately 128,700 U.S. troops, over 115,000 contractor personnel, the closure or transfer of 295 bases, and the retrograde of over 3.3 million

pieces of equipment. This statement will focus on (1) the extent to which the Department of Defense has planned for the drawdown in accordance with timelines set by the Security Agreement and presidential directive; and (2) factors that may impact the efficient execution of the drawdown in accordance with established timelines. This statement is based on GAO's review and analysis of DoD and MNF-I plans, and on interviews GAO staff members conducted with DoD officials in the United States, Kuwait, and Iraq. It also draws from GAO's extensive body of issued work on Iraq and drawdown-related issues.

While DoD's primary focus remains on executing combat missions and supporting the warfighters in Iraq, several DoD organizations have issued coordinated plans for the execution of the drawdown within designated time frames. In support of these plans, processes have been established to monitor, coordinate, and facilitate the retrograde of equipment from Iraq. DoD's organizations have reported that their efforts to reduce personnel, retrograde equipment, and close bases have thus far exceeded targets; since May 2009, for example, DoD reports that the number of U.S. servicemembers in Iraq has been reduced by 5,300, and another 4,000 are expected to be drawn down in October. However, many more personnel, equipment items, and bases remain to be drawn down. For U.S. forces, contractor personnel, selected vehicles, and bases, the graphic below depicts drawdown progress since May 2009, as well as what remains to be drawn down by August 31, 2010 and December 31, 2011, respectively. Efficient execution of the drawdown from Iraq, however, may be complicated by crucial challenges that, if left unattended, may hinder MNF-I's ability to meet the time frames set by the President, the Security Agreement, and MNF-I's phased drawdown

plan. First, DoD has yet to fully determine its future needs for contracted services. Second, the potential costs and other concerns of transitioning key contracts may outweigh potential benefits. Third, DoD lacks sufficient numbers of contract oversight personnel. Fourth, key decisions about the disposition of some equipment have yet to be made. Fifth, there are long-standing incompatibility issues among the information technology systems that may undermine the equipment retrograde process. And sixth, DoD lacks precise visibility over its inventory of some equipment and shipping containers. While much has been done to facilitate the drawdown effort, the efficient execution of the drawdown will depend on DoD's ability to mitigate these challenges. GAO will continue to assess DoD's progress in executing the drawdown from Iraq and plan to issue a report.

***Warfighter Support: Actions Needed to Improve Visibility and Coordination of DoD's Counter-Improvised Explosive Device Efforts***

*(GAO-10-95, Issued October 29, 2009)*

Prior to the Joint Improvised Explosive Device Defeat Organization's (JIEDDO) establishment in 2006, no single entity was responsible for coordinating DoD's counter-improvised explosive device (IED) efforts. JIEDDO was established to coordinate and focus all counter-IED efforts, including ongoing research and development, throughout DoD. This report, which is one in a series of congressionally mandated GAO reports related to JIEDDO's management and operations, assesses the extent to which 1) capability gaps were initially identified in DoD's effort to defeat IEDs and how these gaps and other factors led to the development of JIEDDO, 2) JIEDDO has maintained visibility over all counter-IED

efforts, 3) JIEDDO has coordinated the transition of JIEDDO-funded initiatives to the military services, and 4) JIEDDO has developed criteria for the counter-IED training initiatives it will fund. To address these objectives, GAO reviewed and analyzed relevant documents and met with DoD and service officials.

With the escalation of the IED threat in Iraq, DoD identified several counter-IED capability gaps that included shortcomings in the areas of counter-IED technologies, qualified personnel with expertise in counter-IED tactics, training, dedicated funding, and expedited acquisition processes. For example, prior to JIEDDO's establishment, many different DoD entities focused on counter-IED issues, but coordination among these various efforts was informal and ad hoc. DoD's efforts to focus on addressing these gaps culminated in the creation of JIEDDO, but its creation was done in the absence of DoD having formal guidance for establishing joint organizations. Further, DoD did not systematically evaluate all preexisting counter-IED resources to determine whether other entities were engaged in similar efforts. JIEDDO and the services lack full visibility over counter-IED initiatives throughout DoD. First, JIEDDO and the services lack a comprehensive database of all existing counter-IED initiatives, limiting their visibility over counter-IED efforts across DoD. Although JIEDDO is currently developing a management system that will track initiatives as they move through JIEDDO's acquisition process, the system will only track JIEDDO-funded initiatives—not those being independently developed and procured by the services and other DoD components. Second, the services lack full visibility over those JIEDDO-funded initiatives that bypass JIEDDO's acquisition process. With limited visibility, both JIEDDO and the services are at risk

of duplicating efforts. JIEDDO faces difficulties with transitioning Joint IED defeat initiatives to the military services, in part because JIEDDO and the services have difficulty resolving the gap between JIEDDO's transition timeline and DoD's base budget cycle. As a result, the services are mainly funding initiatives with funding for overseas contingency operations rather than their base budgets. Continuing to fund transferred initiatives with overseas contingency operations appropriations does not ensure funding availability for those initiatives in future years since these appropriations are not necessarily renewed from one year to the next. This transition is also hindered when service requirements are not fully considered during the development of joint-funded counter-IED initiatives, as evidenced by two counter-IED jamming systems. As a result, JIEDDO may be investing in counter-IED solutions that do not fully meet existing service requirements. JIEDDO's lack of clear criteria for the counter-IED training initiatives it will fund has affected its counter-IED training investment decisions. As a result, JIEDDO has funded training initiatives that may have primary uses other than defeating IEDs. In March 2009, JIEDDO attempted to update its criteria for joint training initiatives by listing new requirements; however, these guidelines also could be broadly interpreted. Without specific criteria for counter-IED training initiatives, DoD may find that it lacks funding for future initiatives more directly related to the counter-IED mission.

***Warfighter Support: Independent Expert Assessment of Army Body Armor Test Results and Procedures Needed Before Fielding***

*(GAO-10-119, Issued October 16, 2009)*

The Army has issued soldiers in Iraq and Afghanistan personal body armor, comprising an outer protective vest and ceramic plate inserts. GAO observed Preliminary Design Model testing of new plate designs, which resulted in the Army's awarding contracts in September 2008 valued at a total of over \$8 billion to vendors of the designs that passed that testing. Between November and December 2008, the Army conducted further testing, called First Article Testing, on these designs. GAO is reporting on the degree to which the Army followed its established testing protocols during these two tests. GAO did not provide an expert ballistics evaluation of the results of testing. GAO, using a structured, GAO-developed data collection instrument, observed both tests at the Army's Aberdeen Test Center, analyzed data, and interviewed agency and industry officials to evaluate observed deviations from testing protocols. However, independent ballistics testing expertise is needed to determine the full effect of these deviations.

During Preliminary Design Model testing, the Army took significant steps to run a controlled test and maintain consistency throughout the process, but the Army did not always follow established testing protocols and, as a result, did not achieve its intended test objective of determining as a basis for awarding contracts which designs met performance requirements. In the most consequential of the Army's deviations from testing protocols, the Army testers incorrectly measured the amount of force absorbed by the plate designs by measuring back-face



deformation in the clay backing at the point of aim rather than at the deepest point of depression. Army testers recognized the error after completing about a third of the test and then changed the test plan to call for measuring at the point of aim and likewise issued a modification to the contract solicitation. At least two of the eight designs that passed Preliminary Design Model testing and were awarded contracts would have failed if measurements had been made to the deepest point of depression. The deviations from the testing protocols were the result of Aberdeen Test Center's incorrectly interpreting the testing protocols. In all these cases of deviations from the testing protocols, the Aberdeen Test Center's implemented procedures were not reviewed or approved by the Army and Department of Defense officials responsible for approving the testing protocols. After concerns were raised regarding the Preliminary Design Model testing, the decision was made not to field any of the plate designs awarded contracts until after First Article Testing was conducted. During First Article Testing, the Army addressed some of the problems identified during Preliminary Design Model testing, but GAO observed instances in which Army testers did not follow the established testing protocols and did not maintain internal controls over the integrity and reliability of data, raising questions as to whether the Army met its First Article Test objective of determining whether each of the contracted designs met performance requirements. The following are examples of deviations from testing protocols and other issues that GAO observed: (1) The clay backing placed behind the plates during ballistics testing was not always calibrated in accordance with testing protocols and was exposed to rain on one day, potentially impacting test results; (2) testers improperly rounded down back-face deformation

measurements, which is not authorized in the established testing protocols and which resulted in two designs passing First Article Testing that otherwise would have failed. Army officials said rounding is a common practice; however, one private test facility that rounds told GAO that they round up, not down; (3) testers used a new instrument to measure back-face deformation without adequately certifying that the instrument could function correctly and in conformance with established testing protocols. The impact of this issue on test results is uncertain, but it could call into question the reliability and accuracy of the measurements; and (4) testers deviated from the established testing protocols in one instance by improperly scoring a complete penetration as a partial penetration. As a result, one design passed First Article Testing that would have otherwise failed. With respect to internal control issues, the Army did not consistently maintain adequate internal controls to ensure the integrity and reliability of test data. In one example, during ballistic testing, data were lost, and testing had to be repeated because an official accidentally pressed the delete button and software controls were not in place to protect the integrity of test data. Army officials acknowledged that before GAO's review they were unaware of the specific internal control problems we identified.

***Contingency Contracting: DoD, State, and USAID Continue to Face Challenges in Tracking Contractor Personnel and Contracts in Iraq and Afghanistan***  
(GAO-10-01, Issued October 1, 2009)

The Department of Defense, Department of State and the U.S. Agency for International Development have relied extensively on contractors to provide a range of services in Iraq and Afghanistan, but as GAO has previously reported, the



agencies have faced challenges in obtaining sufficient information to plan and manage their use of contractors. As directed by the National Defense Authorization Act for Fiscal Year (FY) 2008, GAO analyzed DoD, DoS, and USAID data for Iraq and Afghanistan for FY 2008 and the first half of FY 2009 on the (1) status of agency efforts to track information on contracts and contractor personnel; (2) number of contractor personnel; (3) number of killed and wounded contractors; and (4) number and value of contracts and extent to which they were awarded competitively. GAO reviewed selected contracts and compared personnel data to other available sources to assess the reliability of agency-reported data.

In response to a statutory requirement to increase contractor oversight, DoD, DoS, and USAID agreed to use the Synchronized Pre-deployment and Operational Tracker (SPOT) system to track information on contracts and contractor personnel in Iraq and Afghanistan. With the exception of USAID in Afghanistan, the agencies are in the process of implementing the system and require contractor personnel in both countries to be entered into SPOT. However, the agencies use differing criteria to decide which personnel are entered, resulting in some personnel not being entered into the system as required. Some agency officials also questioned the need to track detailed information on all contractor personnel, particularly local nationals. Further, SPOT currently lacks the capability to track all required data elements, such as contract dollar value and the number of personnel killed and wounded. As a result, the agencies rely on other sources for contract and contractor personnel information, such as periodic surveys of contractors. DoD, DoS, and USAID reported nearly 226,500 contractor personnel, including

about 28,000 performing security functions, in Iraq and Afghanistan, as of the second quarter of FY 2009. However, due to their limitations, the reported data should not be used to identify trends or draw conclusions about contractor personnel numbers. Specifically, GAO found that the data reported by the three agencies were incomplete. For example, in one quarterly contractor survey, DoD did not include 26,000 personnel in Afghanistan, and USAID did not provide personnel data for a \$91 million contract. The agencies depend on contractors to report personnel numbers and acknowledge that they cannot validate the reported information. USAID and DoS reported that 64 of their contractors had been killed and 159 wounded in Iraq and Afghanistan during GAO's review period. DoD officials told us they continue to lack a system to reliably track killed or wounded contractor personnel and referred us to the Department of Labor's Defense Base Act (DBA) case data for this information. However, because DBA is a worker's compensation program, Labor's data include cases such as those resulting from occupational injuries and do not provide an appropriate basis for determining how many contractor personnel were killed or wounded while working on DoD, DoS, or USAID contracts in Iraq or Afghanistan. Nevertheless, the data provide insights into contractor casualties. According to Labor, 11,804 DBA cases were filed for contractors killed or injured in Iraq and Afghanistan during GAO's review period, including 218 deaths. Based on the review of 150 randomly selected cases, GAO estimates that 11 percent of all FY 2008 DBA cases for the two countries resulted from hostile actions. DoD, DoS, and USAID reported obligating \$38.6 billion on nearly 85,000 contracts in Iraq and Afghanistan during the review period.

DoD accounted for more than 90 percent of the contracts and obligations. The agencies reported that 97 percent of the contracts awarded during GAO's review period, accounting for nearly 71 percent of obligations, were competed.

## Ongoing Audits

### ***Contracting in Iraq and Afghanistan***

*(Project No. 120874, Initiated November 2009)*

As required by the Fiscal Year 2008 National Defense Authorization Act, GAO will report on:

- The number and value of contracts active and awarded with performance in Iraq and/or Afghanistan
- The extent to which these contract were awarded using competitive procedures
- The number of contractor personnel, including those performing security functions, working on these contracts
- The number of contractor personnel killed or wounded while working on these contracts.

### ***Joint Campaign Plan for Iraq***

*(Project No. 320734, Initiated November 2009)*

DoD and DoS are set to release their latest update to the Joint Campaign Plan for Iraq, which will guide their activities in 2010. GAO's key questions are:

- To what extent does the Joint Campaign Plan for Iraq identify and prioritize the conditions that must be achieved in each phase of the campaign?
- To what extent does the Joint Campaign Plan for Iraq report the number of brigade combat teams and other forces required for each phase of the campaign?
- To what extent does the Joint Campaign Plan for Iraq estimate the time needed to reach the

desired end state and complete the military portion of the campaign?

### ***Readiness of Air Force Combat and Expeditionary Combat Forces***

*(Project No. 351376, Initiated September 2009)*

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

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

### ***Review of Combat Skills Training for Support Forces***

*(Project No. 351385, Initiated September 2009)*

This report will address the following:

- How do the services determine the appropriate level of training to provide to their non-combat compared to combat forces?
- What, if any, unique factors have the services considered when determining the appropriate level of training to provide to non-combat arms forces deploying to Iraq and Afghanistan?
- To what extent is the current training of support forces consistent with identified service-specific and theater-specific training

requirements for an asymmetric combat environment?

- To what, if any, extent have the services collected information about the effectiveness of pre- and post-deployment training from non-combat arms forces that have deployed to Iraq or Afghanistan?
- To what extent have the services adjusted the training of their non-combat arms forces based on lessons learned from ongoing combat operations in Iraq and Afghanistan?

### ***Review of Army and Marine Corps Training Capacity***

*(Project No. 351387, Initiated September 2009)*

This report will address the following:

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

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

*(Project No. 351388, Initiated September 2009)*

This report will address the following:

- To what extent has DoD identified near-term and long-term requirements for the types of capabilities needed to support continuing

operations in Iraq and expanded operations in Afghanistan?

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

### ***DoD Medical Wartime Personnel Requirements***

*(Project No. 351393, Initiated August 28, 2009)*

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

- To what extent have DoD and the services identified their wartime health care personnel requirements?
- What challenges, if any, are DoD and the services encountering in meeting their wartime health care personnel requirements?
- To what extent do DoD and the services have or use the tools they need to meet their wartime health care personnel requirements?

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

*(Project No. 361123, Initiated August 2009)*

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

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

*(Project No. 320691, Initiated July 2009)*

This report will address the following:

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

## ***Iraq Refugees and SIV Employment in the United States***

*(Project No. 320694, Initiated July 2009)*

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

- What is the status of resettled Iraqis and the initial difficulties they face?
- What are the benefits afforded to Iraqi refugees and SIV holders?
- What opportunities do Iraqi refugees and SIV holders have for employment with the federal government?

## ***U.S., Iraqi, and International Efforts to Address Challenges in Reintegrating Displaced Iraqis***

*(Project No. 320645, Initiated March 9, 2009)*

The UN reports that over 4.8 million Iraqis have been displaced, including about 2.8 million within Iraq. In April 2009, GAO issued a report on assistance to Iraqi refugees in Jordan and Syria. In anticipation of a growing number of returns from within and outside Iraq, the international community has encouraged Iraq to develop plans to reintegrate displaced Iraqis. This engagement will focus on challenges in reintegrating Iraqis returning from other countries and those displaced within Iraq. This report will address the following:

- What challenges do the United States, Iraq, and the international community face in reintegrating displaced Iraqis?
- What actions have they taken to address these challenges?
- What gaps remain, and what more needs to be done to address these challenges?

## ***DoD's Basis for Unmanned Aircraft Systems Program Levels and Plans to Support Those Levels***

*(Project No. 351271, Initiated March 2009)*

Battlefield commanders have increased their reliance on unmanned aircraft systems (UAS) to perform missions in ongoing operations. DoD has steadily increased UAS program levels to meet operational requests for UAS. DoD has experienced mission success with UAS, but the increase in UAS poses challenges for DoD in supporting these systems. GAO's key questions are:

- To what extent did DoD consider factors, such as personnel availability and training needs, when determining UAS funding and program plans?

- To what extent do joint and service tactics, techniques, and procedures reflect UAS usage in current joint operations?
- What factors, if any, affect the services' ability to train individuals and units for UAS practices used in current joint operations?

### ***DoD's Planning for the Withdrawal of U.S. Forces from Iraq***

*(Project No. 351429, Initiated February 2009)*

On November 17, 2008, the U.S. government and the Government of Iraq signed a security agreement that dictates a withdrawal of U.S. forces from Iraq by December 31, 2011. In light of this deadline, and based on previous GAO work, there are several complex issues that need to be addressed:

- To what extent has DoD developed plans to manage the redeployment of U.S. forces and equipment and plans for the composition and role of forces that will remain in Iraq, and how has the security agreement affected these plans?
- To what extent has DoD developed plans and processes for turning over U.S. bases to the Iraqis and managing contractors and contractor-managed equipment during withdrawal?
- To what extent is DoD integrating withdrawal planning with evolving operational requirements?

### ***Iraq and Afghanistan Contractor Oversight***

*(Project No. 120812, Initiated February 2009)*

Pursuant to the Fiscal Year 2008 National Defense Authorization Act, this engagement will focus on contracts awarded by the Department of Defense (DoD), the Department of State (DoS), and the U.S. Agency for International Development (USAID) to contractors to perform

contract administration or management of other contracts or grants for reconstruction or stabilization efforts in Iraq and Afghanistan. The report will address the following:

- What do DoD, DoS, and USAID know about the extent to which they are hiring contractors to perform administration functions for other contracts and grants in Iraq and Afghanistan?
- What factors contribute to decisions to use contractors to perform administration functions?
- To what extent have DoD, DoS, and USAID established and implemented policies that facilitate the management of contractors performing administration functions for other contracts/grants?

### ***Iraq Cost Sharing Arrangements***

*(Project No. 320638, Initiated October 2008)*

This report will assess U.S. efforts to share or transfer security costs to Iraq by identifying the:

- Mechanisms the United States is using to share or transfer security costs to the Iraqi government and the results these mechanisms have produced
- Foreign government support of the presence of U.S. forces in their countries and the extent to which features of these arrangements could be applied to Iraq
- Financial resources Iraq has to pay for its reconstruction and security, the extent to which it has expended these resources, and the size of its budget surplus or deficit

### ***Intelligence, Surveillance, and Reconnaissance (ISR) Processing Capabilities***

*(Project No. 351242, Initiated August 7, 2008)*

DoD continues to invest in capabilities to collect ISR data, but its infrastructure for analyzing and

using that data is stressed. The report will address the following:

- To what extent has DoD developed the capabilities it needs to process, exploit, and disseminate the information that it receives from its ISR systems?
- To what extent does DoD identify gaps in its tasking, processing, exploitation, and dissemination cycle when developing future ISR collection requirements?

### **Joint IED Defeat Organization (JIEDDO) Strategic Management**

*(Project No. 351230, Initiated June 2008)*

The DoD Joint IED Defeat Organization's (JIEDDO's) mission is to improve the U.S. military's capability for defending against improvised explosive device (IED) attacks. GAO reviews have continued to raise concerns about JIEDDO's ability to strategically manage and to achieve its objectives. These are the key questions:

- To what extent has JIEDDO made progress in developing a strategic plan?
- To what extent has JIEDDO developed a process to identify, evaluate, select, and develop counter-IED initiatives?
- To what extent has the Office of the Secretary of Defense provided direction and oversight for JIEDDO operations and activities?

### **Urgent Wartime Requirements**

*(Project No. 351236, Initiated June 2008)*

The changing tactical conditions in Southwest Asia have highlighted the need for DoD to respond rapidly to wartime needs for new capabilities. DoD has been moving toward a joint process to meet these needs that would reduce duplication and costs. However, it is unclear whether DoD has fully and effectively implemented its joint process to that end. These are the key questions:

- To what extent do DoD's urgent need response processes comply with the response timeframes established in DoD guidance documents?
- What factors have affected the responsiveness of DoD processes in meeting urgent need requests?
- What challenges, if any, have affected the coordination and integration of DoD's urgent need response processes?

## **U.S. Department of the Treasury**

During this period, the Department of Treasury did not conduct any work related to, in support of, or in Iraq. Additionally, as of December 31, 2009, the Department of Treasury has no plans to conduct any work in Iraq in the future and will no longer be reported on in this section.



## Department of Commerce

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