

Inspector General

United States
Department of Defense



Report on Purchases Made Using the U.S. Joint Forces
Command Limited Acquisition Authority

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Acronyms

GAO	Government Accountability Office
O&M	Operations and Maintenance
RDT&E	Research, Development, Test, and Evaluation
USJFCOM	U.S. Joint Forces Command



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

September 27, 2007

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION,
TECHNOLOGY, AND LOGISTICS
UNDER SECRETARY OF DEFENSE
(COMPTROLLER)/CHIEF FINANCIAL OFFICER
DIRECTOR, JOINT STAFF
COMMANDER, U.S. JOINT FORCES COMMAND

SUBJECT: Report on Purchases Made Using the U.S. Joint Forces Command Limited
Acquisition Authority (Report No. D-2007-124)

We are providing this report for review and comment. We considered management comments on a draft of this report in preparing the final report.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Deputy Commander, U.S. Joint Forces Command provided comments for this report. The comments were partially responsive. Therefore, we request additional comments on Recommendations 1.b., 3., and 4. by October 28, 2007.

If possible, please send management comments in electronic format (Adobe Acrobat file only) to AUDACM@dodig.mil. Copies of the management comments must contain the actual signature of the authorizing official. We cannot accept the / Signed / symbol in place of the actual signature. If you arrange to send classified comments electronically, they must be sent over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Questions should be directed to Ms. Deborah L. Culp at (703) 604-9335 (DSN 664-9335) or Ms. Dianna J. Pearson at (703) 604-9063 (DSN 664-9063). The audit team members are listed inside the back cover. See Appendix C for the report distribution.

By direction of the Deputy Inspector General for Auditing:

A handwritten signature in black ink, reading "Richard B. Jolliffe", is positioned above the typed name.

Richard B. Jolliffe
Assistant Inspector General
Acquisition and Contract Management

Department of Defense Office of Inspector General

Report No. D-2007-124

September 27, 2007

(Project No. D2006-D000CG-0066.000)

Purchases Made Using the U.S. Joint Forces Command Limited Acquisition Authority

Executive Summary

Who Should Read This Report and Why? DoD personnel who are responsible for special purpose authorities and programs should read this report. The report addresses the potential mismanagement or abuse of the authority or program if personnel do not follow or document procedures.

Background. We performed the audit at the request of the Inspector General, U.S. Joint Forces Command, who needed support with a congressionally mandated audit of their limited acquisition authority. The U.S. Joint Forces Command Inspector General is required by section 167a, title 10, United States Code, "Unified Combatant Command for Joint Warfighting Experimentation: Acquisition Authority," to conduct internal audits and inspections of purchasing and contracting administered under the limited authorization authority. Specifically, the Secretary of Defense, under the limited acquisition authority, can delegate authority to the Commander, U.S. Joint Forces Command to accelerate joint initiatives of combatant commanders, Services, and Defense agencies to meet the needs of the joint warfighter, facilitate joint operations, or enhance interoperability. Section 848 of the National Defense Authorization Act for Fiscal Year 2004, "Limited Acquisition Authority for Commander of U.S. Joint Forces Command," sets monetary limits on the limited acquisition authority of \$10 million for research, development, test, and evaluation and \$50 million for procurement. The National Defense Authorization Act for Fiscal Year 2004 provides the limited acquisition authority through FY 2006 and Section 846 of the National Defense Authorization Act for Fiscal Year 2006, "Extension of Limited Acquisition Authority for the Commander of the U.S. Joint Forces Command," extends the limited acquisition authority through FY 2008.

From October 1, 2004, through December 31, 2005, U.S. Joint Forces Command personnel received nine requests for limited acquisition authority purchases and approved six projects valued at \$12.1 million. As of March 2007, U.S. Joint Forces Command personnel had not used the limited acquisition authority for purchases since December 2005.

Results. U.S. Joint Forces Command personnel did not maintain effective acquisition oversight and accountability over limited acquisition authority purchases. If this continues, U.S. Joint Forces Command personnel could mismanage or abuse the limited acquisition authority for purchases or incur potential Antideficiency Act violations. U.S. Joint Forces Command personnel should maintain documentation for mandatory procedures for limited acquisition authority purchases, specify on the funding documents that the funding can be used only for limited acquisition authority purchases, approve the limited acquisition authority projects before funding the projects, review purchases funded with operations and maintenance funding for proper use of funding, and develop memorandums of agreement or understanding with organizations providing contract

support for limited acquisition authority purchases. See the Finding section of the report for the detailed recommendations.

We identified internal control weaknesses for the limited acquisition authority purchases. U.S. Joint Forces Command personnel either did not follow controls for the purchases or the controls were not adequate. We did not consider the internal control weaknesses to be material.

Management Comments and Audit Response. U.S. Joint Forces Command personnel nonconcurred with the report stating that they did not accept the broad conclusion that internal controls have been ineffective for acquisition oversight and control for limited acquisition authority purchases. Also, U.S. Joint Forces Command personnel nonconcurred with three of the four recommendations stating that alleged weaknesses in purchasing and contracting identified in the report should either not be made or should be marked as actions by others since U.S. Joint Forces Command has no contracting authority to award or administer contracts. The U.S. Joint Forces Command personnel comments were responsive to recommendations that personnel better document completed mandatory processes and exceptions to those processes. The U.S. Joint Forces Command personnel comments were nonresponsive to recommendations that personnel specify that funding documents are for limited acquisition authority purchases, that personnel review purchases made with operations and maintenance funding for proper use of funding, and that personnel establish memorandums of agreement or understanding with contracting offices.

U.S. Joint Forces Command policy requires that its personnel provide appropriate acquisition oversight and accountability for all approved limited acquisition authority purchases. The policy establishes mandatory documentation requirements for limited acquisition authority projects, such as statements of work, feasibility assessments, and plans of action and milestones, and addresses completing mandatory procedures before obligating funds. Based on file documentation, we determined that U.S. Joint Forces Command personnel did not provide adequate audit trails for the limited acquisition authority purchases to show that they actually completed mandatory documentation requirements or approved projects before they funded the purchases. Since the absence of the documentation does not necessarily mean that U.S. Joint Forces Command personnel did not complete the requirements, we did not consider the documentation issue to be material. Nevertheless, U.S. Joint Forces Command personnel did not follow the internal controls their policy established. Because U.S. Joint Forces Command personnel bypassed the internal controls they established to provide adequate acquisition oversight and accountability for the purchases, they diminished the effectiveness of the controls.

We consider contracting to be a significant part of the process to obtain the limited acquisition authority purchases for the warfighter. Our concerns about contracting focused on the need for U.S. Joint Forces Command personnel to establish agreements with the contracting offices that service them rather than on the weaknesses in contracting and purchasing. Developing agreements with the contracting offices should provide better accountability for both U.S. Joint Forces Command and contracting personnel for the purchases while also defining performance requirements for the acquisition process. Therefore, we request that the Commander, U.S. Joint Forces Command provide comments on this report by October 22, 2007. See the Finding section of the report for a discussion of management comments and the Management Comments section of the report for the complete text of the comments.

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Background

We performed the audit at the request of the Inspector General, U.S. Joint Forces Command (USJFCOM), who needed support with a congressionally mandated audit of their limited acquisition authority. The Inspector General, USJFCOM is required by section 167a, title 10, United States Code, “Unified Combatant Command for Joint Warfighting Experimentation: Acquisition Authority,” to conduct internal audits and inspections of purchasing and contracting administered under the limited authorization authority.

Limited Acquisition Authority Purpose. Section 848 of the National Defense Authorization Act for Fiscal Year 2004, “Limited Acquisition Authority for Commander of U.S. Joint Forces Command,” authorizes the Secretary of Defense to delegate limited acquisition authority for the development and acquisition of equipment for battle management command and control, communications, and intelligence that facilitates the use of joint forces in military operations or enhances the interoperability of equipment used in the various Components of the joint forces. Specifically, the Secretary of Defense, under the limited acquisition authority, can delegate authority to the Commander, USJFCOM to accelerate joint initiatives of combatant commanders, Services, and Defense agencies to meet the needs of the joint warfighter, facilitate joint operations, or enhance interoperability. The National Defense Authorization Act for Fiscal Year 2004 sets monetary limits on the limited acquisition authority of \$10 million for research, development, test, and evaluation (RDT&E) and \$50 million for procurement. The National Defense Authorization Act for Fiscal Year 2004 provides the limited acquisition authority through FY 2006 and Section 846 of the National Defense Authorization Act for Fiscal Year 2006, “Extension of Limited Acquisition Authority for the Commander of the U.S. Joint Forces Command,” extends the limited acquisition authority through FY 2008.

Policy for the Limited Acquisition Authority. USJFCOM personnel can use the limited acquisition authority as a means to rapidly produce and field a critically needed warfighting capability. USJFCOM Directive 4200.1, “U.S. Joint Forces Command Limited Acquisition Authority (LAA) Policy,” July 14, 2005, provides policy for purchases made using limited acquisition authority and USJFCOM Instruction 4200.1, “U.S. Joint Forces Command (USJFCOM) Limited Acquisition Authority (LAA) Procedures,” July 14, 2005, provides procedures for the purchases.

Requirements for USJFCOM. USJFCOM Directorates, Special Staff, and Subordinate Commands follow both the Directive and the Instruction. According to USJFCOM Instruction 4200.1, USJFCOM personnel must provide appropriate acquisition oversight and accountability for all approved limited acquisition authority projects. Each justification or request must clearly identify total project cost as well as the appropriate joint functional capability or mission area. The program manager for the project should ensure that the applicable USJFCOM Components receive documentation of the total requirement and that personnel complete all mandatory procedures and waiver processes before they obligate funds for limited acquisition authority projects. USJFCOM Instruction 4200.1 also identifies mandatory procedures for the limited acquisition authority

purchases. In providing appropriate acquisition oversight and accountability, procedures included, but were not limited to:

- identifying the purchases for the limited acquisition authority,
- identifying the projected total system cost and mapping the project to the appropriate joint functional capability or mission area,
- preparing an initial feasibility assessment, and
- preparing a plan of action and milestones for the approved projects.

Requirements for DoD Combatant Commanders. DoD combatant commanders submitting requests under the limited acquisition authority must also follow the Directive and Instruction. Requestors who submit a purchase for limited acquisition authority consideration must prepare a concept justification, a statement of work, a funding plan, and a draft plan of action and milestones. They must identify improvements in battle management command and control, interoperability, communications, intelligence or joint warfighting capability, and products or services required. In addition, requestors must state whether the purchase is part of other limited acquisition authority purchases and identify other amounts proposed for limited acquisition authority, if applicable. Further, requestors must provide written acknowledgement that a bona fide need exists for the desired purchase and a justification to support why the purchase should be selected as a limited acquisition authority project.

Limited Acquisition Authority Processing. USJFCOM personnel can use the limited acquisition authority as a method to expedite concept generation and to develop and field urgent joint warfighting requirements. Based on USJFCOM Instruction 4200.1, USJFCOM personnel process the limited acquisition authority in the following phases.

Phase I. The requesting command, agency, or Service delivers the concept justification to USJFCOM personnel.

Phase II (a). USJFCOM personnel approve or disapprove the feasibility and concept within 15 days of receipt. USJFCOM personnel return to the originator requests they do not approve and provide the reason for disapproval.

Phase II (b). USJFCOM personnel obtain funding when they approve a request.

Phase III. USJFCOM personnel develop, review, and approve the plan of action and milestones within 30 days of funding approval.

Phase IV. USJFCOM personnel execute the limited acquisition authority request within 60 to 180 days of project approval. The timeline is dependent on whether contracting offices USJFCOM personnel use issue new contracts for the purchases or add them to existing contracts.

Objectives

The Inspector General, USJFCOM requested the audit. The overall objective was to determine whether USJFCOM personnel properly used the limited acquisition authority for joint warfighting experimentation. Specifically, we determined whether the purchases made using limited acquisition authority complied with Federal and DoD requirements. We also reviewed the internal control program as it relates to the overall objective. See Appendix A for a discussion of the scope and methodology and prior coverage related to the objectives.

Review of Internal Controls

We limited our review of the internal control program to the internal controls associated with the acquisition oversight and accountability of limited acquisition authority purchases. We identified internal control weaknesses for the limited acquisition authority purchases as identified by DoD Instruction 5010.40, "Managers' Internal Control (MIC) Program Procedures," January 4, 2006. USJFCOM personnel either did not follow controls for the purchases or the controls were not adequate. We did not consider the internal control weaknesses to be material. USJFCOM personnel can improve controls for limited acquisition authority purchases by maintaining documentation showing that they completed mandatory procedures for limited acquisition authority purchases, coordinating the funding process with the approval process, consistently specifying that funding on funding documents is for limited acquisition authority purchases, and developing memorandums of agreement or understanding with contracting offices on roles and responsibilities for the limited acquisition authority purchases. Implementing the report recommendations should strengthen controls for limited acquisition authority purchases. See the Finding section of the report for the detailed discussion on the internal controls.

Acquisition Oversight and Accountability for USJFCOM Limited Acquisition Authority Purchases

USJFCOM personnel did not maintain effective acquisition oversight and accountability for the limited acquisition authority purchases because USJFCOM personnel either did not follow controls established for the limited acquisition authority purchases or the controls were not adequate. Specifically, USJFCOM personnel did not:

- document that they completed mandatory procedures for limited acquisition authority purchases for the 6 projects;
- specify that funding was for limited acquisition authority purchases on 43 of 47 funding documents;
- approve 4 of 6 projects before they processed the funding documents for purchases;
- use funding specifically authorized by the National Defense Authorization Act for Fiscal Year 2004 for 2 of the 6 projects and instead used operations and maintenance (O&M) funding; and
- document memorandums of agreement or understanding with contracting offices on roles and responsibilities for the purchases for any of the projects.

If this continues, USJFCOM personnel could mismanage or abuse the limited acquisition authority for purchases or incur potential Antideficiency Act violations.

Review of Limited Acquisition Authority Purchases

USJFCOM personnel did not maintain effective acquisition oversight and accountability for the limited acquisition authority purchases. Although USJFCOM personnel received nine requests for limited acquisition authority purchases, they approved six projects valued at \$12.1 million from October 1, 2004, through December 31, 2005. We reviewed all of the approved projects to determine whether USJFCOM personnel complied with established policies and procedures for limited acquisition authority purchases. See Appendix B for the six projects reviewed. As of March 2007, USJFCOM personnel had not used the limited acquisition authority for purchases since December 2005.

Controls for Limited Acquisition Authority Purchases

USJFCOM personnel either did not follow the controls established for the limited acquisition authority purchases or they had controls that were not adequate. Specifically, USJFCOM personnel did not have documentation in their project files to show that they completed mandatory procedures for limited acquisition authority purchases. USJFCOM personnel also did not specify on 43 of 47 funding documents that the funding was exclusively for limited acquisition authority purchases. In addition, USJFCOM personnel did not coordinate the funding process with the approval process and, as a result, personnel processed funding documents for purchases before they approved the projects. Further, on two projects, USJFCOM personnel used O&M funding that was not specifically authorized by the National Defense Authorization Act for Fiscal Year 2004. Finally, USJFCOM personnel did not document memorandums of agreement or understanding on roles and responsibilities with the contracting offices for the limited acquisition authority purchases. If this continues, USJFCOM personnel could mismanage or abuse the limited acquisition authority for purchases or incur potential Antideficiency Act violations.

Documenting Mandatory Procedures for Purchases. USJFCOM personnel did not document in their project files that they completed mandatory procedures for limited acquisition authority purchases. USJFCOM Instruction 4200.1 requires that USJFCOM personnel complete mandatory procedures, such as identifying purchases made under the limited acquisition authority and preparing the feasibility assessment before they obligate funds for the purchases. Although USJFCOM personnel stated that they followed procedures and completed all requirements, the project files for the six projects did not contain sufficient documentation showing that USJFCOM personnel actually completed the mandatory procedures. For example, of the six projects reviewed, USJFCOM personnel did not document in the project files a request date for Projects 1, 3, 5, and 6 or an approval signature for Project 1. In addition, USJFCOM personnel did not document in any of the project files that they prepared the required feasibility assessments or plans of action and milestones. USJFCOM personnel provided electronic plans of action and milestones for Projects 1, 3, 4, 5, and 6 after the audit exit conference; however, we did not reexamine project files to determine whether USJFCOM personnel actually placed the documentation in the project files. Table 1 shows the project file documentation problems for mandatory requirements for the six projects.

Table 1. Documentation for Limited Acquisition Authority Purchases

Project File Documentation	Project					
	1	2	3	4	5	6
1. Requested Date	No	Yes	No	Yes	No	No
2. Approval Signature	No	Yes	Yes	Yes	Yes	Yes
3. Approval Date	No	Yes	No	Yes	Yes	Yes
4. Request Justification	Yes	Yes	Yes	Yes	Yes	Yes
5. Statement of Work	Yes	Yes	Yes	Yes	Yes	Yes
6. Cost Estimate	Yes	Yes	Yes	Yes	Yes	Yes
7. Proof of Concept Evaluation ¹	No	No	No	No	No	No
8. Feasibility Assessment	No ²	No	No	No	No	No
9. Plan of Action and Milestones ³	Yes	No	Yes	Yes ⁴	Yes	Yes

¹ Proof of concept was not required because purchases were added to existing contracts.

² According to USJFCOM personnel, the project did not require a feasibility assessment.

³ USJFCOM personnel provided documentation after the audit exit conference.

⁴ USJFCOM personnel prepared the plan of action and milestones in FY 2004 and approved the project in FY 2005.

After the audit exit conference, USJFCOM personnel provided plans of action and milestones but one plan did not comply with USJFCOM policy. According to USJFCOM Instruction 4200.1, USJFCOM personnel should develop the plan of action and milestones after they approve the projects. However, as shown in Table 1, USJFCOM personnel developed the plan of action and milestones for Project 4 before they approved the project. In addition, USJFCOM Instruction 4200.1 requires a Proof of Concept Evaluation for each project. However, USJFCOM personnel stated that Proof of Concept Evaluations were not needed because purchases were added to existing contracts.

Further, USJFCOM personnel did not document management decisions relating to the projects in the project files. USJFCOM Instruction 4200.1 requires that USJFCOM personnel complete mandatory procedures but does not require them to maintain documentation to show that they completed the mandatory procedures. However, maintaining documentation is a good internal control to provide assurance that USJFCOM personnel completed mandatory procedures for the limited acquisition authority purchases.

Specifying That Funding on Funding Documents Is for Purchases.

USJFCOM personnel did not consistently specify that funding on funding documents was exclusively for limited acquisition authority purchases. Funding documents for the purchases included Military Interdepartmental Purchase Requests and Navy Comptroller Forms 2275 and 2276. USJFCOM personnel provided us with 47 funding documents for the 6 projects. However, only four funding documents, one each for Projects 1 and 3, and two for Project 5, specified that the funding was for limited acquisition authority purchases.

Consequently, USJFCOM personnel processed 43 of the 47 funding documents that did not specify that funding was for limited acquisition authority purchases. Although USJFCOM Instruction 4200.1 requires that each justification/request clearly identify purchases made under the limited acquisition authority, the Instruction did not follow through to also require that USJFCOM personnel identify the funding documents used for the limited acquisition authority purchases. However, if USJFCOM personnel specified that funding on the funding documents can be used only for limited acquisition authority purchases, organizations processing the funding documents would immediately know that the funding documents contain special purpose funding. Table 2 and Appendix B show the number of funding documents that USJFCOM personnel provided for the six projects and the number of funding documents that specified that funds were for limited acquisition authority purchases.

Table 2. USJFCOM Funding Documents

	Number of Funding Documents Processed for the Limited Acquisition Authority Purchases	Funding Documents That Specified That Funding Was for Limited Acquisition Authority Purchases
Project 1	2	1
Project 2	12	0
Project 3	2	1
Project 4	20	0
Project 5	3	2
Project 6	8	0
Total	47	4

Approving Projects Before Funding Purchases. USJFCOM personnel processed funding documents for four projects before they approved the projects. For example, USJFCOM personnel processed the first funding document for Project 2 on January 13, 2005, but did not approve the project until July 15, 2005. USJFCOM personnel also processed funding documents for Projects 1, 4, and 5 before they approved the projects (see Appendix B for the funding document dates and the project approval dates). The practice conflicted with the USJFCOM Instruction 4200.1 requirement to complete mandatory procedures before USJFCOM personnel obligate funds for limited acquisition authority projects. Also, if USJFCOM personnel fund a project before a reviewer approves it, the reviewer could feel pressured to approve a project that might not meet the bona fide need criteria, facilitate joint operations, or enhance interoperability. To adhere to its mandatory procedures, USJFCOM personnel should align the funding process for purchases with the approval process for projects. The alignment should prevent future occurrences of USJFCOM personnel funding purchases before they approve projects.

Using Authorized Funding for Purchases. USJFCOM personnel used O&M funding that was not specifically authorized by the National Defense Authorization Act for Fiscal Year 2004 on Projects 1 and 5, or two of the six projects reviewed. The National Defense Authorization Act for Fiscal Year 2004

and USJFCOM Instruction 4200.1 allow the use of RDT&E and procurement funding for limited acquisition authority purchases. Although the National Defense Authorization Act for Fiscal Year 2004 and USJFCOM Instruction 4200.1 are silent on the use of O&M funding for limited acquisition authority purchases, financial records obtained from the contracting offices show that USJFCOM personnel cited O&M funding for purchases on the two projects. USJFCOM personnel should determine whether O&M was the proper funding for the limited acquisition authority purchases when the National Defense Authorization Act for Fiscal Year 2004 and the USJFCOM Instruction designated the use of RDT&E and procurement for the purchases. If USJFCOM personnel determine that O&M funding was not the proper funding, they should determine whether proper funding is available and make corrections to the purchases.

Documenting Memorandums of Agreement or Understanding. USJFCOM personnel did not document in their project files memorandums of agreement or understanding between USJFCOM personnel and the contracting office personnel on the roles and responsibilities of all participants for the limited acquisition authority purchases. USJFCOM personnel have a responsibility to provide appropriate acquisition oversight and accountability for the limited acquisition authority purchases. Because USJFCOM personnel rely on other organizations for contract support, they need to address how they will comply with the requirement for acquisition oversight and accountability. Although the memorandums are not mandatory at USJFCOM, developing memorandums with the contracting offices represent “best practices” for organizations that provide services for or receive services from other organizations. In addition to documenting roles and responsibilities, memorandums clarify expectations of the participants. DoD Instruction 4000.19, “Interservice and Intragovernmental Support,” August 9, 1995, provides policy and procedures for memorandums of agreement and understanding. Ideally, USJFCOM personnel should develop memorandums that address roles and responsibilities of USJFCOM personnel and contracting office personnel for limited acquisition authority purchases, review and oversight of contractors, and subsequent actions required if problems with the purchases occur. USJFCOM personnel should also assess the extent to which contracting offices they use adhere to practices and procedures for the purchases and comply with Federal and DoD requirements. Developing memorandums that identify roles and responsibilities for all participants for limited acquisition authority purchases is a good internal control that could also expedite solutions if problems occur with the purchases.

Conclusion

USJFCOM personnel either did not follow the controls established for the limited acquisition authority purchases or they had controls that were not adequate. USJFCOM personnel did not have sufficient documentation showing that they completed mandatory procedures for the limited acquisition authority purchases. USJFCOM personnel rarely specified on the funding documents that the funding was only for a limited acquisition authority purchase, and, in some cases, USJFCOM personnel processed funding for purchases before they approved the projects. In addition, USJFCOM personnel used O&M funding that was not specifically authorized by the National Defense Authorization Act for Fiscal Year

2004 for limited acquisition purchases. Further, USJFCOM personnel did not document agreements on roles and responsibilities of all participants concerning contracting for limited acquisition authority purchases. Until USJFCOM personnel address those issues, USJFCOM personnel could mismanage or abuse the limited acquisition authority for purchases or incur potential Antideficiency Act violations.

Management Comments on the Finding

USJFCOM Comments. USJFCOM personnel basically nonconcurred with the report stating that they did not accept the broad conclusion that internal controls had been ineffective at acquisition oversight and control for limited acquisition authority purchases. Also, USJFCOM personnel nonconcurred with three of the four recommendations, stating that the alleged weaknesses in purchasing and contracting identified in the report should either not be made or should be marked as actions by others since USJFCOM has no contracting authority to award or administer contracts. USJFCOM personnel stated they are responsible for satisfying requirements related to the preparation and approval of limited acquisition authority projects but rely on other offices to perform acquisition functions. Further, the internal controls designed and implemented by the limited acquisition authority Program Management Office have been effective and sufficient.

Audit Comments. The USJFCOM Inspector General requested that we conduct the audit of the limited acquisition authority because he did not have the resources to conduct the congressionally mandated audit. We reviewed the policy that USJFCOM personnel established for the limited acquisition authority purchases and found that they had not followed the policy they had established for the limited acquisition authority purchases. While the reasons for deviating from policy requirements may have been valid, USJFCOM personnel did not document those reasons.

USJFCOM policy requires that USJFCOM personnel provide appropriate acquisition oversight and accountability for all approved limited acquisition authority purchases. The policy establishes mandatory documentation requirements for limited acquisition authority projects, such as statements of work, feasibility assessments, and plans of action and milestones, and addresses completing mandatory procedures before obligating funds. Based on file documentation, we determined that USJFCOM personnel did not provide adequate audit trails for the limited acquisition authority purchases to show that they actually completed mandatory documentation requirements or approved projects before they funded the purchases. Since the absence of the documentation does not necessarily mean that USJFCOM personnel did not complete the requirements, we did not consider the documentation issue to be material. Nevertheless, USJFCOM personnel did not follow the internal controls their policy established. Because U.S. Joint Forces Command personnel bypassed

the internal controls they established to provide adequate acquisition oversight and accountability for the purchases, they diminished the effectiveness of the controls.

We consider contracting to be a significant part of the process to obtain the limited acquisition authority purchases for the warfighter. Our concerns about contracting focused on the need for USJFCOM personnel to establish agreements with the contracting offices that service them rather than on the weaknesses in contracting and purchasing. Because USJFCOM personnel rely on several contracting offices for the purchases but have no agreements with the offices, they have basically delegated acquisition responsibility without addressing accountability or performance. Developing agreements with the contracting offices should provide better accountability for both USJFCOM and contracting personnel for the purchases while also defining performance requirements for the acquisition process. Addressing requirements and expectations for the purchases should also help resolve the issues that could arise concerning the purchases as well as improve overall controls for the purchases.

Recommendations, Management Comments, and Audit Response

We recommend that the Commander, U.S. Joint Forces Command:

1. Revise U.S. Joint Forces Command Instruction 4200.1, “U.S. Joint Forces Command (USJFCOM) Limited Acquisition Authority (LAA) Procedures,” July 14, 2005, to require personnel to:

a. Document that they completed mandatory procedures for limited acquisition authority purchases and maintain the documentation at least until the conclusion of the project.

USJFCOM Comments. The Deputy Commander USJFCOM only partially concurred, stating that USJFCOM personnel maintain documents in accordance with DoD Financial Management Regulation and National Archives and Records Administration guidance and that USJFCOM personnel retain the procurement or purchase organization copy and related papers that exceed \$2,000 for 6 years and 3 months after final payment. In addition, USJFCOM program managers stated that USJFCOM Instruction 4200.1 does not specify a format for the program of action and milestones and milestone schedules so USJFCOM personnel’s use of electronic project files was acceptable.

The Deputy Commander USJFCOM stated that USJFCOM personnel will provide a memorandum for the record in the project file if assessments, such as military utility assessments, are substituted for the feasibility assessments outlined in USJFCOM Instruction 4200.1. In addition, USJFCOM personnel will initiate a change to USJFCOM Instruction 4200.1 to reflect that military utility assessments can be substituted for a feasibility assessment and will specify a format for the program of action and milestones.

Audit Response. Although the Deputy Commander USJFCOM only partially concurred with the recommendation, we consider the comments to be responsive to the intent of the recommendation. We agree that the DoD Financial Management Regulation and the National Archive Record Retention Requirements provide guidance for retaining financial documentation. However, our review of USJFCOM limited acquisition authority project files was more of an adequacy of supporting documentation issue rather than a retention issue. We concluded that the project files did not contain sufficient supporting documentation to show that USJFCOM personnel actually completed the mandatory requirements for the limited acquisition authority purchases as USJFCOM Instruction 4200.1 requires. In addition, we determined that USJFCOM personnel did not provide feasibility assessments. Also, programs of action and milestones were milestone charts rather than detailed plans of action. While not material, we considered the insufficient documentation to be an internal control weakness because USJFCOM personnel could not provide sufficient audit trails for the limited acquisition authority purchases. The changes that USJFCOM personnel recommended to the procedures and the Instruction should help them maintain sufficient documentation, provide audit trails on mandatory procedures, and improve internal controls for the limited acquisition authority purchases. No additional comments are required.

b. Specify that the funding on funding documents for limited acquisition authority purchases can be used only for those purchases.

USJFCOM Comments. The Deputy Commander USJFCOM nonconcurred, stating that the funding document identifies the work or service to be performed and can only be used for the purposes described. The funding document is legal and in accordance with DoD Financial Management Regulation. The contracting offices handle limited acquisition authority transactions no differently from other contracting actions; consequently, an additional requirement to specify that funding is issued under limited acquisition authority is not necessary.

Audit Response. We do not consider the Deputy Commander USJFCOM comments to be responsive to the intent of the recommendation. We agree that the funding documents meet the requirements of the DoD Financial Management Regulation. However, we made the recommendation to facilitate the limited acquisition authority process. For example, USJFCOM personnel submitted 47 funding documents for 6 projects for limited acquisition authority projects to various DoD contracting offices. All of the limited acquisition authority purchase requests were added to existing contracts that included other purchases in addition to the limited acquisition authority purchases. Identifying funding documents for limited acquisition authority purchases would readily show that those documents contain special purpose funding. Therefore, we request that USJFCOM personnel reconsider their position and provide comments to the final report.

2. Comply with the U.S. Joint Forces Command Instruction 4200.1, “U.S. Joint Forces Command (USJFCOM) Limited Acquisition Authority (LAA) Procedures,” July 14, 2005, requirement to complete all procedures and waiver processes before personnel obligate funds for limited acquisition

authority projects and coordinate the funding process for the projects with the approval process to prevent the practice of funding purchases before approving projects.

USJFCOM Comments. The Deputy Commander partially concurred, stating that the Commander, USJFCOM approved all limited acquisition authority projects prior to issuance of funding in writing or verbally if the schedules of the Command Group did not allow for written approval of the package prior to execution. Also, in situations where USJFCOM personnel allow operational forces to test and evaluate prototypes and the forces request the capability, USJFCOM personnel must execute a limited authorization authority purchase to transfer the equipment. Based on the example, the Military Interdepartmental Purchase Requests documentation precedes the limited acquisition authority approval process. USJFCOM personnel will initiate a change to USJFCOM Instruction 4200.1 to reflect such a situation.

Audit Response. Although USJFCOM personnel only partially concurred with the recommendation, we consider USJFCOM comments responsive to the intent of the recommendation. The proposed change to the policy should allow USJFCOM personnel to adequately document the exceptions that allow the funding for those limited acquisition authority purchases that precede the approval for the projects. The change should also improve internal controls for the limited acquisition authority purchase process. No additional comments are required.

3. Initiate a review for the limited acquisition authority purchases acquired with operations and maintenance funding for potential Antideficiency Act violations and report the results of the review to the DoD Comptroller.

USJFCOM Comments. The Deputy Commander, USJFCOM nonconcurred, stating that no violation of the purpose statute occurred because the three projects funded with O&M funding were for work that is part of the USJFCOM core missions of Joint Integration and Interoperability. He agreed that the work should not have been reported under the limited acquisition authority. Also, funding document N0006604MPL805 I was appropriately used to provide in-theater instructional training and technical support. Funding document N006605WRL8030 was used in support of Joint Blue Force Situational Awareness and paid for technical refresh training on the Joint Translator Forwarder Rapid Attack Information Dissemination Execution Relay system. Also, funding documents N0006605MPL8033, -35, -50, and -52 for the Speech-to-Speech project paid for speech data collection/technical support, recording equipment, assistance with translation, and associated temporary duty to observe training.

Audit Response. We do not consider the USJFCOM comments to be responsive to the intent of the recommendation. In the comments, the Deputy Commander states that USJFCOM personnel funded the purchases with O&M funding and that the work should not have been reported under the limited acquisition authority. Documentation obtained from contracting offices confirms that USJFCOM personnel cited O&M funding for the purchases. The National Defense Authorization Act for Fiscal Year 2004 is silent on the use of O&M

funding for limited acquisition authority purchases. In Report Number GAO-07-546, "Defense Acquisitions: Status and Challenges of Joint Forces Command's Limited Acquisition Authority," April 2007, the Government Accountability Office (GAO) noted that the limited acquisition authority statute does not specifically provide authority to use O&M funding but USJFCOM personnel believe that they can use the funding under certain conditions. Based on project files, USJFCOM personnel did not provide documentation to support the use of O&M funding for the purchases. Because the Deputy Commander concluded that the work should not have been used under the limited acquisition authority, USJFCOM personnel should determine whether O&M funding was proper when other funding, such as such as RDT&E or procurement, should have been used based on the National Defense Authorization Act for 2004. If USJFCOM personnel determine that O&M funding was not the proper funding for the limited acquisition authority purchases, they should determine if appropriate funding is available and make the corrections. Also, until Congress clarifies its intent on the use of O&M funding for limited acquisition authority purchases, USJFCOM personnel probably should refrain from using the funding. Therefore, we request that USJFCOM personnel reconsider their position and provide comments to the final report.

4. Develop memorandums of agreement or understanding that address the roles and responsibilities of U.S. Joint Forces Command personnel and contracting office personnel for limited acquisition authority purchases.

USJFCOM Comments. The Deputy Commander, USJFCOM nonconcurred, stating that USJFCOM personnel use Military Interdepartmental Purchase Requests, Project Orders, and Economy Act Order documents that are DoD Financial Management Regulation-recognized universal order formats that sufficiently document an offer and acceptance. USJFCOM personnel consider the recommendation to be an administrative process that will incur unnecessary delays in an otherwise rapid DoD acquisition process.

Audit Response. We do not consider the USJFCOM comments to be responsive to the intent of the recommendation. We agree that the forms USJFCOM personnel use are standard DoD methods of documenting financial transactions. However, USJFCOM personnel have a responsibility to provide appropriate acquisition oversight and accountability for the limited acquisition authority purchases. Although the memorandums are not mandatory, developing memorandums with the contracting offices represent "best practices" for organizations that provide services for or receive services from other organizations. Developing agreements with the contracting offices will allow USJFCOM personnel to better define roles and responsibilities, determine or assign accountability, and negotiate terms of the contracting support, rather than working with offices without recourse. Specifically, USJFCOM and contracting office personnel should agree on processes, such as review and oversight of contractors, subsequent actions required if problems with the purchases occur, and the extent to which contracting offices they use adhere to practices and procedures for the purchases and comply with Federal and DoD requirements. Developing memorandums that identify roles and responsibilities for all participants for limited acquisition authority purchases should also improve internal controls for the limited acquisition authority purchases. Therefore, we

request that USJFCOM personnel reconsider their position and provide comments to the final report.

Appendix A. Scope and Methodology

We performed the audit at the request of the Inspector General, USJFCOM to review processes associated with the limited acquisition authority. From October 1, 2004, through December 31, 2005, USJFCOM personnel approved six projects for purchase using the limited acquisition authority (see Appendix B). As of March 2007, USJFCOM personnel had not approved any projects for purchase using the limited acquisition authority since December 2005. We reviewed the six projects to determine whether USJFCOM personnel complied with procedures established for limited acquisition authority purchases. We also reviewed the documentation required for the phases for each project as shown below:

1. Phase I: concept delivery;
2. Phase II (a): feasibility assessment and approval/disapproval;
3. Phase II (b): funding;
4. Phase III: plan of action and milestone development, review, and approval; and
5. Phase IV: project execution.

In addition, we reviewed project documentation such as project proposals and their review and approval, statements of work, cost estimates, and funding records. We also reviewed the National Defense Authorization Acts for Fiscal Years 2004 and 2006, DoD policy, including DoD Instruction 4000.19 and the Defense Federal Acquisition Regulation Supplement, the DoD Financial Management Regulation, and USJFCOM Directive 4200.1 and Instruction 4200.1. Further, we interviewed finance and budget personnel and the program managers at USJFCOM for each project. We performed this audit from November 2005 through September 2007 in accordance with generally accepted government auditing standards. The evidence provided a reasonable basis for our findings. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives

We reviewed the contract documentation that the contracting offices provided for the limited acquisition authority purchases for the six projects. We did not review contracting procedures at the contracting offices to determine whether the contracting offices used contracting procedures that complied with Federal and DoD requirements. Further, to prevent duplication of effort, we coordinated our efforts with the GAO and focused primarily on the purchases using the limited acquisition authority while GAO focused on the details of the limited acquisition authority. For information on the GAO audit, see GAO Report Number GAO-06-

240R, "Defense Acquisitions: Joint Forces Command's Limited Acquisition Authority," November 22, 2005.

Use of Computer-Processed Data. We did not use computer-processed data to perform this audit.

GAO High-Risk Area. GAO has identified several high-risk areas in DoD. This report provides coverage of the DoD Contract Management high-risk area.

Prior Coverage

During the last 5 years, GAO has issued two reports discussing USJFCOM limited acquisition authority. Unrestricted GAO reports can be accessed over the Internet at <http://www.gao.gov>. No DoD Office of Inspector General reports have been issued on the subject.

GAO

GAO Report No. GAO-07-546, "Defense Acquisitions: Status and Challenges of Joint Forces Command's Limited Acquisition Authority," April 2007

GAO Report No. GAO-06-240R, "Defense Acquisitions: Joint Forces Command's Limited Acquisition Authority," November 22, 2005

Appendix B. Projects for Limited Acquisition Authority Purchases

Project Name	Capability Provided	Date Approved	Number of Funding Documents	Range of Dates for Funding Documents	Type of Funding Used	Amount Spent on Purchases
1. Change Detection Work Station	Detects landmines and improvised explosive devices along convoy routes by using visual imagery to identify and locate changes in terrain	Date was not in the file ¹	2 ²	03/12/2004 through 06/29/2004 ³	RDT&E and O&M ⁴	\$ 550,000
2. Command and Control on the Move	Improves communication for commanders by allowing broadband reach back to information while on the move over rough terrain or dismounted from a vehicle	07/15/2005	12	01/13/2005 through 08/26/2005 ³	RDT&E	4,033,945
3. Joint Precision Air Drop System 2,000 Pounds	Provides high-altitude precision air drop of logistics support packages for forces where ground delivery or an airfield is not available	Date was not in the file	2 ²	11/18/2004 through 09/14/2005	RDT&E	2,190,000
4. Joint Task Force Commander Executive Command and Control	Provides joint task force commanders remote access to classified and unclassified networks while away from the headquarters compound	07/15/2005	20	03/25/2004 through 08/22/2005 ³	RDT&E	884,606
5. Joint Translator Forwarder Rapid Attack Information Dissemination Executive Relay Joint Blue Force Situational Awareness	Provides machine-to-machine transfer of blue-force-tracking data from battle management and command and control systems to strike aircraft by integrating blue-force-tracking capabilities across the theater	04/11/2005	3 ²	03/09/2005 through 03/15/2005 ³	RDT&E and O&M ⁴	4,200,032
6. Speech-to Speech Translation	Expected to provide a hands-free device for simultaneous translation of American English to Iraqi Arabic and vice versa	08/15/2005	8	12/16/2005 through 12/16/2005	RDT&E	270,500
Total			47			\$12,129,083

¹ USJFCOM personnel did not document the approval date but, according to file documentation, personnel dated a routing slip April 29, 2004, and they approved an amendment to the project June 16, 2004.

² USJFCOM personnel specified that funds were for limited acquisition authority purchases on one of the funding documents for Projects 1 and 3 and two of the funding documents for Project 5.

³ USJFCOM personnel processed funding documents before they approved the project.

⁴ USJFCOM personnel cited O&M funding, which is not specifically authorized by the National Defense Authorization Act for Fiscal Year 2004.

Appendix C. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Technology, and Logistics
Director, Defense Procurement and Acquisition Policy
Under Secretary of Defense (Comptroller)/Chief Financial Officer
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Director, Program Analysis and Evaluation

Joint Staff

Director, Joint Staff

Combatant Command

Commander, U.S. Joint Forces Command
Inspector General, U.S. Joint Forces Command

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Naval Inspector General
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Non-Defense Federal Organizations and Individuals

Office of Management and Budget

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations

Senate Subcommittee on Defense, Committee on Appropriations

Senate Committee on Armed Services

Senate Committee on Homeland Security and Governmental Affairs

House Committee on Appropriations

House Subcommittee on Defense, Committee on Appropriations

House Committee on Armed Services

House Committee on Oversight and Government Reform

House Subcommittee on Government Management, Organization, and Procurement,

Committee on Oversight and Government Reform

House Subcommittee on National Security and Foreign Affairs,

Committee on Oversight and Government Reform

U.S. Joint Forces Command Comments



DEPARTMENT OF DEFENSE
COMMANDER
U.S. JOINT FORCES COMMAND
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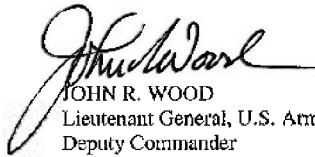
IN REPLY REFER TO:
301
29 May 2007

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

Subject: Report on Purchases Made Using the United States Joint Forces Command Limited Acquisition Authority (Project No. D2006-D000CG-0066.000)

1. Appreciate DoD Inspector General support of our request for assistance in auditing USJFCOM execution of Limited Acquisition Authority (LAA) during the period 1 OCT 04 through 31 DEC 05. Attached is the U.S. Joint Forces Command (USJFCOM) detailed response to the 30 APR 07 draft report.
2. We non-concur with three of the four recommendations. Believe however that your recommendations, and our non-concurrences with these recommendations, reflect the evolving nature of this authority, and the aggressive manner in which we have leveraged this authority to deliver timely, joint solutions to meet urgent operational needs. A concurrent review undertaken by the Government Accounting Office (GAO-07-546), acknowledged in your Appendix A, examining the same projects that were audited here, observes that USJFCOM's implementation of LAA has been uniformly lauded by the supported Combatant Commands and oversight officials in the Department of Defense.
3. As USJFCOM's implementation of LAA is itself prototypical, believe the final report would be improved by focusing more on means for improving management control over what is an evolving process, and less on requiring strict compliance with an instruction that is neither current nor complete. For example, substitution of ACTD/JCTD Military Utility Assessments (MUAs) for the deliberate feasibility assessments otherwise required is both practical and prudent. Hence, a recommendation to develop more robust guidelines with regard to accomplishing feasibility assessments is more useful than a recommendation to adhere to the established standard.
4. Given the specific rebuttals provided above and at the enclosure, the exigent circumstances that tend to hinder rather than promote LAA implementation, and the extent to which this authority has been successfully used to address urgent operational needs, we believe that the business processes and management controls designed and implemented by our LAA Program Management Office have been effective and sufficient. While we acknowledge room for improvement, and request your help in that regard, we do not accept your broad conclusion that management control has been ineffective at acquisition oversight and accountability over LAA purchases..
5. In accordance with DoD Directive 7650.3, my staff looks forward to the opportunity to work with your office in resolving the non-concurrences with your draft report. Our

objective is two-fold: improve management control and improve the process. My primary point of contact for all LAA matters is Mr. Robert Hartling, (757) 203-5762, (DSN 668), or e-mail: robert.hartling@jfc.com.mil.



JOHN R. WOOD
Lieutenant General, U.S. Army
Deputy Commander

Attachment:
DoD IG LAA Draft Report Response

Copy to:
USD (AT & L)
USD (Comptroller)
DJS

The following comments are provided on the DoD IG Draft Report, Project No. D2006-D000CG-0066.00, (Purchases made using U.S. Joint Forces Command Limited Acquisition Authority).

References are to page numbers and paragraphs.

1. General: At the Exit meeting on the Discussion Draft we pointed out that alleged weaknesses in purchasing and contracting should either not be made in this document or should clearly be marked as actions by others, since inclusion in this document implies that such issues are JFCOM issues, which is not factually correct, as DoD (DPAP) and the DoD IG agrees that JFCOM has no contracting authority to award or administer contracts. JFCOM is responsible for satisfying requirements related to preparation and approval of LAA projects, but it relies on other activities to perform acquisition functions under the authority of a warranted contracting officer. See for example the entire paragraph on page 4. DoD IG said it would look for a statutory or regulation it cited for "developing agreements with contracting offices on the roles and responsibilities..." At the meeting JFCOM pointed out that JFCOM must simply follow the rules of the contracting office used, as procedures and policies vary with each contracting agency. DoD IG was not able to cite an authority for the stated requirement, and said they would seek one. This requirement is cited again at the top of page 5.

2. Paragraph at the top of page 4:

- a. Any alleged weaknesses in the contracting process of another agency (contracting) should not be attributed to JFCOM.
- b. They allege that in four of six projects funds were obligated before the LAA project was approved. See our comments to recommendation 2.
- c. Use of O&M: See our comments to recommendation 3. The reference to a potential ADA violation is unwarranted.
- d. Funding documents did not indicate that they were for LAA purposes. See administrative procedures noted in our comments to recommendation 1b.

3. Page 5: It appears unclear to the DoD IG team that feasibility assessments, proofs of concept, and POA&Ms were not always required (e.g., already proven products, such as C2OTM, EC2 Suite, etc.). Most of the deficiencies noted in Table 1 fall into these categories. Reference to, or attachment of, e-mails would have corrected almost all the noted deficiencies.

4. Page 7, paragraph 3, Using Authorized Funding for Purchases: O&M was properly used. See our comments to recommendation 3.

5. Comments to the Recommendations section, page 9:

- a. Recommendation 1.a: Document . . . completed mandatory procedures for limited acquisition authority purchases and maintain the documentation at least until the conclusion of the project.

– Comment: Partially Concur. USJFCOM maintains documents LAW with the DoD FMR, Vol 1, Ch. 9 / NARA guidelines. DoD FMR, Vol 1, Ch. 9 requires retention of financial documents to a time period specified by the National Archives and Records Administration (NARA) which is responsible to provide guidance and assistance for the management and disposition of federal records. The NARA publishes general policies for the management and disposal of records which can be found in sections 1220-1238 of Title 36 of the Code of Federal Regulations. Procurement or purchase organization copy, and related papers that exceed \$2000 are retained for six years and three months after final payment. The format for POA&Ms is not specified in JFCOMINST 4200.1 and Milestone Schedules were deemed acceptable by the LAA program Manager. POA&Ms are not kept in paper project files but in electronic project files. If assessments, such as ACTD/JCTD Military Utility Assessments (MUAs) are substituted for the feasibility assessments outlined in USJFCOMINST 4200.1, a "MEMORANDUM FOR THE RECORD" stating that fact will be included in the project file. USJFCOM will initiate a change to USJFCOMINST 4200.1 to reflect that an MUA can be substituted for a feasibility assessment if technology under consideration is currently in an ACTD/JCTD and a specific format for POA&Ms.

- b. Recommendation 1.b: Specify that the funding on funding documents for limited acquisition authority purchases can be used only for those purchases.

– Comment: Do not concur. The description on the funding documents issued by JFCOM describes the work or service to be performed. This description is legal in accordance with FMR and the funding can only be used for the purposes described. There is no additional requirement or need to identify that funding is issued under LAA for the contracting agency. The contracting action is handled no differently for LAA than for all other work. Internal procedures include the establishment and maintenance of a document ledger identifying documents associated with each program.

- c. Recommendation 2: Complete all procedures and waiver processes before personnel obligate funds for limited acquisition authority projects and coordinate the funding process for the projects with the approval process to prevent the practice of funding purchases before approving projects.

– Comment: Partially concur. All LAA projects were approved by the CDR, USJFCOM prior to issuance of funding. If prior written approval was not available, the Chief of Staff, USJFCOM provided verbal approval based on his obtaining verbal approval from the Commander. Due to schedules of the Command Group, written approval of the package prior to execution is not always feasible. In situations where prototypes are developed, then placed with operational forces for test and evaluation,

deemed to fill an existing C2, Intelligence, Communications or Interoperability shortfall in the operational force and those forces then request the permanent addition of that capability, JFCOM must execute transfer of that equipment under LAA. In such an instance, MIPR documentation would precede the LAA approval process and LAA documents could not be back-dated, so there are times when LAA approval must follow the associated financial documents. USJFCOM will initiate a change to USJFCOMINST 4200.1 to reflect such a situation.

- d. Recommendation 3: Initiate a review for the limited acquisition authority purchases acquired with operations and maintenance funding for potential Antideficiency Act violations and report the results of the review to the DoD Comptroller.

- Comment: Do not concur. The projects funded with O&M were for work that is part of the JFCOM core missions of Joint Integration and Interoperability. Concur that the work should not have been reported under the LAA. No violation of the purpose statute occurred.

Document N0006604MPL8051 - was appropriately used to provide in theater instructional training and technical support.

Document N0006605WRL8030 - in support of Joint Blue Force Situational Awareness (JBFSA) paid for technical refresh training on JBFSA/Joint Translator Forwarder Rapid Attack Information Dissemination Execution Relay system.

Documents N0006605MPL8033, 35, 50, and 52 - Speech to Speech paid for speech data collection/technical support, recording equipment and assistance with translation and associated TDY to observe training.

- c. Recommendation 4: Develop memorandums of agreement or understanding that address the roles and responsibilities of United States Joint Forces Command personnel and contracting office personnel for limited acquisition authority purchases.

- Comment: Do not concur. IAW FMR Volume 11A Chapter 1, the principal documents used by DoD to document evidence of a formal offer and acceptance are MOUs, MOAs and the universal order format. USJFCOM uses MIPRs, Project Orders and Economy Act Orders which are recognized universal order formats. The universal order format is a way to document the financial terms of the offer and acceptance when specific services or quantities are known. JFCOM personnel consider this recommendation an administrative process that will incur unnecessary delays in an otherwise DoD rapid acquisition process.

Team Members

The Department of Defense Office of the Deputy Inspector General for Auditing, Acquisition and Contract Management prepared this report. Personnel of the Department of Defense Office of Inspector General who contributed to the report are listed below.

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Inspector General Department *of* Defense

