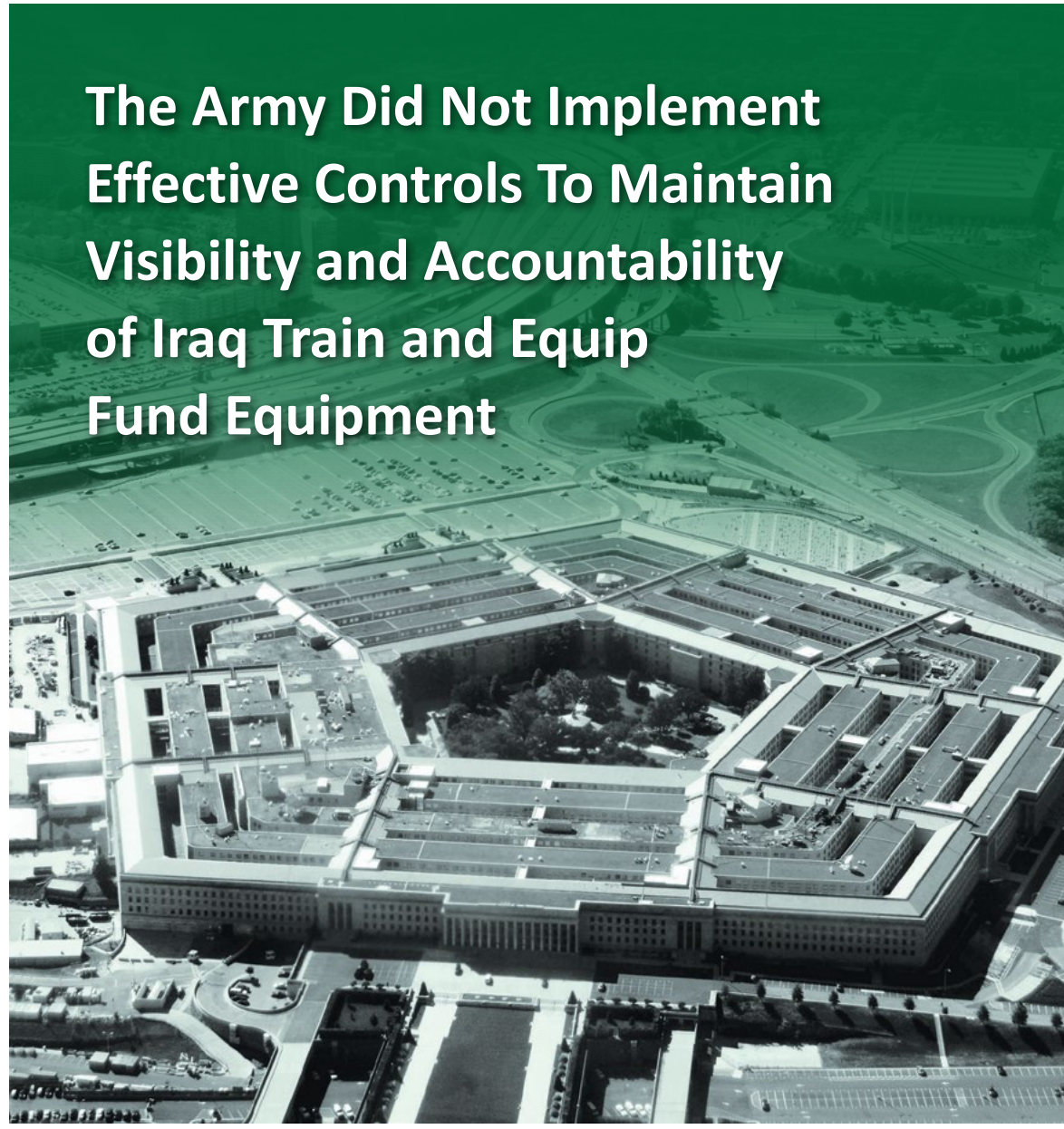


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INSPECTOR GENERAL

U.S. Department of Defense

SEPTEMBER 14, 2016



The Army Did Not Implement Effective Controls To Maintain Visibility and Accountability of Iraq Train and Equip Fund Equipment

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Results in Brief

The Army Did Not Implement Effective Controls To Maintain Visibility and Accountability of Iraq Train and Equip Fund Equipment

September 14, 2016

Objective

We determined whether the Army had effective controls for processing and transferring Iraq Train and Equip Fund (ITEF) equipment to the Government of Iraq. This is the third in a series of audits on property accountability in support of Operation Inherent Resolve.

ITEF, created by the FY 2015 National Defense Authorization Act, assists the Government of Iraq to combat the Islamic State of Iraq and the Levant. Examples of ITEF equipment provided to the Government of Iraq include body armor, navigation sets, magazine pouches, ambulances, and cargo trucks.

~~(FOUO)~~ The Army's 1st Theater Sustainment Command (1st TSC) maintains visibility and property accountability of ITEF equipment until transferred to the Government of Iraq.

Findings

~~(FOUO)~~ Army commands documented procedures for processing and transferring ITEF equipment to the Government of Iraq. For example, the 1st TSC developed a standard operating procedure that includes step-by-step instructions for processing and transferring ITEF equipment. However, the 1st TSC did not have effective controls to maintain complete visibility and accountability of ITEF equipment in Kuwait and Iraq prior to transfer to the Government of Iraq. Equipment visibility provides users with equipment location, movement, and status. Army Regulation 735-5 states that all property acquired by the Army will be continuously accounted for from the time of acquisition until the ultimate consumption or disposal of the property. However, the 1st TSC could not provide complete data for the quantity and dollar value of equipment on hand, including rolling stock and ammunition. Rolling stock refers to vehicles. Examples include Mine Clearance Systems, ambulances, and wrecker trucks.

Findings (cont'd)

The 1st TSC did not have effective controls because it did not use centralized systems to maintain visibility and accountability of ITEF equipment. Instead, the 1st TSC relied on multiple spreadsheets developed by different commands in both Kuwait and Iraq to provide it with visibility and accountability of equipment and did not consistently account for equipment in Iraq.

As a result, the 1st TSC did not have accurate, up-to-date records on the quantity and location of ITEF equipment on hand in Kuwait and Iraq. Accurate, up-to-date records of equipment on hand in Kuwait and Iraq are critical for filling equipment requests. The process to contact multiple commands and reference multiple spreadsheets to determine equipment quantities and location could delay the fulfillment of a request or delay the development of future requests. In addition, not having accurate records of equipment on hand could result in duplicate equipment requests. Further, the use of manually populated spreadsheets increased the risk for human-error when inputting and updating equipment data.

Recommendation

We recommend that the Commander, 1st Theater Sustainment Command, use automated systems to account for and provide complete visibility of Iraq Train and Equip Fund equipment.

Management Actions Taken

During the audit we informed the Deputy Commanders, 1st TSC and Combined Joint Forces Land Component Command–Operation Inherent Resolve; the Commander, 336th Combat Sustainment Support Battalion; and officials from the Combined Joint Task Force–Operation Inherent Resolve of the lack of centralized visibility and accountability systems for ITEF equipment.

The Deputy Commander, 1st TSC, agreed with our findings and immediately initiated steps to implement corrective actions. As a short-term solution, 1st TSC developed a centralized equipment visibility tracker. The tracker, located on a shared drive, allowed the 1st TSC and commands associated with the ITEF program to have a centralized system to track ITEF equipment on hand at multiple locations and make changes to the tracker when ITEF equipment was processed through their locations. As a long-term solution, 1st TSC is working towards using Army visibility and accountability systems to further increase its visibility and accountability of ITEF equipment. The Deputy Commander, 1st TSC, anticipates full use of the systems in late 2016. The management actions taken addressed the concerns we identified; therefore, we are not making any additional recommendations.

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Recommendations Table

Management	Recommendations Requiring Comment
Commander, 1st Theater Sustainment Command	None



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

September 14, 2016

MEMORANDUM FOR FOR DISTRIBUTION

SUBJECT: The Army Did Not Implement Effective Controls To Maintain Visibility
and Accountability of Iraq Train and Equip Fund Equipment
(Report No. DODIG-2016-134)

~~(FOUO)~~ We are providing this report for your information and use. Army commands documented procedures for processing and transferring Iraq Train and Equip Fund equipment to the Government of Iraq. For example, the 1st Theater Sustainment Command developed a standard operating procedure that included step-by-step instructions for processing and transferring Iraq Train and Equip Fund equipment to the Government of Iraq. However, the 1st Theater Sustainment Command did not have effective controls for maintaining visibility and accountability of Iraq Train and Equip Fund equipment prior to transfer to the Government of Iraq. Specifically, the 1st Theater Sustainment Command did not have complete visibility and accountability of equipment while in Kuwait and Iraq. We conducted this audit in accordance with generally accepted government auditing standards.

During the audit, we notified officials from the 1st Theater Sustainment Command of our findings. The officials are in the process of implementing a two-step corrective action plan. Specifically, the 1st Theater Sustainment Command has created a centralized equipment visibility tracker and plans to use automated systems to maintain accountability and visibility of equipment. 1st Theater Sustainment Command took prompt action to resolve each concern we identified; therefore, we will not make any additional recommendations in this report.

We appreciate the courtesies extended to the staff. Please direct questions to me at Michael.Roark@dodig.mil, (703) 604-9187 (DSN 664-9187).

A handwritten signature in black ink, appearing to read "Michael J. Roark", is positioned above the printed name.

Michael J. Roark
Assistant Inspector General
Contract Management and Payments

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Acronyms and Abbreviations

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Introduction

Objective

We determined whether the Army had effective controls for processing and transferring Iraq Train and Equip Fund (ITEF) equipment to the Government of Iraq (GoI). This is the third in a series of audits on property accountability in support of Operation Inherent Resolve. This report focuses on the overall processing and transferring of ITEF equipment, while a subsequent audit will focus on the security of ITEF equipment while stored in Kuwait and Iraq. See Appendix A for the scope and methodology related to the audit objective and Appendix B for the prior coverage related to the audit objective.

Background

The FY 2015 National Defense Authorization Act¹ created ITEF to assist the GoI to combat the Islamic State of Iraq and the Levant. ITEF addresses the requirement to:

- build the Iraqi military and other security forces,
- improve the proficiency of the Peshmerga, and
- provide material support to tribal elements allied with Iraqi forces.

In FY 2015, Congress appropriated \$1.6 billion to ITEF to assist the military and security missions of the Iraqi Security Forces, Kurdish Forces, and the GoI. In FY 2016, Congress appropriated \$715 million for ITEF. The assistance provided includes training, equipment, logistics support, and sustainment.

ITEF Equipment Provided to the Government of Iraq

Equipment provided to the GoI consists of rolling stock,² nonrolling stock,³ weapons, and ammunition. Examples of equipment provided include body armor, navigation sets, magazine pouches, ambulances, and cargo trucks. According to the Combined Joint Task Force–Operation Inherent Resolve (CJTF-OIR), \$1.3 billion worth of equipment was purchased through ITEF in FY 2015.

¹ Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for FY 2015, section 1236, “Authority to Provide Assistance to Counter Islamic State in Iraq and the Levant.”

² Rolling stock typically refers to vehicles. Examples include Mine Clearance Systems, ambulances, and wrecker trucks.

³ Nonrolling stock consists of equipment other than vehicles, ranging in size from hand-held devices to generator engines. Examples include a water canteen, hand grenade pouch, combat helmet, and hot weather boots.

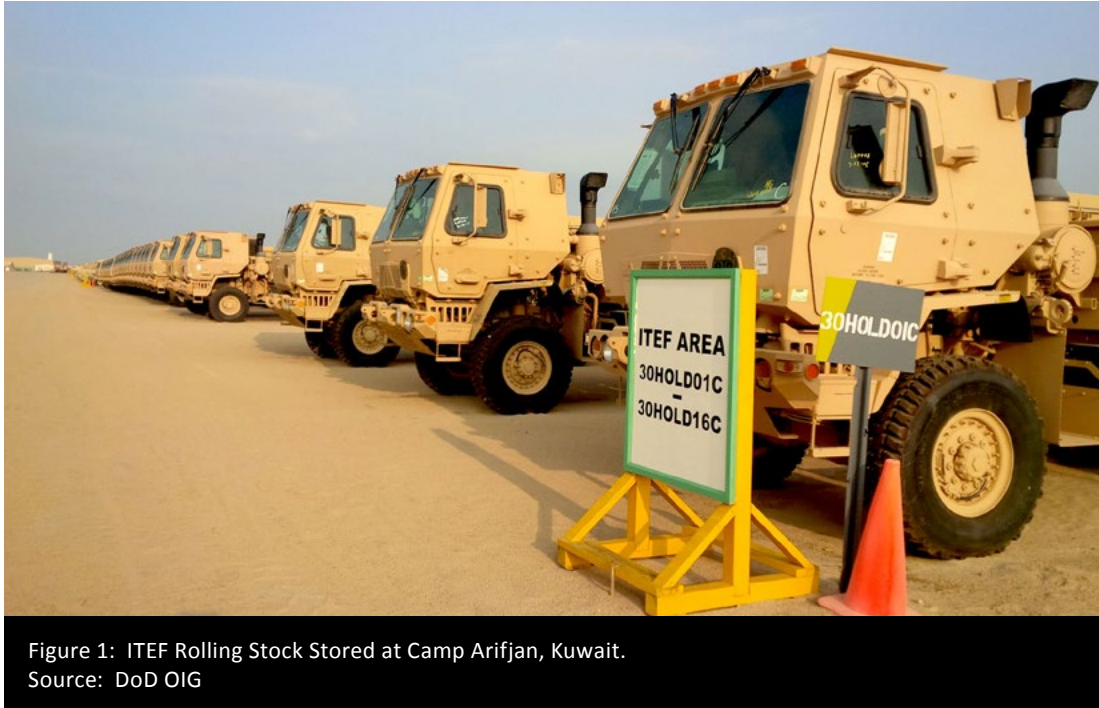


Figure 1: ITEF Rolling Stock Stored at Camp Arifjan, Kuwait.
Source: DoD OIG

Army Policies for Visibility and Accountability of Equipment

Two primary Army regulations provide policy guidance to maintain accountability of equipment. Army Regulation 710-2⁴ establishes policies for the accountability and management of equipment stored for issuance. Specifically, the regulation states that property accountability is the obligation to keep records of property such as identification data, gains, losses, dues-in, and balances on hand or in use. The regulation also requires maintaining theater-wide asset visibility⁵ for rolling stock and nonrolling stock.

Army Regulation 735-5⁶ establishes policies for accounting for Army property. Specifically, all property acquired by the Army from any source, whether bought or donated, must be accounted for as prescribed by Army regulations. The regulation states that accounting for Army property will be continuous from the time of acquisition until the ultimate consumption or disposal of the property. In addition, when a person assumes accountability of property that is remotely located, records must be maintained to show the location of the property and the persons charged with its care and safekeeping.

⁴ Army Regulation 710-2, "Inventory Management—Supply Policy Below the National Level," March 28, 2008.

⁵ Visibility provides users with equipment location, movement, and status.

⁶ Army Regulation 735-5, "Property Accountability—Property Accountability Policies," August 22, 2013.

ITEF Property Accountability Roles and Responsibilities

~~(FOUO)~~ There are several DoD and Army commands involved in processing ITEF equipment. CJTF-OIR, under the command of U.S. Central Command, is assigned overall responsibility for providing assistance to military and other security forces of or associated with the GoI. CJTF-OIR functions as the primary requirements generator, in coordination with its component command, the Combined Joint Forces Land Component Command–Operation Inherent Resolve (CJFLCC-OIR), as well as the funding authority for ITEF, validating and approving ITEF requirements. CJFLCC-OIR also manages the distribution of ITEF equipment to the GoI and is responsible for the six Building Partner Capacity (BPC) sites in Iraq where the transfer of equipment occurs.

~~(FOUO)~~ The Army's 1st Theater Sustainment Command (1st TSC) maintains visibility and property accountability of ITEF equipment until transferred to the GoI. The 17th Sustainment Brigade, a subordinate of the 1st TSC, provides distribution management for all nonrolling stock, including weapons, and ammunition. The 17th Sustainment Brigade is also responsible for two Combat Sustainment Support Battalions (CSSB): the 524th CSSB and 336th CSSB. The 17th Sustainment Brigade appointed an accountable officer responsible for property accountability at the ITEF Warehouse at Camp Arifjan, Kuwait, under the 524th CSSB. In addition, the 17th Sustainment Brigade appointed an ITEF Manager and six responsible officers (RO), one for each BPC site in Iraq, under the 336th CSSB. The ITEF Manager tracks all equipment incoming from Kuwait to Iraq and oversees the ROs who are responsible for property accountability at the six BPC sites in Iraq. The ROs receive and account for the equipment at the BPC site, coordinate the transfer of equipment to the GoI, and compile the transfer documentation. The 401st Army Field Support Brigade (AFSB) is responsible for ITEF rolling stock at Camp Arifjan, Kuwait, including receiving, storing, providing minor sustainment repairs, and preparing and shipping equipment to the BPC sites in Iraq.

Process to Account for Equipment in Kuwait

~~(FOUO)~~ 1st TSC's overall responsibility for property accountability of ITEF equipment begins when equipment arrives in Kuwait. The 524th CSSB receives and accounts for weapons and nonrolling stock stored at the ITEF Warehouse in Kuwait, while the 401st AFSB receives and accounts for rolling stock. CJFLCC-OIR determines when equipment needs to move to Iraq. CJTF-OIR will then issue, with the 1st TSC, fragmentary orders⁷ to begin the process of moving equipment to

⁷ A fragmentary order is an abbreviated operation order issued as needed to change or modify that order.

~~(FOUO)~~ Iraq to be transferred to the GoI. Upon notification that specific ITEF equipment needs to be moved, the 524th CSSB or 401st AFSB prepares the equipment and shipment documentation, and the 17th Sustainment Brigade organizes the movement of equipment to one of the six BPC sites in Iraq.

Process to Account for and Transfer Equipment in Iraq

~~(FOUO)~~ When the ITEF equipment is received at one of the six BPC sites in Iraq, the appointed RO will account for and store the equipment until movement to another BPC site or transfer to the GoI. The RO will prepare the equipment, transfer documentation, and coordinate with the officials designated to issue equipment to the GoI. Once the GoI officials sign for the equipment and the 1st TSC receives all transfer documentation, the equipment will be removed from the 1st TSC accountable record and officially become property of the GoI. After the transfer, the ITEF equipment is no longer U.S. Government property, and the 1st TSC is relieved of responsibility to account for the equipment. The DoD does not further track or maintain accountability of the equipment provided to the GoI.



Figure 2: ITEF Equipment Being Transferred to the GoI.
Source: 336th CSSB

Review of Internal Controls

DoD Instruction 5010.40⁸ requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified an internal control weakness with the 1st TSC's visibility and accountability of ITEF equipment in Kuwait and Iraq. Specifically, the 1st TSC did not use centralized systems to maintain visibility and accountability of ITEF equipment. However, management has initiated a two-step corrective action plan to implement visibility and accountability systems to address the concerns identified during the audit, which resolved the internal control weakness. We will provide a copy of the report to the senior official responsible for internal controls in the Department of the Army.

⁸ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

1st TSC Did Not Have Effective Controls for Visibility and Accountability of ITEF Equipment

~~(FOUO)~~ Army commands documented procedures for processing and transferring ITEF equipment to the GoI. For example, the 1st TSC developed a standard operating procedure (SOP) that included step-by-step instructions for processing and transferring ITEF equipment to the GoI. However, the 1st TSC did not have effective controls to maintain complete visibility and accountability of ITEF equipment in Kuwait and Iraq prior to transfer to the GoI. Specifically, the 1st TSC could not provide complete data for the quantity and dollar value of equipment on hand, including rolling stock and ammunition.

This occurred because the 1st TSC did not use centralized systems to maintain visibility and accountability of ITEF equipment. Instead, the 1st TSC relied on multiple spreadsheets developed by different commands in both Kuwait and Iraq to provide it with visibility and accountability of equipment and did not consistently account for equipment in Iraq.

As a result, the 1st TSC did not have accurate, up-to-date records on the quantity and location of ITEF equipment on hand in Kuwait and Iraq. In addition, the use of manually populated spreadsheets increased the risk for human-error when inputting and updating equipment data.

Army Commands Developed Procedures for Processing and Transferring ITEF Equipment

~~(FOUO)~~ Army commands involved in processing and transferring ITEF equipment to the GoI developed their own SOPs. For example, the 1st TSC's SOP⁹ established accountability procedures and guidelines to process and transfer equipment to the GoI. The SOP contained the roles and responsibilities for various commands involved with ITEF, including CJTF-OIR, 1st TSC, and 17th Sustainment Brigade. The SOP also details the overall procedures for the accountability of equipment in both Kuwait and Iraq. The procedures included step-by-step instructions to:

- ~~(FOUO)~~ request and procure ITEF equipment through the ITEF Validation Board;
- ~~(FOUO)~~ process equipment in Kuwait;

⁹ ~~(FOUO)~~ 1st TSC, "1st Theater Sustainment Command Iraqi Security Forces Property Accountability Standard Operating Procedure and Policies," April 2, 2016.

- ~~(FOUO)~~ move equipment to Iraq;
- ~~(FOUO)~~ transfer equipment to the GoI; and
- ~~(FOUO)~~ close-out the 1st TSC's responsibility for accountability of the equipment.

~~(FOUO)~~ The SOP requires that equipment be transferred to and signed for by an approved GoI official and CJTF-OIR and 1st TSC maintain all transfer documentation. A 1st TSC official stated that the transfer documentation included the serial numbers for all equipment that was transferred.

In addition, the 524th CSSB developed a lower-level SOP for processing weapons in Kuwait and the 336th CSSB developed a continuity book to assist future rotations in the tracking, processing, and transferring of ITEF equipment in Iraq.

1st TSC Lacks Complete Visibility and Accountability of Equipment

~~(FOUO)~~ Although several SOPs were developed to provide guidance for processing and transferring ITEF equipment, the 1st TSC did not have complete visibility and accountability of equipment in Kuwait and Iraq. The 1st TSC is responsible for the visibility and 100-percent accountability of ITEF equipment, including the quantities on hand and location accuracy from the time it arrives in Kuwait until final transfer to the GoI. However, without having to contact multiple commands, the 1st TSC could not provide the immediate quantity, dollar value, and location of equipment on hand in Kuwait and Iraq. Specifically, the 1st TSC had to coordinate with the 17th Sustainment Brigade, 401st AFSB, 524th CSSB, and 336th CSSB ROs at each BPC site to determine the quantity and dollar value of equipment on hand at each location in Kuwait and Iraq.

~~(FOUO)~~
Without having to contact multiple commands, the 1st TSC could not provide the immediate quantity, dollar value, and location of equipment on hand in Kuwait and Iraq.

For example, on June 30, 2016, we requested the 1st TSC provide the quantity and dollar value of equipment on hand in Kuwait and Iraq and equipment transferred to the GoI. To obtain this data, the 1st TSC had to contact various officials and manually calculate the data based on multiple spreadsheets and systems. The data that the 1st TSC provided on July 15, 2016, included incomplete quantities and dollar values for rolling stock and ammunition on hand in Kuwait and incomplete data for equipment on hand in Iraq.

In addition, the 1st TSC relied on the ITEF Manager and the ROs at the six BPC sites to account for equipment on hand in Iraq. However, the data that the 1st TSC provided of equipment on hand in Kuwait and Iraq only included equipment data maintained in Kuwait. The 1st TSC did not review the records maintained by the ITEF Manager or ROs’ spreadsheets to determine the equipment on hand in Iraq. Therefore, the 1st TSC assumed equipment that was sent to Iraq was considered transferred to the GoI, although the equipment could still be on hand in Iraq and property of the U.S. Government.

Lack of Centralized Visibility and Accountability Systems

~~(FOUO)~~ The 1st TSC did not use centralized systems to maintain visibility and accountability of ITEF equipment. For example, the 1st TSC SOP identified procedures for processing equipment in the Army War Reserve Deployment System and Logistics Modernization Program;¹⁰ however, the 1st TSC did not use either system. Instead, the 1st TSC relied on multiple spreadsheets developed by different commands in both Kuwait and Iraq to maintain visibility and accountability of ITEF equipment. The table describes the various commands that provide the 1st TSC visibility and accountability of equipment while in their possession.

Table. Processes Used to Provide the 1st TSC Visibility and Accountability of ITEF Equipment in Kuwait and Iraq.

Command	Designated Official	Location	Type of Equipment	Visibility and Accountability Processes
401st AFSB	Accountable Officer	Kuwait	Rolling Stock	Army War Reserve Deployment System / Logistics Modernization Program
524th CSSB	Accountable Officer	Kuwait	Weapons	Microsoft Excel Spreadsheet
524th CSSB	Accountable Officer	Kuwait	Nonrolling Stock	Microsoft Access Database
336th CSSB	ITEF Manager	Iraq	All equipment in Iraq	Single (Consolidated) Microsoft Excel Spreadsheet
336th CSSB	ROs	BPC Sites in Iraq	Equipment on hand at each BPC site	Individual Microsoft Excel Spreadsheets

Source: DoD OIG

¹⁰ The Logistics Modernization Program, an Army accountability system, is used in conjunction with the Army War Reserve Deployment System, an Army visibility system, to assist in the accountability, inventory, and transfer of equipment.

In Kuwait, the 524th CSSB, responsible for the weapons portion of the ITEF Warehouse, used Microsoft Excel spreadsheets, and the 524th CSSB contractor in the nonrolling stock portion of the ITEF Warehouse used Microsoft Access to manually maintain visibility and accountability of equipment. The spreadsheets developed by the 524th CSSB identified the quantity and dollar value¹¹ of equipment on hand, and the equipment that was shipped to the BPC sites in Iraq. In contrast, the 401st AFSB accounted for rolling stock using the Army's visibility and accountability systems, Army War Reserve Deployment System and Logistics Modernization Program.

In Iraq, the RO at each BPC site maintained their own spreadsheet to track equipment stored and transferred to the GoI from that BPC site. The ITEF Manager also maintained a spreadsheet that tracked equipment entering Iraq to one of the six BPC sites. In addition, if equipment was not immediately transferred and was stored at a BPC site for an extended period of time, it was added to the RO's hand receipt.¹² Therefore, the 1st TSC had to review multiple spreadsheets and hand receipts to obtain an overall picture of equipment on hand in Kuwait and the BPC sites in Iraq.

In addition, the 1st TSC did not effectively account for equipment in Iraq until the equipment was transferred to the GoI. Specifically, although the 1st TSC used the Property Book Unit Supply Enhanced¹³ system, it did not always enter equipment into the system when the equipment initially arrived at the BPC sites in Iraq. Instead, the officials delayed the entry until after the equipment was transferred to the GoI. Once transferred, the 1st TSC accounted for the equipment and immediately removed the equipment from its accountable record. During the audit, we suggested that the Commander, 1st TSC, consider using automated systems to account for and provide complete visibility of ITEF equipment.

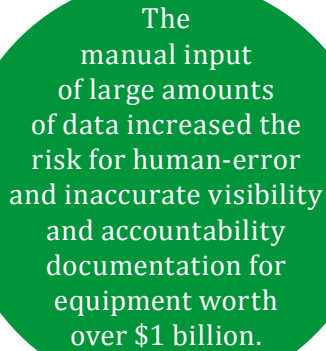
1st TSC Did Not Have the Most Current Records of Equipment On Hand and Transferred

As a result, the 1st TSC did not have accurate, up-to-date records on the quantity and location of ITEF equipment on hand and transferred to the GoI. Accurate, up-to-date records of equipment on hand in Kuwait and Iraq are critical for filling equipment requests. The process to contact multiple commands and reference multiple spreadsheets to determine equipment quantities and location could delay the fulfillment of a request or delay the development of future requests. In addition, not having accurate records of equipment on hand could result in duplicate equipment requests.

¹¹ The Microsoft Excel spreadsheet used to track weapons did not accurately portray the dollar value of weapons on hand or weapons that had been transferred to the GoI. Specifically, the spreadsheet did not include the dollar value of all weapons processed in Kuwait by the 524th CSSB.

¹² A hand receipt is a signed document acknowledging acceptance of and responsibility for the property listed.

¹³ ~~(FOUO)~~ The Property Book Unit Supply Enhanced is an Army system for property accountability at the unit level, used by support commands.



The manual input of large amounts of data increased the risk for human-error and inaccurate visibility and accountability documentation for equipment worth over \$1 billion.

Further, officials from the 1st TSC, 524th CSSB, and 336th CSSB had to manually input and update equipment data into multiple spreadsheets. They also had to create shipping and accountability documentation for large volumes of equipment transitioning through Kuwait to Iraq for transfer to the GoI. For example, when equipment arrived in Kuwait, it was manually entered into a receiving spreadsheet and an accountability spreadsheet.

When a fragmentary order was issued to move equipment to Iraq, 524th CSSB personnel had to manually create the shipping documentation that could be automatically generated by a system. The manual input of large amounts of data increased the risk for human-error and inaccurate visibility and accountability documentation for equipment worth over \$1 billion.

Recommendation

We recommended that the Commander, 1st Theater Sustainment Command, use automated systems to account for and provide complete visibility of Iraq Train and Equip Fund equipment.

Management Actions Taken

During the audit, we advised the Deputy Commanders, 1st TSC and CJFLCC-OIR; the Commander, 336th CSSB; and officials from CJTF-OIR of the deficiencies in the controls for visibility and accountability of ITEF equipment; specifically, the lack of centralized visibility and accountability systems for ITEF equipment. We discussed with 1st TSC officials a two-step corrective action plan as a short-term and long-term solution for providing complete visibility and accountability of equipment.

For a short-term solution, the 1st TSC could develop a spreadsheet and place it on a shared drive for all commands to use until the 1st TSC implements a long-term solution, such as using automated visibility and accountability systems. The long-term solution would automate the process for tracking and maintaining accountability of ITEF equipment. Automated systems would provide timely and reliable data for the quantities and location of equipment located in both the ITEF Warehouse in Kuwait and the six BPC sites in Iraq.

The Deputy Commander, 1st TSC, agreed with our findings and immediately initiated steps to implement corrective actions. For a short-term solution, the 1st TSC developed a centralized equipment visibility tracker. The tracker allowed the 1st TSC and commands associated with the ITEF program, such as the CJFLCC-OIR, to have a centralized system to track ITEF equipment on hand at multiple locations. The 17th Sustainment Brigade and 336th CSSB had access to the tracker. The accountable officer at the ITEF Warehouse in Kuwait and the ROs at the BPC sites in Iraq had the ability to make changes to the tracker when ITEF equipment was processed through their locations.



For a short-term solution, the 1st TSC developed a centralized equipment visibility tracker. The tracker allowed the 1st TSC . . . to have a centralized system to track ITEF equipment on hand at multiple locations.

For a long-term solution, 1st TSC officials are working towards using automated systems to further increase its visibility and accountability of ITEF equipment. The Deputy Commander, 1st TSC, anticipates full use of automated systems in late 2016. The management actions taken, once fully completed, will address the concerns we identified; therefore, we are not making any additional recommendations. We will continue to monitor the implementation of this recommendation.

Appendix A

Scope and Methodology

We conducted this performance audit from March 2016 through August 2016 in accordance with generally accepted government auditing standards. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To understand the requirements for processing and transferring ITEF equipment to the GoI, we reviewed the:

- FY 2015 and 2016 National Defense Authorization Acts,¹⁴
- Secretary of Defense memorandum on management of ITEF,¹⁵
- Army Regulation 710-2,
- Army Regulation 735-5,
- ~~(FOUO)~~ U.S. Central Command Fragmentary Order 23-012,¹⁶
- ~~(FOUO)~~ 1st TSC SOP, and
- BPC Warehouse Weapons SOP.¹⁷

We conducted site visits to Camp Arifjan, Kuwait; Union III, Iraq; and Taji, Iraq, to determine whether procedures were in place to effectively process ITEF equipment. We met with officials from the 1st TSC, 17th Sustainment Brigade, 524th and 336th CSSBs, CJTF-OIR, CJFLCC-OIR, and 401st AFSB. To discuss roles and responsibilities related to processing ITEF equipment in Kuwait and Iraq, we interviewed the:

- 1st TSC ITEF Cell Director and Property Accountability Technician,
- 17th Sustainment Brigade ITEF Officer in Charge,
- 336th CSSB ITEF Manager,
- 336th CSSB ITEF Taji RO, and
- other officials.

Use of Computer-Processed Data

We did not use computer-processed data to perform this audit.

¹⁴ National Defense Authorization Act for Fiscal Year 2016, section 1223, "Modification of Authority to Provide Assistance to Counter the Islamic State of Iraq and the Levant."

¹⁵ Secretary of Defense Memorandum, "Management of the Iraq Train and Equip Fund," Undated.

¹⁶ ~~(FOUO)~~ U.S. Central Command Fragmentary Order 23-012, "Management and Execution of the Iraq Train and Equip Fund," February 2015.

¹⁷ "Internal Standard Operating Procedures (SOP) for the 524th CSSB Weapons Building Partner Capacity Supply Support Activity," January 21, 2016.

Appendix B

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO), the Department of Defense Inspector General (DoD IG), and Army Audit Agency issued 13 reports discussing property accountability. Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>. Unrestricted Army Audit Agency reports can be accessed from .mil and gao.gov domains at <https://www.aaa.army/mil/>.

GAO

Report No. GAO-13-185R, "Afghanistan Drawdown Preparations: DoD Decision Makers Need Additional Analyses to Determine Costs and Benefits of Returning Excess Equipment," December 19, 2012

Report No. GAO-11-774, "Iraq Drawdown: Opportunities Exist to Improve Equipment Visibility, Contractor Demobilization, and Clarity of Post-2011 DoD Role," September 2011

DoD IG

Report No. DODIG-2016-056, "The Army Did Not Fully Document Procedures for Processing Wholesale Equipment in Kuwait," February 24, 2016

Report No. DODIG-2015-177, "Assessment of DoD/USCENTCOM and Coalition Plans/Efforts to Train, Advise, and Assist the Iraqi Army to Defeat the Islamic State of Iraq and the Levant," September 30, 2015

Report No. DODIG-2015-178, "The Army Did Not Effectively Account for Wholesale Property in Kuwait," September 22, 2015

Report No. DODIG-2014-098, "The Army Did Not Properly Account for and Manage Force Provider Equipment in Afghanistan," July 31, 2014

Report No. DODIG-2014-043, "The Army Needs to Improve Property Accountability and Contractor Oversight at Redistribution Property Assistance Team Yards in Afghanistan," March 4, 2014

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Acronyms and Abbreviations

1st TSC	1st Theater Sustainment Command
AFSB	Army Field Support Brigade
BPC	Building Partner Capacity
CJFLCC-OIR	Combined Joint Forces Land Component Command–Operation Inherent Resolve
CJTF-OIR	Combined Joint Task Force–Operation Inherent Resolve
CSSB	Combat Sustainment Support Battalion
GoI	Government of Iraq
ITEF	Iraq Train and Equip Fund
RO	Responsible Officer
SOP	Standard Operating Procedure



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