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# INSPECTOR GENERAL

*U.S. Department of Defense*

January 18, 2017



## (U) Army Contracting Command— Redstone and Space and Missile Defense Command Need to Improve Contract Oversight for the Web-Based Military Information Support Operations Contract

Classified By: Michael J. Roark  
Deputy Assistant Inspector General Contract  
Management and Payments

Derived From: Multiple Sources

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# (U) Results in Brief

*(U) Army Contracting Command–Redstone and Space and Missile Defense Command Need to Improve Contract Oversight for the Web-Based Military Information Support Operations Contract*

(U) January 18, 2017

## (U) Objective

(U) We determined whether DoD Components provided effective oversight for contracts supporting web-based Military Information Support Operations (MISO).

(S//REL TO FVEY, MEST) PER OSD/JS, AND USCENTCOM: (b) (1), 1.4(a)

[Redacted]

(S//NOFORN) PER OSD/JS, AND USCENTCOM: (b) (1), 1.4(a)

[Redacted]

## (U) Finding

(U) ACC-Redstone and SMDC did not provide effective oversight for RWIP Task Order 3. Specifically, ACC-Redstone and SMDC contracting officials did not adequately monitor contractor performance, and the contracting officer's representative (COR) authorized out-of-scope work when he directed the contractor to conduct web-based MISO on behalf of U.S. Africa Command and U.S. Pacific Command.

(U) This occurred because the COR lacked knowledge of web-based MISO and relied on combatant command personnel to provide direction and oversight of the contractors. Furthermore, the COR did not notify the contracting officer of changes to the scope of work. In addition, contracting officials did not update the performance work statement (PWS) for RWIP Task Order 3 to accurately reflect work being conducted by the contractor for web-based MISO.

(U) Due to the COR's lack of knowledge of web-based MISO, reliance on combatant command personnel to provide oversight, and an insufficiently detailed PWS, the contracting office had limited assurance that the contractors met the performance standards required by the contract. Additionally, the COR may have improperly authorized commitments of approximately \$4.5 million for work that was outside the scope of the PWS for RWIP Task Order 3.

## (U) Recommendations and Management Actions Taken

(U) We recommended that the Executive Director, ACC-Redstone, in conjunction with the requiring activities, appoint CORs or alternate CORs with sufficient knowledge of web-based MISO for each combatant command. In addition, we recommended that the same officials review work conducted on behalf of U.S. Africa Command and U.S. Pacific Command to initiate appropriate action to resolve any out-of-scope work and update the existing performance work statement to include changes in the scope of work.

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# (U) Results in Brief



## *(U) Army Contracting Command-Redstone and Space and Missile Defense Command Need to Improve Contract Oversight for the Web-Based Military Information Support Operations Contract*

### *(U) Recommendations (cont'd)*

(U) We also recommended that the Under Secretary of Defense for Policy, in conjunction with the Chairman of the Joint Chiefs of Staff, conduct a review to determine the long-term strategy for the management and oversight of contracting for web-based MISO.

~~(S//NOFORN)~~ During the audit, we met with the Director, Contract Acquisition Management Office, Contract Operations Directorate B, ACC-Redstone, and discussed the contract oversight deficiencies identified. The Director, on behalf of the Executive Director, ACC-Redstone, PER ACC-REDSTONE AND USCENTCOM (b) (1), 1.4(a)

(U) In addition, the Director responded to the discussion draft of this report with plans to address each additional recommendation. The Director identified qualified candidates from each combatant command and anticipates appointing them as COR's by DoD OIG: (b) (5). In addition, ACC-Redstone is reviewing the work conducted on behalf of U.S. Africa Command and U.S. Pacific Command and identifying any changes that need to be made to the PWS. The Director expects to complete the review by DoD OIG: (b) (5), and update the contract as necessary by DoD OIG: (b) (5). The Director's actions taken during the audit addressed our recommendations; therefore, we are not making additional recommendations to ACC-Redstone and do not require its comments on the final report.

(U) The Director, Military Information Support Operations, Office of the Deputy Assistant Secretary of Defense for Special Operations and Combating Terrorism, Office of the Under Secretary of Defense for Policy, responded to our discussion draft, stating that a review to determine the long-term strategy for management and oversight of web-based MISO had already begun. Specifically, the DoD began working on the issue during the Internet Information Operations Capability-Based Assessment in 2015. The final report of the assessment directed U.S. Special Operations Command to conduct a review of the web-based MISO capability for other commands. The Special Operations Command review is expected to be completed in the spring of 2017.

(U) The Office of the Under Secretary of Defense for Policy will work with the Office of the Secretary of Defense, Cost Assessment and Program Evaluation, to determine the best options for implementing U.S. Special Operations Command's recommendations. Before completing the review and implementing any recommendations, PER OSD/JS (b) (5), the Office of the Under Secretary of Defense for Policy will continue to maintain oversight of existing web-based MISO activities. The Director's actions taken during the audit addressed our recommendations; therefore, we are not making additional recommendations to the Office of the Under Secretary of Defense for Policy and do not require its comments on the final report.

**(U) Recommendations Table**

<b>(U) Management</b>	<b>(U) Recommendations Requiring Comment</b>
(U) Under Secretary of Defense for Policy	(U) None
(U) Chairman of the Joint Chiefs of Staff	(U) None
(U) Executive Director, U.S. Army Contracting Command-Redstone	(U) None



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

(U) January 18, 2017

(U) MEMORANDUM FOR DISTRIBUTION

(U) SUBJECT: Army Contracting Command-Redstone and Space and Missile Defense Command Need to Improve Contract Oversight for the Web-Based Military Information Support Operations Contract (Report No. DODIG-2017-042)

(U) We are providing this report for information and use. This project relates to the overseas contingency operation, Operation Inherent Resolve. We conducted this audit in accordance with generally accepted government auditing standards.

(U) U.S. Army Contracting Command-Redstone and U.S. Army Space and Missile Defense Command contracting officials did not adequately monitor contractor performance and the Contracting Officer's Representative may have improperly authorized commitments of approximately \$4.5 million for work that was outside the scope of the performance work statement for the Regional Web Interaction Program task order.

(U) During the audit we notified U.S. Army Contracting Command-Redstone and U.S. Army Space and Missile Defense Command of our concerns. Army Contracting Command-Redstone took prompt action to resolve our concerns; therefore, we are not requesting comments on the recommendation in this report. We will follow up to ensure actions are completed as discussed. We obtained and considered feedback on a discussion draft when preparing the final report.

(U) We appreciate the courtesies extended to the staff. Please direct questions to me at

DOD OIG: (b) (6)

A handwritten signature in black ink that reads "Michael J. Roark".

Michael J. Roark  
Assistant Inspector General  
Contract Management and Payment

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***(U) DISTRIBUTION.***

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- (U) DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
- (U) DIRECTOR, JOINT STAFF

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## (U) Introduction

### (U) Objective

(U) We determined whether Department of Defense Components provided effective oversight for contracts supporting web-based Military Information Support Operations (MISO). See the Appendix for scope and methodology related to the audit objective.

### (U) Background

#### (U) Information Operations in Operation Inherent Resolve (OIR)

~~(S//REL TO FVEY, MESP)~~ On October 17, 2014, the Secretary of Defense directed the Commander, U.S. Central Command (CENTCOM), to execute OIR to defeat the Islamic State of Iraq and the Levant in support of regional stability. PER OSD/JS, AND USCENCOM: (b) (1), 1.4(a)

~~(S//REL TO FVEY, MESP)~~ According to an IO joint publication, IO is the integrated employment of information-related capabilities working with other lines of operation to influence, disrupt, corrupt, or usurp (seize) the decision making of adversaries and potential adversaries during military operations.<sup>1</sup> PER USCENCOM: (b) (1), 1.4(a)

~~(S//REL TO FVEY, MESP)~~ PER OSD/JS, AND USCENCOM: (b) (1), 1.4(a)

(U)<sup>1</sup> Joint Publication 3-13, "Information Operations," November 27, 2012, incorporating change 1, November 20, 2014.

(U) The Under Secretary of Defense for Policy oversees and manages DoD-level IO programs and activities. In addition, the Deputy Director for Global Operations is the IO focal point of the Chairman of the Joint Chiefs of Staff and coordinates with the Joint Staff, Combatant Commands (CoCOMs), and other organizations that have direct or supporting IO responsibilities.

**(U) Web-Based MISO at Headquarters, CENTCOM**

(S//NOFORN) PER OSD/JS, AND USCENTCOM: (b) (1), 1.4(a) [Redacted]

(S//NOFORN) PER OSD/JS, AND USCENTCOM: (b) (1), 1.4(a) [Redacted]

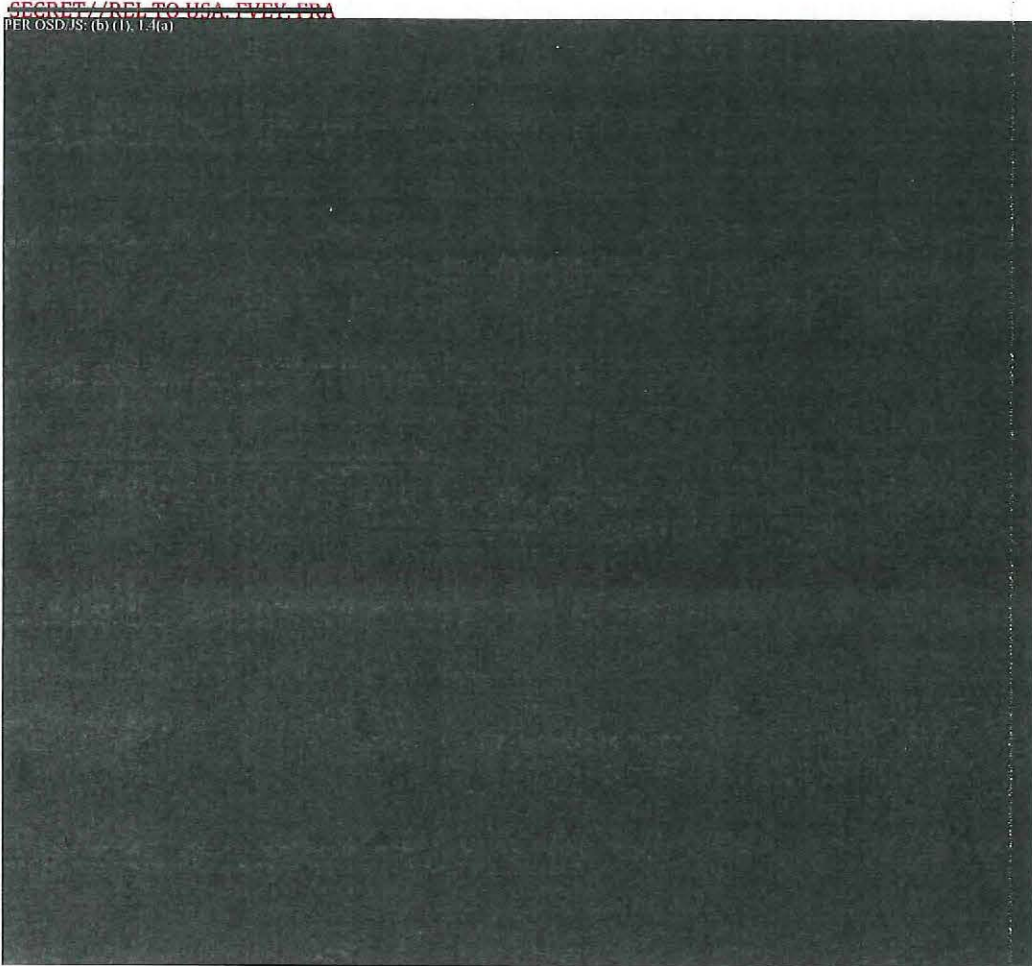
(S//NOFORN) PER OSD/JS, AND USCENTCOM: (b) (1), 1.4(a) [Redacted]

[Redacted] PER ACC-REDSTONE, AND USCENTCOM: (b) (1), 1.4(a) [Redacted]

[Redacted] Figure 1 shows the operation center where CENTCOM contract personnel conduct web-based MISO.

(U)<sup>2</sup> According to CENTCOM personnel, the contractor personnel count for each CoCOM working on web-based MISO at CENTCOM HQ was as follows: [Redacted]

*(U) Figure 1. CENTCOM's Operation Center for Conducting Web-Based MISO*



(U) Source: CENTCOM Information Operations Directorate.

**(U) Contracting for Web-Based MISO**

(U//~~FOUO~~) CENTCOM uses contractor support at the Web-Ops Center to conduct web-based MISO.<sup>3</sup> On September 25, 2013, ACC-Redstone and U.S. Army Space and Missile Defense Command (SMDC)<sup>4</sup> issued RWIP Task Order (TO) 2 to conduct RWIP in the CENTCOM area of responsibility (AOR).<sup>5</sup> The TO value was not to exceed \$19,591,305. On September 26, 2014, ACC-Redstone issued RWIP TO 3 for a total value not to exceed \$59,430,860 for the continued support of RWIP on the same base contract.<sup>6</sup> The Performance Work Statement (PWS) for RWIP TO 3 outlines the work to be performed to support efforts within the CENTCOM AOR.

(U//~~FOUO~~) Other CoCOMs showed interest in the web-based MISO capability, and in June and July of 2015, U.S. Africa Command (AFRICOM) and U.S. Pacific Command (PACOM) began using web-based MISO. SMDC officials entered into Support Agreements (SA) with AFRICOM and PACOM to conduct web-based MISO in their respective AORs using contract support under RWIP TO 3.

**(U) AFRICOM and PACOM Web-Based MISO Programs**

(S//~~NOFORN~~) PER OSD/JS, AND USCENTCOM: (b) (1), 1.4(a)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
PER OSD/JS, AND USCENTCOM: (b) (1), 1.4(a); PER USINDOPACOM: (b) (1), 1.4(a), 1.4(e)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

(U)<sup>3</sup> Geographic CoCOMs do not have contracting authority and must rely on Services or Functional CoCOMs with contracting authority to obtain contracting support.

(U)<sup>4</sup> ACC-Redstone officials stated that at the time RWIP TO 2 was issued, ACC-Redstone and SMDC were part of the same organization, but have since separated.

(U)<sup>5</sup> Task Order 0002 was issued on contract number W9113M-13-D-0002, "Systems Engineering and Technical Assistance Contract 2010," an indefinite-delivery indefinite-quantity contract for general engineering services.

(U)<sup>6</sup> Task Order 0003 was also issued on contract number W9113M-13-D-0002. This contract is for RWIP labor.

***(U) Support Agreements for Web-Based MISO***

(U) According to DoD Instruction 4000.19, an SA is an intra-agency, interagency, or National Guard agreement that documents the terms of an agreement that a DoD Component enters into with another DoD Component, a Federal agency, or a state or local government.<sup>7</sup> According to ACC-Redstone and SMDC officials, SAs are not contractually binding documents, but are primarily used to allow payments from one DoD Component to another. SMDC entered into SAs with AFRICOM and PACOM for web-based MISO in 2015, using contract support under RWIP TO 3.

***(U) AFRICOM Support Agreement***

(U) AFRICOM's SA began on July 31, 2015, and expired on September 30, 2016, for a total obligated cost not to exceed \$1,929,165.<sup>8</sup> This SA defines the roles and responsibilities of SMDC and AFRICOM under RWIP TO 3. The SA states that AFRICOM will provide the scope of work and associated funding directly to SMDC when AFRICOM has an approved requirement for the SMDC contractor support.

***(U) PACOM Support Agreement***

(U) PACOM's SA began on June 25, 2015, and expired on September 30, 2016, for a total obligated cost not to exceed \$6,000,000.<sup>9</sup> This SA defines the roles and responsibilities of SMDC and PACOM under RWIP TO 3. The SA states that PACOM will provide the scope of work and associated funding directly to SMDC when PACOM has an approved requirement for the SMDC contractor support.

(U) Table 1 shows details of the AFRICOM and PACOM SAs for web-based MISO.

***(U) Table 1. SAs for AFRICOM and PACOM Web-Based MISO***

(U) Combatant Command	(U) Support Agreement Number	(U) Effective Date	(U) End Date	(U) Obligated Cost
(U) AFRICOM	(U) USASMDC-15169-002	(U) July 31, 2015	(U) September 30, 2016	(U) \$1,929,165
(U) PACOM	(U) USASMDC-15041-001	(U) June 25, 2015	(U) September 30, 2016	(U) \$6,000,000

(U)<sup>7</sup> DoD Instruction 1400.19, "Support Agreements," April 25, 2013.

(U)<sup>8</sup> AFRICOM Support Agreement USASMDC-15169-002.

(U)<sup>9</sup> PACOM Support Agreement USASMDC-15041-001.

## **(U) Roles and Responsibilities for Contracting Web-Based MISO**

### **(U) Contracting Officer**

(U) According to the Federal Acquisition Regulation (FAR), the ACC-Redstone contracting officer's (CO) responsibilities include ensuring effective contractor performance and compliance with the terms of the contract.<sup>10</sup> In addition, the CO must review contracting officer's representative (COR) reports for completeness and accomplishment and provide feedback on COR performance to the COR's supervisor. According to the FAR, only the CO, acting within the scope of his or her authority, can issue modifications to the terms and conditions of a contract.<sup>11</sup>

### **(U) Contracting Officer's Representative**

(U) According to the DoD COR Handbook, the COR is generally nominated by the requiring activity and is designated as the COR in writing by the CO.<sup>12</sup> The COR should have technical expertise related to the contractual requirement and should monitor the technical or performance aspects of the contract. In addition, the COR must review and understand the terms and conditions of the contract and provide reports on contract performance to the CO. When performing surveillance of the contractor, the COR is the eyes and ears of the CO and the liaison between the Government and the contractor.

(U) According to the COR's RWIP TO 3 Designation Letter, the COR is responsible for monitoring the contractor's performance and for verifying and performing inspections to ensure that the contractor performs the technical requirements of the contract in accordance with the contract terms, conditions, and specifications.<sup>13</sup> In addition, the COR is required to maintain adequate records to sufficiently describe the performance of duties as a COR during the life of the contract. According to the FAR, the COR has no authority to make any changes to the terms and conditions of the contract, or to direct or encourage the contractor to perform work that should be the subject of a contract modification.<sup>14</sup>

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(U) <sup>10</sup>FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.602-2, "Responsibilities."

(U) <sup>11</sup>FAR Part 43, "Contract Modifications," Subpart 43.102, "Policy," and Subpart 43.103, "Types of Contract Modifications."

(U) <sup>12</sup>Department of Defense COR Handbook: Director, Defense Procurement and Acquisition Policy, March 22, 2012.

(U) <sup>13</sup>The COR for TO 3 worked for SMDC.

(U) <sup>14</sup>FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.602-2, "Responsibilities," and FAR Part 43, "Contract Modifications," Subpart 43.102, "Policy."

*(U) Requiring Activity*

(U) The DoD COR Handbook also states that the requiring activity is the entity that has a requirement for supplies or services and requests to initiate the acquisition of those supplies or services. Personnel at the requiring activity develop command resource requirements, identify sources of funding, determine costs, acquire funds, distribute and control funds, and track costs and obligations. CORs routinely interface between the requiring activity and the contractor. CENTCOM, AFRICOM, and PACOM are requiring activities for RWIP TO 3.

*(U) Review of Internal Controls*

(U) DoD Instruction 5010.40 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.<sup>15</sup> ACC-Redstone and SMDC did not provide effective oversight for the contract supporting web-based MISO, as required by Federal and DoD policies. Specifically, contracting officials did not adequately monitor contractor performance and the COR may have improperly authorized out-of-scope work. We identified an internal control weakness related to ACC-Redstone and SMDC's development of the PWS and the COR's lack of knowledge of web-based MISO which caused him to rely on CoCOM personnel to provide direction and oversight of the contractors. ACC-Redstone's actions during the audit addressed our recommendation; therefore, we are not making any additional recommendations. We will provide a copy of the report to the senior official responsible for internal controls at ACC-Redstone and SMDC.

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(U) <sup>15</sup> DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

## (U) Finding

### (U) Contracting Officials Did Not Adequately Monitor Contractor Performance

(U) ACC-Redstone and SMDC did not provide effective oversight for the contract supporting web-based MISO (RWIP TO 3). Specifically, ACC-Redstone and SMDC contracting officials did not adequately monitor contractor performance and the COR authorized out-of-scope work.

(U) This occurred because the COR lacked knowledge of web-based MISO and relied on CoCOM personnel to provide direction and oversight of the contractors.<sup>16</sup> Furthermore, the COR did not notify the CO of changes to the scope of work. In addition, contracting officials did not update the PWS for the RWIP TO 3 to accurately reflect work being conducted by the contractor for web-based MISO.

(U) Due to the CORs lack of knowledge of web-based MISO, reliance on CoCOM personnel to provide oversight, and the lack of a detailed PWS, the contracting office had limited assurance that the contractors met the performance standards required by the contract. Additionally, the COR may have improperly authorized commitments of approximately \$4.5 million for work that was outside the scope of the PWS for RWIP TO 3.

### (U) ACC-Redstone and SMDC Contracting Officials Did Not Adequately Monitor Contractor Performance

(U) The ACC-Redstone CO and SMDC COR did not adequately monitor contractor performance for the contract supporting web-based MISO (RWIP TO 3), as required by Federal and DoD policies. The FAR states that Government contract quality assurance shall be performed at such times and places as may be necessary to determine that the supplies or services conform to contract requirements.<sup>17</sup> Additionally, the DoD COR Handbook requires the COR to monitor contractor performance. However, the CO and

(U) <sup>16</sup> The Contracting Officer did not authorize any other personnel, other than the COR, to provide direction and oversight to the contractor.

(U) <sup>17</sup> FAR Part 46, "Quality Assurance," Subpart 46.4, "Government Contract Quality Assurance."



(U) COR did not adequately monitor contractor performance. Specifically, contracting officials relied on CENTCOM personnel to provide contractor oversight and the COR did not perform routine inspections as required.

***(U) Contracting Officials Relied on CENTCOM Personnel to Provide Contractor Oversight***

(U) Contracting officials relied on CENTCOM personnel to provide daily direction and oversight of the RWIP contractors. The CO and COR are responsible for ensuring that contractors carry out the contract requirements. The CO relied on the COR to ensure that the contract was carried out in accordance with the requirements of the PWS. The CO did not authorize any other personnel to provide direction and oversight of the contractor. However, the COR stated that he relied on CENTCOM personnel to provide oversight of the contractor and ensure that the Government received what was paid for. The COR also stated that as long as he received no complaints from CENTCOM personnel, he trusted there were no problems with the contractor's performance.

Contracting officials relied on CENTCOM personnel to provide daily direction and oversight of the RWIP contractors.

***(U) COR Did Not Perform Inspections or Review Contract Deliverables***

(U) The COR did not perform routine inspections to verify that the contractor performed the technical requirements of the contract in accordance with the contract terms, conditions, and specifications, as required by the COR appointment letter. According to the COR, he conducted one site visit during the entire time he was the COR for the RWIP TOs.<sup>18</sup> In addition, the COR stated that he received the deliverables for the contract. However, he was unable to provide evidence that he reviewed deliverables. Additionally, according to the COR, he did not review classified deliverables, including weekly and quarterly activity reports submitted by the contractor.

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(U)<sup>18</sup> The COR was designated on September 30, 2013, for RWIP TO 2, and as of December 2016 was still designated as the COR for RWIP TO 3.

## (U) SMDC Authorized Out-of-Scope Work for the RWIP Task Order

~~(S//NOFORN)~~ The COR authorized the contractor to perform work for AFRICOM and PACOM that was outside the scope of the RWIP TO 3 PWS. PER ACC-REDSTONE, AND USCENCOM: (b) (1), 1.4(a)

[REDACTED]

[REDACTED]

PER ACC-REDSTONE, OSD/JS, AND USCENCOM: (b) (1), 1.4(a)

[REDACTED]

[REDACTED]

[REDACTED]

The COR authorized the contractor to perform work that was outside the scope of the RWIP TO 3 PWS.

Therefore, the COR authorized the contractor to perform work that was outside the scope of the RWIP TO 3 PWS. According to the FAR, the COR did not have the authority to direct the contractor or its subcontractors to operate in conflict with the contract terms and conditions.<sup>19</sup> Additionally, according to the DoD COR Handbook, Government employees who are not a CO do not have the authority to order or authorize contractual changes.

## (U) COR Lacked Knowledge of Web-Based MISO and Did Not Notify CO of Changes in the Scope of Work

(U) The COR did not adequately monitor contractor performance because he lacked an overall understanding of web-based MISO and the contractors' implementation of the program at CENTCOM. Instead, he relied on CoCOM personnel to provide daily direction and oversight of the contractors. According to the COR Handbook, the COR must understand the requirements of the contract. Additionally, the COR functions as the eyes and ears of the CO and acts as the liaison between the Government and contractor when performing surveillance of the contractor. The COR stated that he did not fully understand MISO or how the program was being executed at CENTCOM, and stated that unless he received complaints from the individuals interacting daily with the contractor, he assumed everything was working well. The Executive Director, ACC-Redstone, should appoint contracting officials with sufficient knowledge of web-based MISO to provide oversight of contractor actions at each CoCOM.

(U) <sup>19</sup>FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.602-2, "Responsibilities."

(S//NOFORN) PER ACC-REDSTONE, OSD/JS, AND USCENCOM: (b) (1), 1.4(a)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] The Executive Director, ACC-Redstone, should review the work conducted on behalf of AFRICOM and PACOM to initiate appropriate action to resolve any out-of-scope contract work.

### (U) Contracting Officials Did Not Develop an Adequate PWS

(S//REL TO USA, FVEY) Contracting officials did not update the PWS for the RWIP TO 3 to accurately reflect work being conducted by the contractor for web-based MISO. PER ACC-REDSTONE, OSD/JS, AND USCENCOM: (b) (1), 1.4(a)

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Contracting officials did not update the PWS for the RWIP TO 3 to accurately reflect work being conducted by the contractor.

(U) According to the FAR and the DoD COR Handbook, a PWS is a statement of work for performance-based acquisitions that describes the required results in clear, specific, and objective terms with measurable outcomes.<sup>20</sup> Additionally, a surveillance plan should be tailored in conjunction with the PWS and specify all work requiring surveillance and the method of surveillance. The surveillance plan details how and when the Government will survey, observe, test, sample, evaluate, and document contractor performance. According to the DoD COR Handbook, interpreting requirements can be difficult if the PWS is poorly written, displaying a lack of technical knowledge, and different interpretations.<sup>21</sup> Also, the PWS must properly reflect the work being conducted for a surveillance plan to be useful. Therefore, the Executive Director, ACC-Redstone, should update the PWS to more accurately reflect the work being conducted for RWIP.

(U) <sup>20</sup> FAR Part 2, "Definitions of Words and Terms," Subpart 2.101, "Definitions."

(U) <sup>21</sup> Department of Defense COR Handbook: Director, Defense Procurement and Acquisition Policy, March 22, 2012.

## **(U) Contracting Office Had Limited Assurance That Contractors Met Performance Deliverables**

~~(S//REL TO ACGU)~~ The contracting office had limited assurance that all the contract deliverables PER ACC-REDSTONE, OSD, JS, AND USCENTCOM: (b) (1), 1.4(a)

[REDACTED]

(U) The PWS should define respective responsibilities of the Government and the contractor and provide an objective measure so that both will know when work is complete and payment is justified. The FAR states that the development of the PWS includes purpose, scope or mission, performance objectives, required results, and any operating constraints.<sup>23</sup> Without an adequate PWS, the Government does not have assurance that the contractor is performing as required by the contract or that adequate oversight is being performed.

## ***(U) DoD Lacked a Long-Term Oversight Strategy for Web-Based MISO***

(U) Contracting officials' lack of effective contract oversight raised concerns about the long-term contracting strategy (acquisition plan) for managing and overseeing web-based MISO contracts. Acquisition planning integrates the efforts of all personnel responsible for significant aspects of the acquisition. The plan should include procedures to ensure all contracts or orders are adequately managed to ensure effective control over contract or task order performance. According to the Defense FAR Supplement, written acquisition plans are required for acquisitions for production and services when the total cost of all contracts for the acquisition program is estimated at \$50 million or more for all years.<sup>24</sup> This requirement applies to the RWIP TO 3, which has a total value not to exceed \$59,430,860.

(U) <sup>22</sup> To be considered a DoD OIG: (b) (7)(E) is approved only if it meets the criteria outlined in the Under Secretary of Defense Policy memorandum, DoD OIG: (b) (1), 1.7(c), (b) (7)(E) November 16, 2012.

(U) <sup>23</sup> FAR Part 37, "Service Contracting," Subpart 37.602, "Performance-Based Acquisition."

(U) <sup>24</sup> Defense FAR Supplement Part 207, Subpart 207.1, "Acquisition Plans."

(U) We requested copies of the contracting office's long-term contracting strategy for managing and overseeing web-based MISO contracts. The contracting office did not provide written acquisition plans detailing procedures for adequate management to ensure effective control of the continued contracting for web-based MISO. Because other CoCOMs are conducting web-based MISO on RWIP TO 3 and plan to continue using this capability in the future, the Under Secretary of Defense for Policy, in conjunction with the Chairman of the Joint Chiefs of Staff, should conduct a review to determine the long-term strategy for management and oversight of contracting for web-based MISO.

### **(U) The COR May Have Improperly Authorized Commitments of \$4.5 Million**

~~(S//NOFORN)~~ The COR may have improperly authorized commitments of approximately \$4.5 million for work that was outside the scope of the PWS for RWIP TO 3. PER ACC-REDSTONE, OSD/JS, AND USCENICOM: (b) (1), 1.4(a)

[REDACTED]

[REDACTED] According to the FAR, only the CO, acting within the scope of his or her authority, can issue modifications to the terms and conditions of a contract.<sup>25</sup> Therefore, the COR may have improperly authorized commitments on behalf of the Government. During the audit we discussed this matter with ACC-Redstone contracting officials. PER ACC-REDSTONE: (b) (1), 1.4(a), AND USCENICOM: (b) (1), 1.4(a)

[REDACTED]

[REDACTED] Due to the actions taken during the audit, we determined that an accountability recommendation was not necessary. See the management actions taken section for more information.

(U) <sup>25</sup> FAR Part 43, "Contract Modifications," Subpart 43.102, "Policy," and Subpart 43.103, "Types of Contract Modifications."

## **(U) Recommendations**

### **(U) Recommendation 1**

(U) We recommend that the Executive Director, Army Contracting Command-Redstone, in conjunction with the requiring activities, appoint contracting officer's representatives or alternate contracting officer's representatives with sufficient knowledge of web-based Military Information Support Operations for each Combatant Command to provide oversight of contractor actions at each Combatant Command.

### **(U) Recommendation 2**

(U) We recommend that the Executive Director, Army Contracting Command-Redstone:

- a. (U) Review work conducted on behalf of U.S. Africa Command and U.S. Pacific Command to initiate appropriate action to resolve any out-of-scope work.
- b. (U) Update the existing performance work statement to include changes in the scope of work.

### **(U) Recommendation 3**

(U) We recommend that the Under Secretary of Defense for Policy, in conjunction with the Chairman of the Joint Chiefs of Staff, conduct a review to determine the long-term strategy for the management and oversight of contracting for web-based Military Information Support Operations.

## **(U) Management Actions Taken**

### **(U) ACC-Redstone**

~~(S//NOFORN)~~ During the audit, we met with the Director, Contract Acquisition Management Office, Contract Operations Directorate B, ACC-Redstone, and discussed the contract oversight deficiencies identified. We suggested that ACC-Redstone update the PWS to include changes in the scope of work. In addition, we requested that the Director review the out-of-scope work and determine what corrective actions were required. PER ACC-REDSTONE, AND USCENTCOM: (b) (1), 1-4(a)

(U) In addition, the Director responded to the discussion with plans to address each additional recommendation. The Director identified qualified candidates from each CoCOM and anticipates appointing these CORs by <sup>DoD OIG: (b) (5)</sup> [REDACTED]. In addition, ACC-Redstone is of reviewing the work performed and identifying any changes that need to be made to the PWS. The Director expects to complete the review by <sup>DoD OIG: (b) (5)</sup> [REDACTED]. The Director's actions taken during the audit addressed our recommendations; therefore, we are not making additional recommendations to ACC-Redstone and do not require its comments on the final report.

***(U) Office of the Under Secretary of Defense for Policy***

(U) The Director, Military Information Support Operations, Office of the Deputy Assistant Secretary of Defense for Special Operations and Combating Terrorism, Office of the Under Secretary of Defense for Policy, responded to our discussion draft stating a that review to determine the long-term strategy for management and oversight of web-based MISO had already begun. Specifically, the DoD began working on the issue during the Internet Information Operations Capability-Based Assessment in 2015. The final report of the assessment directed U.S. Special Operations Command to conduct a review of the web-based MISO capability for other commands. The Special Operations Command review is expected to be completed in the spring of 2017.

(U) The Office of the Under Secretary of Defense for Policy will work with the Office of the Secretary of Defense, Cost Assessment and Program Evaluation to determine the best options for implementing U.S. Special Operations Command's recommendations. Before completing the review and implementing any recommendations, <sup>PER OSD/JS: (b) (5)</sup> [REDACTED] the Office of the Under Secretary of Defense for Policy will continue to maintain oversight of existing web-based MISO activities. The Director's actions taken during the audit addressed our recommendations; therefore, we are not making additional recommendations to the Office of the Under Secretary of Defense for Policy and do not require its comments on the final report.

## (U) Appendix

### (U) Scope and Methodology

(U) We conducted this performance audit from August 2016 through January 2017 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(U) To determine whether DoD Components provided adequate oversight for contract support of web-based MISO, we identified and reviewed the applicable guidelines for service acquisition and the roles and responsibilities for those providing oversight for the RWIP TO 3. We reviewed Federal, DoD, and CENTCOM guidance to understand contracting requirements for the MISO program. We reviewed the following criteria:

- (U) Federal Acquisition Regulation, Part 1, "Federal Acquisition Regulations System"
- (U) Federal Acquisition Regulation, Part 4, "Administrative Matters"
- (U) Federal Acquisition Regulation, Part 7 "Acquisition Planning"
- (U) Federal Acquisition Regulation, Part 37, "Service Contracting"
- (U) Federal Acquisition Regulation, Part 42, "Contract Administration and Audit Services"
- (U) Federal Acquisition Regulation, Part 44, "Subcontracting Policies and Procedures"
- (U) Federal Acquisition Regulation, Part 46, "Quality Assurance"
- (U) Defense Federal Acquisition Regulation Supplement, Part 207, Subpart 207.1, "Acquisition Plans," revised June 7, 2016
- (U) Department of Defense Directive 3600.01, "Information Operations (IO)," May 2, 2013
- (~~SECRET//REL TO USA, FVEY~~) PER USCENTCOM: (b) (1), 1.4(a)
- (U//~~FOUO~~) Central Command Regulation 525-20, "Military Information Support Operation (MISO)," November 13, 2015
- (U) "Department of Defense Contracting Officer Representative (COR) Handbook," Director, Defense Procurement and Acquisition, March 22, 2012



- (U) Defense Contingency Contracting Officer Representative (COR) Handbook, Version 2, "Tools, Resources, and Support for the Contracting Officer's Representative (COR)," September 2012
- (U) Designation of Contracting Officer's Representative for Task Order W9113M-13-D-0002/0003, September 4, 2014

(U) We interviewed personnel from the following offices to obtain background information on the contracting for web-based MISO:

- (U) Office of the Chairman of the Joint Chiefs of Staff
- (U) Office of the Secretary of Defense for Policy
- (U) AFRICOM
- (U) PACOM
- (U) CENTCOM
- (U) U.S. Special Operations Command
- (U) Headquarters, Army Material Command
- (U) Office of the Assistant Secretary of Army for Acquisition, Logistics, and Technology
- (U) Defense Contract Management Agency
- (U) ACC-Redstone
- (U) SMDC

(U) We visited Redstone Arsenal in Huntsville, Alabama, to interview SMDC, ACC-Redstone, and Defense Contract Management Agency personnel to determine roles and responsibilities related to web-based MISO contracting. We also visited MacDill Air Force Base to interview CENTCOM, U.S. Special Operations Command, and PACOM personnel to determine their roles and responsibilities related to oversight for web-based MISO contracts. We obtained contract documentation, reviewed oversight requirements, and discussed the oversight process and requirements with contracting officials and with CENTCOM, AFRICOM, and PACOM personnel.

## (U) Use of Computer-Processed Data

(U) We did not use computer-processed data for this audit.

## (U) Prior Coverage

(U) During the past 5 years, the Government Accountability Office (GAO) and the Department of Defense Office of Inspector General (DoD OIG) issued five reports related to the audit objectives. Unrestricted GAO and DoD OIG reports can be accessed at <http://www.gao.gov> and <http://www.dodig.mil/audit/reports>.

## (U) GAO

(U) Report No. GAO-15-383C, "Regional Web Interaction Program, DoD Has Established Measures and Controls to Oversee U.S. Central Command's Program," April 16, 2015

~~(SECRET//NOFORN)~~ PER OSD JS, AND USCENTCOM: (b) (1), 1.4(a)  
[Redacted]

## (U) DoD OIG

(U) Report No. DODIG-2016-111, "DoD Effectively Planned and Executed Military Information Support Operations for OIR but Needs to Develop Formal Processes and Procedures for Web-Based Operations," July 20, 2016

~~(SECRET//NOFORN)~~ Although DoD Components effectively planned and executed web-based and non-web-based MISO for OIR, some processes and procedures for requesting, conducting and monitoring attributed web-based MISO were not formalized, documented, or developed in the form of standard operating procedures. The DoD OIG recommended that CENTCOM formalize procedures for requesting, conducting, and monitoring web-based MISO. CENTCOM Operations Directorate-Information Operations personnel concurred and took action during the audit to correct identified deficiencies.

(U) Report No. DODIG-2015-100, "Information Operations in a Contingency Environment: Summary of Weaknesses Identified in Reports Issued From October 6, 2006 Through November 7, 2013," March 27, 2015

~~(SECRET//NOFORN)~~ The report discusses weaknesses in planning, executing, and assessing IO from six previous reports issued for IO in Afghanistan, Iraq, and Africa. The 13 recommendations made in those six reports were closed.

(U) Report No. DODIG-2014-008, "Contract and Controls Over Information Operations Assessments in Afghanistan Should Be Strengthened," November 7, 2013

~~(SECRET//NOFORN)~~ Army Contracting Command-Rock Island issued contract no. W52P1J-09-D-0053, to both produce and assess MISO products in support of Military Information Support Task Force-Afghanistan, on August 6, 2009. PER OSD/JS, AND USCENTCOM (b) (1), 1.4(d)

[REDACTED]

(U) Report No. DODIG-2012-134, "Contingency Contracting: A Framework for Reform-2012-Update," September 18, 2012

~~(U//FOUO)~~ This report consolidates 38 reports issued by DoD OIG personnel and press releases related to 20 fraud investigations issued from April 2, 2010, through March 31, 2012, regarding the DoD's contingency contracting. The reports and investigations identified a variety of problems relating to DoD officials not awarding, administering, or managing contingency contracts in accordance with Federal and DoD policies. The reports and investigations identified problems in oversight and surveillance, financial management, contract pricing, requirements and property accountability and source selection.

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## (U) Sources of Classified Information

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(U) The documents listed below are sources used to support information within this report.

Source 1 (U) DoD Effectively Planned and Executed Military Information Support Operations for Operation Inherent Resolve but Needs to Develop Formal Processes and Procedures for Web-Based Operations

Classification: SECRET//NOFORN  
Derived From: Multiple Sources, 20160720  
Declassification Date: 20410720

Source 2 (U) Regional Web Interaction Program (RWIP) Execute Order (EXORD) MOD 1

Classification: SECRET//AUD CAN GBR USA ACGU  
Derived From: Headquarters CENTCOM, 20130318  
Declassification Date: 20380318

Source 3 (U) CENTCOM's Operation Center for Conducting Web-Based MISO

Classification: SECRET//REL TO USA, FVEY, FRA  
Derived From: USCENTCOM, 20160914  
Declassification Date: 20410914

Source 4 (U) USAFRICOM DoD OIG: (b) (7)(E)

Classification: SECRET//NOFORN  
Derived From: USAFRICOM Operational Logistics (OPLOG) Directorate, 20151103  
Declassification Date: 20251103

- Source 5 (U) Web Interaction Program – PACOM (WIPP) EXORD  
Classification: SECRET//NOFORN  
Derived From: Commander USPACOM, 20130722  
Declassification Date: 20380722
- Source 6 (U) DoD OIG: (b) (7)(E)  
Classification: SECRET//NOFORN  
Derived From: USPACOM, 20130328  
Declassification Date: 20380328
- Source 7 (U) Systems Engineering and Technical Assistance Contract (SETAC) 2010 - Performance Work Statement for Regional Web Initiative Program (RWIP)  
Classification: SECRET//NOFORN  
Derived From: Multiple Sources, 20160921  
Declassification Date: 20240630
- Source 8 (U) Systems Engineering and Technical Assistance Contract (SETAC) 2010 - Performance Work Statement for Regional Web Initiative Program (RWIP)  
Classification: SECRET//REL ACGU  
Derived From: Multiple Sources, 20140630  
Declassification Date: 20240630
- Source 9 (U) Justification Review Document for Other than Full and Open Competition Regional Web Initiative Program (RWIP) New TO 0003 W9113M-13-D-0002  
Classification: SECRET//NOFORN  
Derived From: Multiple Sources, 20140714  
Declassification Date: 20370123

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## (U) Acronyms and Abbreviations

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- (U) ACC Army Contracting Command
- (U) AFRICOM U.S. Africa Command
- (U) AOR Area of Responsibility
- (U) CCI3-IO CENTCOM Operations Directorate–Information Operations
- (U) CENTCOM U.S. Central Command
- (U) CoCOMs Combatant Commands
  - (U) CO Contracting Officer
  - (U) COR Contracting Officer’s Representative
  - (U) FAR Federal Acquisition Regulation
  - (U) IO Information Operations
- (U) MISO Military Information Support Operations
  - (U) OIR Operation Inherent Resolve
- (U) PACOM U.S. Pacific Command
  - (U) PWS Performance Work Statement
  - (U) QCP Quality Assurance Plan
- (U) RWIP Regional Web Interaction Program
  - (U) SA Support Agreement
- (U) SMDC U.S. Army Space and Missile Defense Command
  - (U) TO Task Order

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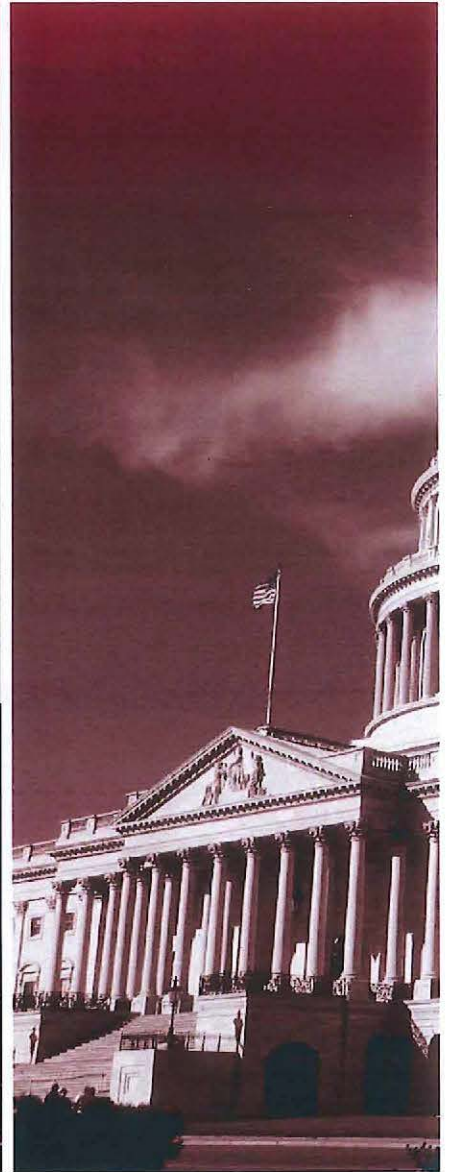
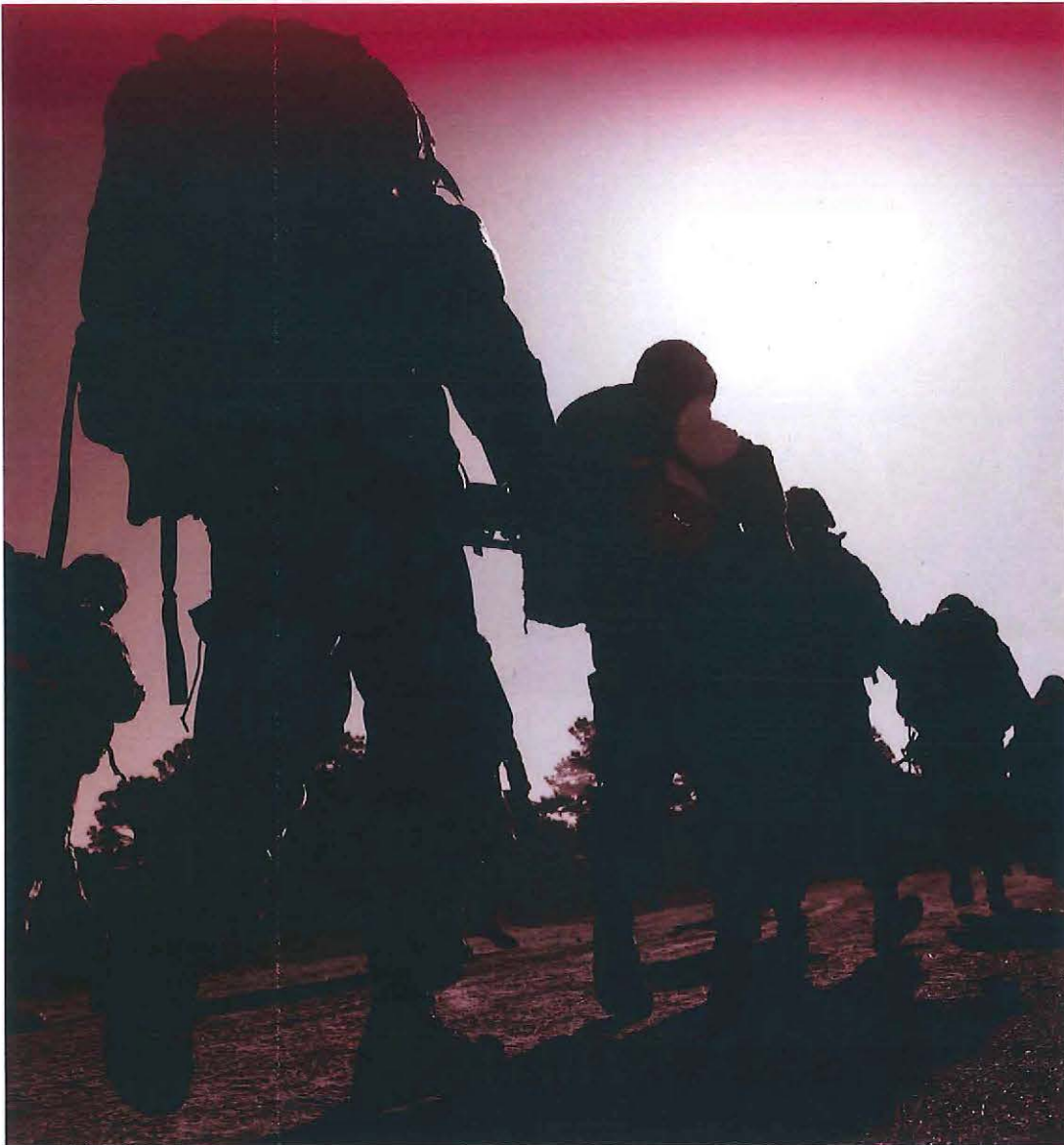
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