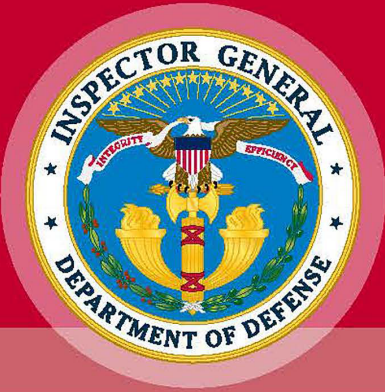


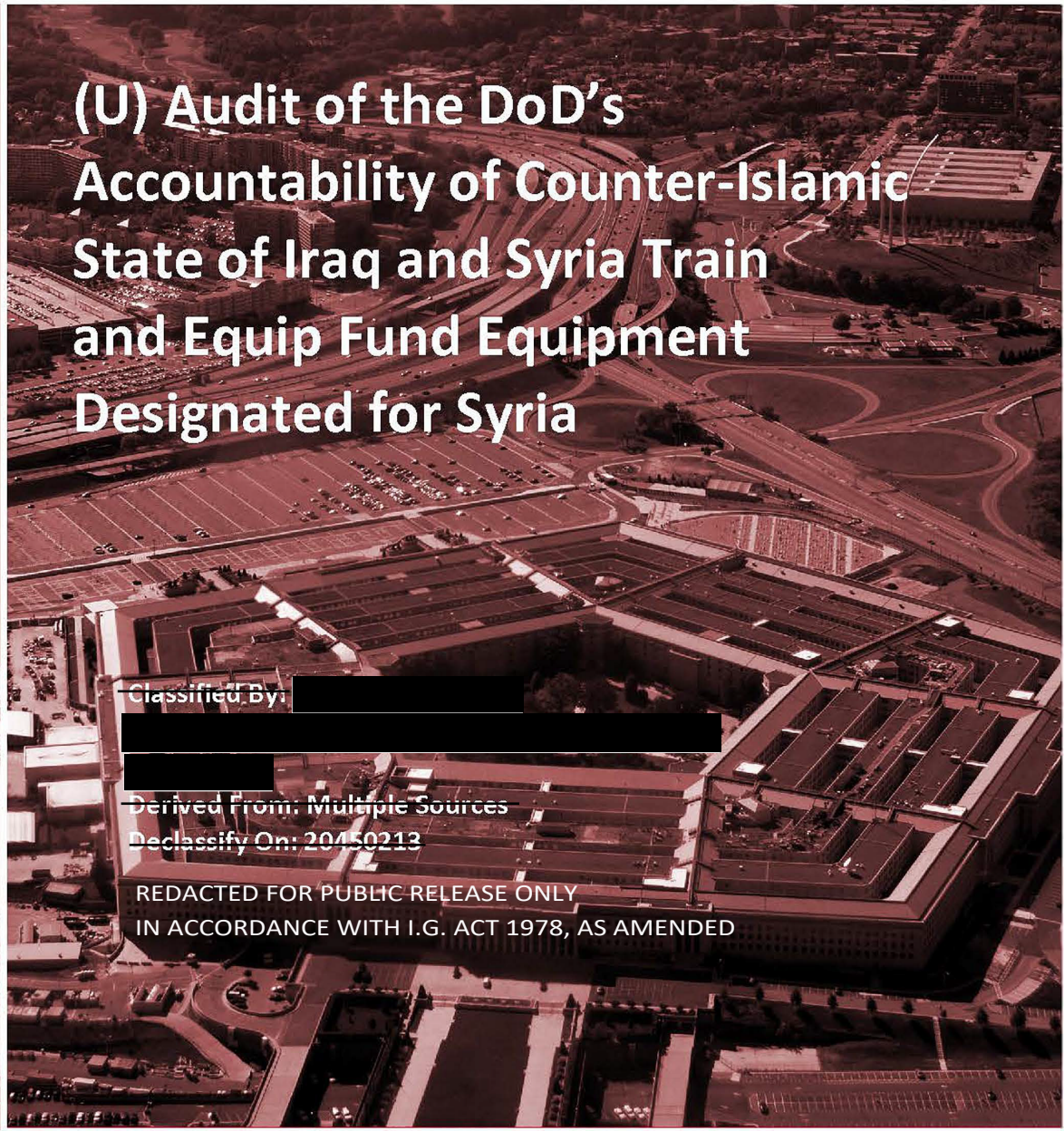
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# INSPECTOR GENERAL

*U.S. Department of Defense*

FEBRUARY 13, 2020



## (U) Audit of the DoD's Accountability of Counter-Islamic State of Iraq and Syria Train and Equip Fund Equipment Designated for Syria

Classified By: [REDACTED]

Derived From: Multiple Sources  
Declassify On: 20450213

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INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

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~~S//REL TO USA, FRA, FVEY~~

## (U) Results in Brief

*(U) Audit of the DoD's Accountability of Counter-Islamic State of Iraq and Syria Train and Equip Fund Equipment Designated for Syria*

(U) February 13, 2020

### (U) Objective

(U) The objective of this audit was to determine whether the DoD properly accounted for and stored Counter-Islamic State of Iraq and Syria Train and Equip Fund (CTEF) equipment designated for Syria (CTEF-S) from procurement through divestment (transfer of ownership and accountability from the DoD to the DoD-approved Vetted Syrian Opposition [VSO]) in accordance with guidance.

### (U) Background

(U) The U.S. Government strategy to counter the Islamic State of Iraq and Syria (ISIS) directed the DoD to conduct a campaign to degrade, dismantle, and ultimately defeat ISIS. The focus of the DoD's strategy to counter ISIS is to work with the VSO in Syria and the Government of Iraq's Iraqi Security Forces to build key security force capabilities, help professionalize security forces in Syria and Iraq, and promote long-term stability in these countries and the region. Specifically, in FYs 2017 and 2018, the DoD sought to successfully counter ISIS through training, equipping, and sustaining the VSO and Government of Iraq's Iraqi Security Forces in Iraq.

(U) In December 2018, the DoD began planning for the safe, professional withdrawal of U.S. personnel from Syria while maintaining its efforts to defeat ISIS. For FY 2020, the DoD budget requested \$300 million, including \$173.2 million for weapons, ammunitions, vehicles, and other CTEF-S equipment, to ensure the enduring defeat of ISIS. The FY 2020 DoD budget request states that equipping, sustaining, and enabling the VSO is critical to the DoD's approach. The relationship between U.S. forces and the VSO relies heavily on the DoD's ability to provide weapons, ammunitions, and equipment. Furthermore, the FY 2020 DoD budget request states that the VSO's combat

### Background (cont'd)

(U) effectiveness, movement, and operational tempo are directly linked to U.S. support, including the provision of weapons, ammunition, and equipment.

(U) The CTEF-S program provides equipment designated for Syria to support the VSO. From FY 2017 through FY 2018, Congress authorized a total of \$930 million for the CTEF-S program to support the VSO. Of the \$930 million, the DoD budget requested \$715.8 million for weapons, ammunition, vehicles, or equipment for FYs 2017 and 2018.

(U) Special Operations Joint Task Force–Operation Inherent Resolve (SOJTF-OIR), under Combined Joint Task Force–OIR (CJTF-OIR), is the primary accompany force in Syria that advises and assists the VSO. According to SOJTF-OIR personnel, SOJTF-OIR also manages the day-to-day operations of the CTEF-S program. Specifically, SOJTF-OIR personnel identify program requirements—including the VSO's needs for CTEF-S equipment and weapons—coordinate with acquisition agencies, manage equipment distribution, and monitor divestment tracking and reporting for CTEF-S equipment, such as weapons, ammunition, or vehicles.

(U) Personnel from 1st Theater Sustainment Command (1st TSC), under U.S. Army Central, told us that 1st TSC personnel account for and store CTEF-S equipment in Kuwait, accept the equipment once it arrives in Kuwait, then transport the equipment to the Building Partners Capacity (BPC) Kuwait warehouse. According to 1st TSC personnel, 1st TSC maintain a detailed inventory of all CTEF-S equipment at the BPC Kuwait warehouse and coordinate the movement of all CTEF-S equipment from the BPC Kuwait warehouse to storage sites closer to Syria. Personnel from 1st TSC indicated that CTEF-S equipment remains in U.S. Government possession while stored at the BPC Kuwait warehouse and storage sites closer to Syria. According to SOJTF-OIR personnel, Coalition units located throughout Syria work closely with the VSO to identify

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## (U) Results in Brief

### *(U) Audit of the DoD's Accountability of Counter-Islamic State of Iraq and Syria Train and Equip Fund Equipment Designated for Syria*

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

(U) their current and future operational needs, such as weapons and vehicles. The VSO consists of DoD-approved Syrian opposition personnel who are dedicated to fighting ISIS throughout Syria. SOJTF-OIR personnel stated that Coalition units select, investigate, train, and equip these local Syrian forces to defeat ISIS. In addition, SOJTF-OIR personnel stated that Coalition units receive the CTEF-S equipment from the BPC Kuwait warehouse and divest CTEF-S equipment to the VSO. Once divested, ownership and accountability of CTEF-S equipment is transferred from the DoD to the VSO.

#### **(U) Finding**

(U) SOJTF-OIR personnel did not account for the budgeted \$715.8 million of CTEF-S equipment for FYs 2017 and 2018 from procurement through divestment in accordance with DoD Instruction 5000.64 and Army Regulation 735-5. For example, SOJTF-OIR personnel did not maintain comprehensive lists of all equipment purchased and received. This occurred because SOJTF-OIR personnel allowed multiple entities involved with CTEF-S equipment to store records in numerous locations instead of designating a central repository for all supporting accountability documentation.

(FOUO) 1st TSC personnel did not properly store or secure CTEF-S equipment at the BPC Kuwait warehouse in accordance with DoD guidance, Army regulations, or SOJTF-OIR standard operating procedures. For example, 1st TSC personnel stored weapons outside in metal shipping containers, exposing the equipment to harsh environmental elements, such as heat and humidity. This occurred because SOJTF-OIR personnel did not divest or dispose of CTEF-S equipment, which led to overcrowding at the BPC Kuwait warehouse. In addition, according to 1st TSC's inventory records, 1st TSC personnel stored 4,144 Category II weapons (sensitive weapons), such as machine guns and grenade launchers, outside in metal shipping containers and not in a facility that met the

(FOUO) requirement for storing Category II weapons.

(FOUO) Furthermore, 1st TSC personnel

This occurred because

DoD Manual and

(S) For FY 2020, the DoD budget requested \$173.2 million for weapons, ammunitions, vehicles, and other CTEF-S equipment. Without accurate accountability records, such as inventory records and hand receipts, SOJTF-OIR personnel could order equipment that SOJTF-OIR already has in stock, risking unnecessary spending of CTEF-S funds and further overcrowding the BPC Kuwait warehouse resulting in equipment being stored outside.

(U) Furthermore, SOJTF-OIR and 1st TSC personnel left thousands of CTEF-S weapons and sensitive equipment items vulnerable to loss or theft. Without conducting consistent inventories and ensuring proper security for CTEF-S equipment, 1st TSC could not determine whether items were lost or stolen which could delay the initiation of an investigation.

#### **(U) Recommendations**

(U) We recommend that the Commander of SOJTF-OIR develop a central repository system for all documentation required to support CTEF-S equipment requested on the memorandum of requirement through the entire divestment process.



# (U) Results in Brief

## *(U) Audit of the DoD's Accountability of Counter-Islamic State of Iraq and Syria Train and Equip Fund Equipment Designated for Syria*

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

(U) We recommend that the Commander of SOJTF-OIR develop guidance for the proper disposal of CTEF-S equipment stored at the BPC Kuwait warehouse that has been declared unserviceable.

(U) Additionally, we recommend that the Commander of 1st TSC complete a physical security inspection periodically, but no less than every 18 months, and ensure corrective action is taken to fix new and existing security issues identified.

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

(U) During the audit, we advised SOJTF-OIR and 1st TSC of the deficiencies within the CTEF-S program for the accountability and security of CTEF-S equipment. SOJTF-OIR and 1st TSC personnel agreed with our findings and immediately initiated corrective actions. SOJTF-OIR personnel stated that SOJTF-OIR created a shared drive portal for all documentation for CTEF-S equipment from procurement through divestment, including memorandums of requirement, purchase orders, equipment received, inventories completed, hand receipts, transfers, and divestment packages. 1st TSC has already started providing its hand receipts and completed inventory documents to SOJTF-OIR for inclusion in the shared drive. As of January 2020, SOJTF-OIR is using this shared drive portal to store documentation for CTEF-S equipment, such as inventories, lateral transfers, and hand receipts. The actions taken addressed the specifics of Recommendation 1 to establish a central repository for all documentation required to support CTEF-S equipment requested on the memorandum of requirement through the entire divestment process; therefore, Recommendation 1 is closed.

~~(FOUO)~~ On May 31, 2019, U.S. Central Command developed and began implementing a disposal plan for unserviceable equipment purchased for the VSO, including items stored at the BPC Kuwait warehouse. [REDACTED]

~~(FOUO)~~ [REDACTED]  
[REDACTED]  
[REDACTED] CJTF-OIR personnel stated that this plan will reduce the amount of CTEF-S equipment currently stored at the BPC Kuwait warehouse, and equipment will no longer need to be stored outside the warehouse exposed to the harsh elements. Furthermore, in November 2019, CJTF-OIR personnel confirmed that disposition guidance for unserviceable CTEF-S equipment was received from U.S. Central Command and that unserviceable CTEF-S equipment will be provided to the Defense Logistics Agency or disposed. The actions taken addressed the specifics of Recommendation 2 to develop guidance for the disposal of unserviceable equipment; therefore, Recommendation 2 is closed.

~~(FOUO)~~ During our February 2019 followup site visit, the audit team verified that 1st TSC personnel had started taking corrective actions to address the security deficiencies on the issues the audit team identified during the initial site visit. [REDACTED]

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

[REDACTED] The actions taken addressed the specifics of Recommendation 3 to complete a security inspection and address security issues; therefore, Recommendation 3 is closed.

(U) Please see the Recommendations Table on the next page for the status of recommendations.

**(U) Recommendations Table**

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
(U) Commander, Special Operations Joint Task Force–Operation Inherent Resolve	None	None	1, 2
(U) Commander, 1st Theater Sustainment Command	None	None	3

(U) The following categories are used to describe agency management’s comments to individual recommendations:

- (U) **Unresolved**- Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- (U) **Resolved**- Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- (U) **Closed**- OIG verified that the agreed upon corrective actions were implemented.



~~S//REL TO USA, FRA, FVEY~~

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

(U) February 13, 2020

(U) MEMORANDUM FOR COMMANDER, U.S. CENTRAL COMMAND  
COMMANDER, COMBINED JOINT TASK FORCE-  
OPERATION INHERENT RESOLVE  
COMMANDER, 1ST THEATER SUSTAINMENT COMMAND  
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: (U) Audit of the DoD's Accountability of Counter-Islamic State of  
Iraq and Syria Train and Equip Fund Equipment Designated for  
Syria (Report No. DODIG-2020-061)

(U) This final report provides the results of the DoD Office of the Inspector General's  
audit. Management's comments and associated actions addressed the  
recommendations in this report and we consider the recommendations closed.

(U) We appreciate the cooperation and assistance received during the audit. If you have  
any questions please contact me at [REDACTED].

A handwritten signature in black ink, reading "Richard B. Vasquez".

Richard Vasquez  
Assistant Inspector General for Audit  
Readiness and Global Operations

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## (U) Introduction

### (U) Objective

(U) The objective of this audit was to determine whether the DoD properly accounted for and stored Counter-Islamic State of Iraq and Syria Train and Equip Fund (CTEF) equipment designated for Syria (CTEF-S) from procurement through divestment (transfer of ownership and accountability from the DoD to the DoD-approved Vetted Syrian Opposition [VSO]) in accordance with guidance.

### (U) Background

(U) The U.S. Government strategy to counter the Islamic State of Iraq and Syria (ISIS) directs the DoD to conduct a campaign to degrade, dismantle, and ultimately defeat ISIS.<sup>1</sup> The focus of the DoD's strategy to counter ISIS is to work with the VSO in Syria and the Government of Iraq's Iraqi Security Forces to build key security force capabilities, help professionalize security forces in Syria and Iraq, and promote long-term stability in these countries and the region. Specifically, in FYs 2017 and 2018, the DoD sought to successfully counter ISIS through training, equipping, and sustaining the VSO and Government of Iraq's Iraqi Security Forces in Iraq.

(U) The FY 2017 National Defense Authorization Act combined the Iraq and Syria Train and Equip Funds into a single CTEF fund to provide the DoD with greater flexibility to assist the VSO and Government of Iraq's Iraqi Security Forces. According to the provisions of section 1209 of the FY 2015 National Defense Authorization Act, the Secretary of Defense is authorized, in coordination with the Secretary of State, to provide assistance to the VSO—including training, equipment, supplies, stipends, sustainment, and associated facilities.<sup>2</sup>

(U) In December 2018, the DoD began planning for the safe, professional withdrawal of U.S. personnel from Syria while maintaining its efforts to defeat ISIS. For FY 2020, the DoD budget requested \$300 million, including \$173.2 million for weapons, ammunitions, vehicles, and other CTEF-S equipment, to ensure the enduring defeat of ISIS.<sup>3</sup> The FY 2020 DoD budget request states that equipping, sustaining, and enabling the VSO is critical to the DoD's approach. The relationship between U.S. forces and the VSO relies heavily on the DoD's ability to provide weapons, ammunitions, and

<sup>1</sup> (U) ISIS is also referred to as Da'esh.

<sup>2</sup> (U) Carl Levin And Howard P. "Buck" McKeon National Defense Authorization Act For Fiscal Year 2015, "Public Law 113–291 113th Congress," December 19, 2014.

<sup>3</sup> (U) Office of the Secretary of Defense, Department of Defense Budget Fiscal Year 2020, Justification for FY 2020 Overseas Contingency Operations, Counter-Islamic State of Iraq and Syria Train and Equip Fund, March 2019.

(U) equipment. Furthermore, the FY 2020 DoD budget request states that the VSO's combat effectiveness, movement, and operational tempo are directly linked to U.S. support, including the provision of weapons, ammunition, and equipment.

### **(U) CTEF-S Equipment for Vetted Syrian Opposition**

(U) The CTEF-S program provides equipment designated for Syria to support the VSO. From FY 2017 through FY 2018, Congress authorized a total of \$930 million for the CTEF-S program to support the VSO. Of the \$930 million authorized, the DoD budget requested \$715.8 million for weapons, ammunition, vehicles, or equipment for FYs 2017 and 2018.<sup>4</sup> Table 1 shows a breakdown of the \$930 million CTEF-S funds for FYs 2017 and 2018.

*(U) Table 1. FY 2017 Through 2018 Funding for the CTEF-S Program*

<b>(U)</b> <b>(U) Fiscal Year</b>	<b>(U) Overall Dollar Amount Authorized by Congress for CTEF-S Program</b>	<b>(U) Dollar Amount the DoD Budget Requested for Weapons, Ammunition, Vehicles, or Equipment</b>
<b>2017</b>	\$430 million*	\$322.5 million
<b>2018</b>	\$500 million	\$393.3 million
<b>Total:</b>	<b>\$930 million</b>	<b>\$715.8 million</b> <b>(U)</b>

\* (U) For FY 2017, Congress authorized \$250 million for the CTEF-S program. The DoD budget requested an additional \$180 million for CTEF-S program and the additional funding was approved by Congress. As a result, the total amount authorized by Congress for CTEF-S program was \$430 million for FY 2017.

(U) Source: The DoD OIG.

(U) For example, the weapons in the FYs 2017 and 2018 DoD budget requests include rifles, machine guns, rocket-propelled grenades, sniper rifles, and 60- and 120-millimeter mortars. Figure 1 shows two M-16 rifles.

<sup>4</sup> (U) Office of the Under Secretary of Defense (Comptroller), Department of Defense Budget Fiscal Year 2017, Request for Additional FY 2017 Appropriations Overseas Contingency Operations, Counter-Islamic State of Iraq and Syria Train and Equip Fund, March 2017.

(U) Office of the Secretary of Defense, Department of Defense Budget Fiscal Year 2018, Justification for FY 2018 Overseas Contingency Operations, Counter-Islamic State of Iraq and Syria Train and Equip Fund, May 2017.

(U) We used the DoD budget requested amount of \$715.8 million because personnel responsible for CTEF-S equipment did not provide documentation to support the actual dollar amount spent on weapons, ammunition, vehicles, or equipment.

*(U) Figure 1. M-16 Rifle*



(U) Source: The DoD OIG

***(U) DoD, Army, and Special Operations Joint Task Force—  
Operation Inherent Resolve Policies for Accountability  
of Property***

(U) DoD Instruction 5000.64 requires that all items of accountable property and their associated data elements be tracked in an accountable property system of record.<sup>5</sup> The Instruction requires accountability property officers to establish and maintain the organization’s accountable property records for Government property. Part of this requirement entails maintaining a comprehensive list of all transactions suitable for audit, including, but not limited to, invoices, procurement contracts, and documentation acknowledging receipt of procured equipment. DoD Manual 5100.76 establishes requirements to protect weapons stored at DoD facilities.<sup>6</sup> The manual states that physical security inspections of weapons storage must be conducted at intervals not to exceed 18 months.

<sup>5</sup> (U) DoD Instruction 5000.64, “Accountability and Management of DoD Equipment and Other Accountable Property,” August 31, 2018.

<sup>6</sup> (U) DoD Manual 5100.76, “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives,” May 8, 2018.

~~(FOUO)~~ Three Army regulations (ARs) provide guidance for maintaining accountability or physical security of property. AR 710-2 requires personnel to keep records of property, such as identification data, gains, losses, dues-in, and balances on hand or in use.<sup>7</sup> AR 735-5 states that accounting for Army property will be continuous from the time of procurement until the final use or disposal of the property.<sup>8</sup> In addition, when personnel assume accountability for property that is remotely located, records must be maintained to show the location of the property and identify the personnel charged with its care and safekeeping. [REDACTED]

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

(U) Two Special Operations Joint Task Force–Operation Inherent Resolve (SOJTF-OIR) policies provide guidance and procedures for the accountability, storage, and safeguarding of CTEF-S equipment. SOJTF-OIR Logistics Directorate (J4) standard operating procedures (SOP) require the delegated responsible officer to properly store and safeguard all CTEF-S equipment in the Building Partners Capacity (BPC) Kuwait warehouse in accordance with all applicable regulations.<sup>10</sup> The SOJTF-OIR Logistical Accountability SOP provides guidance for the accounting and reporting of equipment, and requires personnel to conduct monthly cyclic and sensitive item inventories of CTEF-S equipment.<sup>11</sup>

### ***(U) CTEF-S Equipment Accountability Roles and Responsibilities***

(U) Several organizations are involved in the requirements development, accountability, storage, and divestment of CTEF-S equipment. These organizations include the Combined Joint Task Force–Operation Inherent Resolve (CJTF-OIR); Special Operations Joint Task Force–Operation Inherent Resolve (SOJTF-OIR); and 1st Theater Sustainment Command (TSC); Coalition units; and the VSO.<sup>12</sup>

<sup>7</sup> (U) Army Regulation 710-2, “Supply Policy Below the National Level,” March 28, 2008.

<sup>8</sup> (U) Army Regulation 735-5, “Property Accountability Policies,” November 9, 2016.

<sup>9</sup> ~~(FOUO)~~ [REDACTED]

<sup>10</sup> (U) SOJTF-OIR J4, “Standard Operating Procedures 1209 BPC Syria Train and Equip Fund Warehouse (Receiving, Inventorying, and Shipping),” October 25, 2018.

<sup>11</sup> (U) SOJTF-OIR, “Logistical Accountability Standing Operating Procedures,” June 1, 2016.

<sup>12</sup> (U) We used the terms “Coalition units” and “VSO” because the names and specific locations of the task force providing CTEF-S equipment to the approved VSO, as well as the VSO receiving the equipment, are classified.

*(U) Combined Joint Task Force–Operation Inherent Resolve*

(U) CJTF-OIR, under U.S. Central Command, formalizes the ongoing military actions against the threat ISIS poses in Iraq and Syria. CJTF-OIR includes the efforts and contributions of more than 60 Coalition partners throughout the Combined Joint Operations Areas of Iraq and Syria. CJTF-OIR is responsible for providing assistance to foreign security forces, groups, and individuals participating, or preparing to participate, in activities to counter ISIS and its associated groups using funds appropriated for CTEF.

*(U) Special Operations Joint Task Force–Operation Inherent Resolve*

(U) SOJTF-OIR, under CJTF-OIR, is the primary accompany force in Syria that advises and assists the VSO. According to SOJTF-OIR personnel, SOJTF-OIR personnel also manages the day-to-day operations of the CTEF-S program. Specifically, SOJTF-OIR personnel identify program requirements—including the VSO’s needs for CTEF-S equipment and weapons—coordinate with acquisition agencies, manage equipment distribution, and monitor divestiture tracking and reporting for CTEF-S equipment, such as weapons, ammunition, or vehicles.

*(U) 1st Theater Sustainment Command*

(U) Personnel from 1st TSC, under U.S. Army Central, told us that 1st TSC personnel account for and store CTEF-S equipment in Kuwait, accept the equipment once it arrives in Kuwait, then transport the equipment to the Building Partners Capacity (BPC) Kuwait warehouse. According to 1st TSC personnel, 1st TSC maintain a detailed inventory of all CTEF-S equipment at the BPC Kuwait warehouse and coordinate the movement of all CTEF-S equipment from the BPC Kuwait warehouse to storage sites closer to Syria. Personnel from 1st TSC indicated that CTEF-S equipment remains in U.S. Government possession while stored at the BPC Kuwait warehouse and storage sites closer to Syria.

*(U) Coalition Units and Vetted Syrian Opposition*

(U) According to SOJTF-OIR personnel, Coalition units located throughout Syria work closely with the VSO to identify their current and future operational needs, such as weapons and vehicles. The VSO consists of DoD-approved Syrian opposition personnel who are dedicated to fighting ISIS throughout Syria. SOJTF-OIR personnel stated that Coalition units select, investigate, train, and equip these local Syrian forces to defeat ISIS. In addition, SOJTF-OIR personnel stated that Coalition units receive the CTEF-S equipment from the BPC Kuwait warehouse and divest CTEF-S equipment to the VSO. Once divested, ownership and accountability of CTEF-S equipment is transferred from the DoD to the VSO.

## **(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>13</sup> We identified internal control weaknesses in the DoD's accountability of CTEF-S equipment. In addition, 1st TSC personnel did not properly store and secure CTEF-S equipment at the BPC Kuwait warehouse. We will provide a copy of the report to the senior officials responsible for internal controls in SOJTF-OIR and 1st TSC.

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<sup>13</sup> (U) DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

## **(U) Finding**

### **(U) The DoD Did Not Maintain Accountability or Properly Store and Secure CTEF Equipment Designated for Syria**

(U) SOJTF-OIR personnel did not account for the budgeted \$715.8 million of CTEF-S equipment for FYs 2017 and 2018 from procurement through divestment in accordance with DoD Instruction 5000.64 and AR 735-5. For example, SOJTF-OIR personnel did not maintain comprehensive lists of all CTEF-S equipment purchased and received. This occurred because SOJTF-OIR personnel allowed multiple entities involved with CTEF-S equipment to store records in numerous locations instead of designating a central repository for all supporting accountability documentation.

(U) In addition, 1st TSC personnel did not properly store or secure CTEF-S equipment at the BPC Kuwait warehouse in accordance with DoD guidance, Army regulations, or the SOJTF-OIR SOPs. Specifically, 1st TSC personnel:

- (U) stored weapons outside in metal shipping containers, exposing the equipment to harsh environmental elements, such as heat and humidity;
- (U) stored 4,144 Category II weapons outside in metal shipping containers and not in a facility that met the requirements for storing Category II weapons; and
- (FOUO) [REDACTED]

(U) 1st TSC personnel did not store or secure CTEF-S equipment at the BPC Kuwait warehouse in accordance with regulations because:

- (U) SOJTF-OIR personnel did not divest or dispose of CTEF-S equipment, which led to overcrowding at the BPC Kuwait warehouse; and
- (FOUO) [REDACTED]

(S) For FY 2020, the DoD budget requested \$173.2 million for weapons, ammunitions, vehicles, and other CTEF-S equipment. Without accurate accountability records, such as inventory records and hand receipts, SOJTF-OIR personnel could order equipment SOJTF-OIR already has in stock, risking unnecessary spending of CTEF-S funds and further overcrowding the BPC Kuwait warehouse resulting in equipment being stored outside. [REDACTED]

(U) Furthermore, SOJTF-OIR and 1st TSC personnel left thousands of CTEF-S weapons and sensitive equipment items vulnerable to loss or theft. Without conducting consistent inventories and ensuring proper security for CTEF-S equipment, 1st TSC could not determine whether items were lost or stolen which could delay the initiation of an investigation.

### **(U) SOJTF-OIR Did Not Maintain Accountability of CTEF-S Equipment**

(U) SOJTF-OIR personnel did not account for the budgeted \$715.8 million of CTEF-S equipment for FYs 2017 and 2018 from procurement through divestment in accordance with DoD Instruction 5000.64 and AR 735-5. Specifically, SOJTF-OIR did not maintain a comprehensive list of CTEF-S equipment purchased and received. In addition, SOJTF-OIR could not provide accountability records to support divested items, such as divestment packages, funding documents, hand receipts, and requirement documentation. Furthermore, SOJTF-OIR did not maintain inventory records and hand receipts for the BPC Kuwait warehouse and for two other storage locations as required.

### ***(U) SOJTF-OIR Did Not Maintain Comprehensive List of CTEF-S Equipment Purchased and Received***

(U) SOJTF-OIR did not maintain a comprehensive list of CTEF-S equipment purchased and received at the BPC Kuwait warehouse and other storage locations.<sup>14</sup> SOJTF-OIR personnel are required to account for property from the time of procurement until the final use or disposal of the property. DoD Instruction 5000.64 requires accountability property officers to maintain a trail of all transactions.

(U) In November 2018, we requested a comprehensive list of all CTEF-S equipment procured both locally and non-locally in FYs 2017 and 2018 for the BPC Kuwait warehouse and all other storage locations. However, SOJTF-OIR personnel could not provide a complete list of equipment purchased and received. Instead, we received an

<sup>14</sup> (U) The BPC Kuwait warehouse is the primary storage location for CTEF-S equipment. There are other storage locations that store CTEF-S equipment, such as the Jordan storage location.



(U) on-hand inventory of CTEF-S equipment for the BPC Kuwait warehouse dated November 28, 2018. During an additional site visit, we received an on-hand inventory of CTEF-S equipment dated February 2, 2019, for another storage location in Jordan. According to SOJTF-OIR personnel, due to the rate of equipment moving in and out of the BPC Kuwait warehouse, inventory lists are accurate only for the day and time they are generated. SOJTF-OIR did not maintain a historical record of all CTEF-S equipment that was received at the BPC Kuwait warehouse and other storage locations.

(U) Using on-hand inventories, we selected a nonstatistical sample to perform existence and completeness testing during two separate site visits.<sup>15</sup> During our November 2018 site visit to the BPC Kuwait warehouse, we verified that:

- (U) 178 out of 178 (100 percent) equipment items in the sample we selected from the 18,188 equipment items listed within the on-hand inventory were at the warehouse or documentation was provided to show that the equipment had been transferred to another location (existence testing); and that
- (U) 96 out of 96 (100 percent) equipment items in the sample we selected from the 18,188 items stored at the warehouse were documented in on-hand inventory records (completeness testing).

(U) During our February 2019 site visit to another storage location, we verified that:

- (U) 59 out of 59 (100 percent) equipment items in the sample we selected from the 1,958 equipment items listed within the on-hand inventory records were at the warehouse or documentation was provided to show that the equipment had been transferred to another location (existence testing); and that
- (U) 45 out of 45 (100 percent) equipment items in the sample we selected from the 1,958 items at the other storage location were documented in on-hand inventory records (completeness testing).<sup>16</sup>

(U) Based on our testing, we determined that the on-hand inventories at the BPC Kuwait warehouse and the other storage location were accurate; however, SOJTF-OIR personnel did not maintain all records of items purchased and received for FYs 2017 and 2018. Because SOJTF-OIR personnel did not have a complete list of

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<sup>15</sup> (U) The BPC Kuwait warehouse inventory list and the inventory list for the other storage location in Jordan included thousands of other equipment items that were not given a specific inventory number (serialized); however, we focused only on serialized numbered items because we could verify that the equipment was located at the storage location.

<sup>16</sup> (U) During the existence testing, we found two serial numbers on the hand receipts with an extra zero that was not on the machine guns. In addition, we found two machine guns that were missing a zero that was on the hand receipt. Personnel at the other storage location in Jordan stated that these discrepancies were the result of human error from switching accountability systems in August 2017.

(U) CTEF-S equipment purchased and received, they could not demonstrate 100-percent accountability over the CTEF-S equipment that was processed between FYs 2017 and 2018.

***(U) SOJTF-OIR Did Not Provide Accountability Records for CTEF-S Equipment***

(U) SOJTF-OIR personnel stated that they could not provide accountability records for CTEF-S equipment, including a reconciliation from divestment back to procurement. DoD Instruction 5000.64 requires accountability property officers to maintain a trail of all transactions suitable for audit, including, but not limited to, procurement contracts and receiving documentation. In addition, the Instruction requires the documentation to be in readily available locations.

(U) On December 21, 2018, we requested SOJTF-OIR personnel to provide supporting documentation for 12 of 227 divestment packages, including documentation, such as divestment packages, funding documents, hand receipts, and requirement documentation. We followed up on this request from January through March 2019. On March 28, 2019, SOJTF-OIR personnel indicated that it would be too time-consuming to provide supporting documentation to reconcile divested equipment back to individual procurements because divestment documentation was stored in multiple locations. Therefore, SOJTF-OIR personnel would not be able to provide the requested information. In addition, not all personnel responsible for CTEF-S equipment had access to the required documentation. Because SOJTF-OIR personnel divest sensitive items, such as weapons and night-vision goggles, it is important to have a complete audit trail of transactions in compliance with DoD regulations.

***(U) SOJTF-OIR Did Not Maintain Monthly Inventory Records***

(U) SOJTF-OIR personnel did not maintain cyclic items inventories, sensitive item inventories, and hand receipts for the BPC Kuwait warehouse and for two other storage locations for FYs 2017 and 2018 as required by SOJTF-OIR SOPs.<sup>17</sup> According to the SOJTF-OIR Logistics Directorate (J4) SOP, personnel are required to complete cyclic and sensitive item inventories and retain the inventory documentation, including monthly signed hand receipts, for a minimum of 6 years. In addition, the SOJTF-OIR Logistical Accountability SOP requires personnel to conduct cyclic inventories on 10 percent of the entire inventory each month to verify

**(U) SOJTF-OIR personnel did not maintain inventories and hand receipts for FYs 2017 and 2018 as required by guidance.**

<sup>17</sup> (U) SOJTF-OIR, "Logistical Accountability Standing Operating Procedure," June 1, 2016, and SOJTF-OIR J4, "Standard Operating Procedures 1209 STEF Warehouse (Receiving, Inventorying, and Shipping)," October 25, 2018.

(U) that inventory records are accurate and to identify any missing equipment. Furthermore, personnel are required to conduct 100-percent sensitive item inventories each month to ensure accountability of critical items, such as weapons, ammunition, and high-value items, which are often targeted for theft.

(U) Table 2 shows the records maintained for cyclic and sensitive item inventories, and hand receipts for FYs 2017 and 2018.

*(U) Table 2. Cyclic Inventories, Sensitive Item Inventories, and Hand Receipts for FYs 2017 and 2018*

(U) (U) Location	(U) Cyclic Inventories		(U) Sensitive Item Inventories		(U) Hand Receipts	
	Number of Records Maintained	Percent	Number of Records Maintained	Percent	Number of Records Maintained	Percent
(U) BPC Warehouse	12 of 24	50	10 of 24	41.7	9 of 24	37.5
(U) Other storage location 1	1 of 24	4.2	0 of 24	0	7 of 24	29.2
(U) Other storage location 2	10 of 24	41.7	10 of 24	41.7	13 of 24	54.2 (U)

(U) Source: The DoD OIG.

(U) Because thousands of weapons and sensitive pilferable (risk of theft) items are stored at the BPC Kuwait warehouse and other storage locations, cyclic and sensitive item inventories are critical to preventing and detecting missing or stolen items.

### **(U) SOJTF-OIR Did Not Develop a Central Repository**

(U) SOJTF-OIR personnel did not account for the budgeted \$715.8 million of CTEF-S equipment for FYs 2017 and 2018 because they allowed multiple entities involved with CTEF-S equipment to store records in numerous locations instead of designating a central repository for all supporting accountability documentation. SOJTF-OIR is responsible for retaining documentation records in accordance with

**(U) SOJTF-OIR personnel allowed multiple entities involved with CTEF-S equipment to store records in numerous locations instead of designating a central repository for all supporting accountability documentation.**

(U) DoD Instruction 5000.64 and AR 735-5. However, during our site visits, we observed SOJTF-OIR personnel and other personnel responsible for CTEF-S equipment storing digital and hardcopy documents in multiple locations—such as on shared drives, in the Army’s accountable property system of record, on portals, or in e-mail—that were not readily available or accessible to all personnel responsible for CTEF-S equipment. In addition, personnel responsible for CTEF-S equipment stated that they stored records in different ways. For example.

- **(U) Procurement Personnel.** SOJTF-OIR personnel stated that each procurement office independently tracks purchases in their respective databases and there is no central repository to track all equipment procured;
- **(U) 1st TSC.** 1st TSC personnel stated that they upload their inventory and hand receipt documentation into Army’s accountable property system of record or maintain hard copies of documentation; however, not all personnel included in the CTEF-S equipment process have access to the Army’s accountable property system of record or hard copies of documentation; and
- **(U) SOJTF-OIR and Coalition units.** SOJTF-OIR and Coalition unit personnel stated that they store divestment documentation using a variety of methods, including uploading it to portals, recording divestment packets in removable media, saving files to shared drives, and maintaining hard copies of divestment documentation.<sup>18</sup>

(U) In a contingency environment, where key property officers rotate frequently, establishing a single, centralized location accessible to all officials responsible for CTEF-S equipment is critical. However, personnel stored required documentation in multiple locations that were not in a readily available location in accordance with DoD Instruction 5000.64. A centralized storage repository would have provided SOJTF-OIR personnel with a readily available location to maintain all documentation associated with CTEF-S equipment.

*(U) The Commander of SOJTF-OIR should develop a central repository system for all documentation required to support CTEF-S equipment requested on the memorandum of requirement through the entire divestment process. (Recommendation 1)*

<sup>18</sup> (S)

## **(U) 1st TSC Did Not Properly Store or Secure CTEF-S Equipment**

~~(FOUO)~~ 1st TSC personnel did not properly store or secure CTEF-S equipment at the BPC Kuwait warehouse in accordance with DoD guidance, Army regulations, or the SOJTF-OIR SOPs. 1st TSC personnel stored weapons outside in metal shipping containers, exposing the equipment to harsh environmental elements, such as heat and humidity. In addition, according to 1st TSC's inventory records, 1st TSC personnel stored 4,144 Category II weapons outside in metal shipping containers instead of in a facility that met the requirements for storing Category II weapons.<sup>19</sup> Furthermore, 1st TSC personnel [REDACTED]

**(U) 1st TSC personnel stored 4,144 Category II weapons outside instead of in a facility that met the requirements for storing Category II weapons.**

### ***(U) 1st TSC Did Not Properly Store CTEF-S Equipment***

(U) 1st TSC personnel stored weapons outside in metal shipping containers, exposing the equipment to harsh environmental elements, such as heat and humidity. Specifically, 1st TSC personnel did not comply with the SOJTF-OIR Logistics Directorate (J4) SOP, which states that the responsible officer must store and safeguard all supplies and equipment at the BPC Kuwait warehouse in accordance with applicable regulations and directives.

(U) During a site visit in November 2018 to the BPC Kuwait warehouse, the audit team observed equipment that was stored outside, either in metal shipping containers or in wooden boxes stacked in open storage areas. Equipment stored in metal shipping containers or in wooden boxes outside was exposed to harsh environments and showed signs of rust. According to Army Technical Manual 38-400, sheds and transitory shelters, such as metal shipping containers, are considered non-warehouse spaces, and are intended only for items that do not require complete protection from the weather.<sup>20</sup> Storing equipment in these conditions can result in damage due to overexposure to harsh environmental conditions. Figure 3 shows a rusted rocket-propelled grenades that the audit team observed at the BPC Kuwait warehouse.

<sup>19</sup> ~~(FOUO)~~ [REDACTED]

[REDACTED] While we were onsite we observed Category II weapons being stored outside in metal shipping containers. 1st TSC personnel provided documentation to support how many Category II items were stored outside.

<sup>20</sup> (U) Army TM 38-400, "Joint Service Manual for Storage and Materials Handling," April 12, 1994.

(U) Figure 3. Rusted Rocket-Propelled Grenades



(U) Source: The DoD OIG.

(U) 1st TSC personnel stated that they did not have sufficient space to store all the equipment inside the warehouse and consequently had to store weapons and other equipment outside in metal shipping containers or wooden boxes. Furthermore, 1st TSC personnel stated that the metal shipping containers leaked and were not properly sealed. 1st TSC personnel stated that they informed SOJTF-OIR personnel of the overcrowding of the BPC Kuwait warehouse and that 1st TSC personnel had to store equipment outside the warehouse in metal shipping containers or wooden boxes.

(C) Overexposure to harsh environmental conditions results in damaged or excessively corroded equipment, which can become unserviceable and have negative operational impacts for the VSO. For example, [REDACTED]

[REDACTED]

(C) SOJTF-OIR personnel stated that a Special Forces Weapons Specialist conducted an inspection of the weapons to determine if removing the rust and cleaning the weapons would be an effective use of resources. [REDACTED]

[REDACTED]

## **(U) SOJTF-OIR Did Not Divest or Dispose of Unserviceable CTEF-S Equipment**

(U) SOJTF-OIR personnel stated that they did not divest or dispose of all CTEF-S equipment, which led to overcrowding at the BPC Kuwait warehouse. According to SOJTF-OIR personnel, the BPC Kuwait warehouse was intended to be a temporary storage facility where equipment would be stored until 1st TSC arranged transportation to deliver the equipment to the Coalition units' other storage locations. However, SOJTF-OIR and 1st TSC personnel allowed equipment to be stored in the BPC Kuwait warehouse for an extended period of time.

(U) According to SOJTF-OIR personnel, from FY 2015 through FY 2016, they set up the previous Syria Train and Equip Fund program by identifying and procuring large amounts of equipment based on the estimated future needs of the VSO. SOJTF-OIR personnel stated that they needed excess equipment on hand, so they could quickly equip the VSO to counter ISIS. SOJTF-OIR personnel indicated that this equipment was stored in the BPC Kuwait warehouse until needed by the VSO. However, SOJTF-OIR personnel stated that some of the previously procured equipment was non-operational and had been sitting at the BPC Kuwait warehouse for years.

(~~S//REL TO USA, FRA, FVEY~~) [REDACTED]

(~~FOUO~~) [REDACTED]

(U) According to SOJTF-OIR personnel, maintaining CTEF-S equipment led to lack of space within the BPC Kuwait warehouse. Equipment accumulated at the BPC Kuwait warehouse, which forced 1st TSC to store equipment outside in metal shipping containers, including weapons, exposing the equipment to harsh environmental elements, such as heat and humidity.

*(U) The Commander of SOJTF-OIR should coordinate with U.S. Central Command to develop guidance for the proper disposal of CTEF-S equipment stored at the BPC Kuwait warehouse that has been declared unserviceable. (Recommendation 2)*

**(U) 1st TSC Did Not Properly Secure CTEF-S Equipment**

(FOUO) 1st TSC personnel did not secure CTEF-S equipment at the BPC Kuwait warehouse in accordance with DoD guidance or Army regulations. Specifically, we identified [REDACTED]

(U) During our site visit to the BPC Kuwait Warehouse in November 2018, we observed the following:

- (FOUO) [REDACTED]
- (FOUO) [REDACTED] (FOUO) [REDACTED]

(S) [REDACTED]



(S) [Redacted]

[Redacted]

(U) Source: The DoD OIG.

- (FOUO) [Redacted]
- (FOUO) [Redacted]
- (FOUO) [Redacted]
- (FOUO) [Redacted]

- (FOUO) [REDACTED]

(FOUO) Personnel from SOJTF-OIR identified the fencing problem before our site visit in November 2018 and started a work order in September 2016 for a replacement fence.

[REDACTED]

### **(U) 1st TSC Did Not Complete Periodic Physical Security Inspections, Maintain Previous Inspections, or Correct Deficiencies Found**

(FOUO) [REDACTED]

[REDACTED] The intent of a physical security inspection is to ensure physical security of weapons and ammunition are maintained and to identify security weaknesses and recommend corrective actions.

(U) In February 2019, we requested documentation of any previous physical security inspections. 1st TSC personnel could not provide any support that a physical security inspection was ever conducted before the audit team's November 2018 site visit. 1st TSC personnel assumed that a physical security assessment was completed because weaknesses in the fence were identified and a work order had been submitted; however, they did not have a copy of the inspection, know when the inspection was completed, or have any details of past inspections. In August 2019, 6 months after our initial request, 1st TSC personnel were able to locate and provide the physical security inspection from November 2016. The physical security inspection identified that the exterior perimeter fence was in disrepair and did not comply with AR 190-11. In addition, the inspection found issues with lighting and vehicles parked in the exterior perimeter. Furthermore, the inspection identified accountability issues, including a lack

(U) of records to show that sensitive item inventories were being performed or that inventories for weapons were being documented. As of our November 2018 site visit, 1st TSC had not resolved the issues outlined in the November 2016 inspection.

~~(FOUO)~~ On December 6, 2018, we briefed our security concerns to CJTF-OIR, SOJTF-OIR, and 1st TSC personnel. On December 17, 2018, an Army physical security officer completed a physical security inspection at the BPC Kuwait warehouse. [REDACTED]

~~(FOUO)~~ [REDACTED] If a physical security inspection had been performed, these issues could have been identified and addressed, reducing any vulnerabilities for theft or loss of CTEF-S equipment.

*(U) We recommend that the Commander of 1st TSC complete a physical security inspection periodically, but at least once every 18 months, and ensure corrective action is taken to fix new and existing security issues identified. (Recommendation 3)*

### **(U) SOJTF-OIR and 1st TSC Did Not Account for or Properly Store and Secure CTEF-S Equipment**

~~(S)~~ For FY 2020, the DoD budget requested \$173.2 million for weapons, ammunitions, vehicles, and other CTEF-S equipment. Without accurate accountability records, such as inventory records and hand receipts, SOJTF-OIR personnel could order equipment that SOJTF-OIR already has in stock, risking unnecessary spending of CTEF-S funds and further overcrowding the BPC Kuwait warehouse resulting in equipment being stored outside. [REDACTED]

(U) Furthermore, SOJTF-OIR and 1st TSC personnel left thousands of CTEF-S weapons and sensitive equipment items vulnerable to loss or theft. Without conducting consistent inventories and ensuring proper security for CTEF-S equipment, 1st TSC cannot determine whether items were lost or stolen, which could delay the initiation of an investigation.

## **(U) Recommendations**

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

**(U) We recommend that the Commander of Special Operations Joint Task Force–Operation Inherent Resolve develop a central repository system for all documentation required to support Counter-Islamic State of Iraq and Syria Train and Equip Fund equipment designated for Syria requested on the memorandum of requirement through the entire divestment process.**

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

**(U) We recommend that the Commander of Special Operations Joint Task Force–Operation Inherent Resolve coordinate with U.S. Central Command to develop guidance for the proper disposal of Counter-Islamic State of Iraq and Syria Train and Equip Fund equipment designated for Syria stored at the Building Partnership Capacity Kuwait warehouse that has been declared unserviceable.**

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

**(U) We recommend that the Commander of 1st Theater Sustainment Command complete a physical security inspection periodically, but at least once every 18 months, and ensure corrective action is taken to fix new and existing security issues identified.**

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

**(U) During the audit, we advised SOJTF-OIR and 1st TSC of the deficiencies within the CTEF-S program for the accountability and security of CTEF-S equipment. Specifically, the lack of:**

- **(U) supporting documentation for CTEF-S equipment;**
- **(U) a plan to divest or dispose of unserviceable equipment stored at the BPC Kuwait warehouse; and**
- **(U) security for the stored equipment.**

**(U) CJTF-OIR, SOJTF-OIR, and 1st TSC personnel agreed with our findings and immediately initiated corrective actions to address all recommendations.**

**(U) SOJTF-OIR personnel stated that SOJTF-OIR created a shared drive portal for all documentation associated with CTEF-S equipment. The shared drive portal maintains documentation for CTEF-S equipment from procurement through divestment, including memorandums of requirement, purchase orders, equipment received, inventories**

(U) completed, hand receipts, transfers, and divestment packages. 1st TSC has started providing its hand receipts and completed inventory documents to SOJTF-OIR for inclusion in the shared drive. As of January 2020, SOJTF-OIR is using this shared drive portal to store documentation for CTEF-S equipment, such as inventories, lateral transfers, and hand receipts. The actions taken addressed the specifics of Recommendation 1 to establish a central repository for all documentation required to support CTEF-S equipment requested on the memorandum of requirement through the entire divestment process; therefore, Recommendation 1 is closed.

(FOUO) On May 31, 2019, U.S. Central Command developed and began implementing a disposal plan for unserviceable equipment purchased for the VSO stored at the BPC Kuwait warehouse. [REDACTED]

[REDACTED] CJTF-OIR personnel stated that this plan will reduce the amount of CTEF-S equipment currently stored at the BPC Kuwait warehouse, and equipment will no longer need to be stored outside the warehouse exposed to the harsh elements. Furthermore, in November 2019, CJTF-OIR personnel confirmed that disposition guidance for unserviceable CTEF-S equipment was received from U.S. Central Command and that unserviceable CTEF-S equipment will be provided to the Defense Logistics Agency or be disposed of. The actions taken addressed the specifics of Recommendation 2 to develop guidance for the disposal of unserviceable CTEF-S equipment; therefore, Recommendation 2 is closed.

(FOUO) During our February 2019 followup site visit, the audit team verified that 1st TSC personnel had started taking corrective actions to address the security deficiencies on the issues the audit team identified during the initial site visit. [REDACTED]

[REDACTED]

The actions taken addressed the specifics of Recommendation 3 to complete a security inspection and address security issues; therefore, Recommendation 3 is closed.

## (U) Appendix

### (U) Scope and Methodology

(U) We conducted this performance audit from October 2018 through February 2020 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 understand the requirements for accounting for and storing CTEF-S equipment, we reviewed the following.

- (U) Public Law 113–291, “Carl Levin and Howard P. ‘Buck’ McKeon National Defense Authorization Act for Fiscal Year 2015,” December 19, 2014
- (U) Public Law 114–328, “National Defense Authorization Act for Fiscal Year 2017,” December 23, 2016
- (U) Public Law 115–91, “National Defense Authorization Act for Fiscal Year 2018,” December 12, 2017
- (U) Public Law 115-232, “John S. McCain National Defense Authorization Act for Fiscal Year 2019,” August 13, 2018
- (U) DoD Instruction 5000.64, “Accountability and Management of DoD Equipment and Other Accountable Property,” August 31, 2018
- (U) DoD Manual 5100.76, “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E),” May 8, 2018
- (FOUO) [REDACTED]
- (FOUO) [REDACTED]
- (U) Army Regulation 710-2, “Supply Policy Below the National Level,” March 28, 2008
- (U) Army Regulation 735-5, “Property Accountability Policies,” November 9, 2016
- (U) Army TM 38-400, “Joint Service Manual (JSM) for Storage and Materials Handling,” April 12, 1994

- (U) Army Regulation 740-1, "Storage and Supply Activity Operations," August 26, 2008
- (U) Department of the Army Pamphlet 710-2-1, "Using Unit Supply System (Manual Procedures)," December 1, 2016
- (U) SOJTF-OIR, "Logistical Accountability Standing Operating Procedure," June 1, 2016
- (U) SOJTF-OIR J4, "Standard Operating Procedures 1209 STEF Warehouse (Receiving, Inventorying, and Shipping)," October 25, 2018
- ~~(S//REL, USA, FVEY)~~ [REDACTED]
- (U) Special Operations Command and Control Element-Syria, "Logistical Accountability Standard Operating Procedures," October 26, 2017
- (U) Office of the Secretary of Defense, Department of Defense Budget Fiscal Year 2020, Justification for FY 2020 Overseas Contingency Operations Counter-Islamic State of Iraq and Syria Train and Equip Fund, March 2019
- (U) Office of the Under Secretary of Defense (Comptroller), Department of Defense Budget Fiscal Year 2017, Request for Additional FY 2017 Appropriations Overseas Contingency Operations, Counter-Islamic State of Iraq and Syria Train and Equip Fund, March 2017
- (U) Office of the Secretary of Defense, Department of Defense Budget Fiscal Year 2018, Justification for FY 2018 Overseas Contingency Operations, Counter-Islamic State of Iraq and Syria Train and Equip Fund, May 2017

~~(FOUO)~~ [REDACTED]

(U) We reviewed accountability records, including physical inventories completed and hand receipts for FYs 2017 and 2018. We also requested a comprehensive list of all equipment purchased for FYs 2017 and 2018.

(U) On December 21, 2018, we requested support for 12 of 227 divestment packages with supporting documentation, including the divestment packages, hand receipts, funding documents, and requirement documentation. We followed up on the request on January 18, 2019, January 28, 2019, and March 28, 2019; however, SOJTF-OIR personnel did not provide the documentation.

### **(U) Use of Computer-Processed Data**

(U) We used computer-processed data from Global Combat Support System–Army to identify CTEF-S equipment currently on hand at the BPC Kuwait warehouse and the other storage location. We also reviewed cyclic and sensitive item inventories and hand receipts generated from Global Combat Support System–Army. To assess the reliability of the data, we completed existence and completeness testing for serialized equipment at the BPC Kuwait warehouse and the other storage location. Although we identified discrepancies in the data, we did not rely on computer-processed data for our findings.<sup>21</sup>

### **(U) Prior Coverage**

(U) During the last 5 years, the Government Accountability Office (GAO) and the DoD Office of Inspector General (DoD OIG) issued nine reports discussing the accountability, storage, or security of equipment.

(U) Unrestricted GAO reports can be accessed at <http://www.gao.gov>.

(U) Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

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<sup>21</sup> (U) We found items on the on-hand inventory that were serialized even though they were not serialized items.



**(U) GAO**

(U) Report No. GAO-17-433, "Iraq: DoD Needs to Improve Visibility and Accountability Over Equipment Provided to Iraq's Security Forces," May 2017

(U) The GAO determined that the DoD maintained limited visibility and accountability over equipment funded by the Iraq Train and Equip Fund (ITEF). Specifically, the DoD did not ensure that the Security Cooperation Information Portal was consistently capturing key transportation dates of equipment funded by the Iraq Train and Equip Fund.

**(U) DoD OIG**

(U) Report No. DoDIG-2019-057, "Iraqi Border Guard Equipment," February 13, 2019

(U) The DoD OIG determined whether CJTF-OIR and 1st TSC validated the requirements for Iraqi border guard equipment against demonstrated needs, and accounted for border guard equipment before divestment to the Government of Iraq. The audit team found that CJTF-OIR and 1st TSC validated requirements for Iraqi border guard equipment against demonstrated needs. However, 1st TSC divestment packages of Iraqi border guard equipment did not match CJTF-OIR Iraqi border guard equipping requests, and CJTF-OIR and 1st TSC did not maintain complete accountability records of divested equipment, including Leahy and Section 1236 vetting documentation.

(U) Report No. DODIG-2017-058, "Iraq Train and Equip Fund Weapons Not Properly Inventoried and Secured in Kuwait and Iraq," February 16, 2017

(U) The DoD OIG determined whether the DoD had effective procedures for securing ITEF equipment in Kuwait and Iraq. This report focused on conducting inventories of ITEF weapons in Kuwait and the security of ITEF weapons in Kuwait and Iraq. The audit team found that the Combat Sustainment Support Battalions did not have effective procedures for securing ITEF weapons in Kuwait and Iraq.

(U) Report No. DODIG-2017-033, "Assessment of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip the Kurdish Security Forces in Iraq," December 14, 2016

(U) The DoD OIG determined that the United States and Coalition train, advise, assist, and equip activities helped the Kurdish Security Forces to further develop their capability to conduct combat operations against the Islamic State of Iraq and the Levant. The audit team also identified several areas for improvement, such as creating a comprehensive written plan and maintaining visibility of U.S.-transported equipment.

(U) Report No. DODIG-2016-134, “The Army Did Not Implement Effective Controls to Maintain Visibility and Accountability of Iraq Train and Equip Fund Equipment,” September 14, 2016

(U) The DoD OIG determined that the Army commands documented procedures for processing and transferring ITEF equipment to the Government of Iraq. However, 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.

(U) Report No. DODIG-2016-056, “The Army Did Not Fully Document Procedures for Processing Wholesale Equipment in Kuwait,” February 24, 2016

(U) The DoD OIG determined that the Army Field Support Battalion–Kuwait generally had effective controls for processing—receiving, repairing, maintaining, storing, and preparing for issue—equipment at Camp Arifjan; however, it did not update existing standard operating procedures for processing Army Pre-Positioned Stock equipment or formalize its procedures for processing retrograde equipment. There was also a lack of physical security controls for equipment stored in one location at Camp Arifjan.

(U) 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

(U) The DoD OIG determined that equipment provided by the United States and the Coalition to the Iraqi Army brigades that are training at the BPC sites would, at times, arrive incomplete, making the equipment not fully mission-capable. The audit team also determined that Iraqi Army personnel did not know what supplies were present and the facilities housing the Iraqi Army trainees at some of the BPC sites visited were inadequate.

(U) Report No. DODIG-2015-178, “The Army Did Not Effectively Account for Wholesale Property in Kuwait,” September 22, 2015

(U) The DoD OIG determined whether the Army had effective controls for maintaining property accountability for equipment in Kuwait. The audit team found that the Army Field Support Battalion–Kuwait did not have effective controls for conducting inventories of wholesale equipment as required by Army policy and the contract performance work statement.

(U) Report No. DODIG-2015-093, "Summary of Lessons Learned–DoD IG Assessment Oversight of Train, Advise, Assist, and Equip Operations by U.S. and Coalition Forces in Iraq and Afghanistan," March 31, 2015

(U) The DoD OIG summarized 30 assessment reports issued between July 1, 2008, and January 30, 2015, relating to U.S. and Coalition efforts to develop the national security forces of Iraq and Afghanistan. The audit team reviewed the observations, conclusions, and recommendations contained in the 30 assessment reports and identified systemic challenge and problem areas in the DoD's efforts to develop partner nation security forces.

## (U) List of Classified Sources

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- Source 1: (U) 1st TSC Response to Report Memorandum  
(BPC Kuwait Warehouse Fence Photo Classified SECRET)  
Declassify on: September 1, 2044  
Date of Source: September 1, 2019
- Source 2: (~~S//REL TO USA, FRA, FVEY~~) [REDACTED]  
(Document Classified SECRET)  
Declassify on: February 1, 2044  
Date of Source: February 1, 2019
- Source 3: (~~S~~) [REDACTED]  
(Document Classified SECRET)  
Declassify on: November 11, 2043  
Date of Source: November 11, 2018

## **(U) Acronyms and Abbreviations**

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<b>AR</b>	Army Regulation
<b>BPC</b>	Building Partners Capacity
<b>CJTF</b>	Combined Joint Task Force
<b>CTEF</b>	Counter-Islamic State of Iraq and Syria Train and Equip Fund
<b>CTEF-S</b>	Counter-Islamic State of Iraq and Syria Train and Equip Fund Equipment Designated for Syria
<b>ISIS</b>	Islamic State of Iraq and Syria
<b>ITEF</b>	Iraq Train and Equip Fund
<b>OIR</b>	Operation Inherent Resolve
<b>SOJTF</b>	Special Operations Joint Task Force
<b>SOP</b>	Standard Operating Procedures
<b>TSC</b>	Theater Sustainment Command
<b>VSO</b>	Vetted Syrian Opposition

## **Whistleblower Protection**

### **U.S. DEPARTMENT OF DEFENSE**

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## **For more information about DoD OIG reports or activities, please contact us:**

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703.604.8324

**Media Contact**  
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DEPARTMENT OF DEFENSE | OFFICE OF INSPECTOR GENERAL

4800 Mark Center Drive  
Alexandria, Virginia 22350-1500  
[www.dodig.mil](http://www.dodig.mil)  
DoD Hotline 1.800.424.9098

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