



INSPECTOR GENERAL

U.S. Department of Defense

SEMIANNUAL REPORT *to the* CONGRESS

OCTOBER 1, 2019 *through* MARCH 31, 2020



INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

Required by Public Law 95-452

Mission

To detect and deter fraud, waste, and abuse
in Department of Defense programs and operations;
Promote the economy, efficiency, and effectiveness of the DoD; and
Help ensure ethical conduct throughout the DoD

Vision

Engaged oversight professionals dedicated
to improving the DoD



Whistleblower Protection U.S. DEPARTMENT OF DEFENSE

Whistleblower Protection safeguards DoD employees against
retaliation for protected disclosures that expose possible waste,
fraud, and abuse in government programs.

For more information, please visit the Whistleblower webpage at
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or contact the Whistleblower Protection Coordinator at
Whistleblowerprotectioncoordinator@dodig.mil



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DEPARTMENT OF DEFENSE**
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Acting Inspector General
Sean W. O'Donnell

It is an honor to serve as the Acting Inspector General for the Department of Defense Office of Inspector General.

I assumed this role on April 6, 2020, in addition to my current duties as the Inspector General for the U.S. Environmental Protection Agency. I want to express my thanks to

Principal Deputy Inspector General Glenn Fine for his hard work and leadership over the past four years. I look forward to working with him and the OIG leadership team to continue the important work of the DoD OIG. I also want to thank the dedicated OIG employees for their exceptional commitment to provide independent and objective oversight of critical DoD programs and operations.

I am pleased to submit this Semiannual Report summarizing the work of the Department of Defense (DoD) Office of Inspector General (OIG) from October 1, 2019, through March 31, 2020. This report summarizes some of the significant oversight the DoD OIG has performed over the past 6 months, and demonstrates our commitment to providing independent and objective oversight of DoD operations.

This report contains various statistical accomplishments of the DoD OIG during the reporting period. For example, during this period, the DoD OIG issued 75 audit and evaluation reports, with 346 recommendations to the DoD for improvement. The DoD OIG also completed 226 criminal investigations, some conducted jointly with other law enforcement organizations, resulting in 176 arrests, 166 criminal charges, 133 criminal convictions, \$638.7 million in civil judgments and settlements, and \$571.7 million in criminal fines, penalties, and restitution ordered. In addition, the DoD OIG oversaw 274 senior official, reprisal, and restriction investigations

completed by the Military Service and Defense agency OIGs. The DoD OIG also issued six quarterly reports on overseas contingency operations. These accomplishments are discussed in more detail throughout the report.

The DoD OIG continues to conduct important and impactful oversight work. During this reporting period, we issued our Top DoD Management Challenges document, which identifies the most significant management challenges facing the DoD for FY 2020 and beyond. Each Inspector General is required by law to prepare this annual statement summarizing what the IG considers the “most serious management and performance challenges facing the agency.” In addition, the Top DoD Management Challenges document must also be included in the DoD’s annual financial report. In each of these challenges, we describe what the challenge is, the DoD’s efforts to address the challenge, and DoD OIG oversight work related to these challenges.

In addition, we issued our annual Oversight Plan, which describes the audits and evaluations the DoD OIG intends to conduct in FY 2020. The Oversight Plan and Top Management Challenges documents are related—the Oversight Plan is organized by management challenge. Each chapter provides a summary of a particular challenge, followed by an inventory of the oversight projects that directly align to that challenge.

Also during this reporting period, the DoD OIG issued a disclaimer of opinion on the FY 2019 Agency-Wide Basic Financial Statements, meaning an overall opinion could not be expressed on the financial statements under audit. Audit opinions, which follow a prescribed format, are technical by nature and may be difficult to understand without a background in accounting. To explain the results of the FY 2019 audit report in clear and understandable terms for Congress and the public, the DoD OIG released its report entitled, “Understanding the Results of the Audit of the DoD FY 2019 Financial Statements” on January 28, 2020. The report

describes the contents of the DoD Agency Financial Report, the purpose of the financial statement audits, the importance of financial statement audits, and the roles and responsibilities of DoD management and the auditors who reviewed the financial statements. The report also describes progress made since 2018 and identifies areas of focus for the DoD going forward.

Meanwhile, the DoD OIG's Alternative Dispute Resolution program continues to contribute significantly to improving the timeliness of our whistleblower reprisal investigations. The Alternative Dispute Resolution program is an option for resolving certain whistleblower reprisal complaints. During this voluntary process, the parties have the opportunity to explain their interests and concerns, explore possible solutions, and negotiate a potential resolution. Since October 2017, the DoD OIG Alternative Dispute Resolution program has resulted in settlements for 114 complainants and their employers. In addition to providing voluntary resolutions for the parties, including the whistleblower, The Alternative Dispute Resolution program eliminates the need for lengthy investigations, which reduces the workload for DoD OIG investigators and allows them to conduct and handle other cases in a timelier fashion. In fact, since the inception of the Alternative Dispute Resolution program, the number of cases resolved through the Alternative Dispute Resolution program has matched or exceeded the number of completed

whistleblower reprisal investigations. During the reporting period, the DoD OIG's Alternative Dispute Resolution team facilitated the voluntary resolution of 19 complaints.

In addition, December 17, 2019, marked the 5-year anniversary of the DoD OIG's Lead Inspector General work. On that date 5 years ago, the Chairman of the Council of Inspectors General for Integrity and Efficiency appointed the DoD Inspector General as the Lead Inspector General for Operation Inherent Resolve, the effort to defeat the Islamic State of Iraq and the Syria. Currently, the DoD IG is the Lead IG for Operation Inherent Resolve and five other overseas contingency operations. To provide coordinated oversight of these overseas contingency operations, we work closely with our OIG partners from the U.S. Department of State and the U.S. Agency for International Development, as well as other oversight partners, such as the Special Inspector General for Afghanistan Reconstruction, other Federal OIGs, the Government Accountability Office, and the Military Service Inspectors General. This whole-of-government effort promotes greater transparency, effectiveness, and improvements in these overseas contingency operations.

The accomplishments reflected throughout this report are the result of the outstanding work by many DoD OIG employees. I am privileged and honored to lead these dedicated OIG employees as they perform their critically important oversight work.



Sean W. O'Donnell
Acting Inspector General

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SUMMARY OF ACTIVITIES

The Inspector General Act of 1978, as amended, requires the Department of Defense Office of Inspector General (DoD OIG) to prepare semiannual reports summarizing its activities for the preceding 6-month period. These semiannual reports are intended to keep the Secretary of Defense and Congress fully informed of significant findings, progress the DoD has made relating to those findings, and recommendations for improvement.

For the reporting period of October 1, 2019, through March 31, 2020, DoD OIG components issued 75 audit and evaluation reports.

Audit

Audit issued 56 reports identifying \$984.8 million in questioned costs and \$489.5 million in funds that could be put to better use. The reports addressed issues related to DoD financial management and reporting, operations supporting overseas contingency operations, cybersecurity, additive manufacturing, acquisition of spare parts, contract management and contracting with small businesses, compliance with the Digital Accountability and Transparency Act, readiness, transportation of equipment, acquisition management, and other important areas of DoD operations.

Audit also devoted significant resources to the second full audit of the DoD financial statements. This year, the DoD made progress in improving its financial management, but much more progress needs to be made. The DoD OIG again issued a disclaimer of opinion on the DoD's FY 2019 financial statements. Auditors identified 25 agency-wide material weaknesses, including 8 new material weaknesses and 8 modified from FY 2018. The auditors reissued 1,897 FY 2018 notices of findings and recommendations and issued 1,575 new ones.

In addition, for the second year, the DoD OIG issued its report, "Understanding the Results of the Audit of the DoD FY 2019 Financial Statements," which summarized the purpose, findings, and potential benefits of the DoD's financial statement audits in terms understandable to non-auditors. The report also describes the progress the DoD has made since 2018 and identifies areas of focus for the DoD going forward.

In examples of other important audits, the DoD OIG determined that DoD contracting activities awarded service-disabled veteran-owned small business contracts to ineligible contractors

and did not implement procedures to ensure compliance with service-disabled veteran-owned small business subcontracting requirements after awarding the contracts. As a result, the DoD awarded \$876.8 million in contracts to contractors ineligible for the service-disabled veteran-owned small business set-aside program.

In a followup audit, the DoD OIG determined that DoD Components did not consistently mitigate vulnerabilities identified in a prior audit or during an audit regarding DoD Cyber Red Teams during combatant command exercises, operational testing assessments, and agency-specific assessments in plans of action and milestones. Ensuring DoD Components mitigate vulnerabilities is critical to the DoD's security posture as the DoD continues to invest in DoD Cyber Red Team activities.

Another audit determined that the Army awarded base life support contracts for Camp Taji, Iraq, that did not define DoD- and Army-specific requirements for base life support services, and contract oversight personnel did not verify the accuracy of contractor invoices. This resulted in \$116 million in overpayment for base life support services.

Evaluations (EVAL)

The DoD OIG's Evaluations Component issued 19 reports that examined many important DoD programs. For example, the DoD OIG examined the Air Force's use of Overseas Contingency Operations funding to develop advanced weather support capabilities for the MQ-9 Reaper unmanned aircraft system. Weather support capabilities provide near-real time weather conditions and observations, enhancing forecasting pilot situational awareness, mission planning and execution, and command and control of the unmanned aircraft system. However, the Air Force never validated the requirement for the capabilities, which were later determined to not be needed and were never delivered. As a result, the Air Force wasted \$17.7 million dollars in Overseas Contingency Operations funding developing a capability that was not needed and never delivered.

In another evaluation, the DoD OIG determined that U.S. forces in Iraq planned and executed military information support operations (MISO) with Coalition forces, the Government of Iraq, and the Department of State. However, after the physical defeat of the

Islamic State of Iraq and Syria caliphate in May 2019, U.S. forces and the U.S. Embassy–Baghdad did not coordinate to effectively transition messaging responsibility from the DoD to the U.S. Embassy–Baghdad. According to U.S. joint doctrine, MISO develops and conveys messages and actions to influence select foreign groups and to promote themes to change those groups’ attitudes and behaviors. Without a coordinated transition of responsibility for this messaging, the United States may not be able to influence attitudes, beliefs, and behaviors in the Iraqi information environment following Operation Inherent Resolve. Additionally, the DoD OIG determined that the lack of coordination of information activities between the DoD and the Department of State following Operation Inherent Resolve could produce inconsistent U.S. messaging in Iraq.

The DoD OIG determined in another evaluation that, in 18 of 28 Defense Contract Audit Agency reports reviewed, Defense Contract Management Agency contracting officers did not adequately explain why they disagreed with the Defense Contract Audit Agency’s recommendations to assess penalties on \$43 million in unallowable indirect costs. In addition, the DoD OIG concluded that Defense Contract Management Agency contracting officers did not calculate the correct amount of penalties and interest when they assessed penalties against contractors. As a result, the contracting officers did not collect penalties on \$43 million in costs that may have been unallowable and subject to penalties, as well as additional interest due to the U.S. Government.

Defense Criminal Investigative Service (DCIS)

Defense Criminal Investigative Service (DCIS) investigations, including those conducted jointly with other law enforcement organizations, resulted in \$638.7 million in civil judgments and settlements; \$571.7 million in criminal fines, penalties, and restitution ordered; and \$229.7 million in administrative recoveries, such as contractual agreements and military nonjudicial punishment. DCIS had 1,716 ongoing investigations, opened 293 cases, and closed 226 cases during this reporting period. These cases related to criminal allegations of procurement fraud, public corruption, product substitution, health care fraud, illegal technology transfer, and cybercrimes and computer network intrusions.

Administrative Investigations (AI)

Administrative Investigations (AI) completed 18 senior official, reprisal, and restriction investigations, and oversaw 664 senior official, reprisal, and restriction investigations completed by Military Service and Defense agency OIGs. In addition, the DoD Hotline received 8,041 contacts, opened 3,747 cases, and closed 3,437 cases.

The DoD OIG’s alternative dispute resolution (ADR) program continued to resolve whistleblower reprisal cases. ADR allows complainants and management to resolve differences voluntarily to provide resolution of complaints without the need for a full investigation. The number of complaints resolved without an investigation during this reporting period was 19.

Overseas Contingency Operations (OCO)

Overseas Contingency Operations (OCO) coordinated and fulfilled the DoD OIG’s Lead IG oversight responsibilities. The DoD IG is the Lead IG for six named OCOs: Operation Inherent Resolve (OIR), the effort to defeat the Islamic State of Iraq and Syria (ISIS) in Iraq and Syria, initiated in October 2014; Operation Freedom’s Sentinel, the counterterrorism effort and train, advise, and assist mission in Afghanistan, initiated in January 2015; Operation Pacific Eagle–Philippines, the U.S. effort to support the Philippine government in its efforts to counter ISIS and other violent extremist organizations in the Philippines, initiated in November 2017; the East Africa Counterterrorism Operation and the North and West Africa Counterterrorism Operation, both initiated in February 2018; as well as Operation Yukon Journey, a classified operation to combat al Qaeda and ISIS-affiliated terrorists in the Middle East, initiated in February 2018.

During the reporting period, the DoD OIG published two quarterly reports for each operation, and supplemented the reports with classified appendixes. The DoD OIG also issued 11 individual oversight reports related to the OCOs. For example, the DoD OIG reported on the DoD’s oversight of U.S. military equipment retrograded from Syria, as well as equipment designated for vetted Syria opposition groups; and U.S. Forces–Afghanistan procedures for conducting force protection. Lead IG agency investigations resulted in 1 arrest, 4 criminal charges, 3 convictions, 23 contractor debarments, 4 administrative actions, 1 contract termination, 2 personnel actions, and savings or recoveries of over \$229,970 to the U.S. Government.

STATISTICAL HIGHLIGHTS

Summary of Activities	Total for the Reporting Period
AUDIT ACTIVITIES	
Reports Issued	56
Recommendations Made With Questioned Costs	\$984.8 million
Recommendations Made on Funds Put to Better Use	\$489.5 million
Achieved Monetary Benefits	\$72.8 million
EVALUATIONS	
Evaluations Reports Issued	19
Program, COCOM, and OCO	5
Space, Intelligence, Engineering, and Oversight	14
Existing and Proposed Regulations Reviewed	163
Recommendations Made With Questioned Costs	\$102.7 Million
DEFENSE CRIMINAL INVESTIGATIVE SERVICE ACTIVITIES (DOLLARS ARE TRUNCATED)	
Total Investigative Receivables and Recoveries¹	\$1.44 Billion
Recovered Government Property	\$8.11 Million
Civil Judgments and Settlements	\$638.7 Million
Criminal Fines, Penalties, and Restitution Ordered (Excludes Asset Forfeitures)	\$571.7 Million
Administrative Recoveries ²	\$229.7 Million
Inspector General Subpoenas Issued	457
Investigative Activities	
Arrests	176
Criminal Charges	166
Criminal Convictions	133
Suspensions	136
Debarments	88
Asset Forfeiture Results	
Seized	\$19.76 Million
Final Orders of Forfeiture	\$6 million
Monetary Judgments	\$3.7 Million
ADMINISTRATIVE INVESTIGATIONS	
Publicly Released Reports	2
Complaints Received	
Senior Official	437
Whistleblower Reprisal and Restriction	918
Complaints Closed	
Senior Official	394
Whistleblower Reprisal and Restriction	1,100

¹ Includes investigations conducted jointly with other law enforcement organizations.

² Includes contractual agreements and military nonjudicial punishment.

Summary of Activities	Total for the Reporting Period
DoD OIG Investigations Closed	
Senior Official	2
Whistleblower Reprisal and Restriction	16
Service and Defense Agency OIG Investigations Closed and Overseen by the DoD OIG	
Senior Official	60
Whistleblower Reprisal and Restriction	214
Service and Defense Agency OIG Cases Closed and Overseen by the DoD OIG (Includes Investigations, Dismissals, and Withdrawals)	
Senior Official	60
Whistleblower Reprisal and Restriction	604
Whistleblower Protection Coordinator	
Contacts	304
Visits to Whistleblower Rights and Protections Webpage	12,442
DoD Hotline	
Contacts	8,041
Cases Opened	3,747
Cases Closed	3,437
Contractor Disclosures Received	176

1. OVERVIEW



THE OIG'S MISSION

Established in 1982, the DoD OIG is an independent office within the DoD that conducts oversight of DoD programs and operations. According to the IG Act of 1978, as amended, our functions and responsibilities include the following.

- Recommend policies for and conduct, supervise, or coordinate other activities for the purpose of promoting economy and efficiency, and preventing and detecting fraud, waste, and abuse in DoD programs and operations.
- Serve as the principal advisor to the Secretary of Defense in matters of DoD fraud, waste, and abuse.
- Provide policy direction for and conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the DoD.
- Ensure that the Secretary of Defense and the Congress are fully informed of problems in the DoD.
- Review existing and proposed legislation and regulations relating to programs and operations of the DoD in regard to their impact on economy and efficiency and the prevention and detection of fraud, waste, and abuse in the DoD.
- Coordinate relationships with Federal agencies, state and local government agencies, and non-governmental entities in matters relating to the promotion of economy and efficiency and detection of fraud, waste, and abuse.
- Transmit a semiannual report to the Congress that is available to the public.

The DoD OIG is authorized “to have timely access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to [any DoD component] which relate to programs and operations” of the DoD, as stated in section 6(a)(1) of the IG Act.

Our Mission

The DoD OIG’s mission is to detect and deter fraud, waste, and abuse in DoD programs and operations; promote the economy, efficiency, and effectiveness of the DoD; and help ensure ethical conduct throughout the DoD.

Our Vision

The DoD OIG’s vision is to help improve DoD programs and operations through timely, credible, relevant, impactful, and actionable oversight. Central to this vision is our people. We strive to be an employer of choice, ensuring our people are well-trained, well-equipped, and engaged. We are committed to a culture of performance, disciplined execution, and tangible results. We work together as One OIG to achieve results.

Our independence is key to fulfilling our mission. We align our work with the critical performance and management challenges facing the DoD. We focus on program efficiency, effectiveness, cost, and impact. We regularly follow up on our recommendations to ensure that the DoD implements these recommendations. Implementation of our recommendations helps promote accountability and continuous improvement in the DoD.

We are agile. To remain relevant and impactful, we continually seek to improve our processes and our organization, and to operate more efficiently and effectively. We value innovation and use technology to help deliver timely results.

We seek to be a leader within the DoD and Federal oversight community, collaboratively sharing information, data, and best practices with our oversight colleagues to help improve oversight within the DoD and the Government as a whole.

Our Core Values

Our values define our organizational character and help guide the behaviors necessary to achieve our vision.

- Integrity
- Independence
- Excellence

Organizational Structure

The DoD OIG is headquartered in Alexandria, Virginia, and has more than 50 field offices located in the United States, Europe, Southwest Asia, and South Korea. The DoD OIG carries out its mission with a workforce of approximately 1,800 auditors, evaluators, criminal and administrative investigators, attorneys, support staff, and contractors. At any time, approximately 50 employees are temporarily assigned to Southwest Asia.

Figure 1.1 DoD OIG Field Offices Located Within the United States

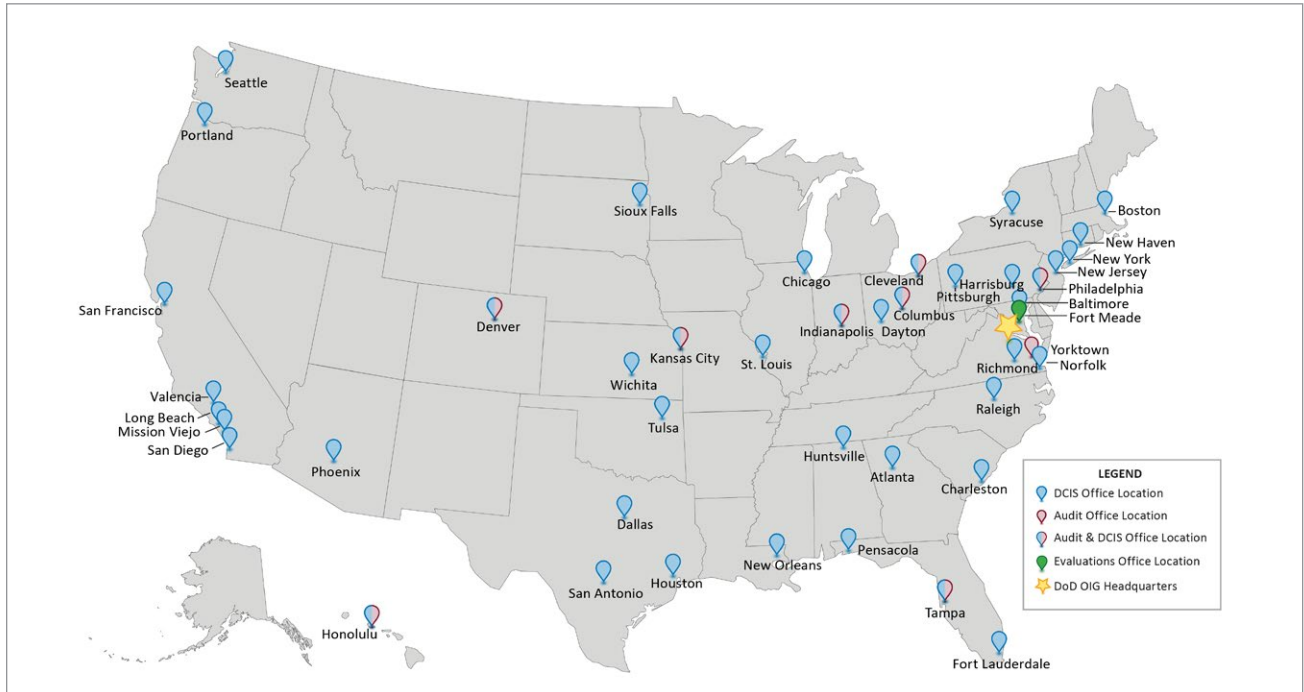
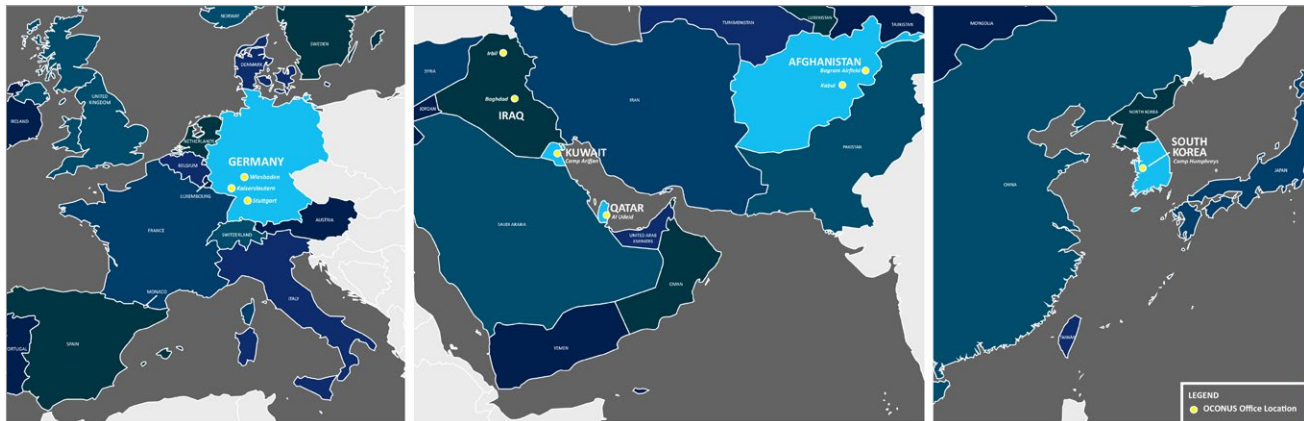
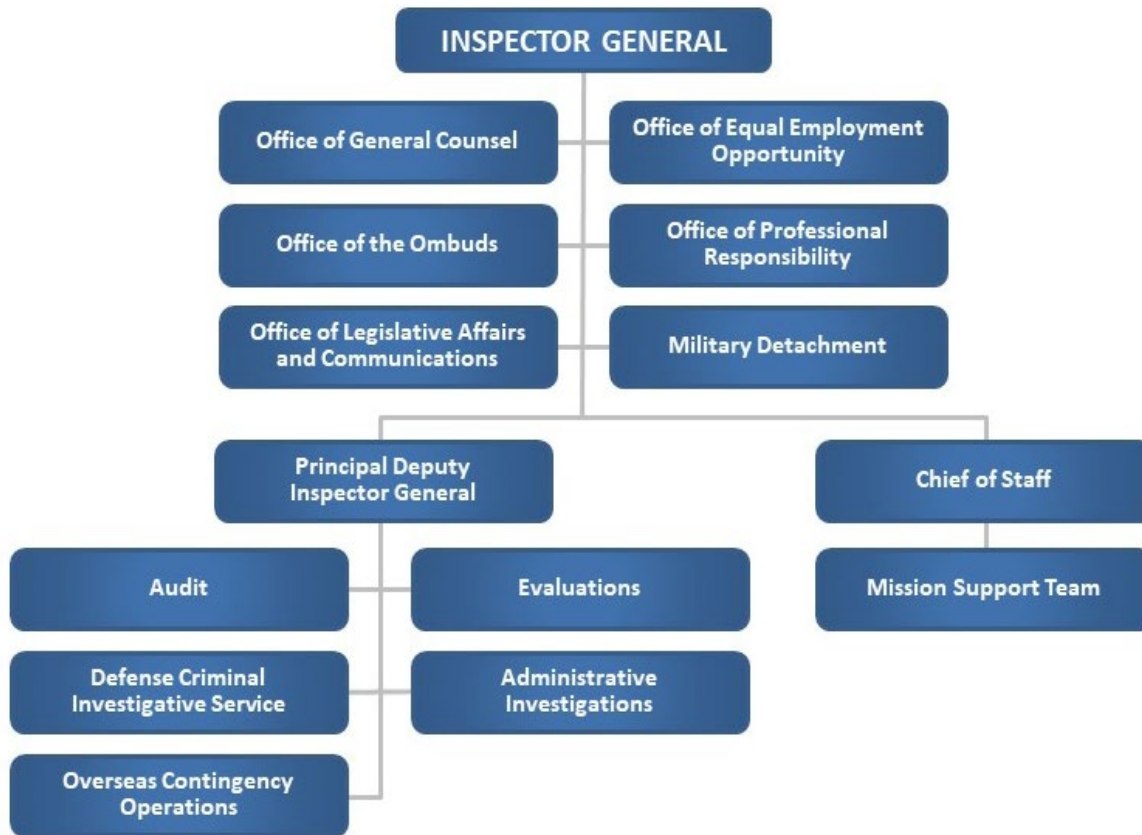


Figure 1.2 DoD OIG Field Offices Located Overseas



DoD Office of Inspector General



AUDIT

Audit conducts independent, relevant, and timely audits to detect and deter fraud, waste, and abuse; promote economy, efficiency, and effectiveness; and provide actionable recommendations that can help improve DoD programs, operations, and stewardship of resources.

EVALUATIONS (EVAL)

EVAL conducts independent reviews of DoD operations and activities. These evaluations include classified programs, space and missile programs, construction, safety, health care, and oversight of criminal investigations and audits conducted by other entities within the DoD.

DEFENSE CRIMINAL INVESTIGATIVE SERVICE (DCIS)

DCIS conducts criminal investigations related to DoD programs and operations, focusing on procurement fraud, public corruption, product substitution, health care fraud, illegal technology transfer, cyber crimes, and computer intrusions.

ADMINISTRATIVE INVESTIGATIONS (AI)

AI investigates and oversees DoD Components’ investigations of allegations of misconduct against senior DoD officials and allegations of whistleblower reprisal and restriction from communication with an IG or Member of Congress. AI also manages the DoD Hotline for confidential reporting of fraud, waste, and abuse and for detecting and preventing threats and danger to the public health and safety of DoD programs, operations, and employees.

OVERSEAS CONTINGENCY OPERATIONS (OCO)

OCO supports the DoD OIG’s Lead IG responsibilities; coordinates the oversight of overseas contingency operations by the DoD OIG, Department of State OIG, U.S. Agency for International Development OIG, Special Inspector General for Afghanistan Reconstruction, and other partner agencies through joint strategic planning and project management; and produces quarterly reports related to each overseas contingency operation.

SUMMARY OF TOP DOD MANAGEMENT CHALLENGES

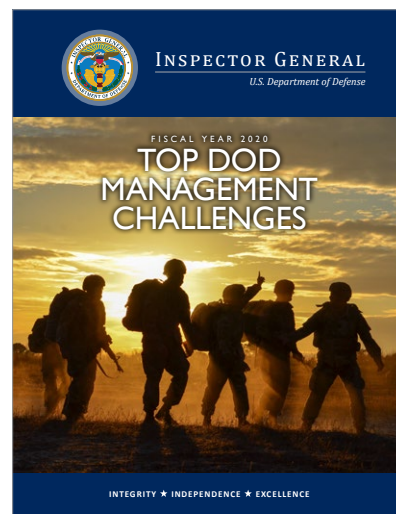
Each Inspector General (IG) is required by the Reports Consolidation Act of 2000 to prepare an annual statement that summarizes what the IG considers to be the “most serious management and performance challenges facing the agency” and to assess the agency’s progress in addressing those challenges. The law also requires the IG’s statement to be included in the agency’s financial report.

The following is the DoD OIG’s list of the top management and performance challenges facing the DoD in FY 2020. The DoD OIG identified these challenges based on a variety of factors, including DoD OIG oversight work, research, and judgment; oversight work done by other DoD Components; oversight work conducted by the Government Accountability Office; and input from DoD officials. While the DoD OIG reviewed DoD statements, documents, and assessments of these and other critical issues, the DoD OIG identified these top challenges independently.

The DoD OIG also uses this document to determine areas of risk in DoD operations and where to allocate DoD OIG oversight resources. This document is forward-looking and identifies the top challenges facing the DoD in FY 2020 and in the future.

As reflected in this document, the top 10 DoD management and performance challenges are:

1. Countering China, Russia, Iran, and North Korea
2. Countering Global Terrorism
3. Ensuring the Welfare and Well-being of Service Members and Their Families
4. Ensuring Ethical Conduct
5. Financial Management: Implementing Timely and Effective Actions to Address Financial Management Weaknesses Identified During the First DoD-Wide Financial Statement Audit
6. Enhancing DoD Cyberspace Operations and Capabilities
7. Enhancing Space-Based Operations, Missile Detection and Response, and Nuclear Deterrence
8. Improving Supply Chain Management and Security
9. Acquisition and Contract Management: Ensuring That the DoD Gets What It Pays for On Time, at a Fair Price, and With the Right Capabilities
10. Providing Comprehensive and Cost-Effective Health Care



In the top management challenges document, we discuss each challenge, actions taken by the DoD to address the challenge, and oversight work by the DoD OIG and others related to the challenge.

These challenges are not listed in order of importance or by the magnitude of the challenge. All are critically important management challenges facing the DoD.

The full report with details on these challenges can be viewed at:

<http://www.dodig.mil/Reports/Top-DoD-Management-Challenges>.



2. CORE MISSION AREAS



AUDIT

The DoD OIG's Audit Component conducts audits of DoD operations, systems, programs, and functions. The Audit Component consists of four operating directorates:

- Acquisition, Contracting, and Sustainment,
- Cyberspace Operations,
- Financial Management and Reporting, and
- Readiness and Global Operations.

The following are highlights from DoD OIG audit work completed during the reporting period.

Acquisition, Contracting, and Sustainment

Audit of DoD Service-Disabled Veteran-Owned Small Business Contract Awards

The DoD OIG determined whether the DoD awarded service-disabled veteran-owned small business (SDVOSB) contracts to eligible contractors. Executive Order 13360 requires heads of Federal agencies to provide the opportunity for service-disabled veteran-owned small businesses to significantly increase their participation in Federal contracting. The U.S. Government's goal is to award at least 3 percent of all Federal contracting dollars to service-disabled veteran-owned businesses each year.

The DoD OIG determined that DoD contracting activities awarded SDVOSB contracts to ineligible contractors and did not implement procedures to ensure compliance with SDVOSB subcontracting requirements after award. Specifically, of the 29 contractors the DoD OIG reviewed, the DoD awarded 27 contracts, valued at \$827.8 million, to 16 contractors that did not meet the requirements for SDVOSB status. DoD contracting personnel also did not verify compliance with the SDVOSB subcontracting requirements for six contracts awarded to three contractors, valued at \$164.7 million. In addition, the Small Business Administration (SBA) determined through SBA protest procedures that 3 of the 29 contractors were ineligible, and the DoD OIG confirmed that those contractors did not always update their status in the System for Award Management after notification of ineligibility. In sum,

the DoD OIG determined that the DoD awarded \$876.8 million in contracts to contractors that were not eligible for the SDVOSB set-aside program; therefore, the DoD OIG considered the \$876.8 million as questioned costs. As a result, the DoD OIG concluded that without additional controls in place, the DoD contracting activities will continue to award SDVOSB contracts to ineligible contractors and that DoD agencies may be overstating the amounts reported for SDVOSB participation.

Among other recommendations, the DoD OIG recommended that the Office of Small Business Programs (OSBP) Director:

- coordinate with the Military Departments and Defense agencies and review contractors the DoD OIG determined to be ineligible and contractors that were denied SDVOSB status, and take action, through the SBA, as necessary;
- implement procedures, in coordination with the Office of the Secretary of Defense's Defense Pricing and Contracting office, to require contractors to submit documentation to support their SDVOSB status, as well as other socioeconomic statuses, prior to contract award, and perform periodic reviews of SDVOSB contractors; and
- coordinate with Defense Pricing and Contracting, the General Services Administration, and the SBA and implement procedures to ensure that contractors update their System for Award Management status if the SBA determines the contractors are ineligible.

The OSBP Acting Director disagreed with the recommendations, stating that his office was not primarily responsible for procurement policy or contract operations, and suggested that Defense Pricing and Contracting or the Component Senior Procurement Executives should address the recommendations. However, according to DoD policy, the OSBP is responsible for providing small business programs policy advice, proposing Defense-wide initiatives to the Office of the Secretary of Defense, and providing policy oversight of all DoD Component small business program activities. Therefore, the DoD OIG did not change its original conclusions or recommendations and requested that the OSBP Acting Director provide additional comments in response to the final report that resolve the recommendations.

Report No. DODIG-2020-063



A structural engineer assigned to Naval Facilities Engineering Command (NAVFAC) Southeast records the damage to a fence on Naval Air Station Key West in the aftermath of Hurricane Irma
Source: U.S. Navy.

Audit of Contract Costs for Hurricane Recovery Efforts at Navy Installations

The DoD OIG determined whether the Navy controlled costs for Global Contingency Construction Contract task orders issued to support military base hurricane recovery efforts in 2017 and 2018. The 2017 and 2018 hurricanes caused significant damage to Puerto Rico and military bases in four states. Specifically, Naval Facilities Engineering Command (NAVFAC) awarded 24 task orders, valued at \$973.9 million, for recovery efforts for Hurricanes Matthew, Harvey, Irma, Maria, Florence, and Michael.

The DoD OIG determined that NAVFAC Southeast contracting officials did not control costs when awarding and administering the task order issued to recover Naval Air Station Key West after Hurricane Irma. Specifically, NAVFAC Southeast contracting officials did not include detailed and specific contract requirements in the task order; request, obtain, or analyze a cost proposal from the prime contractor; document their determination of fair and reasonable prices; or limit the task order to the initial recovery efforts. As a result, without a cost proposal or documentation of NAVFAC Southeast's determination of fair and reasonable prices for the initial \$9.3 million of \$35.9 million in hurricane recovery

costs, the DoD OIG could not verify that NAVFAC Southeast contracting officials obtained fair and reasonable prices. Furthermore, the procedures that NAVFAC Southeast used may have created an illegal cost-plus-percentage-of-cost contracting system that did not incentivize the contractor to complete the contract efficiently or effectively. The United States Code, the Federal Acquisition Regulation, and the Government Accountability Office prohibit the use of cost-plus-percentage-of-cost system of contracting. The cost-plus-percentage-of-cost contracting system is a prohibited contracting system by which the Government could potentially contract to pay costs, undetermined when the contract was awarded and to be incurred in the future, plus a commission based on a percentage of the future costs. Consequently, NAVFAC Southeast may have incorrectly paid the prime contractor profit, which increased proportionally with the contractor's costs.

The DoD OIG also determined that NAVFAC Mid-Atlantic contracting officials and the Camp Lejeune Public Works Department implemented several best practices when developing, awarding, and overseeing the initial task order issued to recover Camp Lejeune and Cherry Point after Hurricane Florence. For example, the officials developed detailed disaster recovery

plans, prepositioned contractors, provided extensive oversight, and limited the task order to initial recovery efforts. However, NAVFAC Mid-Atlantic contracting officials did not control costs when evaluating the prime contractor's proposal and negotiating task order modifications. Specifically, the contracting officer did not effectively assess the prime contractor's cost and pricing proposals or verify that the proposals were complete and accurate, in accordance with Federal and DoD acquisition regulations. As a result, NAVFAC Mid-Atlantic contracting officials paid excessive prices, causing the Government to pay the prime contractor excess profit.

Among other recommendations, the DoD OIG recommended that the Commander of NAVFAC Atlantic review the task orders that NAVFAC Southeast issued for Hurricanes Matthew, Harvey, and Michael and request a Defense Contract Audit Agency (DCAA) audit to review the allowability of all costs and profit paid. The DoD OIG also recommended that the NAVFAC Atlantic Commander reevaluate Global Contingency Construction Contract procedures to ensure that they are clear, concise, and easy to implement during a disaster situation. In addition, the DoD OIG recommended that the Commander of NAVFAC Southeast request a DCAA audit to review the allowability of all costs and profit paid due to the cost-plus-percentage-of-cost contracting system and request a refund for any excess payment identified. In addition, the DoD OIG recommended that the Commander of NAVFAC Mid-Atlantic request DCAA post-award audits to review all costs paid under the initial task order and subsequent follow-on task orders and request a refund for any excess payment identified. Management agreed with the recommendations.

Report No. DODIG-2020-060

Audit of Controls Over Opioid Prescriptions at Selected DoD Military Treatment Facilities

The DoD OIG determined whether selected DoD military treatment facilities (MTFs) overprescribed opioids for DoD beneficiaries. DoD beneficiaries are active duty service members, retirees, and eligible family members who receive health care at MTFs, which the Defense Health Agency (DHA) and the Surgeons General of the Military Departments oversee.

By examining patient records, the DoD OIG identified examples of beneficiaries at three MTFs (Madigan Army Medical Center at Joint Base Lewis-McChord, Washington; Naval Medical

Center Portsmouth in Portsmouth, Virginia; and Joint Base Elmendorf-Richardson Hospital in Anchorage, Alaska) who may have been overprescribed opioids from 2015 through 2017. For example, a beneficiary received an average of 450 morphine milligram equivalents (MME) per day for 16 months, which is five times the Center for Disease Control and Prevention's recommended maximum dose of 90 MME per day. The DoD OIG concluded that MTFs potentially overprescribed opioids from 2015 through 2017 because the DHA and Military Departments did not have policies and processes in place to identify and monitor beneficiaries who were prescribed over 90 MME per day.

In December 2017, the DoD began implementing tools expected to help the DoD identify and monitor beneficiaries who receive prescriptions that deviate from opioid clinical practice guidance, such as beneficiaries who receive opioids for more than 90 days or are prescribed opioids at or above 90 MME per day. In June 2018, the DHA issued a procedural instruction that requires the DoD to monitor the percentage of beneficiaries who are prescribed more than 90 MME per day and the beneficiaries receiving long-term opioid therapy. However, the staff at the MTFs the DoD OIG visited did not prevent providers from prescribing unusually high doses of opioids. Additionally, MTF officials did not intervene to prevent providers from prescribing unusually high doses of opioids. The audit report determined that the DoD needs to monitor opioid prescriptions and hold providers accountable for not following clinical practice guidance, if it is determined that clinical guidance was not followed. Furthermore, overprescribing opioids increases the risk that people other than the prescribed beneficiary will have access to and use the opioids for nonmedical use.

The DoD OIG recommended that the DHA Director continue to monitor MME doses per day by beneficiary, examine data for unusually high opioid prescriptions, and if appropriate, hold providers accountable for overprescribing opioids. The DoD OIG also recommended that the DHA Director implement controls to ensure that the prescriptions in the Military Health System Data Repository exist and that the dispense date and the metric quantity field for opioid prescriptions in liquid form are accurate and consistent among all systems. Management agreed with the recommendations.

Report No. DODIG-2020-048

Audit of the DoD Personal Property Program Related to Household Goods Shipments

The DoD OIG determined whether DoD members received personal property shipments in a timely manner and whether proper actions were taken for household goods that were damaged or lost during permanent change of station moves.

U.S. Transportation Command (USTRANSCOM) is responsible for administering the DoD Personal Property Program, which was developed to improve the permanent change of station process for DoD service members, civilians, and their families by promoting quality of service and streamlining the overall process. Many DoD military families have complained about unexpected delays in pickups or delivery of their household goods and the moves themselves, which have resulted in the loss and damage of household goods for some families.

For FY 2018, the four Joint Personal Property Shipping Offices that the DoD OIG reviewed processed 9,852 shipments, costing \$102.3 million, that were delivered at least 5 days past the Required Delivery Date and had at least one claim filed for damaged or lost household goods. The DoD OIG determined that, of the 9,852 shipments, DoD members did not receive a projected 4,004 shipments (41 percent), costing \$33.1 million, on or before the delivery date to the storage location or the agreed-upon delivery date from the storage location. As a result, DoD members and families did not receive their shipments in a timely manner and incurred additional costs for lodging, food, and rental or purchase of household necessities, which may be compensated through an inconvenience claim.

The DoD OIG reviewed a statistical sample of 311 shipments from the four Joint Personal Property Shipping Offices, costing \$3.3 million. The DoD OIG determined that, of the 311 shipments, the moving companies resolved 622 of 662 damaged or lost household goods claims (94 percent), valued at \$8.4 million, in accordance with DoD guidance. However, the moving companies did not resolve 40 damaged or lost household goods claims, valued at \$20,258, because the DoD members did not use Military Claims Offices to process the 40 household goods claims. As a result, DoD members did not receive the entitled compensation for 40 damaged or lost household goods claims.

The DoD OIG also determined that the Defense Personal Property System had system limitations and inaccuracies. The Defense Personal Property System also inaccurately identified household goods claims between the moving companies and DoD members as “in-process” when they were actually completed. As a result, USTRANSCOM cannot rely on Defense Personal Property System delivery and claims information to determine whether DoD members received timely shipments and whether DoD members’ household goods claims for damage and loss were completed.

The DoD OIG recommended that the USTRANSCOM Commander develop and implement a methodology that accounts for warnings in the performance score of the moving companies for best value determinations. The DoD OIG also recommended that the USTRANSCOM Commander update the Defense Transportation Regulation to include:

- issuing warnings or letters of suspension to the moving companies within 14 days of missing the delivery date or the agreed-upon delivery date from storage location;
- contacting DoD members if they do not complete Customer Satisfaction Surveys within 1 month after receiving the shipments;
- helping DoD members and families file inconvenience claims with moving companies within 14 days of the missed delivery date;
- updating guidance to transfer the damaged or lost household goods claims to the Military Claims Offices;
- obtaining and validating delivery information in the Defense Personal Property System within 14 days of the completed move; and
- reviewing all household goods claims greater than 60 days old and contacting DoD members to determine their claim’s status.

Management agreed with the recommendations.

Report No. DODIG-2020-046

Audit of the Department of Defense Supply Chain Risk Management Program for Nuclear Command, Control, and Communications Systems

The DoD OIG conducted this audit in response to a congressional reporting requirement contained in House Report 114-537, to accompany the National Defense Authorization Act for FY 2017. The DoD OIG audit determined whether the DoD's supply chain risk management program has mitigated the risk that an adversary could infiltrate the DoD supply chain and sabotage, maliciously introduce an unwanted function, or otherwise compromise the design or integrity of the critical hardware, software, and firmware for one or more critical networks or systems that comprise the Nuclear Command and Control System.

The report findings and recommendations are classified.

Report No. DODIG-2020-066

Audit of DoD Hotline Allegations Concerning the Defense Microelectronics Activity

The DoD OIG determined whether the Defense Microelectronics Activity (DMEA) resolved customer requests for microelectronics using Advanced Reconfigurable Manufacturing for Semiconductors (ARMS) facilities. The DoD Hotline received an allegation that the DMEA was not capable of performing one aspect of its mission to manufacture integrated circuit chips (chips) that were not commercially available for DoD weapon systems. The allegation also stated that the DMEA received requests to design and manufacture tens of thousands of obsolete chips needed to keep DoD weapon systems operational. The allegation stated that, of the thousands of obsolete chips, the DMEA had fielded only five chips that were manufactured in the ARMS foundry.

The DoD OIG audit determined that the DMEA generally resolved customer requests for microelectronics using the ARMS facilities. Specifically, the DMEA identified solutions for 882 of the 908 DoD requests (97 percent) that did not require the use of the ARMS foundry. In addition, between January 1, 2014, and June 30, 2019, the DMEA used the ARMS foundry to fabricate five wafer lots for five DoD customer requests. The DMEA was unable to provide solutions for 10 DoD requests because of a lack of technical data or a lack of DMEA engineering resources or processes to provide a solution. Furthermore, 11 DoD customers did not pursue a DMEA solution because the customer identified its own solution or the customer did not

respond to DMEA followup requests. While the DMEA was able to resolve the majority of customer requests, it is not clear whether the DoD's current use of the ARMS foundry is justified. The DMEA spent \$32.4 million between January 1, 2014, and June 30, 2019, to maintain the ARMS foundry while using it to address only five DoD customer requests. The DMEA also budgeted \$35.8 million to maintain the ARMS foundry from July 1, 2019, through June 30, 2024.

The DoD OIG recommended that the Director of Defense Research and Engineering for Research and Technology, Office of the Under Secretary of Defense for Research and Engineering, complete an assessment of the use of the existing foundry and determine whether the existing foundry is still needed. Management agreed with the recommendations.

Report No. DODIG-2020-072

Audit of the DoD's Use of Additive Manufacturing for Sustainment Parts

The DoD OIG determined the extent to which the DoD used additive manufacturing (AM) when obtaining sustainment parts. Specifically, the DoD OIG evaluated the DoD's actions to implement AM for the sustainment of equipment and weapon systems, including the coordination of AM efforts across the DoD. AM, including 3-D printing, creates an object by adding layers of material from three-dimensional data, unlike traditional, or subtractive, manufacturing processes where the product is created by cutting away material from a larger piece.

The DoD OIG determined that the Office of the Secretary of Defense implemented policy and established multiple working groups to coordinate AM efforts between the Military Services and the Defense Logistics Agency (DLA). In addition, at least 81 Military Service depots, maintenance facilities, and field locations have used AM to produce thousands of AM parts and tools, such as cooling ducts, clips, and wrenches, to decrease maintenance time, reduce the impact of obsolete parts that are no longer available through traditional manufacturing sources, and improve existing parts. However, the DoD could expand the use of AM to obtain sustainment parts by:

- standardizing the data elements captured for AM parts produced to ensure consistency in production;
- implementing a method for sharing AM parts data within the Military Services and across the DoD to eliminate duplicative efforts;

- increasing awareness of AM among Military Services and DLA program officials and senior DoD management; and
- identifying the staffing and funding necessary to accomplish AM initiatives.

These actions could increase the use of AM and improve warfighter readiness by decreasing the lead and repair times from years to days for some hard-to-procure parts that can be produced through AM. In addition, the DoD could save funds by eliminating duplicative AM efforts, using AM for low-quantity and high-cost parts that are hard to obtain, and using AM to replace a single part rather than an entire component if the parts are found to be appropriate for AM.

The DoD OIG recommended that the DoD standardize the data to be reported by the Military Services and the DLA for AM parts produced, AM equipment available, and amount spent on AM. Additionally, the DoD should develop policy that standardizes the cataloging of AM parts and requires the Military Services and DLA to implement a single method to share data on AM parts, and provide DoD officials awareness of AM and its capabilities. The DoD OIG recommended that the Military Service Secretaries and the Marine Corps Commandant require their AM leads to implement a process that compiles a complete list of all AM parts produced and parts waiting for approval to share within each Military Service, and update the list as needed. The DoD OIG also recommended that the Under Secretary of Defense for Research and Engineering, Under Secretary of Defense for Acquisition and Sustainment, Military Service Secretaries, and Marine Corps Commandant conduct a review to identify the appropriate funding and number of personnel to pursue AM benefits throughout the DoD. Management agreed with the recommendations.

Report No. DODIG-2020-003

Audit of the Defense Logistics Agency's Purchases of Aviation Critical Safety Items

The DoD OIG determined whether DLA personnel properly purchased aviation critical safety items from the DLA Aviation supply chain in accordance with DoD guidance. Aviation critical safety items are parts, assemblies, installation equipment, launch equipment, recovery equipment, or support equipment for an aircraft or aviation weapon system that, if they fail or malfunction, could cause a catastrophic or critical failure resulting in the loss of, or serious damage to, the aircraft or aviation weapon system and personal injury or loss of life.

The DoD OIG determined that DLA personnel obtained aviation critical safety items in accordance with DoD guidance to meet Service mission requirements for 83 of 85 contracts reviewed, valued at \$37.5 million. However, DLA personnel awarded two contracts to sources that the Service Engineering Support Activities did not approve. In response to these findings, DLA personnel took corrective actions during the audit, such as notifying the responsible Service Engineering Support Activity (ESA) and obtaining source approval, screening stock at a DLA Distribution Depot, and alerting customers.

However, the DoD OIG also identified weaknesses in DLA's controls for 31 contracts awarded to dealers and distributors that could have resulted in the purchase of nonconforming parts. Specifically, DLA personnel did not prepare or issue quality assurance letters of instruction to the Defense Contract Management Agency (DCMA). The DLA Quality Deskbook requires DLA personnel to issue a quality assurance letter of instruction to the DCMA for contracts awarded to surplus providers, dealers and distributors, or as required by the Service ESA when contract technical requirements are significant or the aviation CSI has critical characteristics, special features, or special acquisition concerns. The quality assurance letters of instruction include product inspection, test, or verification requirements to ensure products meet contract technical requirements or obtain documentation to trace items to approved sources to validate source approval in accordance with DoD guidance. In addition, DLA officials did not provide oversight to ensure that DLA personnel independently and consistently performed compliance reviews on all aviation critical safety item contracts after contract award. As a result of the weaknesses in controls over its aviation critical safety item purchases, DLA could purchase nonconforming parts. A critical safety item malfunction resulting from nonconforming parts could cause a catastrophic or critical failure, resulting in the loss of, or serious damage to, the aircraft or weapon system, threatening the life and safety of the warfighter.

The DoD OIG recommended that the DLA Director improve and implement controls over the purchases of aviation critical safety items in the DLA Aviation supply chain. The changes should include establishing procedures for the completion and review of DLA critical safety item award checklists; improving, implementing, and enforcing controls over the independent compliance reviews of aviation critical safety item contract awards; revising the memorandum of agreement between DLA and DCMA to clarify

responsibilities; and reviewing the problems in this report, identifying responsible personnel, initiating any administrative actions warranted by the review, and implementing applicable corrective actions resulting from this report across all DLA organizations that purchase aviation critical safety items. Management agreed with the recommendations.

Report No. DODIG-2020-037

Audit of Cost Increases and Schedule Delays for Military Construction Projects at Joint Region Marianas

The DoD OIG examined why select military construction (MILCON) projects at Joint Region Marianas (JRM) were over budget and delayed. JRM is a joint U.S. military command located on Guam. Under JRM, the commanding officers of both U.S. Naval Base Guam and Andersen Air Force Base oversee their respective mission requirements and operations, and JRM officials oversee support services, policies, and resources for the joint base.

The DoD OIG determined that the Deputy Assistant Secretary of Defense for Facilities Management, Naval Facilities Engineering Command (NAVFAC), Air Force, and DLA officials experienced schedule delays and cost increases for nine MILCON projects at JRM, valued at \$574.4 million; however, Guam's unique characteristics and environment present challenges in planning and managing MILCON in the region. The island of Guam is about 30 miles long with a width ranging from 4 to 12 miles, has 13 endangered or threatened species of plants or animals within areas slated for MILCON projects, and has an estimated 11,000 items of Munitions and Explosives of Concern from War World II battles scattered across the island. NAVFAC Marianas personnel stated that schedule delays also occurred, in part, because they were experiencing personnel resourcing shortages. As a result, the DoD had a total of 13 years and 5 months in schedule delays and \$37.5 million in increased costs over the programmed budgets for the nine projects the DoD OIG reviewed.

The DoD's inability to complete MILCON projects at JRM on time and within the programmed budget is indirectly affecting the DoD's National Defense Strategy and DoD priorities. Delays in MILCON projects, such as constructing maintenance hangars and upgrading a fuel pipeline, hinder readiness in the region and DoD officials' ability to build a more lethal force capable of protecting our assets and meeting the



Fuel Pipeline on Guam
Source: NAVFAC Marianas.

goals of the National Defense Strategy. Furthermore, NAVFAC Marianas did not always complete Contractor Performance Assessment Reporting System (CPARS) evaluations in a timely manner, as required by the Federal Acquisition Regulation. Because NAVFAC Marianas officials did not always complete CPARS evaluations in a timely manner, contracting personnel could award additional contracts to poorly performing contractors and the DoD or other Federal agencies might not receive the best value for goods and services.

Among other recommendations, the DoD OIG recommended that the NAVFAC Commander perform a review to determine resource requirements at NAVFAC Marianas and identify potential solutions to address vacant positions, and issue a memorandum directing contracting personnel to issue annual past performance evaluations for contractors in CPARS within 120 days after the end of the period of performance. The DoD OIG also recommended that the Chief of Naval Operations revise and reissue policy to ensure that all Navy MILCON projects, including housing projects, follow the same planning and programming process. Management agreed with the recommendations.

Report No. DODIG-2020-040

Audit of the Service Acquisition Executives' Management of Defense Acquisition Category 2 and 3 Programs

The DoD OIG determined whether Army, Navy, and Air Force acquisition officials appropriately identified Acquisition Category (ACAT) 2 and 3 programs and monitored whether program costs and schedules aligned with their respective acquisition category designation. A DoD acquisition program is a funded effort that provides a new, improved, or continuing materiel, weapon, or information system or service capability in response to an approved need. DoD acquisition programs are classified into the appropriate ACAT level depending on estimated program costs and the type of acquisition. ACAT 2 programs are major systems estimated to cost from \$185 million to \$480 million for research, development, test, and evaluation, or from \$835 million to \$2.8 billion for procurement. ACAT 3 programs fall below the ACAT 2 minimum thresholds for research, development, test, and evaluation, and procurement.

The DoD OIG determined that Army, Navy, and Air Force Service Acquisition Executives did not appropriately identify or monitor whether their Departments' ACAT 2 and 3 program costs and schedules aligned with their respective ACAT designation. As a result, the Army, Navy, and Air Force could not accurately account for programs and program acquisition costs of up to \$144.4 billion dollars. Additionally, the Army's Program Executive Office for Combat Support and Combat Service Support did not inform or receive required approval from the Army Headquarters Data Administrator prior to deleting two programs from the database the Army uses to track acquisition programs. As a result, the Army has no assurance that the database is complete.

Among other recommendations, the DoD OIG recommended that the Under Secretary of Defense for Acquisition and Sustainment establish a common data framework for all Service acquisition databases that describes core program information. Additionally, the DoD OIG recommended that Service Acquisition Executives verify and validate that their databases contain accurate lists of programs and that programs have the correct active or inactive status, and verify and validate that all programs have approved Acquisition Program Baselines and that program officials report when acquisition costs or schedules exceed thresholds established in the Acquisition Program Baseline. Finally, the DoD OIG recommended that the Assistant Secretary of the Army for Acquisition, Logistics, and Technology update the

Army Acquisition Program Master List user guide to accurately reflect which roles have the authority to delete programs from the Army Acquisition Program Master List. The DoD OIG issued 42 recommendations, and management agreed with all but 3, but did not fully address all specifics of all recommendations. The DoD OIG therefore asked for additional responses to the recommendations in the final report.

Report No. DODIG-2020-042

Cyberspace Operations

Followup Audit on Corrective Actions Taken by DoD Components in Response to DoD Cyber Red Team-Identified Vulnerabilities and Additional Challenges Facing DoD Cyber Red Team Missions

The DoD OIG determined whether DoD Cyber Red Teams and DoD Components took actions to correct problems identified in Report No. DODIG-2013-035, "Better Reporting and Certification Processes Can Improve Red Teams' Effectiveness," December 21, 2012. In addition, the DoD OIG determined whether DoD Cyber Red Teams supported operational testing and combatant command exercises to identify network vulnerabilities, threats, and other security weaknesses affecting DoD systems, networks, and facilities, and whether corrective actions were taken to address DoD Cyber Red Team findings. The DoD OIG also assessed risks affecting the ability of DoD Cyber Red Teams to support DoD missions and priorities. The DoD uses DoD Cyber Red Teams to highlight vulnerabilities, improve joint cyberspace operations, and protect the DoD Information Network and DoD weapon systems from vulnerabilities and threats that affect the DoD's security posture.

As in the prior audit and this audit, the DoD OIG determined that DoD Components did not consistently mitigate or include unmitigated vulnerabilities identified by DoD Cyber Red Teams during combatant command exercises, operational testing assessments, and agency-specific assessments in plans of action and milestones. Ensuring DoD Components mitigate vulnerabilities is critical to the DoD's security posture as the DoD continues to invest in DoD Cyber Red Team activities. In addition, the DoD OIG determined that the DoD did not establish a unified approach to support and prioritize DoD Cyber Red Team missions. Instead, the DoD Components implemented Component-specific approaches to staff, train, and develop tools for

DoD Cyber Red Teams, and prioritize DoD Cyber Red Team missions. Without an enterprise-wide solution to staff, train, and develop tools for DoD Cyber Red Teams and prioritize their missions, DoD Cyber Red Teams have not met current mission requests and will not meet future requests because of the increased demand for DoD Cyber Red Team services. As a result, until the DoD assigns an organization to assess DoD Cyber Red Team resources, it will be unable to determine the number of DoD Cyber Red Teams and staffing of each team to support mission needs, which will impact the DoD's ability to identify vulnerabilities and take corrective actions that limit malicious actors from compromising DoD operations.

Among other recommendations, the DoD OIG recommended that the Secretary of Defense assign an organization the responsibility to review and assess DoD Cyber Red Team reports for systemic vulnerabilities, coordinate the development and implementation of enterprise solutions to mitigate those vulnerabilities, ensure DoD Components develop and implement a risk-based process to assess the impact of DoD Cyber Red Team-identified vulnerabilities, and prioritize funding of corrective actions for high-risk vulnerabilities. Additionally, the DoD OIG recommended that the Chairman of the Joint Chiefs of Staff revise Joint Chiefs of Staff policy to include requirements for addressing DoD Cyber Red Team-identified vulnerabilities and reporting actions taken to mitigate those vulnerabilities. The DoD OIG also recommended that the Commanders for U.S. Strategic Command and U.S. Southern Command, the Program Manager, Advanced Amphibious Assault for the Amphibious Combat Vehicle, and the Director for the Defense Forensics and Biometric Agency assess and prioritize the risk of each unmitigated vulnerability identified in Red Team assessments, take immediate actions to mitigate high-risk vulnerabilities, and if unable to immediately mitigate the vulnerabilities, include them on a command-approved plan of action and milestones. Management agreed with the recommendations.

Report No. DODIG-2020-067

Audit of Security Controls Over the Department of Defense's Global Command and Control System—Joint Information Technology System

The DoD OIG determined whether DoD combatant commands and Military Services implemented security controls over the Global Command and Control System—Joint (GCCS-J) to protect DoD data

and information technology assets. The GCCS-J provides users with a complete picture of the operational environment across air, land, maritime, space, and cyberspace warfighting domains. There are three primary types of system security controls—common, system-specific, and hybrid. Common controls are security controls implemented at the organizational level that can be used by any information system that operates in the organizational environment, such as vulnerability management and physical access authorization controls. System-specific controls are security controls implemented at the system level that are not inherited by any other information system in the organizational environment, such as security categorization and least functionality controls. Hybrid controls are security controls that are a combination of common system-specific controls, such as account management controls.

The DoD OIG determined that cybersecurity officials at the seven GCCS-J critical sites reviewed did not implement all required GCCS-J security controls. Specifically, of the 17 security controls that the DoD OIG reviewed, cybersecurity officials implemented 9 controls that included 6 common controls, 1 system-specific control, and 2 hybrid controls. However, cybersecurity officials did not consistently implement:

- five common controls, including access control policy and procedures, physical and environmental protection policy and procedures, vulnerability management, physical access authorization, and physical access controls;
- two system-specific controls, including least functionality and security categorization; and
- one hybrid control, account management.

Cybersecurity officials did not consistently implement these GCCS-J security controls because critical site commanders did not appoint GCCS-J cybersecurity officials as required. The site cybersecurity officials at all seven critical sites stated that they thought the Defense Information Systems Agency was responsible for implementing security controls for the GCCS-J. In addition, the Joint Staff J-3 and J-6 did not ensure that the GCCS-J security policy was enforced at the GCCS-J sites.

The DoD OIG recommended that the commanders at the GCCS-J critical sites appoint required personnel to implement the requirements in the GCCS-J type authorization to operate; ensure the GCCS-J security controls are implemented; and annually verify that the

required GCCS-J security controls are implemented as required in the type authorization to operate and CJCSI 6731.01C. The DoD OIG also recommend that the Vice Director of the Joint Staff ensure that the Joint Staff J-6 and J-3 develop and implement a plan for enforcing the GCCS-J security requirements at each site that operates the GCCS-J. Management did not agree with all of the recommendation. The DoD OIG requested additional comments.

Report No. DODIG-2020-068

Audits of the DoD and U.S. Army Corps of Engineers' Compliance With the Digital Accountability and Transparency Act of 2014

The DoD OIG conducted two separate audits on the DoD's and U.S. Army Corps of Engineers' (USACE) compliance with Public Law 113-101, "Digital Accountability and Transparency Act of 2014" (DATA Act). The DoD OIG assessed the completeness, accuracy, timeliness, and quality of the DoD's and USACE's first quarter FY 2019 financial and award data submitted for publication on USAspending.gov. The DoD OIG also assessed the DoD's and USACE's implementation and use of the Government-wide financial data standards (data elements) established by the Office of Management and Budget (OMB) and the Department of the Treasury (the Treasury). The Federal Funding Accountability and Transparency Act of 2006 required OMB to establish a single searchable public website that disclosed information on Federal contract and grant awards to enable the public to track how tax dollars are spent. To meet the Federal Funding Accountability and Transparency Act requirement, OMB established the website USAspending.gov, and Federal agencies began reporting their data to the website in 2008. The DATA Act expands the Federal Funding Accountability and Transparency Act of 2006 by requiring Federal agencies to submit their spending data quarterly and to link that data to the contract and grant award data to enable taxpayers and policy makers to track Federal spending more effectively.

The DoD OIG determined that the DoD and USACE did not comply with all DATA Act requirements. Although the DoD and USACE implemented and used the required Government-wide data standards and the DoD DATA Act submissions for the first quarter of FY 2019 were timely, the submissions were not complete. As a result, the DoD DATA Act submissions published on USAspending.gov cannot be relied upon. Specifically, the DoD data submitted for the first quarter of FY 2019 had moderate quality for

procurement and low quality for grants. The moderate and low quality of the DoD's submission and the incomplete USACE data does not allow taxpayers and policy makers to track Federal spending more effectively through the use of USAspending.gov and undermines the DATA Act objective of providing quality and transparent Federal spending data on USAspending.gov.

The DoD OIG recommended that appropriate DoD and USACE officials revise and implement the DoD and USACE data quality plans in accordance with OMB M-18-16, "Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk." The revised plans should include, at a minimum: assignment of roles and responsibilities for ensuring DATA Act data quality; a risk assessment process; definition of the control environment and control activities specific to the DATA Act submission; a mitigation and monitoring plan for the data elements determined to be high risk; and a testing plan for ensuring that financial and award data are accurate before making DoD and USACE quarterly DATA Act submissions. Management agreed with the recommendations.

Report Nos. DODIG-2020-007 and DODIG-2020-010

Financial Management and Reporting

DoD Financial Statement Audit

During FY 2019, the DoD underwent a full financial statement audit for the second year. The DoD OIG and five independent public accounting firms overseen by the DoD OIG performed audits consisting of audit procedures on balances listed on the DoD's and 23 DoD Components' financial statements to determine whether the financial statements were accurately presented.

Similar to FY 2018, the DoD and 15 Components received a disclaimer of opinion on their financial statements. Although the overall audit opinions for the DoD and its Components did not change from FY 2018 to FY 2019, the auditors identified progress for the DoD and the DoD Components that received disclaimers of opinion. Additionally, Components that previously received unmodified opinions on their financial statements continued to receive favorable audit results. Table 2.1 provides a list of DoD reporting entities and the results of the audits overseen by the DoD OIG in FYs 2018 and 2019.

Table 2.1 FYs 2018 and 2019 Financial Statement Opinions for DoD Reporting Entities

Reporting Entity	FY 2018 Opinion	FY 2019 Opinion
U.S. Army Corps of Engineers–Civil Works	Unmodified	Unmodified
Defense Health Agency–Contract Resource Management	Unmodified	Unmodified
Military Retirement Fund	Unmodified	Unmodified
Army Sub-Allotted	Unmodified	Unmodified
Defense Health Agency Sub-Allotted	N/A	Unmodified
Defense Logistics Agency Sub-Allotted	Unmodified	Unmodified
U.S. Special Operations Command Sub-Allotted	N/A	Unmodified
Medicare-Eligible Retiree Health Care Fund	Qualified	Qualified
Department of the Army GF	Disclaimer	Disclaimer
Department of the Army WCF	Disclaimer	Disclaimer
U.S. Navy GF	Disclaimer	Disclaimer
Department of the Navy WCF	Disclaimer	Disclaimer
Department of the Air Force GF	Disclaimer	Disclaimer
Department of the Air Force WCF	Disclaimer	Disclaimer
U.S. Marine Corps GF	Disclaimer	Disclaimer
Defense Health Program GF	Disclaimer	Disclaimer
Defense Information Systems Agency GF	Disclaimer	Disclaimer
Defense Information Systems Agency WCF	Disclaimer	Disclaimer
Defense Logistics Agency GF	Disclaimer	Disclaimer
Defense Logistics Agency WCF	Disclaimer	Disclaimer
Defense Logistics Agency Transaction Fund	Disclaimer	Disclaimer
U.S. Special Operations Command GF	Disclaimer	Disclaimer
U.S. Transportation Command WCF	Disclaimer	Disclaimer

LEGEND:

GF – General Fund

WCF – Working Capital Fund

An unmodified opinion, sometimes referred to as a clean opinion, is expressed when the auditor concludes that management has presented the financial statements fairly and in accordance with Generally Accepted Accounting Principles.

A qualified opinion is expressed when the auditor concludes that there are misstatements in the financial statements that are material to the financial statement but are not significant to the overall presentation of the financial statements.

A disclaimer of opinion is expressed when the auditor is unable to obtain sufficient appropriate audit evidence on which to base an opinion.

Source: The DoD OIG.

While the DoD made progress in improving its financial management in FY 2019, much more progress needs to be made. Auditors identify weaknesses and inefficiencies in internal control in Notices of Findings and Recommendations (NFRs). In FY 2018, the first year the DoD underwent a full financial statement audit, auditors issued 2,595 NFRs to the DoD and its Components. In FY 2019, auditors reissued 1,897 FY 2018 NFRs and issued 1,575 new FY 2019 NFRs. Table 2.2 presents the number of NFRs issued in FYs 2018 and 2019, the number of NFRs closed in FY 2019, and the total number of open NFRs by DoD Component.

Table 2.2 Number of Notices of Findings and Recommendations

Reporting Entity	Total FY 2018 NFRs	NFRs Closed in FY 2019 ¹	Financial NFRs – New	Financial NFRs – Reissued ²	IT NFRs – New	IT NFRs – Reissued ³	Total Issued FY 2019 NFRs ³
Department of the Army ⁴	408	149	107	172	77	87	443
Department of the Navy ⁴	529	121	350	148	262	260	1,020
Department of the Air Force	347	86	88	144	119	117	468
U.S. Marine Corps ⁴	156	17	4	79	26	60	169
U.S. Army Corps of Engineers	86	35	36	43	0	8	87
Defense Health Program	124	15	34	64	31	45	174
Defense Information Systems Agency ⁴	45	25	20	11	3	9	43
Defense Logistics Agency	409	35	57	295	45	79	476
U.S. Special Operations Command	101	33	21	31	23	37	112
U.S. Transportation Command ⁴	166	47	28	67	4	52	151
Defense Health Agency—Contract Resource Management	14	4	1	0	1	10	12
Medicare-Eligible Retiree Health Care Fund	16	4	1	2	2	10	15
Military Retirement Fund	10	2	3	2	4	6	15
Agency-Wide	184	125	71	19	157	40	287
Total	2,595	698	821	1,077	754	820	3,472

¹ Auditors closed NFRs for a variety of reasons, including when the Component took actions and the condition no longer existed, the condition no longer existed because the process or systems used were eliminated, or because the Component accepted the risk associated with the condition.

² NFRs are considered reissued if the weakness or inefficiency noted in the NFR was identified during a prior year audit but has not yet been corrected by the Component.

³ Auditors will continue to issue NFRs in December 2019 and January 2020. Therefore, the table numbers do not reflect all NFRs issued as a result of the FY 2019 financial statement audits.

⁴ These Components' NFR counts have changed due to auditor decisions to consolidate or remove crossover prior year NFRs in FY 2019.

Source: The DoD OIG.

CORE MISSION AREAS

Auditors classify the weaknesses and inefficiencies in internal controls that are identified in the NFRs based on the severity of the weakness. The classifications include material weaknesses, significant deficiencies, and control deficiencies. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting that results in a reasonable possibility that management will not prevent, or detect and correct, a material misstatement in the financial statements in a timely manner. A significant deficiency is less severe than a material weakness, but important enough to bring to management’s attention. Control deficiencies are noted weaknesses or deficiencies that auditors bring to the attention of management that typically do not have an impact on the financial statements, but could improve the business processes of the agency. During FY 2019, auditors identified 152 material weaknesses across the Components, as shown in Table 2.3. This was an increase of 14 material weaknesses when compared to FY 2018.

Table 2.3 Component Audit Results for FYs 2018 and 2019

Entity	FY 2018		FY 2019	
	Material Weaknesses	Non-Compliance	Material Weaknesses	Non-Compliance
Department of the Army GF	12	3	12	2
Department of the Army WCF	12	2	13	2
U.S. Navy GF	13	2	17	2
Department of the Navy WCF	9	2	13	2
Department of the Air Force GF	11	2	12	2
Department of the Air Force WCF	12	2	11	2
U.S. Marine Corps GF	9	4	9	4
U.S. Army Corps of Engineers–Civil Works	2	2	2	2
Defense Health Program GF	13	4	13	4
Defense Information Systems Agency GF	5	3	5	3
Defense Information Systems Agency WCF	4	3	4	3
Defense Logistics Agency GF	7	2	7	2
Defense Logistics Agency WCF	8	2	8	2
Defense Logistics Agency Transaction Fund	6	2	7	2
U.S. Special Operations Command GF	5	2	5	2
U.S. Transportation Command WCF	5	1	5	1
Defense Health Agency–Contract Resource Management	0	0	0	0
Medicare-Eligible Retiree Health Care Fund	1	1	1	1
Military Retirement Fund	0	0	0	0
Army Sub-Allotted	3	2	3	2
Defense Logistics Agency Sub-Allotted	1	2	1	2

Table 2.3 Component Audit Results for FYs 2018 and 2019 (cont'd)

Entity	FY 2018		FY 2019	
	Material Weaknesses	Non-Compliance	Material Weaknesses	Non-Compliance
Defense Health Agency Sub-Allotted	N/A	N/A	2	2
U.S. Special Operations Command Sub-Allotted	N/A	N/A	2	2
Total	138	43	152	46

LEGEND:

GF – General Fund

WCF – Working Capital Fund

Source: The DoD OIG.

In FY 2018, the DoD OIG identified 20 agency-wide material weaknesses. After compiling the DoD Component NFRs and 152 Component material weaknesses, the DoD OIG identified 25 agency-wide material weaknesses for FY 2019, which included 8 new findings, 8 modified FY 2018 findings, and 1 agency-wide significant deficiency. Table 2.4 provides a list of the 25 agency-wide material weaknesses and a brief summary of each weakness.

Table 2.4 Agency-Wide Material Weaknesses Identified During the FY 2019 Financial Statement Audit

Material Weakness	Description	Repeat or New
1. Financial Management Systems and Information Technology	The DoD had wide-ranging weaknesses in financial management systems that prevented the DoD from collecting and reporting financial and performance information that is accurate, reliable, and timely.	Repeat
2. Universe of Transactions	The DoD was unable to provide a complete universe of transactions that reconciled to its accounting records.	Repeat
3. Fund Balance With Treasury	The DoD had ineffective processes and controls for reconciling its Fund Balance With Treasury.	Repeat
4. Suspense Accounts	The DoD was unable to attribute suspense transactions to the appropriate DoD Component. In addition, the Defense Finance and Accounting Service and the DoD Components lacked the controls necessary to monitor, research, and clear the transactions in the suspense accounts.	New
5. Inventory and Related Property	The DoD lacked the systems and controls necessary to provide assurance over the existence, completeness, and valuation of inventory recorded in the financial statements.	Repeat
6. Operating Materials & Supplies	The DoD was unable to report Operating Materials and Supplies in accordance with Generally Accepted Accounting Principles (GAAP).	Repeat
7. General Property, Plant & Equipment	The DoD could not accurately value its General Property, Plant & Equipment in accordance with GAAP.	Repeat/Modified
8. Real Property	The DoD was unable to provide a universe of transactions for its real property and the DoD Components did not have processes in place, or did not fully implement corrective actions, to generate and reconcile populations of real property to those reported on their financial statements.	New

Table 2.4 Agency-Wide Material Weaknesses Identified During the FY 2019 Financial Statement Audit (cont'd)

Material Weakness	Description	Repeat or New
9. Government Property in Possession of Contractors	The DoD lacked policies, procedures, controls, and supporting documentation over the acquisition, disposal, and inventory processes of Government property in the possession of contractors.	Repeat
10. Joint Strike Fighter Program	The DoD did not account for and manage Joint Strike Fighter Program property, or record the property in an accountable property system of record. As a result, the DoD did not report the property on its financial statements. The omission of the Joint Strike Fighter program property from the financial statements and the inability to provide documentation supporting the value of the property indicate material failures in controls for recording of joint programs within the DoD.	New
11. Military Housing Privatization Initiative	The DoD did not record or report Military Housing Privatization Initiative-related investments or profits and losses. In addition, the DoD did not disclose information in its financial statements related to the Military Housing Privatization Initiative as required by GAAP.	New
12. Accounts Payable	The DoD did not have sufficient policies, procedures, and internal controls over its methodology for accruing payables.	Repeat/Modified
13. Environmental and Disposal Liabilities	The DoD lacked formal policies, procedures, and supporting documentation to substantiate the completeness and accuracy of its Environmental and Disposal Liabilities.	Repeat/Modified
14. Legal Contingencies	The DoD Components did not record their legal contingencies using a consistent methodology and, as a result, adjustments were required to reconcile commitments and contingencies to the Management Schedule.	Repeat/Modified
15. Beginning Balances	The DoD did not have the historical data to support beginning balances on its financial statements or the ability to reconcile beginning balances to closing balances at the end of the reporting period.	Repeat
16. Unsupported Accounting Adjustments	The DoD did not have effective control to provide reasonable assurance that accounting adjustments were valid, complete, and accurately recorded in its accounting and general ledger systems.	Renamed/Modified
17. Intradepartmental Eliminations and Intragovernmental Transactions	The DoD accounting systems were unable to capture intradepartmental and intragovernmental data at the transaction level to facilitate required eliminations to ensure accurate consolidation for both the DoD Agency-Wide Basic Financial Statements or the Consolidated Financial Statements of the U.S. Government.	Renamed/Modified
18. Gross Costs	The DoD did not have reliable financial information to effectively manage and understand Gross Costs because the DoD Components did not record Gross Costs in compliance with GAAP, inaccurately reported Gross Costs transactions, or established insufficient procedures and controls for recording Gross Costs.	Previously included in Statement of Net Costs

Table 2.4 Agency-Wide Material Weaknesses Identified During the FY 2019 Financial Statement Audit (cont'd)

Material Weakness	Description	Repeat or New
19. Earned Revenue	The DoD did not have reliable financial information to effectively manage and understand Earned Revenue because the DoD Components did not record Earned Revenue in compliance with GAAP, could not substantiate revenue-related transactions, or established insufficient procedures and controls for recording Earned Revenue.	Previously included in Statement of Net Costs
20. Reconciliation of Net Cost to Outlays	The DoD did not design and implement controls to research and resolve variances between budgetary and proprietary data throughout the reporting period.	Repeat/Renamed
21. Budgetary Resources	The DoD was unable to accurately determine its total budgetary resources available or the status of those resources.	Repeat
22. Service Providers	Many of the service providers did not design or implement reliable controls that provide the required assurance to the DoD Component customers.	New
23. Entity-Level Controls	Multiple DoD Components have did not design and implement effective entity-level controls for reliable financial reporting, or lacked controls or performed insufficient reviews while preparing their financial statements.	Repeat/Modified
24. DoD-Wide Oversight and Monitoring	The Office of the DoD Comptroller did not perform effective oversight and monitoring of the consolidation of the Component-level information or have adequate time to perform verification of the Component-level information prior to publishing Agency-Wide information.	Repeat/Modified
25. Component-Level Oversight and Monitoring	The DoD Components did not implement oversight and monitoring activities in a timely manner to identify and resolve deficiencies that could impact their financial statement balances and related disclosures.	New

Source: The DoD OIG.

Obtaining a clean audit opinion is important to the DoD and necessary for the Government-wide financial statements to receive a clean opinion. Improvements in financial processes and IT reform initiatives, and lessons learned from the audit must be applied across the DoD, not just in the Components where the deficiencies are identified. DoD leadership must ensure that strong, sustainable financial management and internal controls are developed, which will result in improved operations and ultimately lead to a clean audit opinion.

Report Nos. DODIG-2020-001, DODIG-2020-005, DODIG-2020-008, DODIG-2020-009, DODIG-2020-011, DODIG-2020-012, DODIG-2020-013, DODIG-2020-014, DODIG-2020-015, DODIG-2020-016, DODIG-2020-017, DODIG-2020-018, DODIG-2020-019, DODIG-2020-020, DODIG-2020-021, DODIG-2020-022, DODIG-2020-023, DODIG-2020-024, DODIG-2020-027, DODIG-2020-031, DODIG-2020-032, DODIG-2020-033, DODIG-2020-034, DODIG-2020-052, DODIG-2020-053, and Understanding the Results of the Audit of the DoD FY 2019 Financial Statements

Followup Audit of the Army's Implementation of the Acquire-to-Retire and Budget-to-Report Business Processes in the General Fund Enterprise Business System

The DoD OIG determined whether the Army implemented appropriate corrective actions in response to seven open recommendations in Report No. DODIG-2013-130, "Army Needs to Improve Controls and Audit Trails for the General Fund Enterprise Business System Acquire-to-Retire Business Process" and three open recommendations in Report No. DODIG-2014-090, "Improvements Needed in the General Fund Enterprise Business System Budget-to-Report Business Process." The Acquire-to-Retire end-to-end business process includes all business functions necessary to obtain, manage, and dispose of capitalized assets, such as buildings, improvements, and renovations; other structures and facilities; and equipment. The Budget-to-Report end-to-end business process includes all business functions necessary to plan, formulate, create, execute against, and report on the budget and business activities of the entity, including updates to the general ledger.

The DoD OIG determined that, in response to the previous DoD OIG recommendations, Army officials implemented corrective actions, such as the identification of Acquire-to-Retire real property management functionality missing in General Fund Enterprise Business System (GFEBS); the implementation of an automated function that enables Assistant Secretary of the Army (Financial Management and Comptroller) (ASA[FM&C]) officials to provide a library of FY 2018 transactions posted in GFEBS; and the accurate posting of non-expenditure transfers recorded in the first three quarters of FY 2019. The Army's corrective actions led to the closure of four recommendations in this followup audit report. However, Army officials did not implement the corrective actions needed to support the proper recording of Acquire-to-Retire and Budget-to-Report accounting transactions. These deficiencies included the inability to generate an Army-wide real property universe; the absence of complete real property elements within GFEBS; the existence of noncompliant transaction postings in GFEBS; and the absence of a process to record minor construction-in-progress costs in GFEBS. In addition, GFEBS land data does not reflect the true amount of land acreage or land values as compared to the land data held in the U.S. Army Corps of Engineers Real Estate Management

Information System, systems controls did not address noncompliant transaction postings in GFEBS, and GFEBS was not used to execute all Army General Fund appropriations. As a result, GFEBS continued to contain unreliable Acquire-to-Retire and Budget-to-Report data. In addition, due to the lack of corrective actions taken, the DoD OIG still considered 6 of the 10 previous recommendations to be open.

In addition to encouraging the DoD to implement the corrective actions related to the six remaining open recommendations from the previous two DoD OIG audits, the DoD OIG recommended that the ASA(FM&C) and the Assistant Chief of Staff for Installation Management determine whether the land data can be removed from GFEBS, or alternatively, update GFEBS to match the data held in the Real Estate Management Information System, the Army's designated real property system of record. Management agreed with the recommendations.

Report No. DODIG-2020-035

Readiness and Global Operations

Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

The DoD OIG determined whether Combined Joint Task Force–Operation Inherent Resolve (CJTF-OIR) and the Army ensured that the contractor provided Camp Taji, Iraq, base life support (BLS) services (such as base security, billeting, lodging, meals, potable water, emergency response, fire response and prevention, hazardous material storage, and electric power generation) in accordance with contract requirements. During the audit, the DoD OIG identified weaknesses in the Camp Taji BLS contract terms and performance work statement requirements. Therefore, the DoD OIG expanded its review to determine whether CJTF-OIR included DoD and Army criteria related to BLS services in the contract and to determine whether the Army awarded the Camp Taji contract in accordance with Federal and DoD contracting criteria.

The DoD OIG determined that, for the Camp Taji BLS contracts, CJTF-OIR did not define DoD- and Army-specific requirements for BLS services; the 408th Contracting Support Brigade and Army Contracting Command–Rock Island each awarded contracts that caused CJTF-OIR to pay for services that it did not use; and CJTF-OIR's contract oversight



Solid Waste Dumping Site at Camp Taji Amber Zone
Source: U.S. Army Corps of Engineers Task Force Essayons.

personnel did not verify the accuracy of the contractor’s invoices. As a result of poorly defined contract requirements, inadequate pricing structure, and lack of invoice oversight since July 2015, CJTF-OIR paid \$116 million more than necessary for the Camp Taji BLS contracts. In addition, in the absence of a contract requirement to dispose of solid waste in accordance with U.S. Central Command environmental guidance, the contractor continued to use its commercially available, and Government of Iraq-approved, solid waste disposal method of dumping solid waste at a site in the Camp Taji Amber Zone, which the Iraqis would later burn. This solid waste disposal method may have contributed to the exposure of U.S. and Coalition personnel to potential long-term health effects from the burn pit smoke.

Among other recommendations, the DoD OIG recommended that the CJTF-OIR Commander review and update the performance work statement to include DoD and Army requirements that are applicable to BLS services at Camp Taji. The DoD OIG also recommended that the CJTF-OIR Commander review the actions of the logistics officials responsible for developing Camp Taji BLS requirements, and take appropriate action, if warranted, to hold the necessary officials accountable or to improve generation of future contract requirements. To verify the accuracy of the Camp Taji population reported by the contractor, the DoD OIG recommended that the Camp Taji Base Operations Support–Integrator (BOS-I) Officer in Charge use the CJTF-OIR personnel status reports for BOS-I’s daily occupancy tracker to ensure that CJTF-OIR is paying for the correct number of personnel; implement and use common access card readers to track personnel who enter or depart Camp Taji; and include steps in

the quality assurance surveillance plan or standard operating procedures to ensure that all staff members with responsibilities related to the contractor population are coordinating their activities.

The CJTF-OIR Chief of Staff disagreed with the DoD OIG’s recommendations to review and update the performance work statement to include all DoD and Army requirements that are applicable to BLS services at Camp Taji, and performing a review of the actions of the logistics officials. Although the Chief of Staff disagreed with the recommendations, CJTF-OIR staff stated that, after the project to install incinerators is completed, CJTF-OIR will update the performance work statement to include a requirement to dispose of solid waste through incineration. This demonstrates that CJTF-OIR continues to take action to address weakness in the performance work statement requirements, and the DoD OIG requested that the Chief of Staff reconsider his non-concurrence with our recommendations.

The CJTF-OIR Chief of Staff agreed with the DoD OIG recommendations to improve BOS-I’s tracking of Camp Taji’s population, but did not address the specifics of the DoD OIG recommendation to formally document overlapping responsibilities related to the contractor population to ensure oversight personnel coordinate their activities. The DoD OIG requested additional comments.

Report No. DODIG-2020-069

Audit of Munitions Distribution to the Joint Forces Throughout the Republic of Korea

The DoD OIG determined whether U.S. Forces Korea has the capability to receive and distribute munitions to joint forces throughout the Republic of Korea in support of the operation plan requirements.

The report findings and recommendations are classified.

Report No. DODIG-2020-054

Audit of Navy and Defense Logistics Agency Spare Parts for F/A-18 E/F Super Hornets

The DoD OIG determined whether the Navy and the DLA identified and obtained spare parts that the Navy needed to meet F/A-18 E/F Super Hornet (Super Hornet) readiness requirements. The Super Hornet is a fighter and attack aircraft that provides escort and fleet air defense, as well as offensive capabilities. The aircraft can target enemy fighter aircraft and attack ground and surface targets.

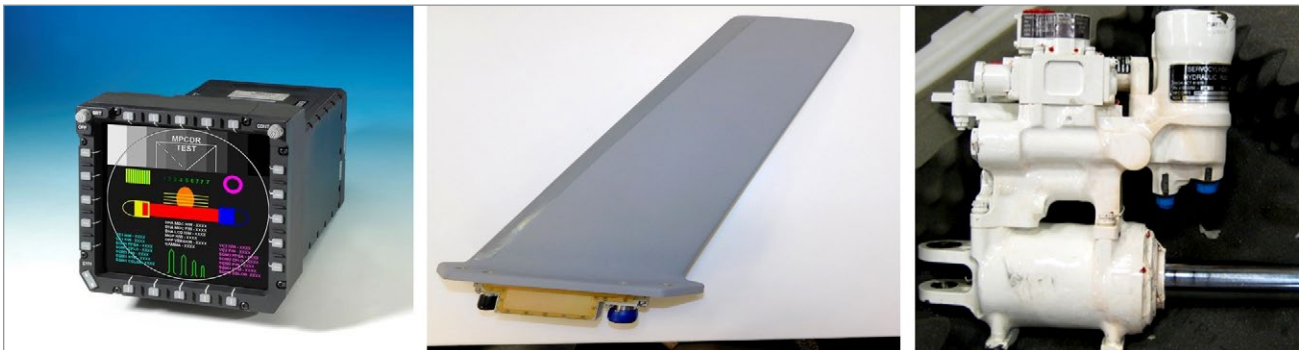


F/A-18 Super Hornet
Source: U.S. Navy.

For the five critical spare parts (generator converter unit, multipurpose color display replacement, advanced targeting forward-looking infrared electro-optical sensor unit, communication antenna, and rudder actuator) that the DoD OIG reviewed, the Navy and DLA identified the quantity of those five parts that the Navy needed to maintain the operational readiness of the Super Hornet fleet. However, Navy and DLA officials could not obtain the quantity needed to satisfy current demand and fill backorders. Specific causes contributing to the backorders were obsolete materials that are no longer made or available for purchase, manufacturing delivery and repair delays, and the Navy's lack of technical data used in producing or repairing spare parts. Had Navy officials performed an overall independent logistics assessment as required for the Super Hornet program between

2000 and 2018, the Navy would have identified causes for the deficiencies in obtaining spare parts and had the information needed to develop plans to correct the deficiencies.

In addition, program officials stated that a lack of sustainment funding contributed to the difficulties with obtaining spare parts. However, officials from the Office of the Chief of Naval Operations stated that the program received reduced funding because program officials had under-executed its budget and naval aviation sustainment budgets were all reduced. As a result, Navy officials cannibalized aircraft to obtain needed spare parts by removing working parts from one aircraft and installing those parts on a second aircraft to make the second aircraft operational. Cannibalization of spare parts increases the risk of damage to the aircraft or part and takes



Super Hornet Parts: (Left) Multipurpose Color Display Replacement Unit, (Center) Communication Antenna, and (Right) Rudder Actuator
Sources: (Left) U.S. Navy, (Center) Defense Logistics Agency, (Right) U.S. Navy.

time and money because a maintainer has to uninstall a usable part from one aircraft, reinstall the usable part on another aircraft, and then install the replacement part, once received, on another aircraft.

The DoD OIG recommended that the program manager identify obsolete or limited quantity parts and develop a plan to minimize the impact; develop alternative contracting sources to eliminate delivery delays; develop and implement plans, in coordination with organizations responsible for managing repair materials and support equipment for the Navy, to ensure the availability of the materials and support equipment needed to complete repairs; and develop and implement a strategy to obtain technical data, to obtain access to technical data, or to mitigate barriers when the contractor owns the data rights, in order to increase the Navy's repair capability. The DoD OIG also recommended that the Naval Air Forces Commander review the Navy's cannibalization practice to determine whether aircraft maintainers are using cannibalization to avoid obtaining approval from higher level officials as required in Navy cannibalization guidance, and determine whether the Navy should make changes to the guidance. Management agreed with the recommendations.

Report No. DODIG-2020-030

Audit of DoD Requirements for the National Maintenance Strategy–Ground Vehicle Support Contract

The DoD OIG determined whether the DoD developed training, mentoring, and contractor logistics support requirements for the National Maintenance Strategy–Ground Vehicle Support (NMS-GVS) contract that meets Afghan National Defense and Security Forces (ANDSF) needs for maintaining and sustaining its vehicles. The NMS-GVS contract is a key aspect of the North Atlantic Treaty Organization Coalition's Resolute Support mission to train, advise, and assist the ANDSF to perform vehicle maintenance and help the ANDSF achieve self-sufficiency.

The DoD OIG determined that the Combined Security Transition Command–Afghanistan (CSTC-A) developed requirements for the NMS-GVS contract that were not measurable or achievable. Specifically, CSTC-A did not develop training and mentoring requirements that measured progress or developed achievable work split requirements for the ANDSF. As a result, CSTC-A developed requirements to maintain vehicles and train the ANDSF, and the Army awarded contract support valued at \$2.2 billion since 2010 with no significant



ANDSF Participating in On-the-Job Training
Source: Army Contracting Command–Warren.

progress in the ANDSF's ability to independently perform maintenance. The DoD OIG concluded that the ANDSF will face challenges in becoming self-sufficient unless CSTC-A develops training and mentoring requirements that measure ANDSF progression levels, establishes a reasonable work split requirement, and provides required software systems. Furthermore, if the ANDSF does not become self-sufficient by August 2022 due to a lack of training success, the DoD may have to continue to pay contractor support to train and perform vehicle maintenance and repairs for the ANDSF after the contract ends.

Among other recommendations, the DoD OIG recommended that the CSTC-A Commander develop training and mentoring requirements that track and measure ANDSF capabilities over time, conduct semiannual reviews and document the ANDSF's ability to meet the agreed-upon work split, and modify the contract requirements based on the results. The DoD OIG also recommended that CSTC-A coordinate with the Afghan Ministries of Defense and Interior to develop agreements to reinforce ANDSF trainee attendance for the NMS-GVS training program. Management agreed with the recommendations, except for the recommendation to develop an agreement to reinforce ANDSF trainees' attendance of the training program, which management stated is not an agreed-upon requirement.

Report No. DODIG-2020-026

Audit of the Department of Defense's Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States

The DoD OIG determined whether the DoD protected arms, ammunition, and explosives (AA&E) transported in the United States by commercial ground carriers in accordance with the Defense Transportation Regulation (DTR). The DTR provides the overall requirements for transportation within the DoD, including the transportation and secure hold of AA&E. To transport AA&E in the United States, the DoD relies on commercial trucking, rail, and small package couriers. When shipping AA&E, the DTR requires the DoD to include safeguards, such as satellite tracking of the carrier vehicle.

The DoD OIG reviewed 16 accident reports, 20,426 not-in-system shipment records, and 9 reports of secure hold denials, and determined that the DoD and the commercial carriers did not always transport AA&E by ground in accordance with the DTR. As a result of these packing, tracking, and delivery problems and an accident in 2017, the public was unnecessarily exposed to AA&E that was stolen, damaged, exploded, ignited, or spilled across public highways. There were also safety risks from trucks loaded with AA&E that were parked at non-secure local truck stops for extended periods or on the street to wait until AA&E cargo could be delivered to its destination. AA&E,

when stolen, can give criminals the opportunity to use military-grade arms for illegal activities. In addition, when AA&E is stolen, damaged, or exploded, the DoD must replace that ammunition, which costs time and money and can hamper operations if the AA&E is not available when needed. Furthermore, the Military Surface Deployment and Distribution Command's (SDDC) ability to hold the Military Services accountable for not following the DTR, mitigate these types of occurrences in the future, and implement improvements to Military Service processes for AA&E transportation and secure hold is hampered.

Among other recommendations, the DoD OIG recommended that the Assistant Secretary of Defense for Sustainment, in coordination with the U.S. Transportation Command (USTRANSCOM) and the Military Services, give the SDDC the authority to enforce the Military Services' compliance with the DTR and hold Military Service officials accountable for not complying with the regulations. In addition, the DoD OIG recommended that the USTRANSCOM Commander, in coordination with the Military Services, update the DTR to require installations receiving AA&E to send confirmation of receipt of the report of shipment, and notify those who work at the installation's delivery access points that there is an incoming shipment of AA&E to reduce the risk of a denial of entry onto the installation to deliver AA&E (secure hold denial).



The SDDC Operations Center
Source: The Department of the Army.

The Acting Principal Deputy Assistant Secretary of Defense for Sustainment disagreed with the recommendations to give the SDDC the authority to enforce the Military Services' compliance with the DTR and implement a system of accident investigation recommendations, command response, and SDDC evaluation of those responses. The DoD stated that there is no requirement for the SDDC to assume an enforcement role, and the SDDC currently provides daily reports to the Military Services. Additionally, the current process enables SDDC investigation of vehicle accidents and allows the Military Services to address any issues identified. The DoD OIG disagreed; while the current process may allow the Military Services to address issues identified in an SDDC accident investigation, the DoD OIG concluded that the process does not ensure proper vetting and resolution of SDDC accident recommendations as identified during this audit.

Report No. DODIG-2020-071

Combatant Command Integration of Space Operations into Military Deception Plans

The DoD OIG determined whether U.S. European Command and U.S. Indo-Pacific Command integrated space operations into military deception plans to protect the United States and its allies against adversarial space capabilities.

The report findings and recommendations are classified.

DODIG-2020-039

Audit of Surge Sealift Readiness Reporting

The DoD OIG determined whether U.S. Transportation Command (USTRANSCOM) provided adequate oversight of the reporting on surge sealift activation requirements. To assess the accuracy of this reporting, the DoD OIG reviewed surge sealift readiness reporting in the Defense Readiness Reporting System—Navy (DRRS-N) and the Defense Readiness Reporting System—Strategic (DRRS-S) for FYs 2017 and 2018. The surge sealift fleet consists of 50 Government-owned contractor-operated ships managed by both the DoD and the Department of Transportation. The 50 ships have a cargo capacity of 10.7 million square feet.

The DoD OIG determined that the Military Sealift Command (MSC) did not accurately report the readiness status for 15 MSC-owned surge sealift ships during FYs 2017 and 2018. As a result of the MSC's

inaccurate ship readiness reporting, USTRANSCOM's assessment of surge sealift capability was unreliable and could lead geographic combatant commanders to make incorrect assumptions about the initial availability of equipment and resupply of critical items. Additionally, the DoD OIG determined that Maritime Administration (MARAD) contractors did not follow MSC criteria for assessing and reporting the readiness status for MARAD-owned surge sealift ships. MARAD contractors followed assessment and reporting criteria contained in the MARAD contract that has different definitions than MSC criteria for the rating categories. When the DoD OIG applied the MSC assessment criteria to the MARAD ships, the DoD OIG identified inaccuracies in the reported readiness status. For example, one MARAD ship had a deficiency identified in April 2018 that would have resulted in a not-available rating under the MSC criteria, but MARAD reported the ship as available for 99 days in DRRS-N. As a result, the DoD spent \$477.8 million from FYs 2016 through 2018 on maintenance and repairs of the 35 MARAD surge sealift ships, and plans to spend an additional \$843.9 million from FYs 2019 through 2022, without verification that the surge sealift ships are being maintained at the levels expected and will be mission ready when required.

The DoD OIG recommended that the MSC Commander establish policies to verify that deficiencies identified in ship inspection reports match the corresponding contractor-issued casualty reports, which report deficiencies for mission-essential equipment for repairs that cannot be completed within 48 hours. The DoD OIG also recommended that the MSC Commander hold contractors accountable when casualty reports do not match ship inspection reports or are not submitted as required, and reconcile casualty reports to ships' reported status in DRRS-N to ensure accurate ship readiness reporting. In addition, the DoD OIG recommended that the MSC Commander develop an agreement with MARAD to establish standard criteria for readiness assessments for MSC and MARAD surge sealift ships, and develop and coordinate a plan with MARAD to verify ship readiness and obtain the required documentation to perform oversight. Management agreed with the recommendations but did not fully address all specifics of the recommendations. Therefore, the DoD OIG asked for additional responses to the recommendations in the final report.

Report No. DODIG-2020-047

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

The DoD OIG determined 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] forces) in accordance with DoD guidance. 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.

The DoD OIG determined that Special Operations Joint Task Force—Operation Inherent Resolve (SOJTF-OIR) personnel did not account for \$715.8 million of budgeted CTEF-S equipment for FYs 2017 and 2018 from procurement through divestment in accordance with DoD Instruction 5000.64 and Army Regulation 735-5. Additionally, 1st Theater Sustainment Command (1st TSC) personnel did not properly store or secure CTEF-S equipment at the Building Partners Capacity Kuwait warehouse in accordance with DoD guidance, Army regulations, or SOJTF-OIR standard operating procedures. For FY 2020, the DoD budget requested \$173.2 million for weapons, ammunition, 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 Building Partners Capacity Kuwait warehouse, resulting in equipment being stored outside. Furthermore, SOJTF-OIR and 1st TSC personnel left thousands of CTEF-S weapons and sensitive equipment items vulnerable to loss or theft. As a result, without conducting consistent inventories and ensuring proper security for CTEF-S equipment, the 1st TSC could not determine whether items were lost or stolen, which could delay the initiation of an investigation.

The DoD OIG recommended 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. The DoD OIG

also recommended that the Commander of SOJTF-OIR develop guidance for the proper disposal of CTEF-S equipment stored at the Building Partners Capacity Kuwait warehouse that has been declared unserviceable. Additionally, the DoD OIG recommended that the Commander of the 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. Management agreed with the recommendations.

Report No. DODIG-2020-061

Audit of Brigade Combat Team Readiness

The DoD OIG determined whether the Army identified and addressed readiness challenges related to the active component Brigade Combat Teams (BCTs). BCTs are the Army's primary combined arms, close combat force. BCTs conduct offensive, defensive, stability, and civil support operations.

The DoD OIG determined that Army BCT commanders identified and reported readiness challenges related to shortages of equipment, spare parts, and personnel that negatively impact the readiness levels of BCTs. The DoD OIG selected the 10 most common challenges the 31 active component BCT commanders reported in the commander comments section of their commander's unit status report. Specifically, in March 2018, BCT commanders reported shortages of equipment, spare parts, and personnel. The DoD OIG determined that the Army developed plans to address these challenges and took actions to reduce shortages that degrade BCT readiness. As of July 2019, the Army completed 4 of the 10 plans to address shortages of mobile gun systems, spare parts for Stryker vehicles, military intelligence systems maintainers/integrators, and unmanned aircraft systems operators. In addition, 6 of the 10 plans were ongoing and showed progress in reducing equipment, spare parts, and personnel shortages. As a result of the Army's efforts to address BCT readiness challenges, the Army met or exceeded the Chief of Staff of the Army's goal of 66 percent readiness in the active component BCTs, reporting that it exceeded that goal for seven consecutive quarterly reporting periods from the first quarter of Calendar Year 2018 through the third quarter of Calendar Year 2019.

The DoD OIG recommended that the Army monitor the efforts to address the reported shortages of equipment, spare parts, and personnel and report annually on progress. Management agreed with the recommendations.

Report No. DODIG-2020-028

Audit of Readiness of *Arleigh Burke*-Class Destroyers

The DoD OIG determined whether the Navy identified and addressed readiness challenges for its *Arleigh Burke*-class destroyers. Although the DoD OIG assessed all five readiness areas (personnel, equipment, supply, training, and ordnance), the DoD OIG focused this report on whether the Navy identified and addressed training deficiencies from 2013 to 2018 for its *Arleigh Burke*-class destroyers. *Arleigh Burke*-class destroyers are multi-mission, surface combatant ships capable of conducting anti-air warfare, anti-submarine warfare, and anti-surface warfare.

The DoD OIG determined that Navy fleet commanders, type commanders, and unit commanding officers identified training deficiencies during the *Arleigh Burke*-class destroyers' Optimized Fleet Response Plan cycles, but did not address the identified deficiencies. As a result, training deficiencies persisted because the Navy did not always complete training requirements in accordance with the Navy's Surface Force Readiness Manual.

The DoD OIG recommended that the Commander of U.S. Fleet Forces Command, in collaboration with the Commander of Naval Surface Force Atlantic, and the Commander of the U.S. Pacific Fleet, in collaboration with the Commander of Naval Surface Force, U.S. Pacific Fleet, determine whether *Arleigh Burke*-class destroyers currently deployed or in the sustainment phase of the Optimized Fleet Response Plan have outstanding training deficiencies; and direct *Arleigh Burke*-class destroyers to complete any outstanding training requirements immediately or as soon as the mission allows. Management agreed with the recommendations.

Report No. DODIG-2020-056

Audit of United States Military Equipment Retrograded from Syria

The DoD OIG determined whether the DoD secured and accounted for U.S. military equipment retrograded from Syria. The U.S. Military withdraws theater-provided equipment (TPE) from Syria through the retrograde process. Retrograde is the process of moving non-unit equipment from a forward location to a restoration program or another location to satisfy a different requirement. TPE retrograded from Syria included items such as vehicles, laptops,



Utility Truck Retrograded from Syria
Source: Sierra Army Depot.

and communication devices. The TPE did not include any lethal equipment. As of August 2019, the Army had retrograded 1,124 pieces of TPE, valued at \$45.6 million, from Syria.

The DoD OIG identified instances where the Army did not properly account for U.S. military equipment retrograded from Syria. From a universe of 1,124 pieces of TPE, valued at \$45.6 million, the DoD OIG reviewed TPE retrograded from Syria through the Erbil Redistribution Property Accountability Team (RPAT) facility and selected a statistical sample of 192 pieces of TPE, valued at \$6.9 million. Of the 192 pieces of TPE in the DoD OIG sample, the Army properly accounted for 113 pieces of TPE, valued at \$2.8 million. However, 79 of the 192 pieces of TPE, valued at \$4.1 million, were not properly accounted for as required by DoD and Army policies. The 79 pieces of TPE consisted of 69 pieces that were not accounted for while in transit and 10 pieces found on installation that were not entered in the accountability system.

However, the DoD OIG verified the existence of all equipment in the sample and determined that the Army did not lose any of the TPE in the sample. Although the Army did not lose any of the TPE, the DoD OIG statistically projected that the Army did not continuously account for 559 pieces of TPE. TPE that is not accounted for while being transferred is at an increased risk of loss. In addition, if the Army does not enter found-on-installation equipment into the accountable property systems of record, Army officials have less visibility of the available equipment to make supply-chain decisions. By properly accounting for TPE in an accountable property system of record, the Army can reduce the risk of asset loss. Adequately accounting for TPE will also provide the Army better

TPE visibility and improve asset management. Improvements in TPE accountability will positively impact future equipment retrogrades from Syria and retrogrades from other future contingency locations.

In addition, regarding the security of U.S. military equipment retrograded from Syria, the DoD OIG determined that the Army properly secured storage facilities at Camp Arifjan that contained U.S. military equipment retrograded from Syria. The DoD OIG determined that the Army followed the physical security requirements for Army property as stated in Army policy and the Army Prepositioned Stock–Kuwait and Qatar Security Plan. Because the Army properly secured the storage facilities at Camp Arifjan, the Army did not lose any TPE in the DoD OIG sample that was retrograded from Syria and stored at Camp Arifjan facilities.

During the audit, the DoD OIG held discussions with RPAT personnel and the Commander of the 401st Army Field Support Battalion–Southwest Asia regarding found-on-installation accounting discrepancies identified during the audit. RPAT personnel took immediate action to correctly account for found-on-installation equipment still located at the RPAT facility. In addition, the Commander issued a memorandum to RPAT personnel in December 2019 reiterating the need to follow existing guidance to account for found-on-installation equipment. Management actions taken addressed the concerns the DoD OIG identified; therefore, the report contained no recommendations.

Report No. DODIG-2020-075

Audit of Jordan Border Security Program Oversight

The DoD OIG determined whether the Defense Threat Reduction Agency (DTRA) ensured that contractor-provided equipment and training met the requirements for the Jordan Border Security Program (JBSP). DTRA, through the Weapons of Mass Destruction Proliferation Prevention Program, oversees the implementation of the JBSP, which is intended to enhance the capability of the Government of Jordan to deter, detect, and interdict weapons of mass destruction and related materials crossing its border.

The DoD OIG determined that DTRA personnel ensured that the contractor provided training in the operation, administration, and maintenance of

the Jordan Border Security System (JBSS), as well as performed maintenance of JBSS equipment to seek to meet JBSP requirements. Additionally, DTRA personnel ensured that the contractor provided equipment that complied with JBSS system requirements before formal acceptance and delivery to the Jordanian Armed Forces (JAF). However, DTRA personnel did not comply with DTRA internal guidance when providing oversight of the contractor performing inspection and inventory of the equipment transferred to the JAF. As a result, DTRA officials did not have an accurate record of the exact type, quantity, or condition of \$37 million of the \$39.5 million in JBSS equipment that the DoD provided through the contractor to the JAF from 2014 to 2019. Without knowing the exact type, quantity, and condition of the equipment transferred to the JAF, DTRA risks not being able to accurately determine whether the JAF has sufficient equipment, including spare parts, to maintain full functionality of the JBSS moving forward.

The DoD OIG recommended that the DTRA Cooperative Threat Reduction Contracting Officer update the existing quality assurance surveillance plan with oversight plans for specific methods for the inspection, acceptance, and accountability of the property transferred to the JAF, including any remaining transfers in the task order. The DoD OIG also recommended that the Cooperative Threat Reduction Director request the JAF to perform a full annual inventory of equipment received to support the JBSS. In addition, DTRA should conduct a statistically significant sample of the task orders' equipment to perform a physical inventory. Management agreed with the recommendations.

Report No. DODIG-2020-043

Ongoing Audit Oversight

Ongoing Work

At the close of the reporting period, the DoD OIG had 92 ongoing audits, including audits to determine whether:

- the U.S. Army Corps of Engineers solicited and awarded contract W912PL-20-C-0004 to design and build border infrastructure in accordance with Federal procurement laws and regulations;
- TransDigm Group, Inc.'s business model affects the DoD's ability to pay fair and reasonable prices for spare parts;

- DoD Components consistently provided protective security details;
- DoD Components are leveraging cybersecurity reciprocity to reduce redundant test and assessment efforts when authorizing information technology through the Risk Management Framework process;
- the DoD's artificial intelligence portfolio has gaps and weaknesses related to the governance, protection, and ownership rights of artificial intelligence data and technologies;
- the DoD implemented supply chain risk management for a U.S. nuclear weapons delivery system in accordance with DoD requirements;
- the DoD complied with Public Law 107-300, "Improper Payments Information Act of 2002," November 26, 2002, as amended by Public Law 111-204 and Public Law 112-248, which requires agencies to review all programs and activities they administer and identify those that may be susceptible to significant improper payments;
- DoD Components have identified and reported security assistance program assets to the Defense Security Cooperation Agency and excluded these assets from their financial statements, and whether the DoD is recovering its costs for managing and providing security assistance program assets;
- the Defense Health Agency and the Military Services are providing effective training to mobile medical teams prior to deploying to the U.S. Indo-Pacific Command and U.S. Africa Command areas of responsibility to improve trauma care;
- the DoD corrected previously identified deficiencies in prior military housing reports. In addition, this followup audit will determine whether the DoD established oversight procedures to ensure that service members and their families have access to safe housing; and
- the Military Services conducted pre-deployment training on countering an adversary's use of unmanned aerial systems in accordance with the operational requirements of the geographic combatant commands.

EVALUATIONS

The DoD OIG's Evaluations Component conducts independent reviews of DoD operations and activities. These evaluations include classified programs, space and missile programs, construction, safety, health care, and oversight of criminal investigations and audits conducted by other entities within the DoD.

The Evaluations Component consists of two operating directorates:

- Program, Combatant Command (COCOM), and Overseas Contingency Operations (OCO), and
- Space, Intelligence, Engineering, and Oversight.

The following are highlights from DoD OIG evaluations work completed during the reporting period.

Program, COCOM, and OCO

Evaluation of Combined Joint Task Force–Operation Inherent Resolve's Military Information Support Operations

The DoD OIG determined whether the Combined Joint Task Force–Operation Inherent Resolve (CJTF-OIR) planned and executed military information support operations (MISO) in accordance with joint doctrine, and coordinated its OIR messaging efforts and planned the transition of its messaging responsibilities with allies, the host nation, and the U.S. Department of State (DoS). According to U.S. joint doctrine, MISO develops and conveys messages and actions to influence select foreign groups and to promote themes to change those groups' attitudes and behaviors.

The DoD OIG determined that U.S. forces in Iraq planned and executed MISO in accordance with joint doctrine and also coordinated MISO with Coalition forces, the Government of Iraq, and the DoS. However, after the physical defeat of the Islamic State of Iraq and Syria caliphate in May 2019, U.S. forces and the U.S. Embassy–Baghdad did not coordinate to effectively transition messaging responsibility from the DoD to the DoS. As a result, there is an increased risk that the United States will not be able to influence attitudes, beliefs, and behaviors in the Iraqi information environment following Operation Inherent Resolve. Additionally, the lack of coordination of information activities between the DoD and the DoS following Operation Inherent Resolve could produce inconsistent U.S. messaging U.S. intentions in Iraq.

The DoD OIG recommended that the Under Secretary of Defense for Policy, in coordination with the DoS, develop a plan for interagency coordination and integration of U.S. Government messaging efforts in Iraq.

The DoD OIG also recommended that the Commander of U.S. Central Command, in coordination with the U.S. Embassy-Baghdad:

- define U.S. forces' roles and responsibilities and identify DoS counterparts to support the transition of U.S. Government messaging requirements and responsibilities from the DoD to the U.S. Embassy-Baghdad in Iraq, and
- modify the existing transition plans and orders to assign U.S. forces' roles and responsibilities in the transition of messaging from the DoD to the U.S. Embassy-Baghdad in Iraq.

The Principal Director of Special Operations and Combating Terrorism, responding for the Under Secretary of Defense for Policy, neither agreed nor disagreed with the recommendations and stated that the Office of the Under Secretary of Defense for Policy considers transition of post-Operation Inherent Resolve MISO, and broader information operations, to be an operational-level planning function best led by the combatant command. Therefore, the DoD OIG redirected this recommendation to U.S. Central Command and a response is pending. The Commander of U.S. Central Command agreed with the remaining recommendations.

Report No. DODIG-2020-065

Evaluation of DoD Processes and Procedures for Issuing Post Government Employment Opinions in Compliance with Section 847 Requirements

The DoD OIG determined whether Section 847-covered officials and DoD ethics counselors complied with the requirements of Public Law 110-181, "National Defense Authorization Act for Fiscal Year 2008," Section 847, "Requirements for Senior Department of Defense officials seeking employment with defense contractors," as amended. This law establishes the requirements for requesting and issuing ethics opinions related to compliance with post-Government employment restrictions.

The DoD OIG determined that the DoD's Standards of Conduct Office and the U.S. Army Office of General Counsel developed and distributed guidance on the use of the After Government Employment Advice Repository and the procedures for issuing Section 847

opinions, issued periodic reminders and best practices, developed training materials for ethics officials and covered officials related to Section 847 requirements, and provided regular informational training regarding contractor restrictions under Section 847 to DoD contractors. As a result of the DoD's general compliance with Section 847 requirements for requesting and issuing opinions, former DoD employees and DoD contractors are typically receiving information and guidance to prevent conflicts of interest and to comply with post-Government ethic restrictions.

There were no recommendations in this report.

Report No. DODIG-2020-044

Evaluation of Department of Defense Voting Assistance Programs for Calendar Year 2019

The DoD OIG conducted a statutorily required review to determine the effectiveness of the DoD's voting assistance programs and the level of compliance, during the preceding calendar year, with the voting assistance programs of the Army, Navy, Air Force, and Marine Corps, as well as the voting assistance programs of the Office of the Secretary of Defense and the Joint Chiefs of Staff.

The DoD OIG determined that the Military Service Inspectors General found their voting assistance programs generally effective and compliant during the preceding calendar year. Specifically, each of the Service IGs reported on the application of measures of performance and effect, demonstrated Service coordination with the DoD Federal Voting Assistance Program (FVAP) office, and described distribution of voting materials and contact with eligible voters. In addition, the Service IGs applied a standardized checklist for their inspections of voting assistance programs. As a result, eligible voters within the Services have the information necessary to participate in the voting process. The DoD OIG also determined that the FVAP office coordinated with the Services, election officials, eligible voters, and Congress, to ensure that service members, their eligible family members, and overseas citizens were aware of their right to vote and had the tools and resources to successfully exercise that right. However, the DoD OIG determined that the Joint Staff did not have a written voting policy, as required by DoD Instruction 1000.04, "Federal Voting Assistance Program (FVAP)." As a result, the Chairman of the Joint Chiefs of Staff cannot ensure that the Joint Staff meets the intent of DoD Instruction 1000.04 to confirm that service members assigned to the Joint Staff and eligible family members had access to Federal voting information and assistance.

The DoD OIG recommended that the Director of the Joint Staff develop and implement a written voting assistance policy to support Service personnel assigned to the Joint Staff and their family members, including those in deployed, dispersed, and tenant organizations. A response from the Director of the Joint Chiefs of Staff to the final report is pending.

Report No. DODIG-2020-076

Evaluation of DoD Efforts to Counter Small Unmanned Aircraft Systems

The DoD OIG determined whether the Counter-Small Unmanned Aircraft Systems Senior Integration Group coordinated and integrated the Military Services' and other DoD Components' efforts to counter the evolving threat from unmanned aircraft systems.

The report findings and recommendations are classified.

Report No. DODIG-2020-051

Evaluation of the Military Services Capacity to Fill Combatant Command Requests for Counterintelligence Support

The DoD OIG determined whether the Military Services are providing enough credentialed counterintelligence personnel to meet overseas contingency operations requirements.

The report findings and recommendations are classified.

Report No. DODIG-2020-045

Space, Intelligence, Engineering, and Oversight

Evaluation of the Algorithmic Warfare Cross-Functional Team (Project Maven)

The DoD OIG determined whether the Algorithmic Warfare Cross-Functional Team (Project Maven) developed adequate internal controls to oversee that integration and to improve the processing, exploitation, and dissemination of intelligence. Project Maven oversees the integration of artificial intelligence into intelligence collection platforms.

The report findings and recommendations are classified.

Report No. DODIG-2020-025

Evaluation of DoD Law Enforcement Organization Submissions of Criminal History Information to the Federal Bureau of Investigation

The DoD OIG determined whether DoD law enforcement organizations made the required submissions of fingerprints, final disposition reports, DNA samples, sex offender information, and Gun Control Act information to the Federal Bureau of Investigation (FBI) for entry into its criminal history databases.

The DoD OIG determined that, with some exceptions, DoD law enforcement organizations made the required submissions of fingerprints, final disposition reports, and DNA samples to the FBI. The DoD OIG also determined that, with the exception of the Navy Security Forces, DoD law enforcement organizations implemented new policies, processes, training, and management oversight procedures, such as supervisory reviews, to address previous deficiencies and ensure that the DoD collects and submits criminal history information to the applicable Federal Bureau of Investigation databases, as required. However, the DoD OIG determined that the Navy Security Forces did not include the collection and submission of fingerprints and final disposition reports in its training schools. Furthermore, the DoD OIG determined that the Navy Security Forces did not establish any management oversight procedures to ensure that fingerprints and final disposition reports were collected and submitted to the applicable FBI Criminal Justice Information Services (CJIS) Division databases. Additionally, the DoD OIG found that DoD Instruction 7730.47 and DoD Manual 7730.47-M do not include a specific requirement to submit Brady Act information to the FBI CJIS Division. The Brady Act amended the Gun Control Act of 1968 by imposing as an interim measure a waiting period of 5 days before a licensed importer, manufacturer, or dealer may sell, deliver, or transfer a handgun to an unlicensed individual. The 1968 Gun Control Act and subsequent amendments codified at 18 U.S.C. §921 et seq. prohibit individuals convicted of a felony or subject to a domestic violence protective order from possessing a firearm. Additionally, DoD Instruction 7730.47 and DoD Manual 7730.47-M do not identify the DoD entity that is responsible for submitting Brady Act information to the FBI CJIS Division for entry into the NICS. Although the Military Services have been submitting Brady Act information to the FBI CJIS Division without that specific DoD requirement, the DoD OIG believe the Instructions and Manuals should be updated to require that information to be submitted to the FBI CJIS Division.

The DoD OIG made 10 recommendations in the report related to management oversight, revision of policy, and training. The Secretaries of the Army, Navy, and Air Force agreed with the report and recommendations. Specifically, they agreed to promptly submit any missing DNA samples to the Combined DNA Index System. However, all of the Service Secretaries expressed concern regarding their jurisdictional and legal authority to collect samples from individuals no longer subject to the Uniform Code of Military Justice.

Report No. DODIG-2020-064

Evaluation of Force Protection Screening, Vetting, and Biometric Operations in Afghanistan

The DoD OIG determined whether U.S. Forces–Afghanistan developed and implemented screening, vetting, and biometric processes for members of the Afghan National Defense Security Forces collaborating with U.S. and allied forces in order to identify and remove enemy infiltrators and other hostile personnel from Afghan National Defense Security Forces organizations.

The report findings and recommendations are classified.

Report No. DODIG-2020-062

Evaluation of the V-22 Engine Air Particle Separator

The DoD OIG determined whether the Naval Air Systems Command V-22 Joint Program Office developed an Engine Air Particle Separator (EAPS) that protects the V-22 engine while operating in all desert environments by creating a powerful vacuum force to remove soil from the air before it enters the engine. An EAPS removes soil and debris from the air before it enters the engine.

The DoD OIG determined that the Naval Air Systems Command V-22 Joint Program Office did not include a specification for the original EAPS to meet the engine manufacturer's specification. Despite two unsuccessful redesign efforts, the Naval Air Systems Command V-22 Joint Program Office is proceeding with a third design that still will not meet the engine manufacturer's specification. Naval Air Systems Command V-22 Joint Program Office officials stated that it is not technically feasible to meet the engine manufacturer's specification for air quality in a desert environment; however, they could not provide an analysis that demonstrated whether the third redesign would adequately protect the engine. As a result, the V-22, which combines the capabilities of a helicopter and an airplane, remains at risk, despite more than 9 years of EAPS redesign attempts.



V-22 Landing at Marine Corps Air Station New River, North Carolina
Source: The DoD OIG.

The DoD OIG recommended that the V-22 Joint Program Office Commander conduct a review of alternatives for the EAPS and V-22 engine so that the EAPS adequately protects the V-22 engine in all desert environments, and develop a plan to include a sampling of additional soils, whose compositions and concentrations are representative of those found in actual V-22 operational environments, in the testing for the EAPS and V-22 engine.

The V-22 Joint Program Office Program Manager, Air 275, agreed that V-22 operations in desert environments are a critical capability for the program. However, he disagreed with the focus on only the V-22 EAPS subsystem, stating that evaluating only one V-22 subsystem and not the overarching program strategy to enable safe operation of the V-22 during austere operations does not capture the program's plan for addressing risk. The Deputy Program Manager described a multi-layered approach the program office was taking to address safe operation of the V-22 and stated that extensive research has led the Program Manager, Air 275, to conclude that it is not technically possible to develop, integrate, and field an Engine Air Particle Separator that is fully capable of protecting the V-22 engine from all possible soil types and concentrations for unlimited durations. However, the Program Manager, Air 275, plans to perform testing to characterize the performance of the V-22 engine and EAPS in desert environments and use the results of the testing to update the specification for the third EAPS redesign effort. The DoD OIG requested the results of this testing, when completed.

Report No. DODIG-2020-006

Evaluation of Weather Support Capabilities for the MQ-9 Reaper

This evaluation determined whether the Air Force implemented weather support capabilities on the MQ-9 Reaper unmanned aircraft system (UAS). Weather support capabilities provide near-real time weather conditions and observations, enhancing forecasting, pilot situational awareness, mission planning and execution, and command and control of the unmanned aircraft system.

The DoD OIG determined that, between FYs 2010 and 2016, the Air Force spent \$17.7 million in Overseas Contingency Operations funding to develop enhanced weather support capabilities for the MQ-9 Reaper unmanned aircraft system, instead of using Research, Development, Test, and Evaluation funds. In addition, the Air Force did not validate the requirement for



MQ-9 Reaper
Source: Air Force News.

the capabilities. As a result, the Air Force wasted \$17.7 million dollars in Overseas Contingency Operations funding developing a capability that was not needed and never delivered.

The DoD OIG determined that Air Force did not develop weather support capabilities for the MQ-9 reaper. Air Force officials did not follow the requirements validation processes outlined in Air Force Instruction 10-601, "Operational Capabilities Requirements Development," to develop and deliver weather support capabilities for the MQ-9 Reaper. Between FYs 2010 and 2016, the Air Force spent \$17.7 million in overseas contingency operations funding to develop enhanced weather support capabilities for the MQ-9 Reaper unmanned aircraft system, instead of using research, development, test, and evaluation funds. However, the Air Force never validated the requirement for the capabilities, which were later determined to not be needed and were never delivered. As a result, the Air Force wasted \$17.7 million dollars in Overseas Contingency Operations funding developing a capability that was not needed and never delivered.

The DoD OIG recommended that the Commander of the Air Combat Command share the results of the study conducted for MQ-9 weather tolerance activities with the other Services. The DoD OIG also recommended that the Department of the Air Force Auditor General conduct a review of Air Force components' use of Overseas Contingency Operations funding to develop innovation projects. In addition, the DoD OIG recommended that the Air Force Chief of Staff review the actions of personnel in the Air Force Deputy Chief of Staff for Intelligence, Surveillance, Reconnaissance, and Cyber Effects Operations who were responsible for the development and funding of near real-time weather information and weather model forecasting capabilities to determine whether those individuals should be held

accountable for wasting resources on capabilities that were being developed without validated requirements and that did not result in the capability being fully developed for DoD use.

Management agreed with the first two recommendations but disagreed with the third recommendation. Therefore, the DoD OIG requested that the Air Force Chief of Staff provide additional comments in response to the final report.

Report No. DODIG-2020-059

Evaluation of Contracting Officer Actions on Defense Contract Audit Agency Reports That Disclaim an Opinion

The DoD OIG determined whether the actions taken by DoD contracting officers on Defense Contract Audit Agency (DCAA) audit reports that reported an inability to perform all audit procedures considered necessary to obtain sufficient appropriate evidence to support an opinion and conclusions complied with the Federal Acquisition Regulation (FAR), DoD Instructions, and agency policy. DCAA is responsible for auditing DoD contractor annual incurred cost proposals to determine whether the claimed costs are allowable. After completing an audit of an incurred cost proposal, DCAA issues a report that includes the auditor's opinion on the incurred cost proposal taken as a whole. When DCAA is unable to perform all audit procedures necessary to obtain sufficient appropriate evidence and conclude whether potential noncompliances are material and pervasive, DCAA disclaims an opinion on the incurred cost proposal taken as a whole. When DCAA disclaims an opinion, DCAA is still responsible for reporting on any claimed DoD contractor costs that it determines are not allowable on Government contracts (also referred to as questioned costs).

The DoD OIG determined that, for 19 of the 21 DCAA reports reviewed, DoD contracting officers took appropriate action on the findings and recommendations in Defense Contract Audit Agency (DCAA) reports that disclaimed an audit opinion. The DoD OIG determined that, for 2 of the 21 DCAA reports, the Defense Contract Management Agency contracting officers did not document adequate rationale for disagreeing with DCAA questioned costs totaling \$219 million. For 19 of the 21 audits selected, the DoD OIG found that contracting officers took appropriate action on DCAA's findings. However, for 2 of the 21 DCAA reports, DCMA contracting officers did not document adequate rationale for disagreeing with \$219 million

in DCAA questioned costs. The contracting officers did not adequately justify why they reimbursed the \$219 million to the DoD contractors. As a result, the two contracting officers may have reimbursed up to \$219 million to the DoD contractors that were not allowable on Government contracts.

The DoD OIG recommended that the Defense Contract Management Agency Director require the contracting officers to determine if any of the \$219 million in questioned costs reported by DCAA are not allowable according to the FAR and take steps to recoup any portion of the \$219 million that is not allowed on Government contracts. The DoD OIG also recommended that the Commander of the Naval Supply Systems Command provide contracting officers with training on the DoD Instruction 7640.02 requirement to document, on a monthly basis, the cause for delays in resolving and dispositioning audit reports, and the actions taken to achieve resolution or disposition. Management agreed with the recommendations.

Report No. DODIG-2020-036

Evaluation of Niger Air Base 201 Military Construction

The DoD OIG determined whether U.S. Africa Command (USAFRICOM) and the Air Force effectively planned, designed, and constructed Air Base 201, a military installation in the desert in Agadez, Niger, to provide airfield and base support infrastructure in support of USAFRICOM operations.

The DoD OIG determined that USAFRICOM and the Air Force did not adequately oversee and coordinate with stakeholders on the delivery of Air Base 201. As a result, the airfield and base camp needed to support the USAFRICOM intelligence, surveillance, and reconnaissance mission was delayed by almost 3 years from the original planned date of completion.

The DoD OIG recommended that the:

- Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, review the Air Force programming actions to determine whether the programming actions are in accordance with applicable appropriation laws and regulations;
- Assistant Secretary of the Air Force (Financial Management and Comptroller) initiate a preliminary review to determine whether the use of Procurement funds for the acquisition of the guard towers resulted in a potential Antideficiency Act violation and, if so, conduct a formal investigation and provide the results of the review to the DoD OIG;

- Air Force/A4C Director of Civil Engineers update Air Force Instruction 32-1021, “Planning and Programming Military Construction (MILCON) Projects,” to identify oversight responsibilities when troop labor construction projects are planned and programmed at the major Command level; and
- USAFRICOM Commander establish a coordination and decision-making process with key stakeholders for troop labor construction projects, including a forum to directly communicate with the military construction program manager, designer of record, construction provider, and base support integrator, as applicable.

The DoD OIG also made six recommendations to the Air Force Africa Commander related to planning and documentation associated with the construction of Air Base 201.

Management agreed to take action that met the intent on 9 of the 10 recommendations. The DoD OIG asked that the USAFRICOM Commander provide additional comments on the tenth recommendation and that response is pending.

Report No. DODIG-2020-077

Evaluation of the Department of Defense’s Handling of Incidents of Sexual Assault Against (or Involving) Cadets at the United States Military Academy

The DoD OIG determined whether U.S. Military Academy (USMA) Sexual Harassment/Assault Response and Prevention (SHARP) Office personnel provided SHARP services to cadet-victims of sexual assault and whether victim support services were available to cadet-victims of sexual assault at the USMA as required by DoD and Army policy. The DoD OIG also determined whether Army Criminal Investigation Command (CID) agents investigated reports of sexual assaults involving cadet-victims in accordance with DoD, Army, and CID policy and whether USMA commanders and decision makers retaliated against cadet-victims by separating them from the USMA for reporting sexual assault. The DoD OIG further determined whether the Under Secretary of Defense for Personnel and Readiness (USD[P&R]) annually reported the correct number of cadet-victim reports of sexual assaults to Congress.

The DoD OIG determined that USMA SHARP personnel provided SHARP services to cadet-victims and cadet-victim support services were available to cadet-victims at the USMA as required by DoD and

Army policy. The DoD OIG determined that USMA SHARP personnel did not have a process or system to document “contacts and consults” with cadet-victims who chose not to make an official report of sexual assault or a means to document any resulting referrals to victim support services. The DoD OIG also determined that CID agents generally responded to and investigated 47 unrestricted reports of sexual assault in accordance with DoD, Army, and CID policy, and that USMA commanders and decision makers did not retaliate against cadet-victims by separating them from the USMA for reporting sexual assault. The DoD OIG further determined that cadet-victim reports of sexual assault were accurately reported to Congress, as required by Public Law 109-364. However, the DoD OIG determined that the Army Defense Sexual Assault Incident Database Program Administrator did not have a process to document the reason that reports of sexual assault were archived in the Defense Sexual Assault Incident Database.

This evaluation was the second in a series of evaluations of the DoD’s handling of incidents of sexual assault against (or involving) cadets and midshipmen at all three Service academies. The result of the first evaluation was published in Report No. DODIG-2019-125, “Evaluation of the DoD’s Handling of Incidents of Sexual Assault Against (or Involving) Cadets at the United States Air Force Academy,” September 30, 2019. In that evaluation, the DoD OIG recommended that the DoD Sexual Assault Prevention and Response Office (SAPRO) Director develop and institute a process that documents consults or contacts with victims of sexual assault and any resulting referrals to victim support services if those contacts do not result in an official report of sexual assault. The DoD SAPRO Director agreed with this recommendation. As a result, the USD(P&R) intends to deploy the revised policy and capability for this in the fall of 2020. In the same report, the DoD OIG also recommended that the DoD SAPRO Director include a field in the Defense Sexual Assault Incident Database to record the reason that reports of sexual assault are archived. The DoD SAPRO Director agreed to update the database to include a field to record the reason that reports of sexual assault were archived. The USD(P&R) responded that its intent is to deploy the database change for this capability in the fall of 2020. This change would cover the USMA, as well as the other Service academies. Therefore, the DoD OIG did not repeat the recommendations made in Report No. DODIG-2019-125 in this report, and no further response from management was required.

Report No. DODIG-2020-073

Evaluation of U.S. European Command's Warning Intelligence Capabilities

The DoD OIG determined whether warning intelligence information from the U.S. European Command (USEUCOM) Joint Intelligence Operations Center (JIOCEUR) and the JIOCEUR Analytic Center provided senior officials adequate information to make decisions based on notification of a potential threat to the United States or allied interests. The findings of this report are classified.

The DoD OIG recommended that the USEUCOM Commander appoint a USEUCOM Directorate lead for red team capabilities in support of the U.S. European Command's warning mission, amend the USEUCOM JIOCEUR Indications and Warning Advocate Team Mission Procedures to incorporate the use of red team capabilities, and develop procedures to forward red team products to the Director of the Defense Intelligence Agency for database integration.

The USEUCOM Director of Intelligence, responding for the USEUCOM Commander, did not agree or disagree with our recommendations. However, he described actions that USEUCOM would take that met the intent of the recommendations.

Report No. DODIG-2020-055

Quality Control Review of the KPMG LLP Fiscal Year 2017 Single Audit of the Johns Hopkins University

The DoD OIG conducted a quality control review to determine whether KPMG complied with auditing standards and Uniform Guidance requirements when performing the FY 2017 single audit of Johns Hopkins.

The DoD OIG determined that KPMG generally complied with auditing standards and Uniform Guidance requirements; however, the DoD OIG identified deficiencies in documentation that must be corrected in future audits.

The DoD OIG recommended that KPMG improve documentation of its rationale for the sample sizes used to test internal controls, including a documented assessment on the significance of the internal control being tested. The DoD OIG also recommended that KPMG improve documentation of the audit sampling methodology used to test internal controls and compliance for both the period of performance and the special tests and provisions compliance

requirements, and document the basis for not performing planned audit procedures on direct and material compliance requirements. Management agreed with the recommendations.

Report No. DODIG-2020-002

Quality Control Review of the Defense Contract Audit Agency and Deloitte & Touche Fiscal Year 2016 Single Audit of the Aerospace Corporation

The DoD OIG conducted a quality control review to determine whether the Defense Contract Audit Agency (DCAA) complied with auditing standards related to audit documentation when performing the FY 2016 single audit of the Aerospace Corporation.

The DoD OIG determined that DCAA did not comply with auditing standards because the DCAA auditors did not document professional judgments they made to support the audit report opinion that they issued. As a result, the DoD OIG had to obtain extensive explanations from the DCAA auditors to understand the professional judgments they made to support the opinion and to determine that the opinion was appropriate. The DoD OIG also determined that Deloitte & Touche generally complied with auditing standards and Uniform Guidance requirements when performing the Aerospace FY 2016 single audit.

The DoD OIG recommended that the DCAA Branch Manager, Los Angeles South Branch Office, prepare audit documentation that provides a clear and accurate description of the professional judgments made in the FY 2016 single audit to support the audit report opinion that was issued. For future single audits, the DoD OIG recommended that the Deloitte & Touche Managing Director identify and document consideration of the population of all equipment purchased with Federal funds when designing the audit procedures to test that equipment is adequately safeguarded and maintained. The DoD OIG also recommended that the Deloitte & Touche Managing Director prepare audit documentation that clearly describes the planned internal control testing and the audit procedures performed to conclude on the operating effectiveness of internal controls over compliance with Federal requirements. Management agreed with the recommendations.

DODIG-2020-070

Evaluation of Defense Contract Management Agency Contracting Officer Actions on Penalties Recommended by the Defense Contract Audit Agency

The DoD OIG determined whether Defense Contract Management Agency (DCMA) contracting officers adequately explained why they disagreed with the Defense Contract Audit Agency's recommendations to assess penalties on \$43 million in unallowable indirect costs.

The DoD OIG determined that, in 18 of 28 DCMA audit reports reviewed, Defense Contract Management Agency contracting officers did not adequately explain why they disagreed with the Defense Contract Audit Agency's recommendations. The DoD OIG also determined that DCMA contracting officers did not calculate the correct amount of penalties and interest when they assessed penalties against contractors. As a result, the contracting officers did not collect penalties on \$43 million in costs that may have been unallowable and subject to penalties, as well as additional interest due to the U.S. Government.

The DoD OIG recommended that DCMA provide training to contracting officers and supervisors covering the requirements for identifying expressly unallowable costs and for assessing and waiving penalties in the Federal Acquisition Regulation 42.709. The DoD OIG also recommended that DCMA reevaluate the contracting officers' decisions not to assess penalties on the \$43 million, take steps to recoup any expressly unallowable costs not previously disallowed, and obtain payment from the contractor for any penalties due to the Government. Management agreed with the recommendations.

Report No. DODIG-2020-049

System Review Report on the Army Internal Review Program

The DoD OIG conducted a quality control review to determine whether the system of quality control for the audit functions of the Army Internal Review Program in effect for the 3-year period that ended December 31, 2018, conforms to the Government Auditing Standards. A system of quality control covers the Army Internal Review Program's organizational structure, the policies adopted, and procedures established to provide the Army with reasonable assurance of conformity with the Government Auditing Standards.

The DoD OIG determined that the system of quality control for the Army Internal Review Program in effect for the 3-year period that ended December 31, 2018, was suitably designed to provide reasonable assurance that performance of and reporting from the Army Internal Review Program was in conformity with applicable professional standards in all material respects. In some instances, the DoD OIG asked for explanations to further clarify work performed, but determined that the Army Internal Review offices had obtained sufficient evidence to support the findings, conclusions, and recommendations in the reports the DoD OIG reviewed. Four of the nine offices reviewed did not perform monitoring of quality procedures and did not annually summarize the results of monitoring of quality procedures. Another office did not have policies and procedures in place for monitoring the quality of work. An additional office did not provide the peer review team evidence of analyzing and summarizing the results of its monitoring process for two of the three years covered by this review. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The Army IR Program has received a rating of pass with deficiencies. These findings and deficiencies, when considered in the aggregate, would not support a lesser rating, in the opinion of the DoD OIG.

Report No. DODIG-2020-050

Evaluation of the United States Air Force Enterprise Ground Services

The DoD OIG determined whether the Air Force Space Command (AFSPC) has developed an implementation plan for the Air Force Enterprise Ground Services (EGS). The EGS concept is part of the Air Force Satellite Control Network and consists of hardware, an operational system, and software applications. The software applications are considered the common ground services that EGS provides for similar command and control functions among multiple satellite constellations.

The DoD OIG determined that the AFSPC sought input from all 15 system program offices that AFSPC determined would use EGS. The AFSPC focused its efforts on a satellite system using the Scaled Agile Framework concept, which will assist AFSPC in identifying and addressing issues early in the development process. As a result, the AFSPC is currently on track to meet the mandatory use of EGS by December 2028. There were no recommendations in this report.

Report No. DODIG-2020-074

Ongoing Evaluations Oversight

At the close of the reporting period, the DoD OIG had 40 ongoing evaluations, including evaluations to determine whether:

- the DoD implemented appropriate controls for executive medicine services in the DoD National Capital Region Medical Directorate Executive Medicine Services related to identifying eligible patients, and ordering, storing, dispensing, and accounting for pharmaceuticals;
- U.S. Africa Command and U.S. Special Operations Command established and followed targeting procedures and followed civilian casualty reporting procedures in the U.S. Africa Command area of operations to reduce civilian casualties and collateral damage;
- U.S. Air Force has mission-capable aircraft and aircrew to meet U.S. Strategic Command's Operation Global Citadel air refueling requirements, focusing on KC-135 aircraft nuclear mission readiness, associated aircrew nuclear mission readiness, and the required installation support needed to meet the operational order requirements;
- Military Services effectively managed health and safety hazards in Government-owned and Government-controlled military family housing;
- the DoD and DoD Education Activity have adequate policies and procedures to respond to incidents of serious student misconduct, including sexual assault and sexual harassment;
- Air Force Space and Missile Systems Center officials complied with the Air Force Launch Services New Entrant Certification Guide when certifying the launch system designs for the National Security Space Launch-class (formerly known as the Evolved Expendable Launch Vehicle-class) SpaceX Falcon family of launch vehicles;
- the U.S. Air Force Space and Missile Systems Center is complying with DoD and Air Force quality assurance standards for the Geosynchronous Space Situational Awareness Program (GSSAP) and whether the program office is providing adequate oversight of the contractor. GSSAP satellites are a space-based capability operating in near-geosynchronous orbit. GSSAP satellites support U.S. Space Command space surveillance operations as a dedicated Space Surveillance Network sensor that collects data that allows for more accurate tracking and characterization of man-made orbiting objects;
- the DoD meets outpatient mental health access to care standards for active duty service members and their families in accordance with law and applicable DoD policies;
- DoD processes to counter radio-controlled improvised explosive devices are effective;
- the DoD's transfer of military equipment requiring enhanced end-use monitoring to the Government of Ukraine is in accordance with law and DoD guidance, and whether Ukraine's security and accountability of the enhanced end-use monitoring military equipment meet the criteria prescribed by law and regulation;
- the DoD complies with relevant environmental and related laws, interagency and municipal agreements, and policy at sites where the DoD conducts or has conducted open burning of excess conventional ammunition and explosives at locations in the United States and its territories; and
- operations and practices for vetting and hiring of faculty, travel, and payment of fees to guest lecturers by the DoD Regional Centers for Security Studies is valid under the provisions of the Leahy Law and other nondisclosure agreements.

DCIS INVESTIGATIONS

The following cases highlight investigations conducted by DCIS and its Federal law enforcement partners during the reporting period. DCIS investigative priorities include cases in the following areas:

- Procurement Fraud
- Public Corruption
- Product Substitution
- Health Care Fraud
- Illegal Technology Transfer
- Cyber Crimes and Computer Network Intrusion

Procurement Fraud

Procurement fraud investigations are a major portion of DCIS cases. Procurement fraud includes, but is not limited to, cost and labor mischarging, defective pricing, price fixing, bid rigging, and defective and counterfeit parts. The potential damage from procurement fraud extends well beyond financial losses. This crime poses a serious threat to the DoD's

ability to achieve its objectives and can undermine the safety and operational readiness of the warfighter. Of the 1,716 ongoing DCIS investigations, 395 are related to procurement fraud.

Contractor Agreed to Pay \$110,000 to Resolve Alleged Violations of the False Claims Act

DCIS and the National Security Agency OIG jointly investigated allegations that Eagle Alliance violated the False Claims Act.

Between 2012 and 2013, Eagle Alliance, a Northrop Grumman partnership, allegedly improperly billed the DoD twice for the same computer hardware equipment. Eagle Alliance was contracted to provide the DoD new equipment. In addition to billing twice, Eagle Alliance allegedly provided the DoD used equipment as if it were new. This investigation was initiated as a result of a civil lawsuit filed under the qui tam provisions of the False Claims Act. The False Claims Act allows private individuals, known as relators, to sue those who falsely claim Federal funds on behalf of the Government. The relator receives a share of any funds recovered through the lawsuit.

On October 17, 2019, Eagle Alliance entered into a civil settlement agreement with the Department of Justice and agreed to pay the Government \$110,000 to resolve alleged violations of the False Claims Act. Eagle Alliance paid \$91,300 to the Government and \$18,700 to the relator.

Father and Son Sentenced for Fraudulently Selling Titanium to a Defense Subcontractor

DCIS, the Air Force Office of Special Investigations, and the Department of Transportation OIG investigated allegations that A&P Alloys, Inc. (A&P), based in Massachusetts, provided substandard material to a DoD contractor.

The investigation revealed that A&P's owner and chief executive officer, John Palie, Jr., as well as an A&P manager, John Palie III, falsely certified that scrap titanium that was sold to a Connecticut-based DoD contractor on two separate occasions met aerospace standards. The DoD contractor, Pratt & Whitney, manufactures aircraft engines, including engines for Air Force fighter jets.

In January 2020, A&P, John Palie III, and John Palie, Jr., were debarred from Federal contracting for 70 months. Previously, in 2018, John Palie, Jr., and John Palie III pleaded guilty to two counts of mail fraud.

On August 28, 2019, John Palie, Jr., was sentenced to 10 months in prison, 2 years of supervised release, and a \$10,000 fine. John Palie III was sentenced to 6 months in prison and 1 year of supervised release.

Contractor Agreed to Pay \$6.4 Million to Settle Alleged Violations of the False Claims Act

DCIS and the Air Force Office of Special Investigations jointly investigated allegations that CH2M Hill, Inc. (CH2M Hill), knowingly overbilled the Air Force for two environmental consulting contracts.

According to a 2017 settlement agreement, CH2M Hill reported that it overbilled the Government approximately \$8.3 million between 2003 and 2014. The overbilling occurred because CH2M Hill billed the contracts for the services of employees who did not meet the contracts' education and work experience requirements. CH2M Hill allegedly knew about the overbilling as early as 2011, but the company did not disclose this information to the Government until 2015.

On September 19, 2017, CH2M Hill issued a voluntary repayment to the Air Force for approximately \$10.5 million dollars. This included \$8.3 million dollars of overpayments plus interest. On October 24, 2019, CH2M Hill entered into a civil settlement with the Department of Justice and agreed to pay an additional \$6.4 million dollars to resolve allegations they violated the False Claims Act.

Defense Contractor Agreed to Pay \$45 Million to Resolve Criminal Obstruction Charges and Alleged Violations of the False Claims Act

DCIS, Homeland Security Investigations, and the Special Inspector General for Afghanistan Reconstruction jointly investigated allegations that a Defense contractor, Unitrans International, Inc. (Unitrans), shipped goods through Iran to Afghanistan.

Between November 2011 and May 2012, Unitrans allegedly facilitated the transportation of construction materials to Afghanistan through Iran. The construction materials were used to build a warehouse that Anham FZCO (Anham) used to fulfill a Defense Logistics Agency (DLA) contract. The Defense Logistics Agency and the Army awarded Unitrans and Anham food and trucking contracts to support U.S. military personnel in Afghanistan, but both companies allegedly did not comply with the contractual requirements to adhere to U.S. sanctions on Iran. This investigation was initiated by a lawsuit filed under the qui tam provision of the False Claims Act.

On December 2, 2019, Unitrans entered into a settlement with the Department of Justice and agreed to pay \$45 million to resolve civil False Claims Act allegations and criminal obstruction charges. The settlement included a non-prosecution agreement between the Department of Justice and Unitrans personnel. The individuals and entities that were involved in the sanctions violations were suspended from Government contracting on December 17, 2018.

Former Contractors Debarred for Counterfeit Certificate Scheme

DCIS, the Federal Bureau of Investigation, and the Special Inspector General for Afghanistan Reconstruction investigated allegations regarding Fluor Government Group (Fluor) employees.

Antonio Lamaz Jones, a Fluor employee, created a company called Wolverine, Inc., to fraudulently recruit and place applicants in Government contractor positions in Afghanistan. Jones and another Fluor employee, Radija Selimovic, sold counterfeit Government training certificates to job applicants who sought employment in Afghanistan. An applicant would buy a counterfeit certificate for \$2,000 to \$3,000, and the applicant would use the counterfeit certificate to qualify for a position, such as a hazardous materials handler.

On June 28, 2019, Jones pleaded guilty to one count of making a false statement. On September 30, 2019, Jones was sentenced to 60 months of probation and 450 hours of community service. Jones was also ordered to pay a fine of \$20,000 and a \$100 special assessment fee. On December 19, 2019, Jones, Radija Selimovic, and Wolverine, Inc., were debarred from Government contracting for 5 years.

Product Substitution

DCIS investigates criminal and civil cases involving counterfeit, defective, substandard, or substituted products introduced into the DoD supply chain that do not conform with contract requirements. Nonconforming products can threaten the safety of military and Government personnel and other end users, compromise readiness, and waste economic resources. In addition, when substituted products are provided to the DoD, mission-critical processes capabilities can be compromised until they are removed from the supply chain. DCIS works with Federal law

enforcement partners, supply centers, and the Defense industrial base in working groups and task forces to investigate allegations that DoD contractors are not providing the correct parts and components to meet contract requirements. Of the 1,716 ongoing DCIS investigations, 165 are related to Product Substitution.

Defense Contractor Sentenced to 3 Years in Prison for Conspiracy to Defraud the DoD, Conspiracy to Violate Arms Export Control Act, and Income Tax Evasion

DCIS, Homeland Security Investigations, Internal Revenue Service—Criminal Investigations, and the Social Security Administration jointly investigated allegations that Military and Commercial Spaces, Inc. (MCS), and its owner, Roger Sobrado, and others conspired to defraud the DoD in a product substitution scheme.

Between January 2011 and December 2015, Military and Commercial Spaces, Inc., obtained DoD contracts to provide critical application item military parts. MCS falsely claimed the critical application item military parts it contracted to provide would be exactly as described and provided by authorized manufacturers. Roger Sobrado recruited various family members who established their own contracting companies, which also sold nonconforming parts to the DoD. Sobrado used his other business, Tico Manufacturing, Inc., to contract with local manufacturers to supply nonconforming parts to MCS and his family members' companies at a significantly reduced cost.

Sobrado also admitted to fraudulently applying for access to export controlled drawings and technical data on behalf of the company owned by a family member who was not a U.S. citizen. Between January 2013 and November 2015, the family member, who is in the United States illegally, accessed or downloaded hundreds of drawings that were sensitive in nature and required special access.

In September and October 2019, three of Sobrado's co-conspirators were sentenced. Erik Costanzo was sentenced to 1 year in prison, 3 years of supervised release, and \$3,207,696 in restitution. Alanna Costanzo Garcia was sentenced to 1 year of home confinement, 5 years of supervised release, 200 hours of public service, and \$3,111,130 in restitution. Beth Ann Garcia was sentenced to 1 year of home confinement and 5 years of supervised release, and ordered to pay \$480,870 in restitution.

Previously, subsequent to pleading guilty to one count each of conspiracy to commit wire fraud, conspiracy to violate the Arms Export Control Act, and income tax evasion, Sobrado was sentenced on September 5, 2019, to 36 months in prison and 3 years of supervised release. Sobrado was also ordered to pay \$8,043,977 in restitution.

Business Owner Sentenced to 8 Years in Prison for Crimes Totaling Over \$2 Million in DoD Contracts

DCIS and Internal Revenue Service—Criminal Investigations jointly investigated allegations that Emerson Company and its owner, Daniel Emerson Norton, supplied nonconforming parts to DLA Troop Support, Aviation, and Land and Maritime.

The DoD debarred Emerson Company from conducting business with the Government in 2011. Between 2011 and 2013, Norton recruited companies and individuals to sell products to the DoD supplied by Emerson Company. Norton directed the recruits to specific DoD solicitations for which he provided the quotes, the prices, and delivery costs. Emerson Company received 90 percent of the purchase order value when awarded. The majority of the solicitations were for critical application items. Rather than obtaining the parts from the specified manufacturers, Norton filled the orders with defective parts made in China. When Norton supplied the Chinese-manufactured parts, he violated the Buy American Act. Norton and his co-conspirators provided nonconforming and Chinese-manufactured parts to the DoD. Together, these companies and individuals were awarded 130 purchase orders totaling approximately \$2.2 million.

On November 18, 2019, Norton was sentenced to 8 years in prison and 3 years of supervised release. Norton was ordered to forfeit more than \$333,000 from a company bank account, as well as a \$725,000 residence. On December 12, 2019, a participant in the scheme, Timothy M. Kelly, was sentenced to 30 months in prison and 3 years of supervised release. Norton and Kelly were jointly and severally ordered to pay \$2.38 million in restitution.

Weapons Manufacturer Agreed to Pay Over \$1 Million to Resolve Alleged Violations of the False Claims Act

DCIS and the Army Criminal Investigation Command jointly investigated allegations that a weapons manufacturer, Capco, supplied the Army with grenade launchers that did not meet the contract's specifications.

Between July 2016 and March 2018, Capco allegedly supplied the Army with M320 grenade launchers with hammer/firing pins and barrels that did not meet the contract's specifications. Capco certified that each M320 conformed to the contract's specifications, but Capco manufactured the M320 hammer/firing pins with incorrect steel and barrels to nonconforming dimensions. Capco falsely certified each shipment's conformance, though incorrect steel had been used and dimensions did not meet specifications. This investigation was initiated due to an initial complaint and subsequent qui tam complaint that was filed under the False Claims Act.

On November 4, 2019, Capco agreed to pay the Government \$1,025,429 to resolve alleged violations of the False Claims Act, and the company agreed to replace 492 nonconforming grenade launcher hammer/firing pins for the Army.

Corporation Agreed to Pay \$2.8 Million to Resolve Alleged Violations of the False Claims Act

DCIS and the Army Criminal Investigation Command jointly investigated allegations that the ABS Development Corporation (ABS) fraudulently obtained a foreign military sales contract on behalf of its parent company.

In 2010, ABS was awarded a contract through the Foreign Military Sales Program to renovate a shipyard in Haifa, Israel. It was alleged that ABS falsely claimed it would perform the work on the contract. The program required a U.S. company to be the prime contractor and perform the majority of the contract's work. Although ABS obtained the contract, it was alleged that its Israeli parent company, Ashtrom, performed the majority of the work to renovate the shipyard.

On November 1, 2019, ABS entered into a civil settlement with the Department of Justice and agreed to pay \$2.8 million to the Government to resolve alleged violations of the False Claims Act. ABS also agreed to relinquish \$16 million in potential administrative claims.

Contractor Agreed to Pay \$525,000 to Settle Alleged Violations of the False Claims Act

DCIS, the Air Force Office of Special Investigations, and Homeland Security Investigations jointly investigated allegations that United States Technologies, Inc., imported counterfeit electronic components into the United States and used nonconforming parts.

Since 2008, the DoD has awarded United States Technologies, Inc., contracts worth approximately \$34.84 million, including \$7 million in 2018. Between 2015 and 2017, Customs and Border Protection seized more than 500 counterfeit integrated circuits that United States Technologies, Inc., attempted to import from China. U.S. Technologies, Inc., allegedly used nonconforming and counterfeit parts to manufacture a DoD weapon system.

On January 14, 2020, United States Technologies, Inc., agreed to pay the Government \$525,000 to settle alleged violations of the False Claims Act. On April 24, 2019, the Defense Logistics Agency canceled a contract and two delivery orders that were pending with United States Technologies, Inc.

Defense Contractor Agreed to Pay \$3 Million to Settle Alleged Violations of the False Claims Act

DCIS and the Army Criminal Investigation Command jointly investigated allegations that LaForge and Budd Construction Company (LaForge) did not comply with the terms of a construction contract.

In 2010, LaForge entered into a contract to perform work on a dam at Fort Sill, Oklahoma. The contract required LaForge to raise the elevation of the dam and adhere to a specific set of plans and instructions. LaForge allegedly submitted false claims for progress payments, and the company allegedly submitted false claims regarding the quality of the fill that it placed in the embankment of the dam. An exploratory excavation at the Lake George Dam in May 2011 revealed that the company placed fill materials in the embankment that did not comply with the contract's instructions, including numerous large rocks, concrete blocks, and rebar.

On December 19, 2019, LaForge agreed to pay \$3 million to the Government, including \$1.5 million in restitution to the Army, to settle the False Claims Act allegations.

Public Corruption

Corruption by public officials can undermine public trust in Government, threaten national security, and compromise the safety of DoD systems and personnel. Public corruption can also waste tax dollars. DCIS combats public corruption through its criminal investigations, including using investigative tools, such as undercover operations, court-authorized electronic surveillance, and forensic audits. Of the 1,716 ongoing DCIS investigations, 288 are related to Public Corruption and Major Theft.

Former Unit Supply Chief Sentenced for Defrauding the Marine Corps Reserve

DCIS and the Naval Criminal Investigative Service investigated allegations that Christopher Aragon, a former Marine Corps staff sergeant and unit supply chief and authorizing official for a Marine Corps Reserve unit travel card, and Dana Davis, owner of Runway Café in Mobile, Alabama, conspired to commit Government credit card fraud.

Between 2014 and 2016, Aragon and Davis conspired to defraud the Government credit card used for the Marine Corps Reserve Unit. Davis submitted fraudulent invoices for food services never rendered and prohibited service fees. Aragon misused his official role as authorizing official to approve the fraudulent invoices and altered the supporting documentation for those invoices. Aragon attempted to conceal the scheme when command questioned the validity of the expenditures. When Runway Café received payments as a result of the scheme, Aragon, Davis, and Aragon's wife, Teneshia Aragon, used PayPal to transfer the proceeds to each of their accounts. The Marine Corps conducted an audit and determined that the Government was defrauded for \$548,374.08.

Between 2013 and 2014, Christopher Aragon and Teneshia Aragon used a similar scheme and defrauded the Marine Toys for Tots Program for \$23,044.70. The Toys for Tots Program paid fraudulent invoices that the couple fabricated and submitted to the program, and Christopher Aragon used a program credit card to make unauthorized payments to himself.

In May 2018, Christopher Aragon, Teneshia Aragon, and Dana Davis each pleaded guilty to one count of wire fraud. Davis was sentenced to 6 months in prison and 3 years of supervised release. Teneshia Aragon was sentenced to 5 years of probation. Christopher Aragon was sentenced to 33 months in prison and

3 years of supervised release. All defendants were ordered to jointly pay \$534,044.08 in restitution to the Marine Corps. Christopher Aragon and Teneshia Aragon were ordered to jointly pay an additional \$20,044.70 to the Marine Toys for Tots Program.

A forfeiture order was instituted for items purchased with proceeds from the fraudulent activity, but Christopher Aragon's cousin and owner of the property to be seized, Terry Franklin, sold the property that was to be forfeited. On January 21, 2020, Franklin pleaded guilty to destruction or removal of property to prevent seizure, and he was sentenced to 5 years of probation and was ordered to pay \$119,900 in restitution to the U.S. Marshals Service.

Two Women Sentenced for Fraudulently Receiving Government Benefits

DCIS and the Social Security Administration OIG jointly investigated allegations that Peggy Larue and Patricia Kendall fraudulently obtained Government benefits.

After their parents passed away, Larue and Kendall fraudulently obtained benefits from the Social Security Administration and the Military Retirement Fund. Larue and Kendall both admitted that they received \$354,002 in unentitled benefits between January 2001 and July 2019.

Larue and Kendall each previously pleaded guilty to two counts of theft of Government funds. On December 4, 2019, Larue and Kendall were each sentenced to 6 months in prison and 3 years of supervised release. Larue and Kendall were ordered to jointly and severally pay \$354,002 in restitution as well as a \$200 special assessment.

Health Care Fraud

DCIS conducts a wide variety of investigations involving health care fraud in the DoD's TRICARE system, including investigations of health care providers involved in corruption or kickback schemes, overcharging for medical goods and services, marketing or prescribing drugs for uses not approved by the U.S. Food and Drug Administration, and approving unauthorized individuals to receive TRICARE health care benefits. DCIS also proactively targets health care fraud through coordination with other Federal agencies and participation in Federal and state task forces. Of the 1,716 ongoing DCIS investigations, 591 are related to Health Care Fraud.

Six Individuals Sentenced for Defrauding TRICARE and Medicare

DCIS and the Health and Human Services OIG jointly investigated allegations that six individuals participated in a conspiracy to defraud TRICARE and Medicare.

From 2014 to 2015, six conspirators defrauded TRICARE and Medicare out of more than \$9.6 million through the submission of claims for medically unnecessary compound prescriptions and genetic cancer tests. The conspirators received kickbacks from pharmacies for the referral of compounded medication prescriptions, and the conspirators referred patients for medically unnecessary genetic cancer testing.

On November 12, 2019, Mangala Ramamurthy pleaded guilty to conspiracy to defraud the United States and conspiracy to receive health care kickbacks. She was sentenced to 34 months in prison on February 25, 2020. On December 16, 2019, John Scholtes pleaded guilty to conspiracy to defraud the United States and conspiracy to receive health care kickbacks. He was sentenced to 97 months in prison on February 24, 2020. On December 13, 2019, Anthony Mauzy pleaded guilty to conspiracy to commit health care fraud. He was sentenced to 49 months in prison on February 24, 2020.

On December 13, 2019, Thomas Sahs pleaded guilty to conspiracy to commit health care fraud. He was sentenced to 45 months in prison on February 24, 2020. On December 13, 2019, Rajesh Mahbubani pleaded guilty to conspiracy to commit health care fraud. He was sentenced to 49 months in prison on February 24, 2020. On November 12, 2019, Senthil Kumar Ramamurthy pleaded guilty to conspiracy to commit health care fraud, conspiracy to defraud the United States, and conspiracy to receive health care kickbacks. He was sentenced to 121 months in prison on January 31, 2020.

Manufacturer Agreed to Pay \$37.5 Million to Settle Violations of the False Claims Act

DCIS, the Federal Bureau of Investigation, and the Health and Human Services OIG jointly investigated allegations that ResMed Corporation violated the Anti-Kickback Statute and the False Claims Act.

From 2009 to 2019, ResMed Corporation, a durable medical equipment manufacturer, provided free and discounted goods and services to sleep labs and health care providers. ResMed Corporation also provided durable medical equipment suppliers with free call center and patient outreach services.

ResMed Corporation provided the discounted and free goods and services to generate sales of its durable medical equipment, which is prohibited by the Anti-Kickback Statute. The False Claims Act prohibits the submission of claims that violate the Anti-Kickback Statute. This investigation was the result of lawsuits that were filed under the qui tam provisions of the False Claims Act.

On January 15, 2020, ResMed agreed to pay the Government \$37.4 million to resolve violations of the False Claims Act. The Defense Health Agency received \$2.9 million of the settlement amount.

Supplier Agreed to Pay Over \$22 Million to Resolve Alleged Violations of the False Claims Act

DCIS investigated allegations that Fagron Holdings USA, LLC, a compound medication supplier, inflated the prices of pharmaceutical ingredients of compound medications.

From January 2012 through December 2016, Freedom Pharmaceuticals, a wholly owned subsidiary of Fagron Holdings USA, LLC, allegedly inflated the prices of its compound medication ingredients. As a result of the inflated prices, compounding pharmacies that purchased ingredients from Freedom Pharmaceuticals received inflated reimbursement amounts from Federal health care programs, such as TRICARE. The pricing scheme caused pharmacies that purchased Freedom's compound ingredients to submit false prescription claims to Federal health care programs.

On October 22, 2019, Fagron Holdings USA, LLC, agreed to pay \$22.05 million to resolve alleged violations of the False Claims Act. The Defense Health Agency, which administers TRICARE, received over \$16.93 million from this settlement. This investigation was initiated due to two complaints filed under the qui tam provision of the False Claims Act, and the relators received over \$3.74 million.

Laboratory Agreed to Pay \$8.25 Million to Resolve False Claims Act Allegations

DCIS and the Health and Human Services OIG investigated allegations that Myriad Genetics, Inc., violated the False Claims Act.

In late 2015, the Centers for Medicare and Medicaid Services implemented a new reimbursement rate for a genetic test offered by Myriad Genetics, Inc. The new reimbursement rate was significantly lower than the previous reimbursement rate. Between 2016 and 2018, Myriad Genetics, Inc., allegedly billed Federal

health care programs, including TRICARE, at the higher reimbursement rate. This investigation was initiated as a result of a lawsuit that was filed under the qui tam provisions of the False Claims Act.

On October 23, 2019, Myriad Genetics, Inc., entered into a civil settlement agreement with the Department of Justice and agreed to pay the Government \$8.25 million to resolve alleged violations of the False Claims Act. The Defense Health Agency received \$947,893 of the settlement amount.

Illegal Technology Transfer

DCIS investigates theft and the illegal exportation or diversion of strategic technologies and U.S. Munitions List items to banned nations, criminal enterprises, and terrorist organizations. This includes the illegal theft or transfer of defense technology, weapon systems, and other sensitive components and program information. Of the 1,716 ongoing DCIS investigations, 161 are related to Illegal Technology Transfer or Counter Proliferation.

Aerospace Company Owner Sentenced for Export Violations

DCIS, Homeland Security Investigations, the Department of Commerce OIG, the Department of Transportation OIG, and the Federal Bureau of Investigation jointly investigated allegations that William Vanmanen and his business, BV Aerospace, violated the Arms Export Control Act and other statutes. Vanmanen attempted to purchase and export aircraft components to Hong Kong, for possible end-use in Iran, without the requisite licenses from the U.S. Government.

In 2012, Customs and Border Protection officers seized two shipments from BV Aerospace. The first shipment was mislabeled and contained a fuel filter outlet connector tube for military fighter aircraft. The fuel filter outlet connector tube was classified on the U.S. Munitions List, and a license from the State Department was required to export the item. However, BV Aerospace did not obtain a license to ship the fuel filter outlet connector tube. As there was no approved license, the item was seized for violation of the International Traffic in Arms Regulations. The second shipment contained an aircraft liquid oxygen converter. Although the item had aerospace applications, the shipment was mislabeled as an item that did not have aerospace applications. The item was subsequently seized in accordance with violations of Fraud Involving Aircraft or Space Vehicle Parts in Interstate or Foreign Commerce.

Subsequent investigation indicated that Vanmanen shipped aircraft parts without obtaining the proper licenses, undervalued parts, concealed and mislabeled U.S. Munitions List parts, and forged the signatures of Federal Aviation Administration employees.

On October 3, 2019, Vanmanen was sentenced to 30 months in prison, 24 months of supervised release, and a \$300 special assessment fee. Previously, on March 11, 2016, Vanmanen pleaded guilty to one count of attempting to violate the Arms Export Control Act, one count of fraud involving aircraft parts in interstate commerce, and one count of failure to file export information.

Cyber Crimes and Computer Network Intrusion

DCIS investigates cyber crimes and computer network intrusions and provides digital exploitation and forensics services in support of traditional investigations. DCIS places emphasis on crimes that involve the compromise and theft of sensitive Defense information contained in Government and DoD contractor information systems. DCIS is particularly focused on cases in which contract fraud by DoD IT contractors has factored in the penetration of DoD networks or the loss of DoD information. Of the 1,716 ongoing DCIS investigations, 67 are related to Cyber Crimes and Computer Network Intrusion.

Company Agreed to Pay \$900,000 to Resolve Contract Dispute Related NDU Hacking Incident

*Updated as of July 30, 2020

DCIS and the Army Criminal Investigation Command jointly investigated allegations that IBM violated the False Claims Act.

In 2003, IBM was awarded a contract to provide information technology support to the National Defense University (NDU), an educational institution funded by the DoD. In 2008, the NDU suffered a computer hacking incident. The hackers accessed approximately eight computers and stole approximately 367 files. The hack of the NDU was part of a large-scale hack that targeted multiple educational institutions.

During the investigation of the NDU hacking incident, it was alleged that IBM did not fulfill its contractual obligations to provide substantial network security services.

On October 9, 2019, IBM agreed to pay the Government \$900,000 to settle the contract claim made in accordance with the Contract Disputes Act of 1978 with no admission of liability.

Connecticut Man Sentenced for the Theft of Service Member's Medical Severance Payment

DCIS and the Defense Finance and Accounting Service jointly investigated allegations that Christopher Teixeira stole a service member's medical severance payment.

A Navy service member was scheduled to receive a medical severance payment from the DoD in January 2017. The service member provided his MyPay login and password information to Teixeira, who he trusted with certain financial responsibilities. MyPay is an online portal that is used to conduct financial transactions with the Defense Financial and Accounting Service.

On January 10, 2017, before the service member was to receive the medical severance payment, Teixeira logged into the service member's MyPay account and changed the service member's direct deposit information. Because Teixeira changed the direct deposit information, the Defense Financial Accounting Service sent the service member's \$57,255.66 medical severance payment to an account controlled by Teixeira. In order to avoid detection, Teixeira logged back into the service member's MyPay account and reverted the direct deposit information back to the service member's bank account. Teixeira also used the service member's personally identifiable information to fraudulently obtain a personal loan and credit card from Navy Federal Credit Union.

On October 17, 2018, Teixeira pleaded guilty to one count of wire fraud, and he was sentenced to 6 months in prison and 2 years of supervised release. Teixeira was also ordered to pay \$76,457.50 in restitution.

Ohio Man Sentenced for Launching Denial of Service Attacks Against the DoD

DCIS and the Federal Bureau of Investigation jointly investigated allegations that James E. Robinson damaged Government computers.

A distributed denial of service platform enabled by malicious software Webstresser allowed users to target and overwhelm networks with malicious network traffic. Between January and April 2018, Robinson conducted at least 24 such attacks on DoD networks by using the Webstresser distributed denial of service platform. Robinson also used Webstresser

to attack networks that are operated by local and state governments, as well as networks operated by Federal entities other than the DoD. Robinson intended to use the distributed denial of service software to disrupt DoD, state and local government operations by making network resources unavailable to it intended users.

On March 6, 2019, Robinson previously pleaded guilty to damaging protected computers, and on October 3, 2019, he was sentenced to 6 years in prison and 3 years of supervised release. Robinson was ordered to pay \$668,684, of which \$27,594 went to restitution and \$10,500 went to the DoD.

Of the 1,716 ongoing DCIS investigations, there are an additional 49 ongoing investigations in which the allegations are not counted as part of the previously mentioned sections.

Asset Forfeiture Division

The DCIS Asset Forfeiture Division provides civil and criminal forfeiture support to DCIS investigations. Forfeiture counts are included in indictments, criminal information, and consent agreements when warranted by the evidence. The division seeks to deprive criminals of proceeds and property used or acquired through illegal activity, both in the United States and overseas.

During this 6-month reporting period, DCIS seized assets totaling \$19.76 million, consisting of U.S. currency, financial instruments, real property, vehicles and vessels. In addition, DCIS obtained final orders of forfeiture totaling \$6 million, and money judgments in the amount of \$3.7 million. This data is valid as of March 31, 2020.

Figure 2.1 Asset Forfeiture Program as of March 31, 2020

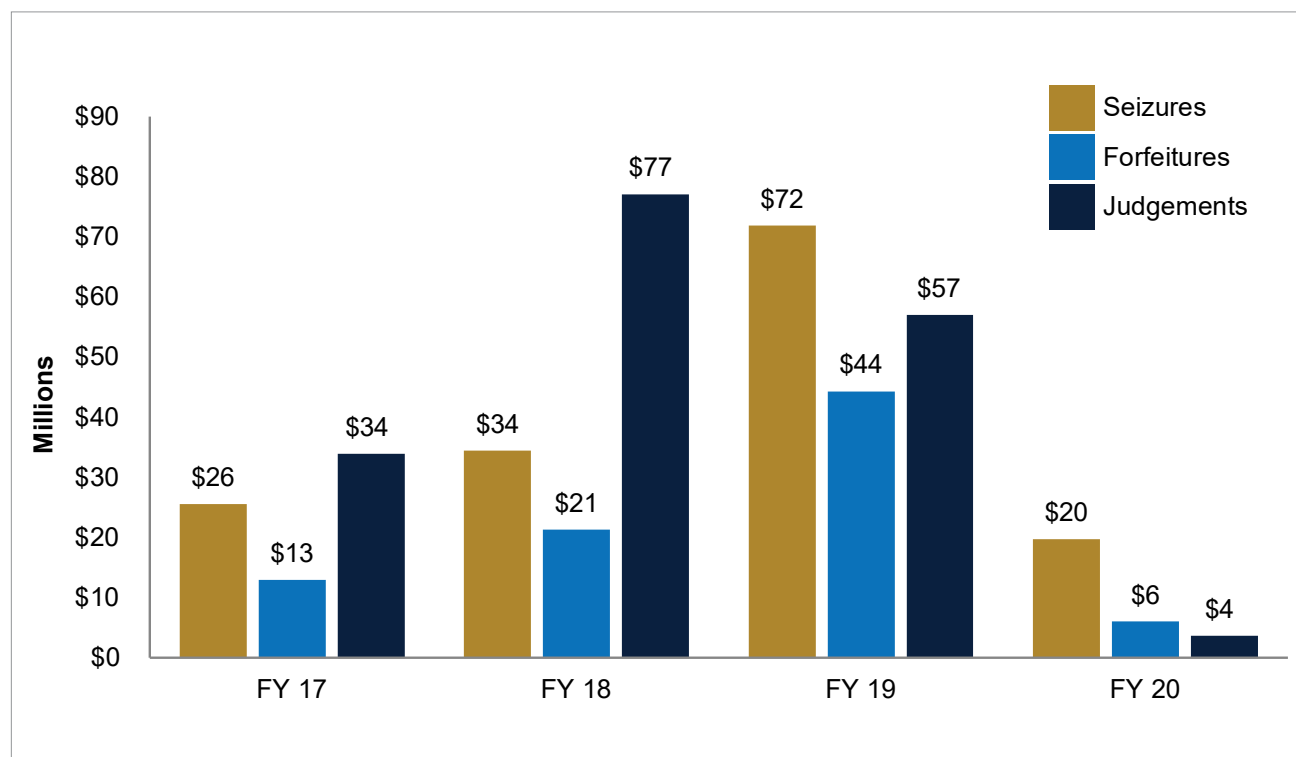


Figure 2.2 Seized Assets by Type October 1, 2019 – March 31, 2020

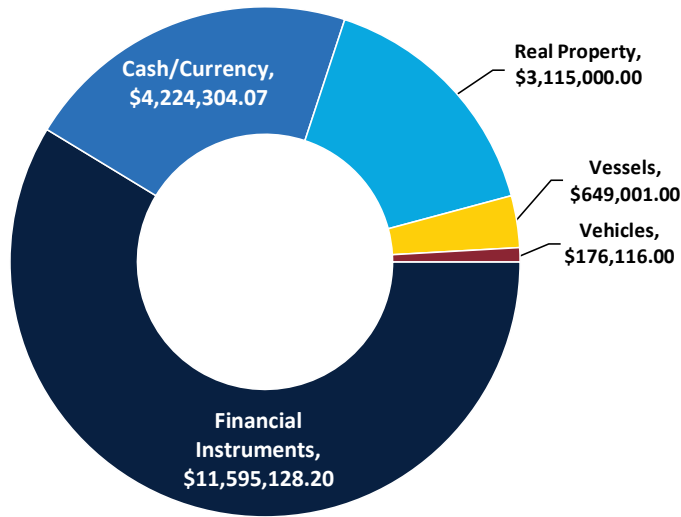


Figure 2.3 DoD OIG Subpoenas Issued in First Half of FY 2020

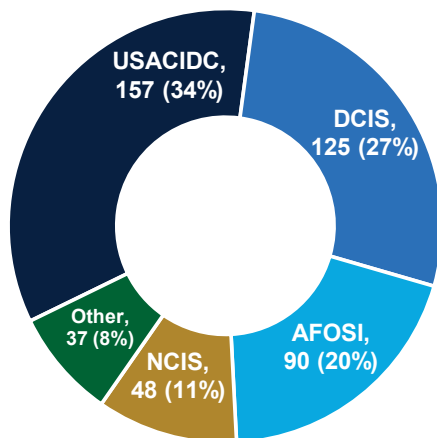
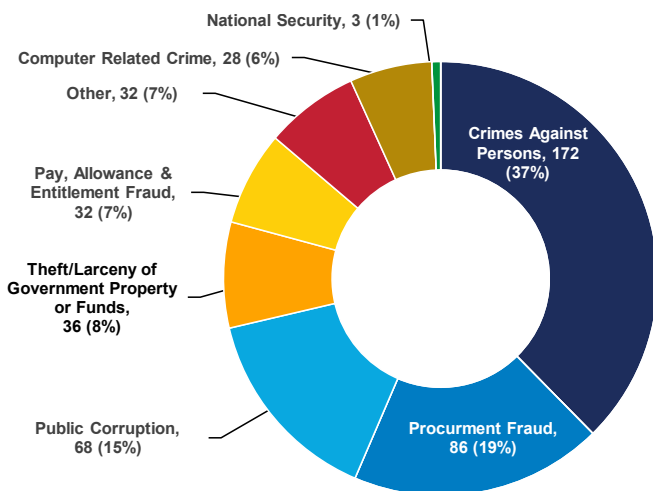


Figure 2.4 Subpoenas Issued in First Half of FY 2020 by Type of Investigation



Subpoena Program

The DoD OIG’s authority to issue subpoenas is based on sections 6 and 8 of the IG Act of 1978, as amended. The DoD OIG issues subpoenas on behalf of the Defense Criminal Investigative Organizations and other DoD law enforcement organizations. A DoD OIG subpoena request must meet three criteria:

- the subpoena can only be issued for investigations within the legal authority of the IG;
- the information sought must be reasonably relevant to the IG investigation, audit, or evaluation; and
- the subpoena cannot be unreasonably broad or unduly burdensome.

According to the IG Act, the DoD OIG can issue subpoenas to obtain business, personnel, financial, and state and local government records. Records obtained by subpoena may also be used to locate witnesses, confirm statements made by witnesses or subjects, and provide other relevant information.

DCIS Investigations of Cases Involving Senior Government Employees

The IG Empowerment Act of 2016 modified the IG Act of 1978 to require reporting of investigations involving senior Government employees (GS-15 or O-6 and above) where the allegations of misconduct were substantiated or closed and not disclosed to the public.

- A complaint alleged that an Army GS-15 employee received gratuities from a DoD contractor. The investigation revealed that the contractor paid the GS-15 employee for preferential treatment during the contracting process. The contractor also arranged a \$500,000 loan for the GS-15 employee. The GS-15 employee was sentenced to 46 months in prison and 3 years of supervised release for taking illegal gratuities, making false statements to Federal law enforcement officers, and tax evasion. The GS-15 employee was ordered to pay \$325,800 in restitution, a \$100,000 fine, and a \$500 special assessment fee. The GS-15 employee was also debarred from Government contracting.
- A complaint alleged that a GS-15 employee violated multiple ethical rules, accepted illegal contractor gifts, and engaged in prohibited conflicts of interest. The investigation did not substantiate the allegations. This investigation is now closed.
- A complaint alleged that a GS-15 employee engaged in a conflict of interest. The GS-15 owned a company that was doing business with the employee's agency. The company entered into a non-prosecution agreement with the Department of Justice and paid the Government a \$300,000 settlement. No further civil, criminal, or administrative actions were taken.

- An investigation was initiated regarding suspicious financial transactions associated with a GS-15 National Geospatial-Intelligence Agency employee. Eighty suspicious financial transactions occurred between November 2002 and October 2016. An investigation determined that the financial activity had a legitimate purpose. This investigation is closed.

ADMINISTRATIVE INVESTIGATIONS

The DoD OIG's Administrative Investigations (AI) Component consists of three directorates:

- DoD Hotline,
- Whistleblower Reprisal Investigations, and
- Investigations of Senior Officials.

DoD Hotline

The mission of the DoD Hotline is to provide a confidential, reliable means to report violations of law, rule, or regulation; fraud, waste, and abuse; mismanagement; trafficking in persons; serious security incidents; and other criminal or administrative misconduct that involves DoD personnel and operations, without fear of reprisal. The DoD Hotline also manages the Contractor Disclosure Program.

Using a Priority Referral Process, the DoD Hotline receives, triages, and refers cases to DoD OIG components, Military Services, Defense agencies, and DoD field activities based on the following Hotline referral metrics criteria.

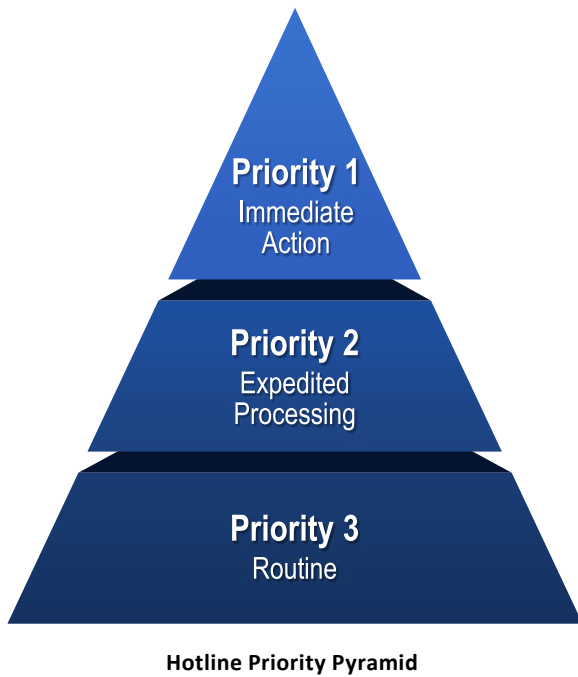


Fraud, Waste, & Abuse

HOTLINE

Department of Defense

dodig.mil/hotline | 800.424.9098



Priority 1: Immediate Action/Referred Within 1 Day

- Intelligence matters, including disclosures under the Intelligence Community Whistleblower Protection Act.
- Significant issues dealing with the DoD nuclear enterprise.
- Substantial and specific threats to public health or safety, pandemics, DoD critical infrastructure, or homeland defense.
- Unauthorized disclosure of classified information.

Priority 2: Expedited Processing/Referred Within 3 Days

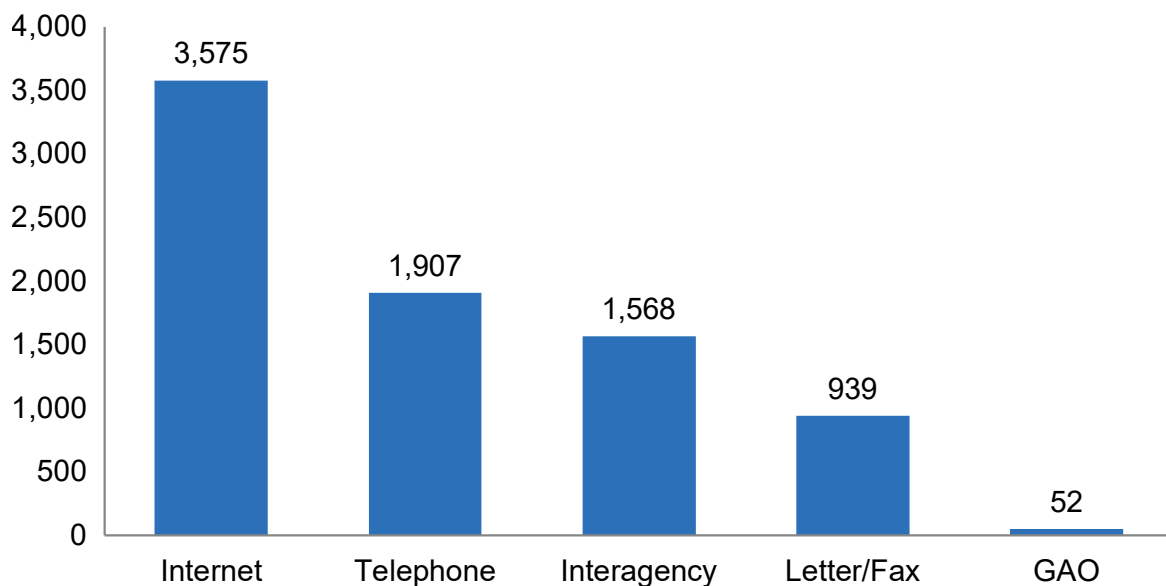
- Misconduct by DoD auditors, evaluators, inspectors, investigators, and IGs.
- Senior official misconduct.
- Whistleblower reprisal.
- Allegations originating within a designated Overseas Contingency Operation area.

Priority 3: Routine/Referred Within 10 Days

- All other issues.

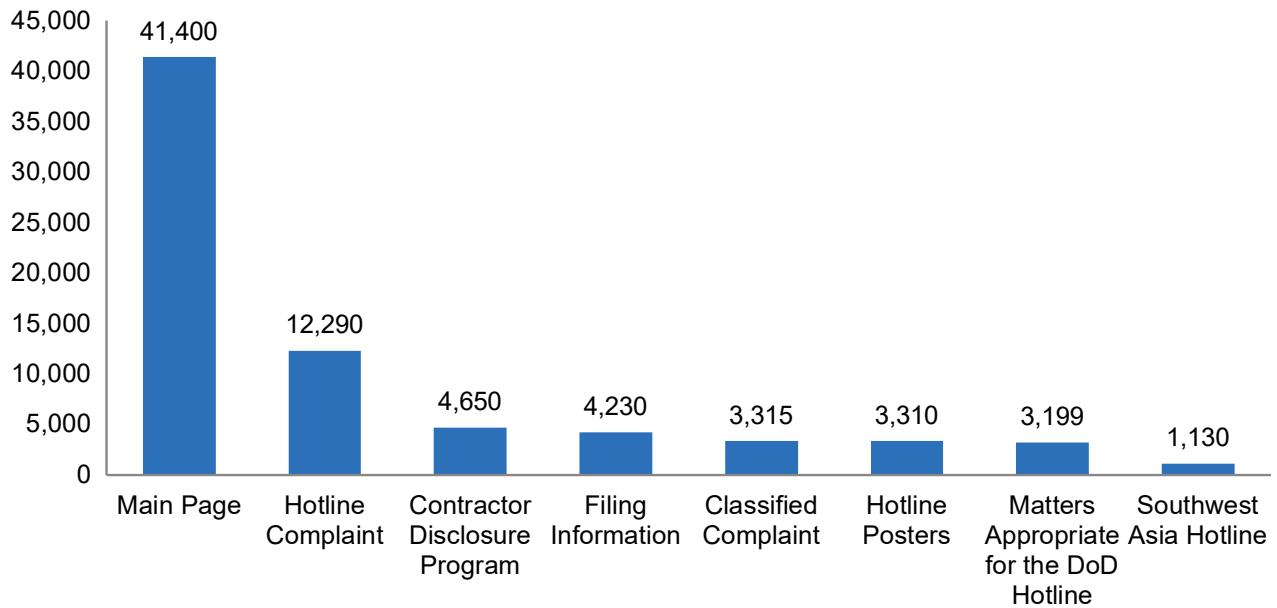
From October 1, 2019, through March 31, 2020, the DoD Hotline received 8,041 contacts. The figure below shows the contacts received by origin.

Figure 2.5 Hotline Contacts Received By Origin October 1, 2019 – March 31, 2020



From October 1, 2019, through March 31, 2020, DoD Hotline webpages received 73,524 views, a 66-percent increase compared to the previous 6 months. We believe that this increase is due to changes made to DoD Hotline webpages that increased page visibility and access to the public. The figure below shows the number of visits to various fraud, waste, and abuse information pages.

Figure 2.6 Most Visited Pages on the DoD Hotline Website, October 1, 2019 – March 31, 2020



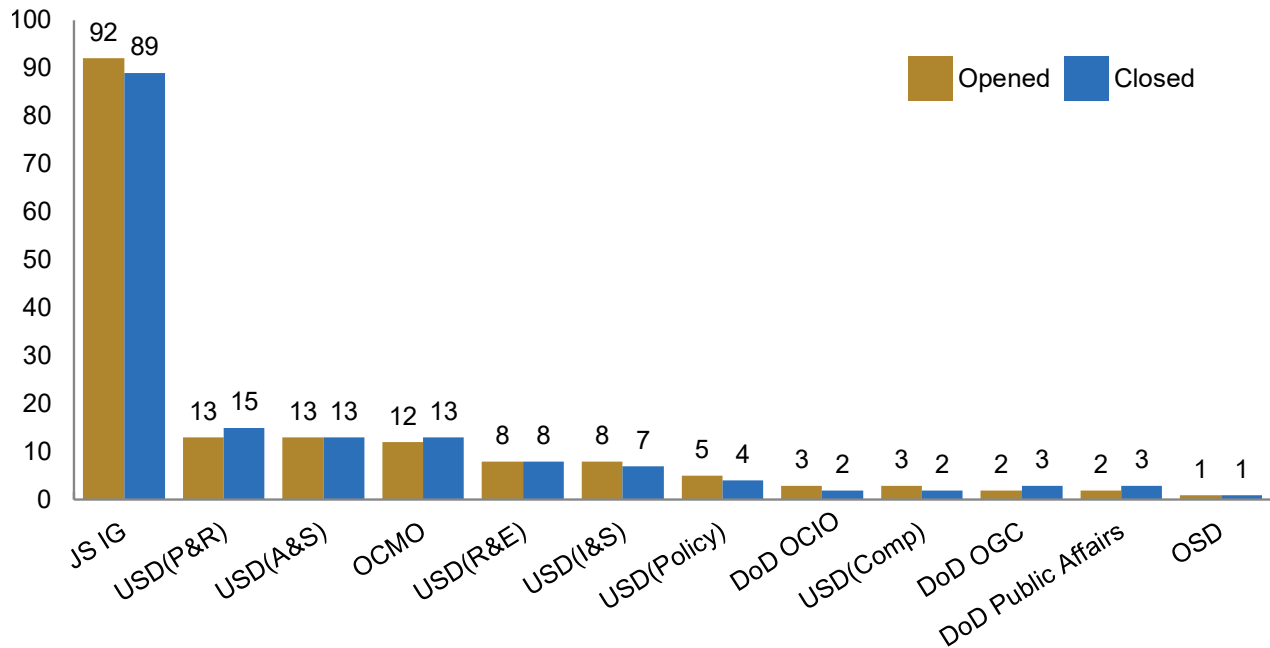
A DoD Hotline contact becomes a case when the Hotline opens and refers the case for action or information to a DoD OIG component, a Military Service, DoD agency, DoD field activity, or other agency outside the DoD. An action case referral requires the receiving agency to conduct an investigation. The Hotline case is not closed until the DoD Hotline receives and approves a Hotline Completion Report. An information case referral only requires action that the recipient agency deems appropriate. The DoD Hotline closes information cases after verifying receipt by the intended agency.

From October 1, 2019, through March 31, 2020, the DoD Hotline opened 3,747 cases and closed 3,437 cases.

The following charts show the referrals that the DoD Hotline made to the Office of the Secretary of Defense, DoD agencies and field activities, the Military Services, and DoD OIG components. Cases with no DoD affiliation were transferred to non-DoD agencies.

The DoD Hotline opened a total of 162 cases and closed 160 cases referred to the Office of the Secretary of Defense.

Figure 2.7 DoD Hotline Cases Opened and Closed—Office of the Secretary of Defense for October 1, 2019 – March 31, 2020



The DoD Hotline opened a total of 483 cases and closed 405 cases referred to DoD agencies and field activities.

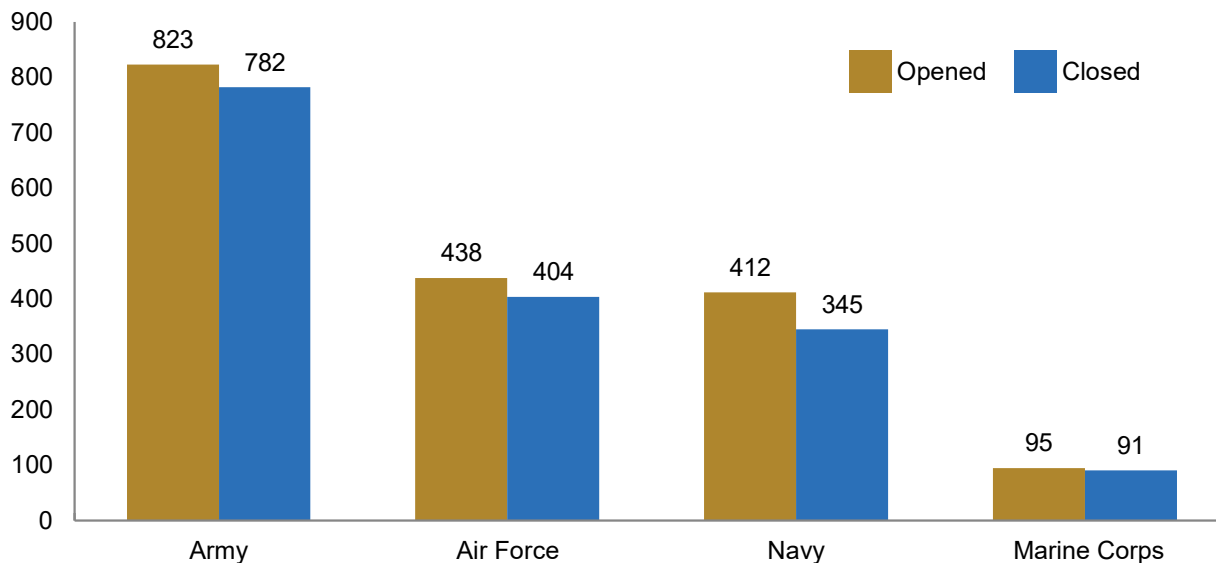
Table 2.5 DoD Hotline Cases Opened and Closed—DoD Agencies and Field Activities for October 1, 2019 – March 31, 2020

Agency	Opened	Closed
DCMA	163	86
DCSA	78	77
DHA	45	43
DFAS	34	35
DLA	27	26
DCAA	24	26
DECA	16	19
MDA	12	8
DISA	11	9
DIA	10	9
DODEA	10	12
AAFES	8	7
NGA	8	6
WHS	7	8
PFPA	6	8
Defense POW/MIA	4	4
DSCA	4	4
DTRA	4	4
DMA	3	3
NSA	3	4
DARPA	2	2
USUHS	2	3
NRO	1	1
Other	1	1
Total	483	405

CORE MISSION AREAS

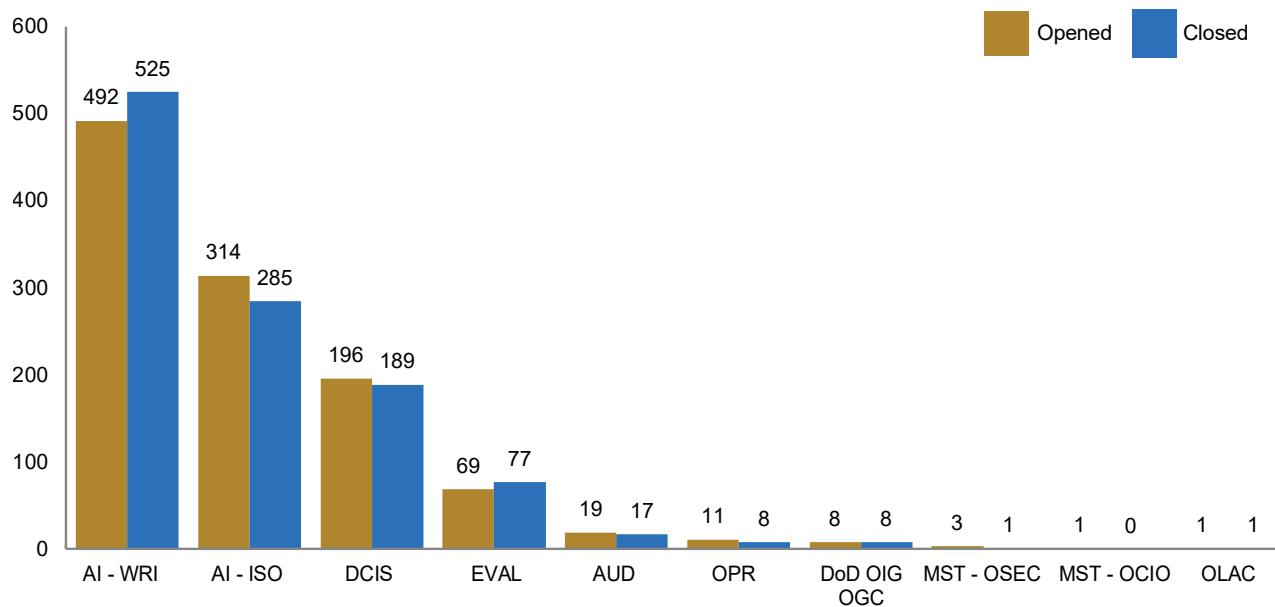
The DoD Hotline opened a total of 1,768 cases and closed 1,622 cases referred to the Military Services.

Figure 2.8 DoD Hotline Cases Opened and Closed—Military Services for October 1, 2019 – March 31, 2020



The DoD Hotline opened 1,114 cases and closed 1,111 cases referred to DoD OIG components.

Figure 2.9 Hotline Cases Opened and Closed—DoD OIG Components for October 1, 2019 – March 31, 2020



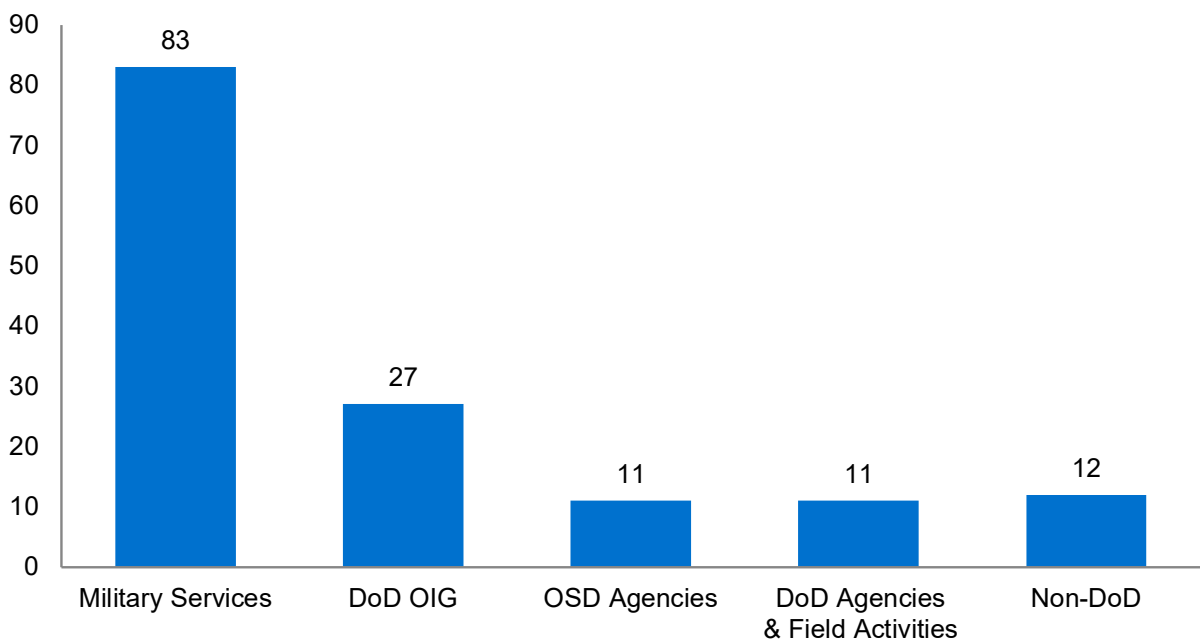
The DoD Hotline transferred 220 cases and closed 139 cases to non-DoD agencies.

Table 2.6 Non-DoD Cases Opened and Closed for October 1, 2019 – March 31, 2020

Agency	Opened	Closed	Agency	Opened	Closed
CDP Stakeholders	92	13	DOI	2	2
State or Local LEO	33	32	SBA	2	2
FBI	18	18	USPS	2	2
VA	14	15	DOC	1	1
CDC	9	9	DOE	1	1
DHS	8	8	DOT	1	1
FAA	6	6	EPA	1	1
NASA	5	5	OPM	1	1
DoS	5	5	U.S. Courts	1	1
GSA	5	1	DOJ	1	2
GAO	4	4	DOL	1	1
USSS	4	4	CIA	0	1
HHS	3	3	Total	220	139

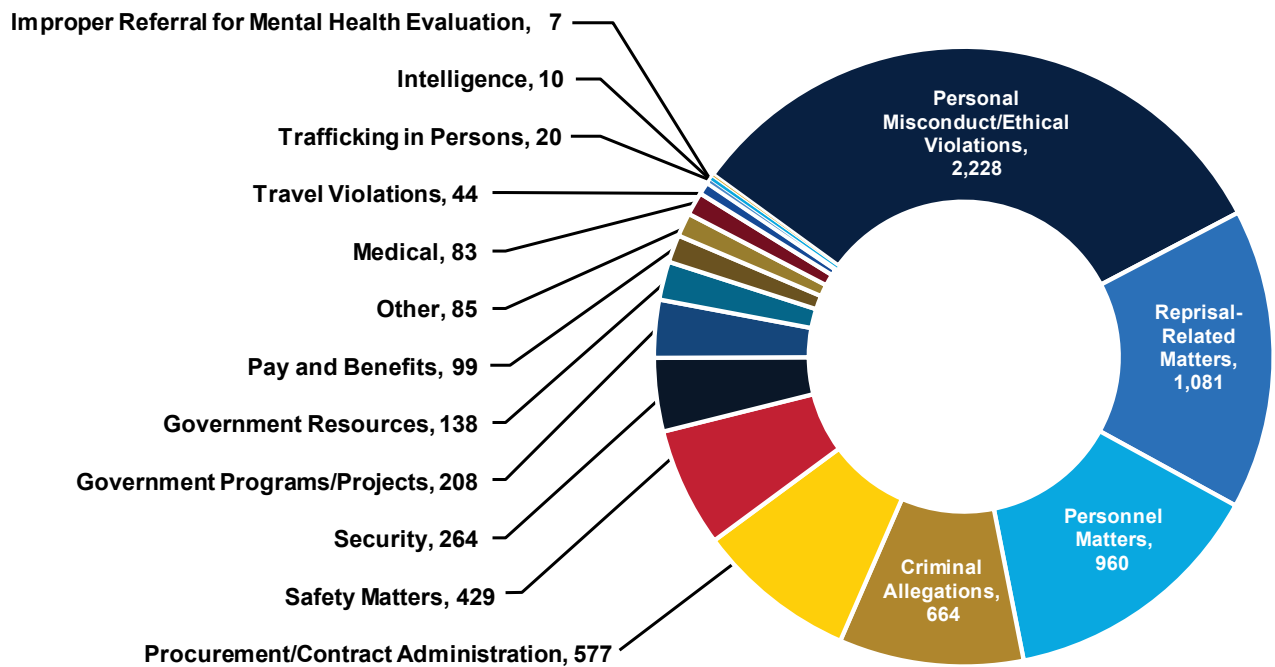
From February 26, 2020, to March 31, 2020, the DoD Hotline received 146 contacts regarding the COVID-19 pandemic. Allegations ranged from leaders or personnel not practicing social distancing and endangering or infecting others to allegations that health care personnel were not being properly used or properly protected from the virus. The most serious cases alleging actual infection were referred to the Centers for Disease Control and Prevention, the Defense Health Agency (DHA), and the respective DoD Component. As of March 31, 2020, none of the complaints alleging actual infection were substantiated.

Figure 2.10 DoD Hotline COVID-19 Cases Referred for October 1, 2019 – March 31, 2020



The majority of allegations that the DoD Hotline received are related to personal misconduct, reprisal-related matters, personnel matters, and criminal allegations. The following chart reflects the types of allegations in the cases that the DoD Hotline opened in this reporting period.

Figure 2.11 Types of Allegations Received by the DoD Hotline for October 1, 2019 – March 31, 2020



Significant DoD Hotline Cases and Cost Savings

The following are examples of significant results from DoD Hotline cases in this semiannual period.

- Subsequent to a complaint to the DoD Hotline, a U.S. Army Corps of Engineers investigation substantiated allegations that an Army civilian employee directed the continued use of a 30-ton mobile crane that was flagged as unsafe due to hydraulic stabilizers operating improperly. Additionally, management directed employees to use self-contained breathing apparatus equipment without proper training. The civilian employee was removed from his position. The command directed that the Emergency Response Team be reorganized and a new Emergency Response Team program be developed.
- Subsequent to a complaint to the DoD Hotline, a Defense Criminal Investigative Service investigation substantiated allegations that a Defense contractor billed the DoD for hazard pay and danger pay, but did not pass on the pay to its employees. The contractor reserved the funds as additional profit. The contractor improperly billed amounts for Federal Insurance Contributions Act taxes on hazard pay and danger pay in excess of an individual's base pay, and, in most instances, in excess of the statutory cap for the employees. The contractor agreed to pay \$4.02 million in restitution.

Contractor Disclosure Program

A contractor disclosure is a written disclosure by a DoD contractor or subcontractor to the DoD OIG that addresses credible evidence that the contractor or subcontractor has committed a violation in connection with the award, performance, or closeout of a contract or any subcontract. Such disclosures are required by Federal Acquisition Regulation Rule 52.203-13, which implements the “Close the Contractor Fraud Loophole Act” contained in Public Law 110-252.

From October 1, 2019, through March 31, 2020, the DoD OIG received 176 contractor disclosures, which identified approximately \$7,263,858 of potential monetary recovery for the Government.

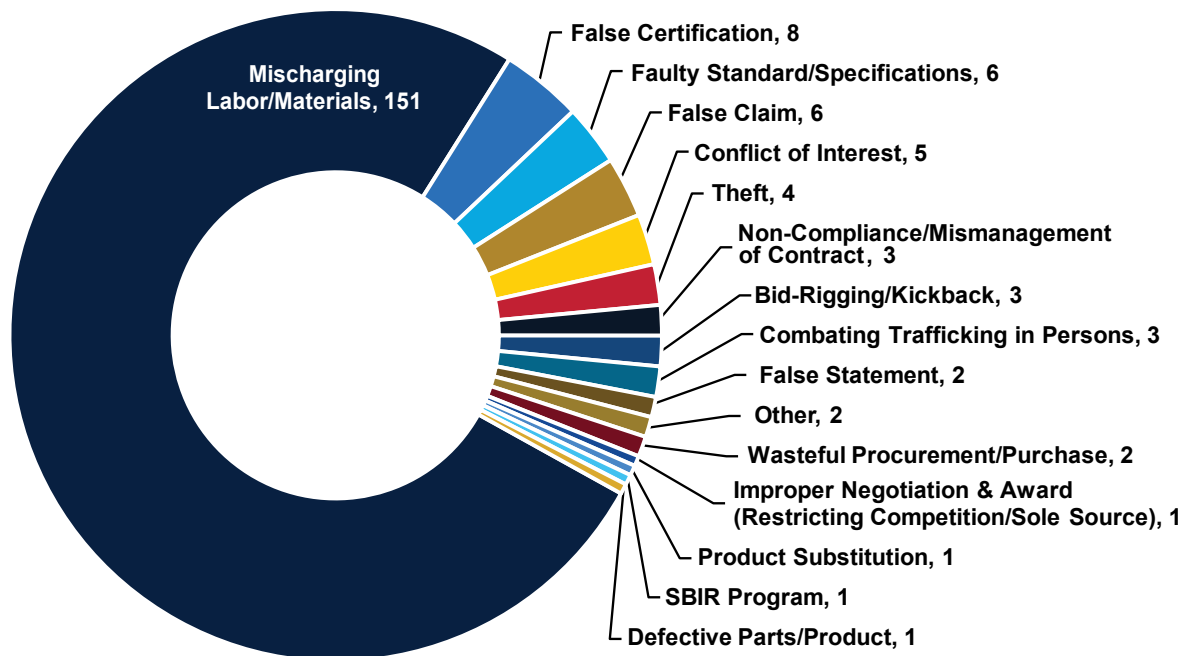
Significant Contractor Disclosure Program Cases and Cost Savings

- Subsequent to a contractor disclosure to the DoD OIG in 2017, a Defense contractor determined that pricing errors totaling \$5,705,338 were discovered during a review of their pricing and

negotiation history of several Government contracts. The discrepancy caused a domino effect involving prior payments and profits impacting several subcontractors. The Defense Contract Audit Agency conducted a disposition analysis and the Defense Contract Management Agency issued a demand letter to the contractor for payment of \$8,115,388, which was received in December 2019. Upon further analysis and review by the contractor, it was determined that the Government was owed, and the contractor reimbursed, \$8,444,344.02 to the Government.

- Subsequent to a contractor disclosure to the DoD OIG in 2020, a Defense contractor determined that 260 incidents of time mischarging occurred during a 5-year period prior to 2016. The contractor paid the Government \$3,760,356 to account for possible overpayments. A review is underway by the Defense Contract Audit Agency and the Defense Contract Management Agency to discern the accuracy of the payment made by the contractor.

Figure 2.12 Types of Allegations Received by the DoD Hotline Contractor Disclosure Program for October 1, 2019 – March 31, 2020



Note: Multiple allegations may be reported in a single Contractor Disclosure.

Whistleblower Reprisal Investigations

The Whistleblower Reprisal Investigations (WRI) Directorate investigates allegations of whistleblower reprisal made by:

- (1) members of the Armed Forces;
- (2) appropriated fund (civilian) employees of the DoD, including members of the DoD intelligence community and DoD employees with access to classified information;
- (3) employees of DoD contractors, subcontractors, grantees, subgrantees, and personal service contractors; and
- (4) non-appropriated fund instrumentality employees who are paid from non-appropriated funds generated by Military Service clubs, bowling centers, golf courses, and other activities.

The WRI Directorate also conducts oversight reviews of whistleblower reprisal investigations of these types of allegations, which are performed by the Services and Defense agency OIGs.

In addition, the WRI Directorate investigates and oversees investigations of allegations that service members were restricted from communicating with a Member of Congress or an IG.

The WRI Directorate conducts these investigations under the authority of the IG Act of 1978, Presidential Policy Directive 19, and 10 U.S.C. §§ 1034, 1587, and 2409.

Alternative Dispute Resolution Program

The DoD OIG has established an alternative dispute resolution (ADR) program in the WRI Directorate, similar to the program used by the Office of Special Counsel. ADR can be used to resolve reprisal complaints filed by employees of non-appropriated fund instrumentalities and DoD contractors, subcontractors, grantees, sub-grantees, and personal services contractors, as well as certain other qualified types of cases. ADR is a voluntary process in which parties use mediation or facilitated settlement negotiations to seek resolution of a complaint prior to an otherwise lengthy investigative process, or at any point during the handling of the complaint. Voluntary resolutions through ADR can help reduce the time for

resolving cases, and can also allow limited investigative resources to be allocated to completing other investigations in a timely manner. In addition, early resolution through settlements can provide voluntary relief for whistleblowers in a timely fashion.

The ADR process is facilitated by a DoD OIG ADR attorney, who helps the parties resolve the complaint. If both parties in a complaint (the complainant and employer) agree to participate in ADR, the ADR attorney works with the parties to facilitate negotiations or a mediation. During this process, parties have the opportunity to explain their interests and concerns, explore possible solutions, and negotiate a resolution. WRI ADR attorneys serve as neutral third parties, assisting complainants and employers who voluntarily agree to participate in ADR with the goal of reaching settlement agreements to resolve reprisal complaint cases. Notably, settlements provide beneficial outcomes for both parties, including time and financial factors. Examples of resolutions include monetary relief, expungement of negative personnel records, neutral references, re-characterizing discharge as resignation, temporary reinstatement until new employment is secured, training of agency personnel, debt forgiveness, reassignment, leave restoration, and reportedly improved working relationships.

During the reporting period, as a result of the DoD OIG's ADR process, 19 cases involving allegations of whistleblower reprisal were voluntarily resolved by the complainants and their employers. As of the end of the reporting period, the DoD OIG had 59 cases in the ADR process.

Whistleblower Protection Coordinator

The Whistleblower Protection Coordinator (WPC) began implementing a comprehensive strategy to educate DoD employees about prohibitions on retaliation for protected disclosures and remedies for retaliation. The strategy includes the use of media platforms, face-to-face engagements, and training packages to:

- educate DoD employees about retaliation, including the means by which employees may seek review of any allegation of reprisal, and educate employees about the roles of the OIG, Office of Special Counsel, Merit Systems Protection Board, and other Federal agencies that review whistleblower reprisal;

- provide general information about the timeliness of such cases, the availability of any alternative dispute mechanisms, and avenues for potential relief;
- assist the DoD OIG in promoting the timely and appropriate handling and consideration of protected disclosures and allegations of reprisal, to the extent practicable; and
- assist the DoD OIG in facilitating communication and coordination with the Office of Special Counsel, the Council of the Inspectors General on Integrity and Efficiency, Congress, and other agencies that review whistleblower reprisals regarding the timely and appropriate handling and consideration of protected disclosures, allegations of reprisal, and general matters regarding the implementation and administration of whistleblower protection laws, rules, and regulations.

During this reporting period, the WPC continued to provide information regarding the whistleblower protection statutes and avenues whistleblowers may seek for review of reprisal allegations. Additionally, the WPC received 304 contacts and 12,442 visits to WPC webpages.

Reprisal Investigations

During the reporting period, the DoD OIG received a total of 918 complaints alleging reprisal and restriction of a service member from communicating with a Member of Congress or an IG.

Tables 2.7 and 2.8 show the status of complaints, as of March 31, 2020, that WRI received through the Hotline at the DoD OIG and the Service and Defense agency IGs during this reporting period. Of the 918 complaints received during this period, 490 were received at the DoD OIG and 428 were received at either a Service or Defense agency IG and then reported to the DoD OIG.

Of the 490 complaints that the DoD OIG received during this reporting period:

- 83 were under review or investigation by the DoD OIG,
- 319 were dismissed as having insufficient evidence to warrant an investigation or were withdrawn,
- 4 were resolved through the ADR process,
- 42 were referred to either a Service or Defense agency OIG, and
- 42 were being reviewed under the ADR process at the DoD OIG.

Figure 2.13 Complaints Received DoD-Wide

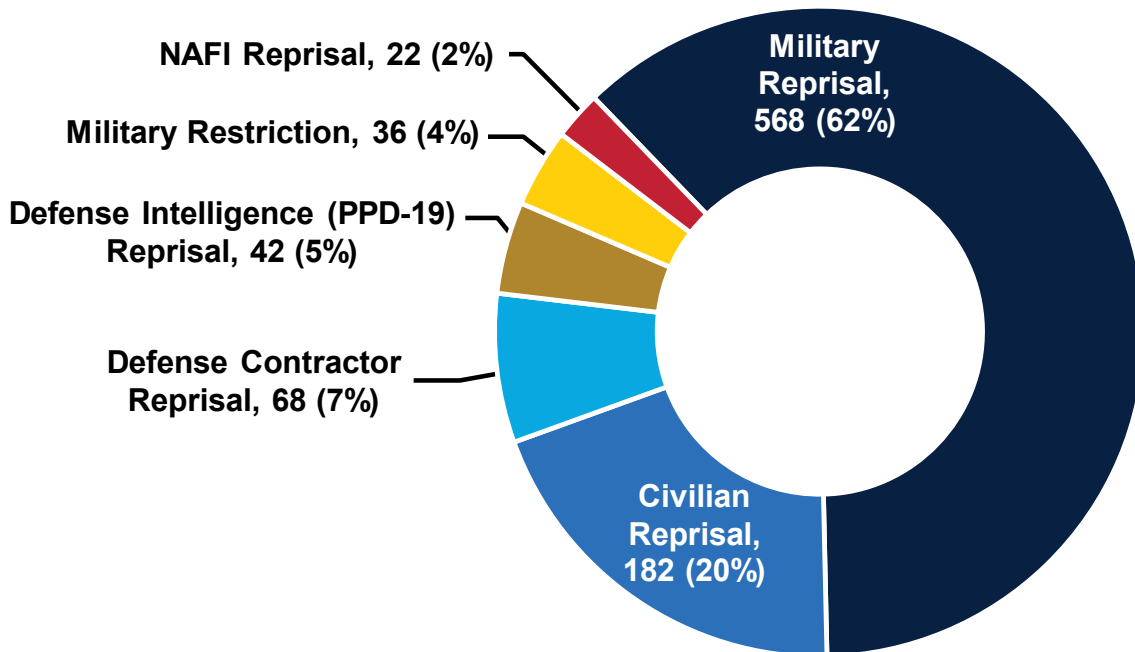


Table 2.7 Reprisal and Restriction Complaints Processed by the DoD OIG, Received in October 1, 2019 – March 31, 2020

Complaint Type	Received at the DoD OIG	Status as of March 31, 2020					
		Open Intake	Retained for DoD OIG Investigation	Dismissed Intake	Resolved*	Open ADR	Referred to the Component
Processed by the DoD OIG							
Military Reprisal	190	46	3	104	0	0	37
NAFI Reprisal	22	7	0	3	2	10	0
Defense Contractor Reprisal	68	14	0	23	2	29	0
Civilian Reprisal	178	9	0	168	0	1	0
Defense Intelligence (PPD-19) Reprisal	25	3	1	17	0	2	2
Subtotal FY20 (1st Half)	483	79	4	315	4	42	39
Military Restriction	7	0	0	4	0	0	3
Total FY20 (1st Half)	490	79	4	319	4	42	42

*These figures represent all complaints the Components reported to the DoD OIG as having been received.

Table 2.8 Reprisal and Restriction Complaints Processed by Component OIG, with DoD OIG Oversight, Received October 1, 2019 – March 31, 2020

Complaint Type	Received at the Component OIG*	Status as of March 31, 2020				
		Assumed by the DoD OIG	Submitted to the DoD OIG for Review	Closed by the DoD OIG (Complainant Notification Pending)	Closed by the DoD OIG (Complainant Notified)	Open at the Component
Processed by Component OIG, with DoD OIG Oversight						
Military Reprisal	378	14	7	11	116	230
Defense Contractor Reprisal	0	0	0	0	0	0
Civilian Reprisal	4	1	0	0	0	3
Defense Intelligence (PPD-19) Reprisal	17	6	0	2	2	7
Subtotal FY20 (1st Half)	399	21	7	13	118	240
Military Restriction	29	2	0	1	5	21
Total FY20 (1st Half)	428	23	7	14	123	261
Grand Total FY20 (1st Half)	918					

*These figures represent all complaints the Components reported to the DoD OIG as having been received.

Of the 428 complaints received at a Service or Defense agency IG and then reported to the DoD OIG, as of March 31, 2020:

- 23 were assumed by the DoD OIG for review and investigation,
- 7 were submitted to and under review at the DoD OIG,
- 14 were closed by the DoD OIG pending notification to the complainant,
- 123 were closed by the DoD OIG and the complainant notified, and
- 261 were still open.

Table 2.9 shows the number and type of complaints closed by the DoD OIG and the Service and Defense agency IGs during this reporting period. Of the 1,100 complaints closed this period:

- 781 were dismissed without an investigation,
- 70 were withdrawn,
- 19 were resolved through the ADR process, and
- 230 were closed following full investigation by either the DoD OIG or a Service or Defense agency IG.

Of the 230 investigations closed, 198 involved whistleblower reprisal (29 substantiated) and 32 involved restriction from communicating with a Member of Congress or an IG (10 substantiated).

Table 2.9 Reprisal and Restriction Complaints Closed October 1, 2019 – March 31, 2020

	Total Closed	Dismissed	Withdrawn	Resolved*	Investigated	Substantiated Cases	Substantiated Rate	Referred to the Component**
Complaint Type	Processed by the DoD OIG							
Military Reprisal	172	157	6	1	8	3	38%	42
NAFI Reprisal	21	8	2	8	3	0	0%	0
Defense Contractor Reprisal	69	45	11	10	3	1	33%	0
Civilian Reprisal	185	181	2	0	2	0	0%	0
Defense Intelligence (PPD-19) Reprisal	43	41	2	0	0	0	0%	2
Subtotal FY20 (1st Half)	490	432	23	19	16	4	25%	44
Military Restriction	6	6	0	0	0	0	0%	2
Total FY20 (1st Half)	496	438	23	19	16	4	25%	46
Complaint Type	Processed by the Component OIG, with DoD OIG Oversight							
Military Reprisal	544	321	46	0	177	24	14%	
Civilian Reprisal	1	1	0	0	0	0	0%	
Defense Intelligence (PPD-19) Reprisal	10	5	0	0	5	1	20%	
Subtotal FY20 (1st Half)	555	327	46	0	182	25	14%	
Military Restriction	49	16	1	0	32	10	31%	
Total FY20 (1st Half)	604	343	47	0	214	35	16%	
Grand Total FY20 (1st Half)	1100	781	70	19	230	39	17%	

* Resolved denotes cases that underwent the newly established Alternative Dispute Resolution process and resulted in a settlement between the complainant and the employer.

** Cases were initially handled by the DoD OIG and referred to the Service/Component OIG for investigation with DoD OIG Oversight.

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Tables 2.10 and 2.11 show the number and type of open complaints with the DoD OIG and the Service and Defense agency IGs at the end of this reporting period. Of the 828 total complaints as of March 31, 2020:

- 59 were being reviewed under the ADR process at the DoD OIG,
- 127 were being analyzed by the DoD OIG,
- 618 were being analyzed by a Service or Defense agency IG, and
- 24 were submitted by a Service or Defense agency IG to the DoD OIG for review.

Table 2.10 Reprisal and Restriction Complaints Processed by the DoD OIG Open at the End of This Reporting Period* on March 31, 2020

Complaint Type	Total Open	Status as of March 31, 2020		
		ADR**	Intake	Investigation
		Processed by the DoD OIG		
Military Reprisal	68	1	58	9
NAFI Reprisal	25	12	11	2
Defense Contractor Reprisal	69	42	25	2
Civilian Reprisal	12	1	11	0
Defense Intelligence (PPD-19) Reprisal	9	3	3	3
Subtotal FY20 (1st Half)	183	59	108	16
Military Restriction	3	0	2	1
Total FY20 (1st Half)	186	59	110	17

* Open complaints include those received during this reporting period as well as prior reporting periods.

** The Alternative Dispute Resolution is an optional process that both the complainant and the employer may choose to enter to settle the complaint.

Table 2.11 Reprisal and Restriction Complaints Processed by Component OIG, with DoD OIG Oversight, Open at the End of This Reporting Period* on March 31, 2020

Complaint Type	Total Open	Status as of March 31, 2020		
		Ongoing Inquiry		Submitted for Oversight Review
		Referred from the DoD OIG	Received at the Component OIG	
		Processed by the Component IG, with DoD OIG Oversight		
Military Reprisal	573	87	464	22
Civilian Reprisal	8	0	8	0
Defense Intelligence (PPD-19) Reprisal	16	7	9	0
Subtotal FY20 (1st Half)	597	94	481	22
Military Restriction	45	2	41	2
Total FY20 (1st Half)	642	96	522	24
Grand Total FY20 (1st Half)	828			

* Open complaints include those received during this reporting period as well as prior reporting periods.

** The Alternative Dispute Resolution is an optional process that both the complainant and the employer may choose to enter to settle the complaint.

Substantiated Whistleblower Reprisal Cases Closed by the DoD OIG and Service and Defense Agency OIGs

The following are descriptions of all substantiated allegations of reprisal closed during the period.

- An Army sergeant first class rendered an unfavorable noncommissioned officer evaluation report to a subordinate staff sergeant in reprisal after the staff sergeant made a protected communication to the command Equal Opportunity Office representative regarding “defaming” remarks about testimony the staff sergeant gave to an investigating officer for an Army Regulation 15-6 investigation. Corrective action is pending.
- A Navy captain issued a formal negative letter of counseling to a subordinate Navy lieutenant commander in reprisal after the lieutenant made a protected communication to the chain of command regarding potential security issues and discovery of unprotected personal health information and personally identifiable information. The lieutenant commander was granted his requested reassignment and a letter of counseling was not placed in his permanent personnel file. The captain was removed as the lieutenant commander’s supervisor.
- A supervisory civil servant employee threatened to remove a Navy commander from his position and send him back to a previous assignment within the organization in reprisal after the commander reported that the supervisor misused Government-provided information technology, conducted prohibited personnel practices, and conducted contractual impropriety and reprisal. The supervisor made the threat after the commander told the supervisor that the matter would be taken to the IG if the supervisor persisted in this manner. The commander retired from service on time as previously approved. The civil servant resigned from Government employment and command officials made a permanent notation of the adverse findings in the civil servant’s official personnel folder.
- An Air Force master sergeant issued a letter of counseling to an Air Force technical sergeant in reprisal after the technical sergeant told the master sergeant that a subordinate member of the unit felt “targeted” for failure by the master sergeant. The technical sergeant previously reported that two supervisors were not effectively leading their subordinates. The master sergeant received verbal counseling.
- An Army captain denied a request by an Army sergeant first class to attend a military school in reprisal after the sergeant first class filed a complaint with the Equal Opportunity Office regarding the captain’s toxic leadership and abrasive demeanor. The captain received a written reprimand.
- A Navy lieutenant commander removed a petty officer’s ability to deploy and precluded deployment on another occasion in reprisal after the petty officer filed a sexual harassment and discrimination complaint with the Equal Opportunity Office, the chain of command, and an investigating officer. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- A supervisory civil servant employee denied an extension to an Army Reserve master sergeant in reprisal after the master sergeant reported to the chain of command that the officer in charge of the office created a hostile work environment. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Army chief warrant officer and an Army sergeant first class denied requests of a subordinate sergeant first class to attend military schooling and to take leave in reprisal after the sergeant first class made protected communications to the chain of command and Equal Opportunity Office. The subordinate sergeant first class’s protected communications concerned the unit’s command poor leadership climate and failure to follow standards with regard to fraud, waste, and abuse. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.

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- An Army first sergeant issued an unfavorable noncommissioned officer evaluation report to an Army staff sergeant in reprisal after the staff sergeant made protected communications to the chain of command and an investigating officer regarding allegations of abuse by members of the chain of command. Corrective action is pending.
- An Army captain and Army first sergeant recommended nonjudicial punishment under Article 15 for a subordinate Army sergeant in reprisal after the sergeant made a protected communication to the chain of command regarding a violation of the sergeant's medical limited duty status by the captain and first sergeant. Corrective action is pending.
- An Air Force chief master sergeant improperly influenced a lowered evaluation rating and provided negative comments towards an Air Force master sergeant at a promotion review board in reprisal after the master sergeant reported an alcohol-related incident involving the chief master sergeant to his chain of command. Corrective action is pending.
- An Air Force senior master sergeant threatened to give an airman first class disciplinary "paperwork" and to influence the airman being involuntarily separated from the Air Force in reprisal after the airman first class made protected communications to the chain of command regarding a hostile and toxic work environment created by a supervisor in her chain of command. Corrective action is pending.
- An Army staff sergeant issued an unfavorable noncommissioned officer evaluation report to an Army sergeant in reprisal after the sergeant made a protected communication to an investigator during a command-directed investigation regarding an inappropriate relationship between the staff sergeant and another noncommissioned officer assigned to the unit. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Army lieutenant colonel issued an unfavorable noncommissioned officer evaluation report to an Army Reserve staff sergeant in reprisal after the staff sergeant made protected communications to an Equal Opportunity Office representative and an IG regarding substantiated allegations against the lieutenant colonel for abuse of authority. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Air Force lieutenant colonel and senior master sergeant did not recommend an Air Force staff sergeant for reenlistment and denied transition leave to the staff sergeant in reprisal after the staff sergeant reported unrestricted sexual assaults on multiple occasions to the chain of command. The lieutenant colonel received a letter of admonishment and the senior master sergeant was relieved of command.
- An Air Force master sergeant issued a letter of counseling to an Air Force technical sergeant in reprisal after the technical sergeant reported to the chain of command safety and hygiene concerns caused by inadequate staffing and insufficient training within the section. The master sergeant received a letter of counseling.
- An Air Force colonel did not recommend an Air Force lieutenant colonel for attendance to a senior developmental education course, denied the lieutenant colonel favorable stratification in an officer performance report that resulted in a downgraded officer performance report, and withheld a nomination for a squadron command position in reprisal after the lieutenant colonel reported the colonel to the chain of command for a toxic work environment and abuse of authority. The colonel was relieved of command.
- Two Air National Guard colonels did not recommend an Air National Guard lieutenant colonel for retention in the National Guard and improperly influenced the final decision in reprisal after the lieutenant colonel participated in and provided input to a safety survey that reflected poorly on the command. Both of the colonels retired.

- An Air Force supervisory civil servant downgraded an award, downgraded the duty title, and denied a temporary duty assignment for an Air Force staff sergeant in reprisal after the staff sergeant made protected communications to the chain of command regarding the supervisor's toxic and abusive leadership. Corrective action is pending.
- A Marine Corps Reserve major and first lieutenant affected affected early redeployment of two Marine Corps Reserve sergeants and delayed the promotion of one of the sergeants in reprisal after the sergeants made protected communications to an inquiry officer, members of the chain of command, and an IG. The sergeants' protected communications concerned an assault, fraternization, and mismanagement and misconduct by officers assigned to the unit. Corrective action is pending.
- An Army National Guard lieutenant colonel and command sergeant major recommended a reduction in rank for an Army National Guard sergeant first class in reprisal after the sergeant first class made protected communications to the DoD IG regarding special duty assignment pay violations. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Air Force Reserve captain conducted a commander-directed investigation and issued a letter of reprimand to an Air Force Reserve chief master sergeant in reprisal after the chief master sergeant made protected communications to the chain of command and the investigating officer for a command-directed investigation. The chief master sergeant's protected communications concerned possible timecard fraud and misuse of Government vehicles by an Air Force Reserve colonel. Corrective action is pending.
- An Army captain issued an unfavorable noncommissioned officer report and denied an end-of-tour award to an Army first sergeant in reprisal after the first sergeant made protected communications to the chain of command and the IG regarding the captain's alleged issuing of erroneous flags and unfair treatment of soldiers. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Air Force staff sergeant issued a letter of counseling to an Air Force senior airman in reprisal after the senior airman made a protected communication to the IG regarding working beyond a 12-hour shift, which the senior airman felt violated Air Force Instruction 21-101. Corrective action is pending.
- An Army command sergeant major withheld an application for the High School Senior Stabilization Program and threatened an Army sergeant first class with a transfer of assignment in reprisal after the sergeant first class filed complaints to the chain of command, the Equal Opportunity Office, and an IG and providing witness testimony in an Equal Opportunity Office case investigation. The investigation concerned discrimination and a perceived inappropriate relationship between unit members. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Air Force senior master sergeant issued an unfavorable enlisted performance report to an Air Force technical sergeant in reprisal after the technical sergeant reported the senior master sergeant to the chain of command for an unfavorable work environment and abuse of authority. Corrective action is pending.
- A civil servant supervisor disapproved a 6-month tour extension to an Army Reserve master sergeant in reprisal after the master sergeant reported toxic leadership and a hostile work environment to members of the chain of command. The civil servant received a letter of reprimand.
- An Air Force staff sergeant denied an end-of-tour award, downgraded performance ratings in an evaluation, and influenced a downgraded promotion recommendation for an Air Force senior airman in reprisal after the senior airman reported that the staff sergeant had an unprofessional relationship with a subordinate to the chain of command. An Air Force technical sergeant also influenced the downgraded promotion recommendation in the evaluation in reprisal for the senior airman reporting concerns that the staff sergeant had an unprofessional relationship with a subordinate. Corrective action is pending.

Substantiated Military Restriction Cases Closed by the DoD OIG and Service and Defense Agency OIGs

The following are descriptions of all substantiated allegations of restriction closed during the period.

- An Army National Guard lieutenant colonel and command sergeant major made restrictive comments to members assigned to their organization that had a negative effect on subordinates' willingness to go to the IG or others in the chain of command to report wrongdoing. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Army chief warrant officer attempted to restrict a subordinate sergeant first class from going to the IG by stating, "You have to go to your chain of command before you go to the IG." After hearing this statement, the sergeant first class believed that the chain of command had to be notified prior to contacting the IG. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Air Force colonel made a restrictive comment to unit personnel that created an atmosphere of fear, causing a negative effect that clearly intended to impede a subordinate lieutenant colonel from filing a complaint with the IG. The colonel was relieved of command.
- An Air Force master sergeant created a toxic work environment, causing a negative effect on personnel assigned to the unit, by stating, "You will not speak to anyone outside of our flight about any issues whatsoever." The staff sergeant interpreted that statement to include the IG and Congress. Corrective action is pending.
- An Air Force colonel made the restrictive comment, "I eat IGs for breakfast," to personnel assigned to the unit, creating an atmosphere of fear and causing a negative effect that clearly intended to impede a subordinate Air Force airman first class from preparing or making future protected communications to the IG. The colonel received verbal counseling.
- An Air Force civil servant made several comments to subordinates that created a perception that there was no point in going to the IG with allegations of wrongdoing, creating a negative effect on an Air Force staff sergeant and two other subordinates. The civil servant also made comments to the subordinates that were intended to discourage members from going to the IG. Corrective action is pending.
- An Army National Guard first lieutenant stated in an e-mail to an Army National Guard sergeant, "I highly recommend you have a conversation with the battalion command sergeant major or the battalion commander prior to filing this IG complaint." This, along with other comments the first lieutenant made at meetings and briefings, created a negative effect on the willingness of the sergeant to freely prepare or make protected communications to the IG. Corrective action is pending.
- An Air National Guard major stated to unit members on several occasions that complaints do not make it to the IG without going through the chain of command. This created a negative effect on an Air National Guard technical sergeant who had gone outside of the chain of command seeking assistance from the IG regarding promotion status and how to appeal an enlisted performance report. Corrective action is pending.
- An Air Force major made restrictive comments to an Air Force captain that were intended to restrict the captain from going to the IG. The major stated, "You know you can't file a complaint against me. You know you can't go to the IG." Corrective action is pending.
- An Air Force lieutenant colonel made restrictive comments to unit members that were intended to restrict the unit members from going to the IG. The lieutenant colonel made the following statements: "We have no problems here within the detachment"; "I know one of the IG inspectors (the complainant and others believed the lieutenant colonel said this to imply the lieutenant colonel would find out what was said to the inspector and by whom)"; "Do not say anything bad about us to the IG inspectors"; and "Don't air your dirty laundry with the IG inspectors." Corrective action is pending.

Table 2.12 shows the number and types of reprisal and restriction allegations substantiated since October 1, 2012. Of the 460 substantiated allegations, 358 have had corrective action decisions reported and 102 are still pending reports of corrective actions taken.

Table 2.12 Reprisal and Restriction Allegations Substantiated in FY 2013 – FY 2020 with Corrective Action Status

Allegation	Total Substantiated	Decision on Corrective Action Reported	Corrective Action Pending	Pending Rate
Military Reprisal	301	219	82	27%
NAFI Reprisal	11	11	0	0%
Defense Contractor Reprisal	10	10	0	0%
Civilian Reprisal	16	16	0	0%
Defense Intelligence (PPD-19) Reprisal	18	17	1	6%
Subtotal FY13 to FY20 (1st Half)	356	273	83	23%
Military Restriction	104	85	19	18%
Total FY13 to FY20 (1st Half)	460	358	102	22%

Note: Allegations against multiple subjects may be included in a single case.

Table 2.13 shows the number and types of reprisal complaints substantiated since October 1, 2012. Of the 265 substantiated complaints, 62 have had remedy decisions reported and 203 are still pending reports of remedial actions taken.

Table 2.13 Reprisal Complaints Substantiated in FY 2013 – FY 2020 with Remedy Status

Allegation	Total Substantiated	Decision on Remedy Reported	Remedy Pending	Pending Rate
Military Reprisal	228	30	198	87%
NAFI Reprisal	8	8	0	0%
Defense Contractor Reprisal	6	6	0	0%
Civilian Reprisal	9	9	0	0%
Defense Intelligence (PPD-19) Reprisal	14	9	5	36%
Total FY13 to FY20 (1st Half)	265	62	203	77%

Corrective and Remedial Actions Reported During the Period for Substantiated Reprisal Cases Closed in Prior Reporting Periods

The following are remedial and corrective actions reported to the DoD OIG by Components for substantiated reprisal cases that were closed in prior reporting periods.

- An Army sergeant issued an unfavorable noncommissioned officer evaluation report to a subordinate Army specialist in reprisal after the specialist filed an equal opportunity complaint, an IG complaint, and a congressional complaint against multiple members of the chain of command. The sergeant received a letter of counseling.
- An Army captain issued an Army staff sergeant an unfavorable noncommissioned officer evaluation report in reprisal after the staff sergeant reported the captain's misuse of Government resources to the chain of command. The captain separated from service.
- An Air Force major and first lieutenant issued adverse letters of counseling to an Air Force staff sergeant in reprisal after the staff sergeant reported two unit technical sergeants to the chain of command for displaying unprofessionalism and providing toxic leadership. The major and the first lieutenant received verbal counseling.

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- An Army command sergeant major threatened to submit a Uniform Code of Military Justice action against an Army specialist in reprisal after the specialist communicated to a Member of Congress regarding poor quality of medical care. The command sergeant major received a letter of reprimand.
- An Army captain issued an Army staff sergeant an unfavorable noncommissioned officer evaluation report in reprisal after the staff sergeant reported the captain for wrongdoing, which led to an Army Regulation 15-6 investigation of the captain and other unit supervisors. The captain received a letter of reprimand.
- An Air Force chief master sergeant improperly influenced a downgraded enlisted performance report for an Air Force master sergeant in reprisal after the master sergeant reported the chief master sergeant and another senior noncommissioned officer for an alcohol-related incident. The chief master sergeant retired. An Army civil servant supervisor and an Army sergeant removed and reassigned an Army sergeant first class in reprisal after the sergeant first class made a protected communication regarding potential fraud and ethics violations within the unit. The civil servant and sergeant received letters of reprimand.
- An Army colonel directed the removal and reassignment of an Army master sergeant and two Army majors issued the master sergeant a downgraded noncommissioned officer evaluation report in reprisal after the master sergeant made protected communications. The master sergeant reported harassment by unit leadership to the command Sexual Harassment and Assault Response Program representative and reported multiple violations of the Army's Command Supply Discipline Program to the chain of command. The colonel and one of the majors received letters of reprimand. Corrective action is pending for the second major.
- An Army major issued an adverse noncommissioned officer evaluation report to an Army staff sergeant and barred the staff sergeant from reenlistment in reprisal after the staff sergeant made protected communications to the chain of command and the IG regarding a toxic work environment. The major received a letter of concern.
- An Army sergeant first class issued multiple letters of counseling to an Army sergeant in reprisal after the sergeant made multiple protected communications to the IG regarding unfair treatment and abuse of authority by unit officials. The sergeant first class received a letter of counseling.
- An Army master sergeant influenced the decision of an Army major to recommend involuntary separation of an Army specialist in reprisal after the specialist reported a senior noncommissioned officer supervisor for sexual harassment. The major received a letter of admonishment. Corrective action is pending for the master sergeant.
- An Army first sergeant issued an Army staff sergeant an unfavorable noncommissioned officer evaluation report in reprisal after the staff sergeant filed an equal opportunity complaint against the first sergeant. The first sergeant received a written reprimand.
- An Army lieutenant colonel issued an Army captain a letter of release from theater, relieved the captain from his position and duties, and issued an unfavorable officer evaluation report in reprisal after the captain made protected communications to the Sexual Assault Response Coordinator, prompting an Army Regulation 15-6 investigation into a hostile work environment. The lieutenant colonel received a letter of reprimand.
- An Army chief warrant officer withheld a noncommissioned officer evaluation report and issued a letter of concern to a subordinate Army sergeant first class in reprisal after the sergeant first class reported the chief warrant officer to the chain of command for wrongdoing related to inventories and supply management. The chief warrant officer received a letter of reprimand.
- An Army colonel and lieutenant colonel issued a downgraded enlisted performance report to an Air Force master sergeant in reprisal after the master sergeant reported inappropriate sexual contact to the chain of command. The colonel and lieutenant colonel received letters of reprimand.

- An Army Reserve lieutenant colonel issued an unfavorable performance evaluation to a subordinate Army Reserve captain in reprisal after the captain provided testimony to a command-appointed investigator concerning an assault allegation the lieutenant colonel made against another unit officer. The lieutenant colonel received a letter of reprimand.

Substantiated Reprisal Cases Closed in Prior Reporting Periods for which Corrective Action Was Not Taken

The following three cases were substantiated by the DoD OIG in previous reporting periods, but the DoD declined to take corrective action because DoD officials did not agree with the DoD OIG determination that the allegations were substantiated.

- The DoD OIG concluded that a Federal civilian supervisor at an Air Force base discharged a non-appropriated fund instrumentality employee in reprisal after the employee reported violations of rules and regulations to the chain of command and an IG. The DoD OIG recommended that the employee be reinstated with compensation (including back pay), employment benefits, and other terms and conditions of employment applicable to the employee in that position as if the reprisal had not been taken. The Director of the Office of the Chief Management Officer disagreed with the substantiation of the complaint and declined to take further action.
- The DoD OIG concluded that DoD contractor Leidos did not renew a subcontractor's contract in reprisal for the subcontractor disclosing violations of the Defense Federal Acquisition Regulation to a contractor program manager and the Deputy Director of the DoD program responsible for the contract. The Under Secretary of Defense for Acquisition and Sustainment disagreed with the substantiation of the complaint and declined to take further action.
- The DoD OIG concluded that three management officials at a Marine Corps base issued a warning notice and terminated a non-appropriated fund employee in reprisal after the employee made protected disclosures to senior management officials regarding mismanagement and abuse of authority by one of the three management officials. The Acting Director of the Office of the Chief Management Officer disagreed with the substantiation of the complaint and declined to take further action.

Corrective and Remedial Actions Reported During the Period for Substantiated Restriction Cases Closed in Prior Reporting Periods

The following are corrective actions that Military Service components reported to the DoD OIG for substantiated restriction cases that were closed in prior reporting periods.

- An Army major supervisor made comments to subordinate officers that were intended to restrict them from preparing or making protected communications "outside the chain of command," including to the IG and Members of Congress. The comments were intended for a subordinate Army major who previously filed an equal opportunity complaint against the supervisory major. The major supervisor received an adverse officer evaluation report.
- An Air Force civil servant told his staff that they "had been investigated on more than one occasion and received no punishment," implying that it would be useless for anyone to file a complaint. This comment was intended to restrict an Air Force staff sergeant from talking with the IG after the civil servant overheard a discussion between the staff sergeant and colleagues about the adverse work and leadership climate within the facility at an end-of-day staff meeting. The civil servant received a letter of reprimand.
- A Navy captain made a comment intending to restrict a Navy lieutenant commander from communicating with anyone without going through a direct supervisor first. The captain told the lieutenant commander not to "initiate contacts outside [the work center] about your duties or [work center] activities that you have not discussed first with" the lieutenant commander's direct supervisor. The captain was removed as the lieutenant commander's supervisor.
- An Army command sergeant major made comments to an Army specialist during several (witnessed) counseling sessions concerning the specialist's ongoing protected communications with a Member of Congress. The command sergeant major's comments were intended to restrict the specialist from preparing or making future protected communications with the Member of Congress and his staff. The command sergeant major instructed the specialist not to send e-mails to anyone who outranked the specialist and to let the chain of command handle the concerns the specialist reported in the protected communications at the lowest level. The command sergeant major received a letter of reprimand.

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Tables 2.14 and 2.15 show the number and type of corrective actions reported for reprisal and restriction allegations substantiated against subjects since October 1, 2012. Of the 360 decisions reported, 59 involve declinations to take action, and 301 were corrective actions taken against the subject.

Table 2.14 Corrective Actions Reported for Reprisal and Restriction Allegations Substantiated Against Subjects in FY 2013 – FY 2020

Allegation	Total	Declined to Take Action	Employee Fired or Terminated	Letter of Counseling	Other	Reduced Rank or Grade
Military Reprisal	228	44	0	34	17	2
NAFI Reprisal	6	0	1	0	4	0
Defense Contractor Reprisal	7	2	0	0	5	0
Civilian Reprisal	14	4	0	1	0	0
Defense Intelligence (PPD-19) Reprisal	16	1	1	3	2	0
Subtotal FY13 to FY20 (1st Half)	271	51	2	38	28	2
Military Restriction	89	8	3	11	4	0
Total FY13 to FY20 (1st Half)	360	59	5	49	32	2

Table 2.15 Corrective Actions Reported for Reprisal and Restriction Allegations Substantiated Against Subjects in FY 2013 – FY 2020 (cont'd)

Allegation	Removed From Assignment	Retired	Suspended Without Pay	Verbal Counseling	Written Reprimand
Military Reprisal	18	10	3	25	75
NAFI Reprisal	0	1	0	0	0
Defense Contractor Reprisal	0	0	0	0	0
Civilian Reprisal	1	4	0	1	3
Defense Intelligence (PPD-19) Reprisal	0	3	1	1	4
Subtotal FY13 to FY20 (1st Half)	19	18	4	27	82
Military Restriction	6	3	0	23	31
Total FY13 to FY20 (1st Half)	25	21	4	50	113

Note: A subject may receive multiple corrective actions.

Tables 2.16 and 2.17 show the number and type of remedies reported for reprisal complaints substantiated since October 1, 2012. Of the 76 decisions reported, 12 complaints involved management declining to take action or the military complainant opting not to petition a board for the correction of military records. Sixty-four complaints resulted in remedies implemented to make the complainant whole.

Table 2.16 Remedies Reported for Reprisal Complaints Substantiated in FY 2013 – FY 2020

Allegation	Total	Back Pay	Correct Evaluation	Expunge LOC/LOE	Expunge Evaluation	Reinstate
Military Reprisal	36	1	2	5	10	2
NAFI Reprisal	11	1	0	0	0	0
Defense Contractor Reprisal	12	0	0	0	0	0
Civilian Reprisal	10	0	1	1	2	0
Defense Intelligence (PPD-19) Reprisal	7	1	3	0	0	1
Total FY13 to FY20 (1st Half)	76	3	6	6	12	3

Table 2.17 Remedies Reported for Reprisal Complaints Substantiated in FY 2013 – FY 2020 (cont'd)

Allegation	Grant Award	Other	Promote	Restore Security Clearance	No Action Taken	Department Disagreed with Conclusion
Military Reprisal	1	12	3	0	0	0
NAFI Reprisal	0	4	0	0	0	6
Defense Contractor Reprisal	0	7	0	0	0	5
Civilian Reprisal	2	2	0	1	1	0
Defense Intelligence (PPD-19) Reprisal	0	2	0	0	0	0
Total FY13 to FY20 (1st Half)	3	27	3	1	1	11

Note: Multiple remedies may be reported for a single complainant.

In this reporting period, we introduce the following new information required by the Senate Report 116-48, by the Senate Armed Services Committee to accompany S. 1790, National Defense Authorization Act for Fiscal Year 2020. The requirement, in a section entitled “Timely response to inspector general referral of reports of investigation substantiating reprisal,” directs that the DoD OIG include in its semiannual reports to the Congress a listing of the substantiated military reprisal cases in which (1) more than 180 days have elapsed since the relevant Inspector General provided the report of investigation to the Secretary concerned, without response; (2) more than 180 days have elapsed between the date on which the relevant Inspector General provided the report of investigation to the Secretary concerned and the date on which the Secretary’s response was received by the Inspector General; and (3) the Secretary’s response takes issue with the Inspector General’s determination that an act of reprisal occurred.

Table 2.18 and 2.19 provide the number of days elapsed in substantiated military reprisal cases substantiated since June 11, 2019, in which more than 180 days have elapsed without response or receipt of a response. Table 2.18 shows that for one case, 237 days have elapsed without a response from the Secretary concerned. Table 2.19 shows three cases for which more than 180 days have elapsed before the IG received a response to the ROI from the Secretary concerned. We have no cases to report in which the Secretary’s response took issue with the IG’s determination that an act of reprisal occurred.

Table 2.18 Cases in Which More Than 180 Days Since the Date a Report Substantiating Military Reprisal Was Provided to the Secretary Concerned Without Response

Case Name	Secretary Concerned	Date Report Provided to Secretary Concerned	Number of Days Elapsed
20170427-043652-CASE-01	Army	8/13/2019	237

Table 2.19 Cases in Which the Response Received From the Secretary Concerned Exceeded 180 Days From the Date a Report Substantiating Military Reprisal Was Provided

Case Name	Secretary Concerned	Date Report Provided to Secretary Concerned	Date Response Received	Number of Days Elapsed
20180516-051435-CASE-01	Navy	6/12/2019	2/4/2020	237
20180920-053838-CASE-01	Army	7/24/2019	1/27/2020	187
20170922-047473-CASE-01	Army	8/15/2019	2/27/2020	196

Whistleblower Reprisal Investigations Closed as Not Substantiated Involving Subjects in the Grade or Rank of Colonel (O-6) and Above, and Federal Employees in Grades GS-15 and Above

The following are all of the whistleblower reprisal investigations closed as not substantiated involving subjects in the grade or rank of colonel (O-6) and above, and Federal employees in grades GS-15 and above.

- A Navy commander alleged that a Navy rear admiral issued an adverse fitness report, delayed promotion, attempted to enter a matter of interest letter into the commander’s official personnel folder, and withheld an end-of-tour award in reprisal after the commander reported gross mismanagement by battalion leadership to the chain of command.
- An Army sergeant first class alleged that an Army colonel issued an unfavorable noncommissioned officer evaluation report in reprisal after the sergeant first class filed an Equal Opportunity complaint.
- An Air Force senior airman alleged that an Air Force major general denied the senior airman’s appeal of a disapproved early transfer request in reprisal after the senior airman filed a sexual assault complaint. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Air Force senior airman alleged that an Air Force colonel disapproved an early transfer request in reprisal after the senior airman filed a sexual assault complaint. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Army lieutenant colonel alleged that a supervisory Senior Executive Service (SES) member did not renew orders for the lieutenant colonel to continue in position and did not assign the lieutenant colonel to another post in reprisal after the lieutenant colonel made protected communications during a previous investigation.
- An Air Force Reserve major alleged that a political appointee issued a mediocre officer performance report and denied a request to meet the June 2019 Air Force Reserve Lieutenant Colonel Board in reprisal after the major reported ethical violations of travel regulations to the chain of command. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.

- An Army Reserve sergeant first class alleged that an Army colonel and an SES member issued a negative noncommissioned officer evaluation report and downgraded an award in reprisal after the sergeant first class made protected communications to the IG regarding assignment policy and command and control irregularities.
- An Army Reserve command sergeant major alleged that an Army Reserve colonel suspended assigned duties, issued a negative noncommissioned officer evaluation report, and removed the command sergeant major from the Command Sergeant Major Program in reprisal after the command sergeant major reported the colonel to the chain of command for alleged violations of Army regulations. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- An Army colonel alleged that an SES supervisor attempted to file a negative counseling statement in his permanent record, removed and altered duties and responsibilities, and downgraded an officer evaluation report in reprisal after the colonel filed a complaint with the chain of command regarding the supervisor's poor leadership.
- An Air National Guard major alleged that an Air National Guard brigadier general and an Air National Guard colonel directed a retaliatory investigation against the major in reprisal after the major filed a complaint with the IG regarding a hostile work environment. The major also alleged that an Air Force brigadier general and another Air National Guard colonel issued her a less favorable officer performance report in reprisal after the major filed the hostile work environment complaint with the IG.

Whistleblower Restriction Investigations Closed as Not Substantiated Involving Subjects in the Grade or Rank of Colonel (O-6) and Above, and Federal Employees in Grades GS-15 and Above

No whistleblower restriction investigations involving subjects in the grade or rank of colonel (O-6) and above, and Federal employees in Grades GS-15 and above, were closed as not substantiated during the reporting period.

Investigations of Senior Officials

The DoD OIG's Investigations of Senior Officials (ISO) Directorate investigates allegations of misconduct against senior DoD officers, DoD political appointees, senior officials in the Joint or Defense Intelligence Community, and members of the Senior Executive Service, as well as allegations not suitable for assignment to Military Services or Defense agency IGs.

The ISO Directorate also conducts oversight reviews of Service and Defense agency IG investigations of misconduct involving active duty, retired, Reserve, or National Guard military officers in the rank of one-star general or flag officer and above; officers selected for promotion to the grade of one-star general or flag officer whose names are on a promotion board report forwarded to the Military Department Secretary; members of the Senior Executive Service; senior civilian officials in the grade of Senior Executive Service in the Joint or Defense Intelligence Community, including the DoD; and DoD political appointees.

As noted above, the WRI Directorate also investigates allegations of reprisal involving senior officials and oversees DoD Component investigations of these allegations.

As of March 31, 2020, the DoD OIG had 244 open senior official cases. From October 1, 2019, through March 31, 2020, the DoD OIG received 437 complaints of senior official misconduct and closed 394 cases. Of the 394 cases closed, 332 were closed after an intake review was performed, which includes complaints that are dismissed upon the initial review and complaints that are closed after a complaint clarification interview with the complainant and other limited investigative work.

Of the 394 cases closed, 62 were closed after a full investigation was conducted—2 investigations were conducted by the DoD OIG and 60 were conducted by Component IGs with oversight review by the DoD OIG. In 23 of the investigations closed, allegations of misconduct were substantiated.

Table 2.20 Senior Official Complaints Closed October 1, 2019 – March 31, 2020

Service or Agency in which the Allegations Occurred	DoD OIG Workload		Cases Closed from October 1, 2019 - March 31, 2020				Cases Remaining Open as of March 31, 2020			
	Cases Open on October 1, 2019	Complaints Received Since October 1, 2019	Closed at DoD OIG after Intake Review	DoD OIG Investigations	DoD OIG Oversight Review of Component OIG Investigations	Substantiated Investigations* (Substantiation Rate**)	DoD OIG Intake	DoD OIG Investigations	DoD OIG Oversight Review of Component OIG Investigations	Component OIG Investigations
Air Force	14	38	30	0	8	4 (50%)	8	0	0	6
Army	52	157	126	0	22	5 (23%)	24	0	8	29
Marine Corps	11	19	16	0	2	1 (50%)	6	0	1	5
Navy	48	88	68	0	9	3 (33%)	38	1	0	20
COCOM/ Defense Agency/ Other	76	135	92	2	19	10 (48%)	42	5	5	46
Total	201	437	332	2	60	23 (37%)	118	6	14	106

* These include both DoD OIG and Component OIG Investigations.

** The substantiation rate is a percentage which consists of the Substantiated Investigations divided by the total number of DoD OIG Investigations and DoD OIG Oversight Review of Component OIG Investigations.

Senior Official Name Checks

When senior officials are pending confirmation by the Senate, or are considered for promotion, awards (including Presidential Rank awards), assignments, and retirements, DoD officials must submit name check requests to the DoD OIG to determine whether the DoD OIG has any reportable information. The DoD OIG processed requests on a total of 12,676 names during this reporting period.

Substantiated or Significant Senior Official Cases Closed by the DoD OIG

The DoD OIG closed one substantiated senior official case during the first half of FY 2020.

- The former Assistant Secretary of Defense for Nuclear, Chemical, and Biological Defense Programs (ASD[NCB]) allegedly sexually harassed a woman on his staff. The DoD OIG determined that the ASD(NCB) violated DoD Directive 1440.1, "The DoD Civilian Equal Employment Opportunity (EEO) Program," by engaging in a pattern of misconduct in which the ASD(NCB) made deliberate, unwelcomed physical contact of a sexual nature by hugging, kissing, or touching three female employees. The ASD(NCB) also made deliberate, repeated, and unwelcomed verbal comments of a sexual nature to two of the three female employees. The DoD OIG determined that these actions created an intimidating, hostile, and offensive work environment for the three women. Additionally, the ASD(NCB) made deliberate,

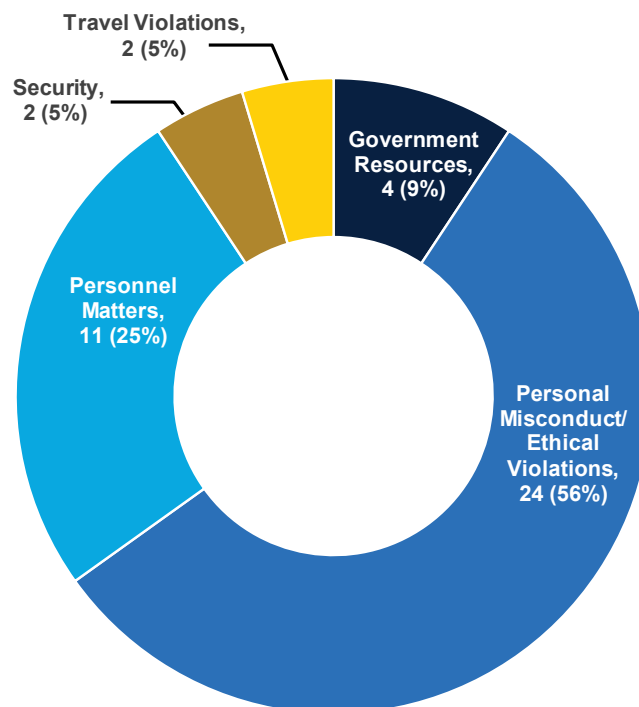
repeated, and public comments of a sexual nature to members of his staff in meetings and in a town hall forum, creating a hostile, intimidating, and offensive work environment for women on the NCB staff. The ASD(NCB) resigned from Federal service on April 2, 2019, during the investigation.

Examples of Substantiated or Significant Senior Official Cases Closed by Service and Defense Agency IGs

- A Defense Intelligence Senior Level member engaged in unprofessional conduct when she gave her Common Access Card and personal identification number to another person, granting unauthorized access to the DoD unclassified network. Corrective action is pending.
- A promotable Army brigadier general engaged in an inappropriate relationship with a subordinate employee. Although both subjects testified to a platonic and social relationship that did not become romantic or intimate, their interactions implied that they were military equals and created an adverse impact on the organization. The friendship entailed a large disparity in rank, with the brigadier general in a position of authority to influence matters, which compromised the integrity of his supervisory authority. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.

- A married Air Force major general engaged in inappropriate personal relationships with three women (one military subordinate and two civilians) over a span of 9 years. Corrective action is pending.
- An Air Force major general misused her position by wrongfully requesting or directing her subordinates to perform tasks and services that contributed only to her personal benefit. The tasks included performing a seasonal tire swap and an oil change on her personal vehicle, arranging for her vehicle's shipment to the United States, and storing her winter tires. The major general also wrongfully accepted a gift of personal service from her subordinate who assisted the major general in selling her seasonal tires. Corrective action is pending. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- A Defense Intelligence Senior Executive Service (DISES) member created a hostile work environment by using abusive and offensive language towards subordinates; misused subordinates' official time by requesting they get meals and snacks for him during the work day; and solicited gifts of food from subordinates without payment. Corrective action is pending.
- A DISES member improperly removed classified information from a Sensitive Compartmented Information Facility, transported the classified material to a meeting, and then took the classified material to her home. The DISES member also transported classified material on a different occasion during her Government travel and improperly brought a cell phone into a Sensitive Compartmented Information Facility. Corrective action is pending.
- An SES member misused official funds to purchase challenge coins totaling \$1,275. The member used her personal credit card and then filed a local travel claim in the Defense Travel System for reimbursement. The member retired. This investigation was initiated subsequent to a complaint filed with the DoD Hotline.
- A Navy admiral served and consumed alcohol in office areas with employees during normal working hours, unrelated to official functions. The admiral also improperly directed the use of \$3,000 in Government funds for an employee's travel to Naples, Italy, for a 1-hour briefing. Corrective action is pending.
- A DISES member misused his unclassified Government computer to access adult pornography sites. The member resigned.

Figure 2.14 Types of Substantiated Misconduct



Note: Multiple allegations may be reported for a single case.

Administrative Investigations Outreach and Training

During this period, AI conducted more than 446 hours of external outreach engagements involving 377 personnel. Outreach events included the Air Combat Command Conference, Air Mobility Command Conference, Inspector General of the Marine Corps Oversight Assistance Visit, Defense Health Agency Oversight Assistance Visit, and Basic Whistleblower Reprisal Investigations courses.

AI also conducted more than 2,335 hours of internal training for DoD OIG employees during the reporting period, including Time Management, Breakthrough Critical Thinking, Defense Information Systems Agency Cyber Awareness Training, the Council of Inspectors General for Integrity and Efficiency (CIGIE) Leadership Forum, CIGIE Essentials of IG Investigations, Association of Inspectors General Certified IG Investigator Training, CIGIE Emerging Leaders, Freedom of Information Act training, Reviewing Other People's Writing, and AI interview training.

DoD OIG Certified IG Investigator Program

In December 2019, AI completed the DoD OIG Certified IG Investigator Program Pilot, which started in June 2019. The program's goals include ensuring consistent investigative practices throughout DoD Components, providing a competency-based path for administrative investigator training, and preparing investigators to complete timely and high-quality investigative products. Twenty-four investigators from the DoD OIG, Service component inspectors general, and other Defense agency inspectors general participated in the pilot. The candidates were required to pass a formal examination to become certified in specific AI performance elements. All 24 investigators successfully completed the requirements and were certified as DoD certified inspector general investigators. Feedback from the pilot included recommendations that the program be sustained and implemented through a DoD OIG Instruction, that a specific timeline be used for candidate submission and certification, and that newly designated DoD OIG Certified IG Investigators be recognized during the following year's AI Training Symposium.

Basic Whistleblower Reprisal Investigations Course

AI held six Basic Whistleblower Reprisal Investigations courses for DoD Service components, Defense agencies, and other Federal agency IG representatives. AI conducted two courses at the Mark Center in Alexandria, Virginia, and four mobile training team courses at Joint Forces Headquarters in Indianapolis, Indiana; Maneuver Center of Excellence in Fort Benning, Georgia; III Corps in Fort Hood, Texas; and Pacific Air Force in Joint Base Pearl Harbor-Hickam, Hawaii. The courses discussed the history and content of whistleblower statutes; how to conduct a thorough complaint intake, gather evidence, interview, and write reports; and procedures for how to close a case.

Hotline Investigator Course

On November 13, 2019, AI conducted the Hotline Investigator Training Course, which was attended by 34 personnel from 22 components. The course covered significant areas of the complaint process, the DoD Hotline mission, responsibilities, and best practices used to coordinate cases. In group exercises, participants screened mock complaints and applied DoD Hotline standards to determine the best course of action.

Contractor Disclosure Program Outreach

AI conducted the Inaugural Contractor Disclosure Program (CDP) Working Group at the Mark Center on February 13, 2020. The 23 attendees were CDP stakeholders from the Defense Contract Management Agency (DCMA), the Defense Contract Audit Agency, the Department of Justice, the Defense Criminal Investigative Organizations, and suspension and debarment officials from DoD Components. The main focus was the CDP integration into the DoD Hotline program with outreach plans to increase awareness of contractor and Government personnel requirements to report disclosures to the DoD OIG. DCMA provided an informative presentation on DCMA's overview and significant role working as a stakeholder in the CDP.

LEAD INSPECTOR GENERAL

The DoD OIG's Overseas Contingency Operations Component supports the DoD OIG's Lead IG responsibilities and oversight coordination related to designated contingency operations. The Lead IG coordinates with the senior representatives from the Department of State (DoS) OIG, the U.S. Agency for International Development (USAID) OIG, and other OIGs to fulfill responsibilities to coordinate oversight, develop interagency strategic oversight plans, and produce quarterly reports.

According to the FY 2013 National Defense Authorization Act, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Chair must designate a Lead IG no later than 30 days after the commencement or designation of a military operation as an overseas contingency operation that exceeds 60 days. The Lead IG must be designated from among the IGs for the DoD, the DoS, and USAID. The OIGs for these agencies are responsible for staffing and supporting the Lead IG, ensuring that comprehensive oversight is conducted, and reporting is provided over all aspects of the contingency operation.

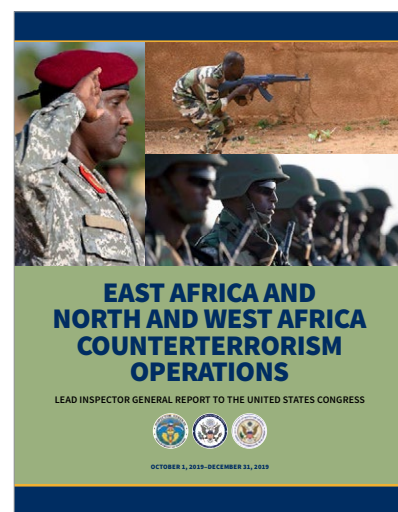
There are currently six designated overseas contingency operations—Operation Inherent Resolve (OIR), Operation Freedom's Sentinel (OFS), and Operation Pacific Eagle–Philippines (OPE-P), as well as two formerly classified counterterrorism operations in Africa and one classified operation related to counterterrorism in the Middle East. During the period, the Lead IG issued the first public, unclassified report with a classified appendix on the East Africa Counterterrorism Operation and the North and West Africa Counterterrorism Operation.

OIR is dedicated to countering the terrorist threat posed by the Islamic State of Iraq and Syria (ISIS) in Iraq, Syria, the region, and the broader international community. The U.S. counter-ISIS strategy includes support to military operations associated with OIR, as well as diplomacy, governance, security programs and activities, and humanitarian assistance. The Secretary of Defense announced the initiation of OIR on October 17, 2014, and on December 17, 2014, the CIGIE Chair designated the DoD IG as the Lead IG for this operation.

OFS has two complementary missions: (1) the U.S. counterterrorism mission against al Qaeda, the Islamic State of Iraq and Syria–Khorasan, and their affiliates in Afghanistan, and (2) the North Atlantic Treaty Organization (NATO)-led Resolute Support mission (“Resolute Support”) to train, advise, and assist Afghan security forces. Resolute Support’s mission objective is to help the Afghan National Army and Police forces become self-sustaining and capable of maintaining security in Afghanistan under responsible Afghan ministries. The Secretary of Defense announced the initiation of OFS on December 28, 2014, and on April 1, 2015, the CIGIE Chair designated the DoD IG as the Lead IG for this operation.

OPE-P supports the Philippine government and military in their efforts to isolate, degrade, and defeat affiliates of the Islamic State of Iraq and Syria (ISIS) and other terrorist organizations in the Philippines. The Secretary of Defense announced the initiation of OPE-P on September 1, 2017, and on November 16, 2017, the CIGIE Chair designated the DoD IG as the Lead IG for this operation.

On May 29, 2018, the DoD IG was designated as the Lead IG for three new operations. Two are in Africa: the East Africa (EA) Counterterrorism Operation and the North and West Africa (NWA) Counterterrorism Operation. The third is in the Middle East and is classified. These operations seek to degrade al Qaeda and ISIS affiliated terrorists in specific sub-regions of these areas.



Quarterly Reporting

The three Lead IG agencies publish quarterly reports that discuss each operation and current, ongoing, and future oversight work conducted by the Lead IG and its partner agencies. The quarterly reports to Congress for each operation and related oversight activities can be accessed online at: <https://www.dodig.mil/Reports/Lead-Inspector-General-Reports/>

During this reporting period, the three Lead IG agencies published unclassified quarterly reports and accompanying classified appendixes on three overseas contingency operations—OIR, OFS, and OPE-P. In addition, the Lead IG issued a public, unclassified report with a classified appendix on the East Africa Counterterrorism Operation and the North and West Africa Counterterrorism Operation. The Lead IG agencies prepared classified reports and appendixes for all six overseas contingency operations and counterterrorism operations, which are provided to relevant agencies and congressional committees. The unclassified reports on the status of these overseas contingency operations, and related major developments, are summarized below.

Of significant note, during the period, the COVID-19 global pandemic began to have an impact across all overseas contingency operations. The pandemic not only affected the DoD and its partner agencies' ability to carry out their mission goals, but also oversight activities in their areas of operations. These events continued to develop during production of this report.

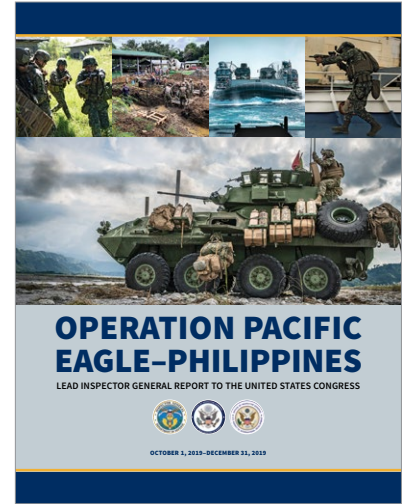
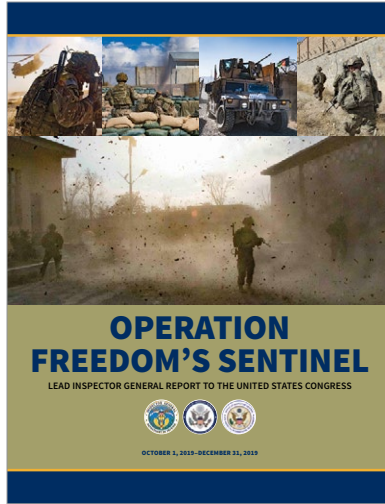
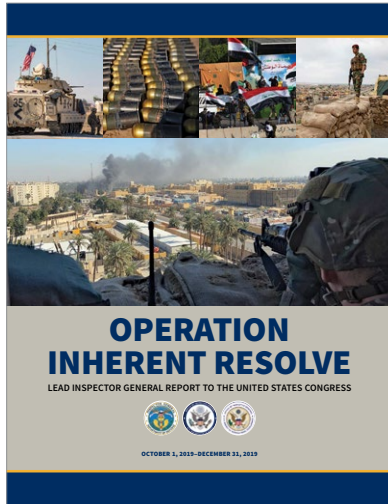
Operation Inherent Resolve

During the period, the Lead IG agencies reported that significant events continued to unfold in both Syria and Iraq that raised questions about the status and future of OIR. In Iraq, Iranian-aligned militias engaged in increasingly provocative behavior, launching attacks on Iraqi bases that house U.S. troops, and storming the U.S. Embassy in Baghdad. In January, a U.S. airstrike in Iraq killed Iranian Major General Qassem Soleimani, the commander of Iran's Islamic Revolutionary Guards Corps—Qods Force. Iran later launched ballistic missiles at two Iraqi bases where U.S. forces are stationed, injuring more than 100 U.S. service members. Coalition and Iraqi forces resumed counter-ISIS operations, but questions remained over the future of U.S. forces' activities in Iraq. In Syria, the DoD reduced and relocated its forces in response to a Turkish incursion into northeastern Syria. Russian, Turkish, and Syrian regime forces moved into areas previously occupied by the United States and its partner, the Syrian Democratic Forces (SDF).

The SDF paused its counter-ISIS operations to respond to the Turkish advance. The SDF later faced challenges in keeping order at detention centers holding ISIS members, which saw several riots and escape attempts that had to be quelled with coalition assistance. Joint counter-ISIS operations eventually resumed, but the impact of these events on ISIS's ability to carry out attacks in Syria is unclear. Adding to the uncertainty, later in the period, the Combined Joint Task Force—OIR (CJTF-OIR) announced that the Iraqi Security Forces suspended all training in Iraq in response to the COVID-19 pandemic. In Syria, SDF leaders also suspended military operations in response to the pandemic and urged all actors in the country to "refrain from military actions and make an immediate commitment to a humanitarian truce."

Operation Freedom's Sentinel

During the period, the Lead IG agencies reported that a high level of violence continued in Afghanistan, even as the United States restarted peace negotiations with the Taliban in Doha, Qatar, in December. The Taliban continued its strategy of fighting while participating in negotiations. As a result, 2019 was the most violent year in Afghanistan since OFS began in 2015. However, a breakthrough in negotiations led to a 7-day reduction in violence, followed by a peace deal signed with the Taliban on February 29, 2020. Questions remained about a prisoner release negotiated in the agreement, with the Afghan government failing to reach agreement with the Taliban on its terms. The Afghan elections caused more concerns about the agreement falling apart, as President Ashraf Ghani and the Afghan former chief executive, Abdullah Abdullah, both claimed to be the legitimate president of the country. The United States began a limited withdrawal of forces and personnel as part of the deal, but the COVID-19 outbreak slowed the process. After an attempt to persuade both Afghan leaders to support a unified government, Secretary of State Michael Pompeo announced that the United States would cut \$1 billion in aid to Afghanistan this year, and potentially another \$1 billion in 2021, due to the political impasse. The Taliban continued attacks throughout the period. However, earlier pressure from coalition and Afghan forces, as well as from the Taliban, drove ISIS-K to abandon its historical stronghold in Nangarhar province in eastern Afghanistan. More than 300 ISIS-K fighters and their family members surrendered, and President Ashraf Ghani declared ISIS-K "obliterated" in Nangarhar. However, ISIS has shown—in Afghanistan as well as in Iraq and Syria—the ability to adapt, move underground, recruit, and remain a threat.



Operation Pacific Eagle-Philippines

During the period, the Lead IG agencies reported that ISIS affiliates in the Philippines continued to engage in terrorist attacks against civilians and in armed combat with the Armed Forces of the Philippines. The violent activity of these extremists was aimed at destabilizing the southern Philippines, as the region attempts to implement political reforms outlined in a 2019 peace agreement between the national government and former Islamist militants. There was no significant change in the strength, capabilities, territory, or leadership of the Philippine ISIS affiliates. These terrorist groups remain a destabilizing influence in an already volatile region. U.S. military advisers continue to advise and assist their Philippine partners in counterterrorism operations, particularly in intelligence, surveillance, and reconnaissance. According to USAID, approximately 70,000 residents of the city of Marawi have been displaced since the 2017 siege by ISIS affiliates destroyed much of the city's infrastructure. Extended delays in reconstruction have exacerbated preexisting tensions between the local population and national government.

East Africa Counterterrorism Operation and the North and West Africa Counterterrorism Operation

During the period, the Lead IG agencies published two unclassified reports on the status of the East Africa Counterterrorism Operation and the North and West Africa Counterterrorism Operation. The purpose of these operations is to degrade al Qaeda and ISIS affiliates, and other violent extremist organizations, in designated regions of Africa. The previous four reports were classified. The Lead IG agencies reported that the terrorist threat in Africa remains persistent and, in many places, is growing. The threat

posed by al Shabaab and ISIS-Somalia in East Africa remains “high” despite continued U.S. airstrikes and training of Somali security forces. In West Africa, violent extremist organizations continue to target civilians and military personnel there, and their attacks are intensifying. In North Africa, violent extremist organizations were less active, but they retain significant capabilities. Al Qaeda’s local affiliate in North Africa is helping finance the operations of its counterpart in West Africa. Extreme weather is an “emergent challenge” to Africa’s security. For example, thousands of Somalis were displaced this quarter by floods. Displacement, food insecurity, and destruction of livelihoods due to natural events can create conditions that foster the growth of violent extremism.

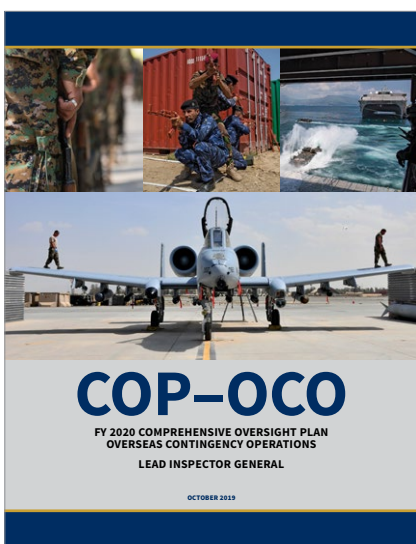
Oversight Planning and Coordination

The Lead IG agencies coordinate their oversight through the quarterly Overseas Contingency Operations Joint Planning Group (formerly the Southwest Asia Joint Planning Group). This quarterly meeting informs planning activities and coordinates projects among oversight entities. It serves as a primary venue to coordinate audits, inspections, and evaluations for OIR, OFS, OPE-P, and other counterterrorism operations, to include one classified operation. The group is also a forum for information sharing and coordination of the broader whole-of-government oversight community, including the Military Service IGs and Service audit agencies, the Government Accountability Office, the Special Inspector General for Afghanistan Reconstruction, and OIGs from the Departments of Justice, Treasury, and Homeland Security. The Deputy IG for Overseas Contingency Operations is the Chair of the Overseas Contingency Operations Joint Planning Group.

The three Lead IG agencies—the DoD, DoS, and USAID—develop and carry out joint strategic plans for comprehensive oversight of each contingency operation. Through this coordination, the agencies develop an annual compendium of all ongoing and planned oversight projects called the Comprehensive Oversight Plan for Overseas Contingency Operations (COP-OCO). The Comprehensive Oversight Plan, discussed below, contains the Joint Strategic Oversight Plans for OIR, OFS, OPE-P, and other counterterrorism operations, to include one classified operation.

Comprehensive Oversight Plan for Overseas Contingency Operations

Pursuant to section 8L of the Inspector General Act, the Lead IG develops and implements a joint strategic plan to guide comprehensive oversight of programs and operations for each operation. This effort includes reviewing and analyzing completed oversight, management, and other relevant reports to identify systemic problems, trends, lessons learned, and best practices to inform future oversight projects. The Lead IG issued the most recent plan, “The FY 2020 Comprehensive Oversight Plan for Overseas Contingency Operations,” to Congress in October 2019. This plan included a classified appendix to discuss oversight related to classified operations.



The FY 2020 COP-OCO describes specific projects that the Lead IG agencies and the Overseas Contingency Operations Joint Planning Group expect to conduct during FY 2020. This joint planning process provides whole-of-government oversight of contingency operations, and represents an unprecedented interagency model. The overall goal of this process is to ensure comprehensive oversight of U.S. Government activities related to overseas contingency operations. This is the 5th annual joint strategic oversight plan from the Lead IG for Overseas Contingency Operations. It includes 264 oversight projects informed by past oversight work and management challenges identified by the departments concerned.

Lead IG Oversight Work

The three Lead IG agencies conduct individual audits, evaluations, and assessments. As of the end of this reporting period, the OIGs of the DoD, the DoS, and USAID are conducting 23 OIR, 26 OFS, and 13 OPE-P audits, assessments, and evaluations, as well as 33 audits, assessments, and evaluations for the EA and NWA counterterrorism operations. Furthermore, the three Lead IG agencies have published a total of 19 reports on completed oversight projects during this semiannual reporting period.

The following summaries are examples of Lead IG oversight work conducted by the DoD OIG during the reporting period for OIR, OFS, and OPE-P. The summaries below are also included in the Audit and Evaluation sections of this report.

Evaluation of Combined Joint Task Force–Operation Inherent Resolve's Military Information Support Operations

The DoD OIG determined whether the Combined Joint Task Force–Operation Inherent Resolve (OIR) planned and executed military information support operations (MISO) in accordance with joint doctrine, and coordinated its OIR messaging efforts and planned the transition of its messaging responsibilities with allies, the host nation, and the U.S. Department of State. According to U.S. joint doctrine, MISO develops and conveys messages and actions to influence select foreign groups and to promote themes to change those groups' attitudes and behaviors.

The DoD OIG determined that U.S. forces in Iraq planned and executed MISO in accordance with joint doctrine and also coordinated MISO with Coalition forces, the Government of Iraq, and the DoS. However, after the physical defeat of the ISIS caliphate in May 2019, U.S. forces and the U.S. Embassy–Baghdad did not coordinate to effectively transition messaging responsibility from the DoD to the DoS. As a result, there is an increased risk that the United States will not be able to influence attitudes, beliefs, and behaviors in the Iraqi information environment following OIR. Additionally, the lack of coordination of information activities between the DoD and the DoS following OIR could produce inconsistent U.S. messaging U.S. intentions.

The DoD OIG recommended that the Under Secretary of Defense for Policy, in coordination with the DoS, develop a plan for interagency coordination and integration of U.S. Government messaging efforts in Iraq.

The DoD OIG also recommended that the Commander of U.S. Central Command, in coordination with the U.S. Embassy–Baghdad:

- define U.S. forces' roles and responsibilities and identify DoS counterparts to support the transition of U.S. Government messaging requirements and responsibilities from the DoD to the U.S. Embassy–Baghdad in Iraq, and
- modify the existing transition plans and orders to assign U.S. forces' roles and responsibilities in the transition of messaging from the DoD to the U.S. Embassy–Baghdad in Iraq.

The Principal Director of Special Operations and Combating Terrorism, responding for the Under Secretary of Defense for Policy, neither agreed nor disagreed with the recommendations and stated that the Office of the Under Secretary of Defense for Policy considers transition of post-OIR MISO, and broader information operations, to be an operational-level planning function best led by the combatant command. Therefore, the DoD OIG redirected this recommendation to U.S. Central Command and a response is pending. The Commander of U.S. Central Command agreed with the remaining recommendations.

Report No. DODIG-2020-065

Evaluation of Weather Support Capabilities for the MQ-9 Reaper

This evaluation determined whether the Air Force implemented weather support capabilities on the MQ-9 Reaper unmanned aircraft system (UAS). Weather support capabilities provide near-real time weather conditions and observations, enhancing forecasting, pilot situational awareness, mission planning and execution, and command and control of the unmanned aircraft system.

The DoD OIG determined that, between FYs 2010 and 2016, the Air Force spent \$17.7 million in Overseas Contingency Operations funding to develop enhanced weather support capabilities for the MQ-9 Reaper UAS, instead of using Research, Development, Test, and Evaluation funds. In addition, the Air Force did not validate the requirement for the capabilities. As a result, the Air Force wasted \$17.7 million dollars in Overseas Contingency Operations funding developing a capability that was not needed and never delivered.

The DoD OIG determined that Air Force did not develop weather support capabilities for the MQ-9 reaper. Air Force officials did not follow the requirements validation processes outlined in Air Force Instruction 10-601, "Operational Capabilities Requirements Development," to develop and deliver weather support capabilities for the MQ-9 Reaper.

The DoD OIG recommended that the Commander of the Air Combat Command share the results of the study conducted for MQ-9 weather tolerance activities with the other Services. The DoD OIG also recommended that the Department of the Air Force Auditor General conduct a review of Air Force components' use of Overseas Contingency Operations funding to develop innovation projects. In addition, the DoD OIG recommended that the Air Force Chief of Staff review the actions of personnel in the Air Force Deputy Chief of Staff for Intelligence, Surveillance, Reconnaissance, and Cyber Effects Operations who were responsible for the development and funding of near real-time weather information and weather model forecasting capabilities to determine whether those individuals should be held accountable for wasting resources on capabilities that were being developed without validated requirements and that did not result in the capability being fully developed for DoD use.

Management agreed with the first two recommendations but disagreed with the third recommendation. Therefore, the DoD OIG requested that the Air Force Chief of Staff provide additional comments in response to the final report.

Report No. DODIG-2020-059

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

The DoD OIG determined whether the DoD properly accounted for and stored Counter-Islamic State of Iraq and Syria Train and Equip Fund 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] forces) in accordance with DoD guidance. The U.S. Government strategy to counter the Islamic State of Iraq and Syria 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 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.

The DoD OIG determined that Special Operations Joint Task Force—Operation Inherent Resolve (SOJTF-OIR) personnel did not account for \$715.8 million of budgeted CTEF-S equipment for FYs 2017 and 2018 from procurement through divestment in accordance with DoD Instruction 5000.64 and Army Regulation 735-5. Additionally, 1st Theater Sustainment Command (1st TSC) personnel did not properly store or secure CTEF-S equipment at the Building Partners Capacity Kuwait warehouse in accordance with DoD guidance, Army regulations, or SOJTF-OIR standard operating procedures. For FY 2020, the DoD budget requested \$173.2 million for weapons, ammunition, 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 Building Partners Capacity Kuwait warehouse, resulting in equipment being stored outside. Furthermore, SOJTF-OIR and 1st TSC personnel left thousands of CTEF-S weapons and sensitive equipment items vulnerable to loss or theft. As a result, without

conducting consistent inventories and ensuring proper security for CTEF-S equipment, the 1st TSC could not determine whether items were lost or stolen, which could delay the initiation of an investigation.

The DoD OIG recommended 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. The DoD OIG also recommended that the Commander of SOJTF-OIR develop guidance for the proper disposal of CTEF-S equipment stored at the Building Partners Capacity Kuwait warehouse that has been declared unserviceable. Additionally, the DoD OIG recommended that the Commander of the 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. Management agreed with the recommendations.

Report No. DODIG-2020-061

Audit of United States Military Equipment Retrograded from Syria

The DoD OIG determined whether the DoD secured and accounted for U.S. military equipment retrograded from Syria. The U.S. Military withdraws theater-provided equipment (TPE) from Syria through the retrograde process. Retrograde is the process of moving non-unit equipment from a forward location to a restoration program or another location to satisfy a different requirement. TPE retrograded from Syria included items such as vehicles, laptops, and communication devices. The TPE did not include any lethal equipment. As of August 2019, the Army had retrograded 1,124 pieces of TPE, valued at \$45.6 million, from Syria.

The DoD OIG identified instances where the Army did not properly account for U.S. military equipment retrograded from Syria. From a universe of 1,124 pieces of TPE, valued at \$45.6 million, the DoD OIG reviewed TPE retrograded from Syria through the Erbil Redistribution Property Accountability Team (RPAT) facility and selected a statistical sample of 192 pieces of TPE, valued at \$6.9 million. Of the 192 pieces of TPE in the DoD OIG sample, the Army properly accounted for 113 pieces of TPE, valued at \$2.8 million. However, 79 of the 192 pieces of TPE, valued at \$4.1 million, were not properly accounted for as required by DoD and Army policies.

The 79 pieces of TPE consisted of 69 pieces that were not accounted for while in transit and 10 pieces found on installation that were not entered in the accountability system.

However, the DoD OIG verified the existence of all equipment in the sample and determined that the Army did not lose any of the TPE in the sample. Although the Army did not lose any of the TPE, the DoD OIG statistically projected that the Army did not continuously account for 559 pieces of TPE. TPE that is not accounted for while being transferred is at an increased risk of loss. In addition, if the Army does not enter found-on-installation equipment into the accountable property systems of record, Army officials have less visibility of the available equipment to make supply-chain decisions. By properly accounting for TPE in an accountable property system of record, the Army can reduce the risk of asset loss. Adequately accounting for TPE will also provide the Army better TPE visibility and improve asset management. Improvements in TPE accountability will positively impact future equipment retrogrades from Syria and retrogrades from other future contingency locations.

In addition, regarding the security of U.S. military equipment retrograded from Syria, the DoD OIG determined that the Army properly secured storage facilities at Camp Arifjan that contained U.S. military equipment retrograded from Syria. The DoD OIG determined that the Army followed the physical security requirements for Army property as stated in Army policy and the Army Prepositioned Stock–Kuwait and Qatar Security Plan. Because the Army properly secured the storage facilities at Camp Arifjan, the Army did not lose any TPE in the DoD OIG sample that was retrograded from Syria and stored at Camp Arifjan facilities.

During the audit, the DoD OIG held discussions with RPAT personnel and the Commander of the 401st Army Field Support Battalion–Southwest Asia regarding found-on-installation accounting discrepancies identified during the audit. RPAT personnel took immediate action to correctly account for found-on-installation equipment still located at the RPAT facility. In addition, the Commander issued a memorandum to RPAT personnel in December 2019 reiterating the need to follow existing guidance to account for found-on-installation equipment. Management actions taken addressed the concerns the DoD OIG identified; therefore, the report contained no recommendations.

Report No. DODIG-2020-075

Audit of the Army's Base Life Support Contract for Camp Taji, Iraq

The DoD OIG determined whether CJTF-OIR and the Army ensured that the contractor provided Camp Taji, Iraq, base life support (BLS) services (such as base security, billeting, lodging, meals, potable water, emergency response, fire response and prevention, hazardous material storage, and electric power generation) in accordance with contract requirements. During the audit, the DoD OIG identified weaknesses in the Camp Taji BLS contract terms and performance work statement requirements. Therefore, the DoD OIG expanded its review to determine whether CJTF-OIR included DoD and Army criteria related to BLS services in the contract and to determine whether the Army awarded the Camp Taji contract in accordance with Federal and DoD contracting criteria.

The DoD OIG determined that, for the Camp Taji BLS contracts, CJTF-OIR did not define DoD- and Army-specific requirements for BLS services; the 408th Contracting Support Brigade and Army Contracting Command–Rock Island each awarded contracts that caused CJTF-OIR to pay for services that it did not use; and CJTF-OIR's contract oversight personnel did not verify the accuracy of the contractor's invoices. As a result of poorly defined contract requirements, inadequate pricing structure, and lack of invoice oversight since July 2015, CJTF-OIR paid \$116 million more than necessary for the Camp Taji BLS contracts. In addition, in the absence of a contract requirement to dispose of solid waste in accordance with U.S. Central Command environmental guidance, the contractor continued to use its commercially available, and Government of Iraq-approved, solid waste disposal method of dumping solid waste at a site in the Camp Taji Amber Zone, which the Iraqis would later burn. This solid waste disposal method may have contributed to the exposure of U.S. and Coalition personnel to potential long-term health effects from the burn pit smoke.

Among other recommendations, the DoD OIG recommended that the CJTF-OIR Commander review and update the performance work statement to include DoD and Army requirements that are applicable to BLS services at Camp Taji. The DoD OIG also recommended that the CJTF-OIR Commander review the actions of the logistics officials responsible for developing Camp Taji BLS requirements, and take appropriate action, if warranted, to hold the necessary officials accountable or to improve generation of future contract requirements. To verify the accuracy of the Camp Taji population reported by the contractor, the DoD OIG

recommended that the Camp Taji Base Operations Support–Integrator (BOS-I) Officer in Charge use the CJTF-OIR personnel status reports for BOS-I’s daily occupancy tracker to ensure that CJTF-OIR is paying for the correct number of personnel; implement and use common access card readers to track personnel who enter or depart Camp Taji; and include steps in the quality assurance surveillance plan or standard operating procedures to ensure that all staff members with responsibilities related to the contractor population are coordinating their activities.

The CJTF-OIR Chief of Staff disagreed with the DoD OIG’s recommendations to review and update the performance work statement to include all DoD and Army requirements that are applicable to BLS services at Camp Taji, and performing a review of the actions of the logistics officials. Although the Chief of Staff disagreed with the recommendations, CJTF-OIR staff stated that, after the project to install incinerators is completed, CJTF-OIR will update the performance work statement to include a requirement to dispose of solid waste through incineration. This demonstrates that CJTF-OIR continues to take action to address weakness in the performance work statement requirements, and the DoD OIG requested that the Chief of Staff reconsider his non-concurrence with our recommendations.

The CJTF-OIR Chief of Staff agreed with the DoD OIG recommendations to improve BOS-I’s tracking of Camp Taji’s population, but did not address the specifics of the DoD OIG recommendation to formally document overlapping responsibilities related to the contractor population to ensure oversight personnel coordinate their activities. The DoD OIG requested additional comments.

Report No. DODIG-2020-069

Audit of Jordan Border Security Program Oversight

The DoD OIG determined whether the Defense Threat Reduction Agency (DTRA) ensured that contractor-provided equipment and training met the requirements for the Jordan Border Security Program (JBSP). DTRA, through the Weapons of Mass Destruction Proliferation Prevention Program, oversees the implementation of the JBSP, which is intended to enhance the capability of the Government of Jordan to deter, detect, and interdict weapons of mass destruction and related materials crossing its border.

The DoD OIG determined that DTRA personnel ensured that the contractor provided training in the operation, administration, and maintenance of the Jordan Border Security System (JBSS), as well as performed maintenance of JBSS equipment to seek to meet JBSP requirements. Additionally, DTRA personnel ensured that the contractor provided equipment that complied with JBSS system requirements before formal acceptance and delivery to the Jordanian Armed Forces (JAF). However, DTRA personnel did not comply with DTRA internal guidance when providing oversight of the contractor performing inspection and inventory of the equipment transferred to the JAF. As a result, DTRA officials did not have an accurate record of the exact type, quantity, or condition of \$37 million of the \$39.5 million in JBSS equipment that the DoD provided through the contractor to the JAF from 2014 to 2019. Without knowing the exact type, quantity, and condition of the equipment transferred to the JAF, DTRA risks not being able to accurately determine whether the JAF has sufficient equipment, including spare parts, to maintain full functionality of the JBSS moving forward.

The DoD OIG recommended that the DTRA Cooperative Threat Reduction Contracting Officer update the existing quality assurance surveillance plan with oversight plans for specific methods for the inspection, acceptance, and accountability of the property transferred to the JAF, including any remaining transfers in the task order. The DoD OIG also recommended that the Cooperative Threat Reduction Director request the JAF to perform a full annual inventory of equipment received to support the JBSS. In addition, DTRA should conduct a statistically significant sample of the task orders’ equipment to perform a physical inventory. Management agreed with the recommendations.

Report No. DODIG-2020-043

Evaluation of the DoD Counterintelligence Workforce Capacity Development

The DoD OIG determined whether the Military Services are providing enough credentialed counterintelligence personnel to meet overseas contingency operations requirements.

The report findings and recommendations are classified.

Report No. DODIG-2020-045

Evaluation of Force Protection Screening, Vetting, and Biometric Operations for Afghanistan National Defense Security Forces

The DoD OIG determined whether U.S. Forces–Afghanistan developed and implemented screening, vetting, and biometric processes for members of the Afghan National Defense Security Forces collaborating with U.S. and allied forces in order to identify and remove enemy infiltrators and other hostile personnel from Afghan National Defense Security Forces organizations.

The report findings and recommendations are classified.

Report No. DODIG-2020-062

Evaluation of the V-22 Engine Air Particle Separator

The DoD OIG determined whether the Naval Air Systems Command V-22 Joint Program Office developed an Engine Air Particle Separator (EAPS) that protects the V-22 engine while operating in all desert environments by creating a powerful vacuum force to remove soil from the air before it enters the engine. An EAPS removes soil and debris from the air before it enters the engine.

The DoD OIG determined that the Naval Air Systems Command V-22 Joint Program Office did not include a specification for the original EAPS to meet the engine manufacturer's specification. Despite two unsuccessful redesign efforts, the Naval Air Systems Command V-22 Joint Program Office is proceeding with a third design that still will not meet the engine manufacturer's specification. Naval Air Systems Command V-22 Joint Program Office officials stated that it is not technically feasible to meet the engine manufacturer's specification for air quality in a desert environment; however, they could not provide an analysis that demonstrated whether the third redesign would adequately protect the engine. As a result, the V-22, which combines the capabilities of a helicopter and an airplane, remains at risk, despite more than 9 years of EAPS redesign attempts.

The DoD OIG recommended that the V-22 Joint Program Office Commander conduct a review of alternatives for the EAPS and V-22 engine so that the EAPS adequately, protects the V-22 engine in all desert environments, and develop a plan to include a

sampling of additional soils, whose compositions and concentrations are representative of those found in actual V-22 operational environments, in the testing for the EAPS and V-22 engine.

The V-22 Joint Program Office Program Manager, Air 275, agreed that V-22 operations in desert environments are a critical capability for the program. However, he disagreed with the focus on only the V-22 EAPS subsystem, stating that evaluating only one V-22 subsystem and not the overarching program strategy to enable safe operation of the V-22 during austere operations does not capture the program's plan for addressing risk. The Deputy Program Manager described a multi-layered approach the program office was taking to address safe operation of the V-22 and stated that extensive research has led the Program Manager, Air 275, to conclude that it is not technically possible to develop, integrate, and field an Engine Air Particle Separator that is fully capable of protecting the V-22 engine from all possible soil types and concentrations for unlimited durations. However, the Program Manager, Air 275, plans to perform testing to characterize the performance of the V-22 engine and EAPS in desert environments and use the results of the testing to update the specification for the third EAPS redesign effort. The DoD OIG requested the results of this testing, when completed.

Report No. DODIG-2020-006

Audit of DoD Requirements for the National Maintenance Strategy–Ground Vehicle Support Contract

The DoD OIG determined whether the DoD developed training, mentoring, and contractor logistics support requirements for the National Maintenance Strategy–Ground Vehicle Support (NMS-GVS) contract that meets Afghan National Defense and Security Forces (ANDSF) needs for maintaining and sustaining its vehicles. The NMS-GVS contract is a key aspect of the North Atlantic Treaty Organization Coalition's Resolute Support mission to train, advise, and assist the ANDSF to perform vehicle maintenance and help the ANDSF achieve self-sufficiency.

The DoD OIG determined that the Combined Security Transition Command–Afghanistan (CSTC-A) developed requirements for the NMS-GVS contract that were not measurable or achievable. Specifically, CSTC-A did not develop training and mentoring requirements

that measured progress or developed achievable work split requirements for the ANDSF. As a result, CSTC-A developed requirements to maintain vehicles and train the ANDSF, and the Army awarded contract support valued at \$2.2 billion since 2010 with no significant progress in the ANDSF's ability to independently perform maintenance. The DoD OIG concluded that the ANDSF will face challenges in becoming self-sufficient unless CSTC-A develops training and mentoring requirements that measure ANDSF progression levels, establishes a reasonable work split requirement, and provides required software systems. Furthermore, if the ANDSF does not become self-sufficient by August 2022 due to a lack of training success, the DoD may have to continue to pay contractor support to train and perform vehicle maintenance and repairs for the ANDSF after the contract ends.

Among other recommendations, the DoD OIG recommended that the CSTC-A Commander develop training and mentoring requirements that track and measure ANDSF capabilities over time, conduct semiannual reviews and document the ANDSF's ability to meet the agreed-upon work split, and modify the contract requirements based on the results. The DoD OIG also recommended that CSTC-A coordinate with the Afghan Ministries of Defense and Interior to develop agreements to reinforce ANDSF trainee attendance for the NMS-GVS training program. Management agreed with the recommendations, except for the recommendation to develop an agreement to reinforce ANDSF trainees' attendance of the training program, which management stated is not an agreed-upon requirement.

Report No. DODIG-2020-026

Evaluation of Niger Air Base 201 Military Construction

The DoD OIG determined whether U.S. Africa Command (USAFRICOM) and the Air Force effectively planned, designed, and constructed Air Base 201, a military installation in the desert in Agadez, Niger, to provide airfield and base support infrastructure in support of USAFRICOM operations.

The DoD OIG determined that USAFRICOM and the Air Force did not adequately oversee and coordinate with stakeholders on the delivery of Air Base 201. As a result, the airfield and base camp needed to support the USAFRICOM intelligence, surveillance, and reconnaissance mission was delayed by almost 3 years from the original planned date of completion.

The DoD OIG recommended that the:

- Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, review the Air Force programming actions to determine whether the programming actions are in accordance with applicable appropriation laws and regulations;
- Assistant Secretary of the Air Force (Financial Management and Comptroller) initiate a preliminary review to determine whether the use of Procurement funds for the acquisition of the guard towers resulted in a potential Antideficiency Act violation and, if so, conduct a formal investigation and provide the results of the review to the DoD OIG;
- Air Force/A4C Director of Civil Engineers update Air Force Instruction 32-1021, "Planning and Programming Military Construction (MILCON) Projects," to identify oversight responsibilities when troop labor construction projects are planned and programmed at the major Command level; and
- USAFRICOM Commander establish a coordination and decision-making process with key stakeholders for troop labor construction projects, including a forum to directly communicate with the military construction program manager, designer of record, construction provider, and base support integrator, as applicable.

The DoD OIG also made six recommendations to the Air Force Africa Commander related to planning and documentation associated with the construction of Air Base 201.

Management agreed to take action that met the intent on 9 of the 10 recommendations. The DoD OIG asked that the USAFRICOM Commander provide additional comments on the tenth recommendation and that response is pending.

Report No. DODIG-2020-077

Ongoing Work

During the reporting period, the DoD OIG and the other Lead IG agencies completed 19 audits and evaluations related to overseas contingency operations. The following are examples of ongoing audits and evaluations being conducted by the DoD OIG and other Lead IG agencies related to OIR, OFS, and OPE-P.

OIR

- The DoD OIG is evaluating U.S. Central Command’s civilian casualty evaluation and reporting procedures to determine whether there are accurate accounts of potential civilian casualties resulting from OIR airstrikes.
- The DoD OIG is conducting an audit to determine whether the Military Services’ pre-deployment training to counter an adversary’s use of UAS is done in accordance with the geographic combatant commands’ operational requirements.
- The DoS OIG is evaluating whether the Bureau of Counterterrorism’s programs and operations are meeting DoS goals and expectations.
- The USAID OIG is conducting an audit to determine whether USAID has taken action to prevent, detect, and respond to allegations of sexual exploitation and abuse.

OFS

- The DoD OIG is evaluating DoD processes to counter improvised explosive devices by using tactical jammers.
- The DoS OIG is conducting an audit to determine whether Federal assistance awards provided by the Global Engagement Center align with its statutory mandate and authority and whether the Global Engagement Center has monitored those awards in accordance with Federal requirements, DoS policies and guidance, and the terms and conditions of each award.
- The USAID OIG is conducting an audit to determine the extent to which USAID has used its Multi-Tiered Monitoring Strategy for Afghanistan to manage projects.

OPE-P

- The DoD OIG is conducting an audit to determine whether the Defense Health Agency and the Military Services are providing effective training to mobile medical teams prior to deploying to USAFRICOM and U.S. Indo-Pacific Command areas of responsibility in order to improve trauma care.
- The DoS OIG is auditing antiterrorism assistance programs in the Philippines to determine whether the DoS has developed specific, measurable, and outcome-oriented objectives for the

programs; whether the DoS has established program sustainment goals; and how well the DoS is effectively monitoring and evaluating program participants’ progress toward attaining program goals.

EA and NWA Counterterrorism Operations

- The DoD OIG is evaluating whether USAFRICOM, U.S. Central Command, U.S. European Command, and U.S. Indo-Pacific Command are planning and executing counter-threat finance activities to impact adversaries’ ability to use financial networks to negatively affect U.S. interests.
- The USAID OIG is conducting an audit to determine whether USAID has overseen its humanitarian assistance activities in the Lake Chad Basin, including risk mitigation for organizations implementing their programs and to prevent the diversion of aid from its intended beneficiaries.

Lead IG Investigations

The investigative components of the Lead IG agencies are members of the Fraud and Corruption Investigative Working Group, which promotes and coordinates the detection, investigation, and prevention of fraud and corruption related to OIR and OFS. The Lead IG agencies use forward-deployed investigators in Kuwait, Qatar, Iraq, Saudi Arabia, United Arab Emirates, and Afghanistan, as well as in Germany and Washington, D.C., to conduct these investigations. From October 1, 2019, to March 31, 2020, Lead IG agency investigations resulted in: 1 arrest, 4 criminal charges, 3 convictions, 23 contractor debarments, 4 administrative actions, 1 contract termination, 2 personnel actions, and savings or recoveries of over \$229,970. The Lead IG investigative agencies opened 50 new cases, closed 60 cases, and are conducting 130 OIR-related, 129 OFS-related, 4-OPE-P-related, and 29 Other OCO-related investigations (total of 294 investigations, including 44 “legacy” cases (initiated before 2015)). The investigations involve allegations of procurement, grant, and other program fraud; corruption involving U.S. Government officials; theft and diversion of Government funds or equipment; and other offenses, including trafficking in persons. Additionally, during this reporting period, the Fraud and Corruption Investigative Working Group conducted 228 fraud briefings with 2,614 attendees.

Lead IG Hotline Activities

Each Lead IG agency has a dedicated hotline to receive complaints and contacts specific to its agency. The DoD Hotline provides a confidential, reliable means for individuals to report violations of law, rule, or regulation; mismanagement; gross waste of funds; and abuse of authority for independent review. DoD Hotline representatives process the complaints they receive and refer these complaints to the appropriate entity in accordance with their respective protocols. Any hotline complaint that merits referral is sent to the responsible organization for investigation or informational purposes.

A DoD Hotline investigator coordinates contacts received from among the Lead IG agencies and others, as appropriate. During the reporting period, the Hotline investigator opened 92 cases in support of OIR, 70 cases in support of OFS, and 3 cases in support of other OCOs. (There was no Hotline activity for OPE-P during the reporting period.) These cases were referred within the DoD OIG, to the Lead IG agencies, or to other investigative organizations for review and, as appropriate, investigation. The majority of the cases opened during the reporting period were related to procurement and contract administration, criminal allegations, personal misconduct, personnel matters, Government resources, safety, trafficking in persons, reprisal, and security.

3. ENABLING MISSION AREAS



CONGRESSIONAL TESTIMONY AND BRIEFINGS

The DoD OIG participates in congressional hearings and briefings, and responds to letters, phone calls, and e-mails from congressional committees, individual Members of Congress, and congressional staff.

Hearing



Glenn A. Fine, Principal Deputy Inspector General Performing the Duties of the Inspector General, testified before the House Committee on Oversight and Reform

Source: The DoD OIG.

On January 28, 2020, Principal Deputy Inspector General Glenn A. Fine testified before the House Committee on Oversight and Reform, Subcommittee on Government Operations, at its hearing on “Protecting Those Who Blow the Whistle on Government Wrongdoing.” In his testimony, Mr. Fine discussed the significant contributions of whistleblowers, why the protection of whistleblowers is important, how the DoD OIG evaluates and oversees whistleblower disclosures and complaints of reprisal, and several best practices the DoD OIG has implemented to improve its timeliness and efficiency in whistleblower investigations. He emphasized the crucial role whistleblowers play in exposing waste, fraud, and abuse, and other violations of law in Government programs and operations, and the importance of whistleblowers to the Inspector General community as it conducts critical oversight of the Federal Government.

Mr. Fine also spoke about the importance of prompt actions for remediation from DoD managers when allegations of whistleblower reprisal are substantiated and he expressed concerns about a lack of corrective action by the DoD in response to several investigations that substantiated allegations of reprisal against whistleblowers.

The written statement for Mr. Fine’s hearing testimony is available at –

<https://www.dodig.mil/Reports/Testimony/Article/2072753/glenn-a-fine-principal-deputy-inspector-general-performing-the-duties-of-the-in/>

Meetings With Congressional Members and Staff

During the reporting period, the DoD OIG conducted more than 85 meetings and telephone calls with congressional staff and Members of Congress. Topics of discussion involved pending legislation and DoD OIG oversight efforts, such as:

- a meeting with Senate Appropriations Committee Ranking Member Dick Durbin, Sen. Patty Murray, Sen. Patrick Leahy, and Sen. Jack Reed regarding their request for an OIG review of the DoD’s execution of Ukraine Security Assistance Initiative funding;
- briefings to staff for several congressional Committees and Senators on “Understanding the Results of the DoD FY 2019 Financial Statements”;
- meetings with staff from Surveys and Investigations Subcommittee of the House Appropriations Committee, Subcommittee on Surveys and Investigation to discuss the ongoing joint audit with the Department of Veterans Affairs (VA) OIG on the interoperability of DoD and VA electronic health records;



The U.S. Capitol
Source: iStock.

- a briefing to staff for the House Committee on Oversight and Reform to discuss the status of recommendations from Report No. DODIG-2018-138, “DoD’s Organizational Changes to the Past Conflict Personnel Accounting Community”;
- a briefing to staff for the House Committee on Oversight and Reform and the staff of Representative Jackie Speier on Report No. DODIG-2020-003, “Audit of the DoD’s Use of Additive Manufacturing for Sustainment Parts”;
- a meeting with staff from the Senate Finance Committee to discuss the DoD OIG’s process for conducting Presidential Policy Directive 19 reprisal investigations;
- briefings to the House Committee on Oversight and Reform and the Senate Finance Committee related to previous and ongoing audits related to the F-35;
- a meeting with staff for Senator Joni Ernst on Report No. DODIG-2020-038, “Report of Investigation: Mr. Guy B. Roberts, Senior Executive Service, Assistant Secretary of Defense, Nuclear, Chemical, Biological Defense Programs”;
- meetings with staff from the House Armed Services Committee and Senate Armed Services Committee to discuss FY 2020 National Defense Authorization Act requirements for the DoD OIG to report on military housing, recruit deaths, and commercial depot maintenance contracts; and
- a classified briefing to the staff from the House Foreign Affairs Committee on Operations Inherent Resolve and Yukon Journey.

Congressional Requests

The DoD OIG’s Office of Legislative Affairs and Communications (OLAC) serves as the point of contact in the DoD OIG for communications with Congress. During the reporting period, OLAC received more than 85 congressional inquiries, and reported on audits, evaluations, and investigations in response to congressional interest and legislative mandates. In addition, OLAC regularly proactively informs congressional staff about DoD OIG reports and DoD OIG work and produces a monthly newsletter summarizing the reports and investigations released by the DoD OIG in the previous month and reports that are anticipated to be released in the coming month. The newsletter also includes project announcements and additional news releases highlighting investigations conducted by the Defense Criminal Investigative Service. The newsletters are available at –

<http://www.dodig.mil/Reports/Newsletter/>

Council of the Inspectors General on Integrity and Efficiency



The CIGIE was established as an independent entity within the Executive Branch by the “The Inspector General Reform Act of 2008.” Its purpose is to address integrity, economy, and effectiveness issues that transcend individual Government agencies, and

to increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the Offices of Inspectors General.

Defense Council on Integrity and Efficiency

The Defense Council on Integrity and Efficiency (DCIE) is chaired by the DoD Inspector General and meets periodically to ensure coordination and cooperation among the DoD oversight community, including the DoD OIG; the Defense agencies; and the internal audit, inspection, and investigative organizations of the Military Departments. The DCIE has six standing committees: Audit, Administrative Investigations, Criminal Investigations, Information Technology, Inspections and Evaluations, and the Defense Intelligence and Special Programs Oversight Committee.

During the reporting period, the DCIE committees focused on followup activity, discussed how member agencies conduct quality assurance reviews of their agency’s audit projects, discussed recent congressional hearings on the value and importance of whistleblowers, and conducted the Inaugural Contractor Disclosure Program Working Group. DCIE committees also discussed challenges in standing up a new OIG within the Defense Health Agency, participated in joint training events and presentations from DoD cybersecurity experts, and discussed criminal investigations involving foreign influence over grants. In addition, DCIE committees de-conflicted ongoing and planned projects within the Government Accountability Office and the DoD oversight community, and coordinated both joint and complimentary evaluations and audits in areas of common interest.

4. SERVICES



MILITARY SERVICE AUDIT AND INVESTIGATIVE AGENCIES

The Military Services audit and investigative agencies are key components of the DoD oversight community. These agencies conduct audits and investigations of activities, programs, functions, and criminal activity solely within their Military Service.

Included in this section are the submissions from the Services summarizing significant audit reports issued by the U.S. Army Audit Agency (USAAA), the Naval Audit Service (NAVAUDSVC), and the Air Force Audit Agency (AFAA). Appendix B provides a full list of audit reports issued by the DoD OIG and the Service audit agencies.

This section also includes submissions by the military criminal investigative organizations (MCIOs) describing the results of significant investigations performed by the MCIOs that resulted in criminal, civil, and administrative actions. The MCIOs are the Army Criminal Investigation Command (Army CID), the Naval Criminal Investigative Service (NCIS), and the Air Force Office of Special Investigations (AFOSI).

ARMY

U.S. Army Audit Agency

To accomplish its mission, the U.S. Army Audit Agency (USAAA) relies on a workforce of highly trained professional auditors and support staff, many with advanced degrees and professional certifications. The USAAA's staff consists of approximately 495 employees and provides audit support to all aspects of Army operations.

The USAAA's goal is to be a highly sought after and integral part of the Army by providing timely and valued services that focus on the evolving needs of Army leaders. To ensure its audits are relevant to the needs of the Army, the USAAA aligned its audit coverage with the Army's highest priorities and high-risk areas as determined by its enterprise-level risk assessment and input from Army senior leaders.

During the first 6 months of FY 2020, the USAAA published 46 reports, made more than 130 recommendations, and identified about \$108.7 million in potential monetary benefits. A few of the USAAA's significant reports are described in the following summaries.

Atlantic Resolve Rotational Forces

The USAAA determined whether rotational units assigned to support Operation Atlantic Resolve were appropriately manned and equipped to perform mission requirements. As part of Atlantic Resolve, the Army provides rotational armored brigade combat teams and combat aviation brigades to support a continuous presence, including rotations of Armed Forces based in the continental United States. This ensures a U.S. presence across Eastern Europe, including the Baltic States, Bulgaria, Poland, and Romania. The goal is to improve interoperability, strengthen relationships between allies, and contribute to regional stability.

The USAAA determined that rotational units assigned to support Operation Atlantic Resolve were not appropriately manned throughout their rotation. This happened because soldiers were sent home during deployment, significantly affecting unit manning levels. As a result of not achieving Army manning goals, the Army risks not fully realizing the benefits of Operation Atlantic Resolve's European-based bilateral and multilateral training. In addition, although units had the appropriate equipment for mission requirements, units could not use their own bulk fuelers because the fuelers were not certified to travel on European roads upon arrival and some needed maintenance before certification. The USAAA reviewed documentation for 123 fuelers shipped by the four units reviewed. About 98 percent (121 of 123) of fuelers needed either maintenance or repair before the modification and certification could begin. Because of the additional maintenance or repair needed, fuelers were still being certified after the unit's departure from Europe. Shipping unmaintained equipment resulted in the Army spending about \$2.9 million to bring fuelers to mission standards.

The USAAA recommended that the Deputy Chief of Staff, G-1, coordinate with U.S. Army Europe to extend the availability of soldiers during their rotation when possible. The USAAA also recommended to the U.S. Army Europe Commander to require units to coordinate with 21st Theater Sustainment Command and complete the following before sending fuelers to Europe: (1) install modification kits to fuelers, (2) establish a certification pre-inspection process

to identify certification and maintenance related issues, and (3) establish work orders to identify and address any maintenance issues and parts needed. Management concurred with the recommendations.

Report No. A-2020-0006-AXZ

Army Corrosion Prevention and Control Program

The USAAA determined whether the Army established and designed its corrosion prevention and control program to meet program goals. The Army Corrosion Prevention and Control (CPC) strategic plan aimed to reduce the cost of corrosion-related maintenance, the non-availability of equipment from corrosion, and the average number of aviation mishaps related to corrosion.

The USAAA determined that the Army established a CPC program, but it was not designed to meet its goals. The strategic plan lacked detailed objectives and performance measures to determine whether the Army met its goals. In addition, the Army's FY 2018 CPC annual report did not include information on Army-wide accomplishments, objectives, and goals as required. As a result, the Army could not measure the effectiveness of CPC-related actions its organizations took or demonstrate to Congress or the DoD that the program enhanced readiness or reduced equipment life-cycle costs.

The USAAA recommended that the Assistant Secretary of the Army for Acquisition, Logistics and Technology Corrosion Executive should revise the CPC strategic plan to include clearly defined and measurable objectives and metrics and establish a senior-level oversight group to make decisions about CPC program policies and actions. Management agreed with the recommendations and planned to implement them by March 2021 by publishing a new regulation for the CPC program and updating the strategic plan.

Report No. A-2020-0010-AXZ

Training of Warrior Tasks and Battle Drills

At the request of the former Sergeant Major of the Army, the USAAA reviewed whether soldiers received training for the 70 Warrior Skill Level 1 tasks and battle drills based on guidance in Army Regulation 350-1, "Army Training and Leader Development," December 10, 2017, and the Soldier's Manual of Common Tasks. Army Regulation 350-1 requires every soldier to develop a baseline proficiency for the 70 Level 1 tasks during their initial military training.

These skills serve as the foundation for all other warrior tasks and battle drills (WTBDs). The regulation then requires units to integrate ongoing WTBD training for soldiers into units' collective training strategies. WTBD training is a critical building block for individual and unit readiness needed to respond to hostile actions on the modern battlefield to fight, survive, and win in combat.

The USAAA determined that, while new soldiers received initial training on the 70 Warrior Skill Level 1 tasks, they did not receive periodic training after being assigned to a unit to maintain proficiency. Based on various units' training history from October 1, 2017, through May 6, 2019, the USAAA determined that, after being assigned to a unit, 299 of 715 soldiers (about 42 percent) did not receive training for any of the tasks; 404 soldiers (about 56 percent) received training for at least 1 task; and 12 soldiers (about 2 percent) received training on all 70 tasks. Soldiers did not receive periodic training on these tasks because the Army did not enforce receipt of training. Furthermore, units did not provide required WTBD training because Army training doctrine and policy did not make it clear to unit commanders on whether soldiers should receive training for all warrior tasks and how often they should receive the training.

The USAAA recommended that the Deputy Chief of Staff, G-3/5/7, establish a forcing mechanism to ensure that soldiers receive appropriate WTBD training. The USAAA also recommended that the Deputy Chief of Staff, G-3/5/7, issue clarifying guidance for WTBD training to clarify the requirement for the training, method for recording soldier completion of the training, and frequency by which soldiers should conduct the training. Management agreed with the recommendations.

Report No. A-2020-0017-FIZ

Audit of Army Investment in Science and Technology

At the request of the Secretary of the Army, the USAAA audited the process to program and execute science and technology (S&T) funding in support of the Army's modernization priorities.

The USAAA determined that the Army did not have sufficient processes to identify and prioritize S&T investments that incorporated modernization priorities. Specifically, the Army did not clearly define the authorities, roles, and responsibilities for planning, programming, and aligning S&T investments.

This occurred because directives establishing responsibilities for S&T governance were open to interpretation and sometimes conflicted with statutes and other policies, fostering inefficient working relationships that led to redundant efforts.

Additionally, the Army did not have a systematic approach to gain stakeholder buy-in to facilitate transitioning S&T investments to the acquisition community. Although the Army codified a transition agreement policy to document transition expectations within 12 months after project initiation, personnel from program executive offices said this was often too late for them to influence programs once system designs and specifications were set and contracts awarded. As a result, there may be little common understanding between stakeholders on desired outcomes, potentially inhibiting the successful transition of technology.

The USAAA recommended that the Secretary of the Army codify the Army's S&T governance review process within Army guidance. The USAAA also recommended that U.S. Army Futures Command also agreed to establish a formal review process to align S&T investments with the Army's modernization priorities that relies on pre-established criteria for research projects. Additionally, the USAAA recommended that the Assistant Secretary of the Army for Acquisition, Logistics, and Technology agreed to update the Army's transition agreement policy to require S&T research and development centers and program executive offices to jointly develop transition agreements at the start of a research project or task. Management agreed with the recommendations.

Report No. A-2020-0024-AXZ

Managing Ammunition Supply Points, CONUS, U.S. Army Sustainment Command

The USAAA determined whether the Army accounted for, properly stored, and inspected ammunition at ammunition supply points (ASPs) in the continental United States. The USAAA also evaluated the process the Army used to identify and dispose of excess and unserviceable ammunition.

The USAAA determined that, in general, the ASPs properly accounted for, stored, and disposed of excess and unserviceable ammunition. However, the ASPs did not always perform inspections in a timely manner. Specifically, 6 of 32 ASPs the USAAA reviewed had past due inspections on more than 10 percent of their inventory, on more than 50 high-priority items, or

on both. This condition occurred because U.S. Army Sustainment Command did not monitor past-due inspection reports. Additionally, the ASPs were storing ammunition for purposes other than training, which increased workload. As a result, the Army generally had visibility of ammunition, assurance that it was properly stored, and had processes in place to redistribute it. However, the ASPs were at increased risk of having unidentified, unserviceable ammunition that could affect unit training and readiness.

The USAAA recommended that U.S. Army Materiel Command update the checklist for the ASP reviews to include an evaluation of inspection processes for inefficiencies and an assessment of past due inspections and whether corrective action is needed. The USAAA also recommended that U.S. Army Sustainment Command establish an oversight process to identify and monitor past-due inspections and implement a remedial program to address past due inspections. Management agreed with the recommendations.

Report No. A-2020-0026-AXZ

Army's Implementation of the Reserve Health Readiness Program

The USAAA reviewed whether U.S. Army Reserve Command's (USARC) implementation of the Reserve Health Readiness Program (RHRP) led to USARC achieving its goals for quality and data timeliness to support medical readiness. The USAAA also reviewed whether USARC used all available resources to minimize costs when completing soldiers' medical and dental assessments. The RHRP is a DoD program managed by the Defense Health Agency to help service members meet medical readiness requirements by providing medical and dental services. The RHRP contractor is responsible for managing a network of non-DoD civilian providers who perform medical and dental services. The RHRP provides services to units through group events and individual appointments.

The USAAA determined that USARC's implementation of the RHRP generally led to it achieving its goals for quality but not for data timeliness. While USARC did not have a specific goal for timeliness, the RHRP contract required the contractor to update soldiers' records within 5 working days of completing a group event. Based on the USAAA's review of group events at three subordinate commands, 100 (about 43 percent) of 235 soldiers' records were not updated within 5 working days, and 15 (about 6 percent) of

the records still were not updated about 8 weeks later. This occurred because of interface delays between the DoD, Army, and the RHRP contractor systems, which were managed by the Defense Health Agency, U.S. Army Medical Command, and the RHRP contractor, respectively.

In addition, USARC and its subordinate commands did not use all available resources to minimize costs when completing medical and dental assessments for Reserve soldiers. Resources available included services provided by the RHRP, Reserve providers, or military treatment facilities. Two of the three commands visited predominantly used individual appointments, which cost more for each assessment, instead of group events to complete assessments. Only one of the subordinate commands visited performed periodic health assessments using organic providers as part of group events in conjunction with the RHRP contractor to complete individual medical readiness requirements. This occurred because USARC did not issue guidance on how to use the RHRP contract properly and USARC did not prioritize using Reserve providers to perform periodic health assessments.

The USAAA recommended that the Office of Business Transformation modify the relevant data system to calculate more readily soldiers' medical readiness classification. The USAAA also recommended that USARC issue guidance to its units on how to minimize costs and maximize all available resources when completing medical and dental assessments. In addition, the USAAA recommended that USARC perform an analysis of alternatives for using organic providers to perform periodic health assessments. Management agreed with the recommendations.

Report No. A-2020-0030-FIZ

Enterprise Risk Management

The USAAA reviewed how the Army assessed reported risks under the Office of Management and Budget's (OMB) enterprise risk management (ERM) process. The objective was to verify that the Army effectively implemented the process. In 2016, OMB revised Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," July 15, 2016, to emphasize the need for organizations to develop a more robust ERM process. The Army implemented this updated process in 2018.

The USAAA determined that Army did not effectively implement aspects of ERM in accordance with OMB guidance. Specifically, it initially designed ERM to evaluate risks in eight business processes that focused on financial risks, instead of the full spectrum of risks linked to the Army's operational strategic goals and objectives. This occurred because the Army did not leverage existing risk assessment processes as part of its ERM process. Instead, it relied on lower echelon commands to identify and align risks. The Army also aligned its ERM program responsibility with the financial management and comptroller proponent instead of an Army headquarters activity with enterprise responsibility over the Army's operational and business processes. In addition, Army guidance needed to be updated to better clarify the differences between ERM and the managers' internal control program and how they integrate. As a result, the Army will continue to have challenges in trying to receive a favorable opinion on its financial statements.

The USAAA recommended that the Army update the current ERM process to include a top-down approach that uses existing strategic-level assessments. The USAAA also recommended that the Army assess whether program responsibility for ERM should remain with the financial management and comptroller proponent or transfer to the Army's Deputy Chief Management Officer in line with DoD program responsibility. In addition, the USAAA recommended that the Army update its ERM guidance to clarify program intent and roles and responsibilities for Army commands. Management agreed with all of the recommendations and planned to implement them by September 2020.

Report No. A-2020-0033-BOZ

Army Information Technology Requirements – Training Program Evaluation Group

At the request of the Deputy Director of Training, Deputy Chief of Staff, G 3/5/7, the USAAA determined whether the Army accurately recorded and supported information technology (IT) requirements within the training program evaluation group for investment purposes.

The USAAA determined that the Army could not accurately record and support IT obligations and expenditures within the training program evaluation group. The USAAA analyzed a statistical sample of 575 transactions totaling \$1.77 billion across

47 commitment items and 132 management decision packages. These transactions totaled \$3.1 billion in obligations for FY 2017 within the training program evaluation group. The USAAA found significant inconsistencies with data in the General Fund Enterprise Business System (GFEBS). Specifically, \$814 million was recorded with an incorrect or terminated commitment items, and \$1.15 billion was recorded without adequate transactional support in GFEBS. Additionally, the USAAA projected \$79 million of obligations for hardware and software were made outside the Army's mandated acquisition method. The USAAA also identified repeat findings on the migration of operational tempo (OPTEMPO) funds and on using unprogrammed funds for IT expenditures.

The USAAA made 10 recommendations to the Assistant Secretary of the Army (Financial Management and Comptroller); Chief Information Officer, G-6; and Deputy Chief of Staff, G-3/5/7, including to:

- complete a system change for GFEBS to incorporate a key reporting field, displaying compliance with IT purchasing policies;
- establish separate IT-specific Army program elements to program funding requirements within the program objective memorandum;
- finalize and issue updated Information Technology Approval System policy and conduct quarterly quality controls check to ensure compliance;
- capture OPTEMPO migration for IT purchases as a reportable deficiency, and develop a corrective action plan and resolve repeated findings related to migration of OPTEMPO funds for IT purposes;
- require all Army commanders to develop and submit their IT requirements as part of the planning and programming process in support of DoD policy requiring the Army's Chief Information Officer to validate the IT budget; and
- realign about \$68 million (\$13.6 million per year) in FY 2020 through FY 2024 to the newly assigned IT-specific Army program elements from unprogrammed spending during FY 2017 to address future requirements. Capture unprogrammed IT spending as a reportable control deficiency.

Management agreed with the intent of the recommendations.

Report No. A-2020-0036-AXZ

Implementing Acquisition Enterprise Metrics, Acquisition Reform Initiatives

The Office of the Secretary of the Army mandated that the USAAA conduct audits to determine the extent of the Army's compliance with acquisition reform initiatives. The USAAA reviewed whether the Army developed relevant metrics to assess acquisition performance across the enterprise.

The USAAA determined that, while the Army made progress developing relevant metrics, it did not fully develop them to assess acquisition performance across the enterprise. Specifically, the Army did not:

- refine metrics to align with end-state goals for lines of effort and mission-critical measure areas,
- capture metrics data using automated systems, which hindered collecting comprehensive and useful information, or
- establish the oversight framework needed to drive informed decisions and achieve intended strategic goals.

Office of Primary Responsibility personnel developed metrics that addressed some aspects of lines of effort end states and mission-critical measure areas, but they did not address every aspect. Additionally, some metrics did not fully align with desired end states. Instead, personnel focused on developing metrics based on data they could collect instead of data they should collect. They also did not consider whom the metrics would inform or how they would be used. The Army did not develop relevant metrics because Office of Primary Responsibility personnel did not fully follow the prescribed four-phase metrics implementation process. Further, the Army did not sustain leadership emphasis and lacked oversight of acquisition reform.

The USAAA recommended that the Assistant Secretary of the Army for Acquisition, Logistics, and Technology require each Office of Primary Responsibility to follow the four-phase metrics implementation process that's outlined in Army Directive 2017-35, "Acquisition Reform Initiative #8: Assessing Performance With Metrics," November 15, 2017, and HQDA Execution Order 049-18 when developing metrics to assess acquisition performance across the enterprise. The USAAA also recommended that the Assistant Secretary of the Army for Acquisition, Logistics, and Technology provide decision briefings or information papers to the Under Secretary of the Army and Vice Chief of Staff of the Army at least semiannually on the status of acquisition reform, and reestablish acquisition metrics

workgroups and require them to convene at least quarterly to promote collaboration and synchronization on metrics and assessment implementation across the seven lines of effort. Management agreed with the recommendations.

Report No. A-2020-0037-AXZ

Contracted Resource Efficiency Managers

The USAAA audited the Army's investments in contracted resource efficiency managers (REMs) in support of Army energy program goals and the effectiveness of contract management procedures.

The USAAA determined that Army investments in contracted REMs supported energy program goals. The Army had 24 active contracts for REM services from FYs 2017 through 2019, valued at about \$13.7 million, which included performance-based requirements and metrics that tied directly to meeting program goals by reducing energy and water costs with a focus on achieving utility cost savings. Savings attributable to REMs on 22 contracts the USAAA reviewed represented a positive return of \$43 for every \$1 spent on these contracted services between FYs 2017 and 2018. However, Army activities could not readily validate these savings or ensure investments supported all current Army energy program goals. This happened because controls over contract management were not in place or operating effectively to ensure that REM contractors submitted complete, understandable, and consistent monthly deliverables and Army activities included all current energy priorities in contract requirements. Although contracted REM services identified conservation measures with about \$353.8 million of net energy savings attributable to REMs, activities using these services did not have this information readily available to make informed decisions about using REMs in the future. Additionally, insufficient contract oversight resulted in four contracts exercising option years, valued at approximately \$835,000, without documenting that the REM contractors sufficiently met the terms of the contracts.

The USAAA recommended that the Army Deputy Chief of Staff, G-9, direct landholding commands, in coordination with supporting contract offices, to update requirements and deliverables for FY 2020 and future REM contracts. The USAAA also recommended that the U.S. Army Installation Management Command ensure contracting officers follow appropriate controls over contract management for the REM contracts USAAA reviewed. Management agreed with the recommendations.

Report No. A-2020-0039-FIZ

Objective Training—Initial Operating Capability

At the request of the Deputy Chief of Staff, G-3/5/7, the USAAA determined whether units incorporated objective assessment criteria while planning training. The Army had concerns about how units assessed training readiness and initiated an objective training methodology to more accurately evaluate, assess, record, and report unit training proficiency.

The USAAA determined that units did not incorporate objective assessment criteria into their training. The USAAA requested unit training plans from 63 units, received 12, and determined that 8 plans (67 percent) did not include objective assessment criteria. Additionally, personnel from 42 units (67 percent) did not identify mission-essential tasks (METs) and did not use training and evaluation outlines to plan and prepare training events to reach desired proficiency. Furthermore, personnel at 26 units (41 percent) said they assessed training proficiency subjectively. This occurred because the Army delayed full operating capability of objective training assessment without providing a firm implementation date. In addition, the Army did not finalize training metrics and readiness level computations to accurately depict training proficiencies and did not oversee units' progress on incorporating objective assessment criteria.

The USAAA recommended that the Deputy Chief of Staff, G-3/5/7, finalize and issue a plan with a firm timeline that objectively measures training proficiency and computes training readiness. The USAAA also recommended establishing a requirement for units to upload completed and signed task criteria matrixes in training and evaluation outlines into the Army's training management system upon training completion for ratings of "fully trained" and "trained" and a verification process to ensure the uploaded matrixes support reported ratings. After the USAAA issued the draft report, the Army ended its objective training initiative. Management partially agreed with the recommendations. Specifically, the Deputy Chief of Staff, G-3/5/7, stated that it would base training readiness on a unit's MET proficiency assessment and will consider including a verification process to support reported training readiness ratings in local records. This raises the risk of continuing subjective assessments and compromising the accuracy of readiness reporting.

Report No. A-2020-0040-FIZ

U.S. ARMY CRIMINAL INVESTIGATION COMMAND

Significant Investigative Cases

Army Private Convicted of Sexually Assaulting Multiple Victims

Army CID initiated this investigation in May 2019 upon notification that, at various locations throughout Korea, including Camp Humphreys and the Demilitarized Zone, Private Cordell Rock sexually assaulted four male soldiers assigned to his unit. During one of the incidents, Private Rock performed a sexual act upon a soldier while the victim was unconscious. The other three incidents involved Private Rock making unwanted sexual contact with soldiers. During each of the incidents, Private Rock demonstrated predatory behavior by taking advantage of these soldiers while they were intoxicated.

On November 6, 2019, in a general court-martial at U.S. Army Garrison, Camp Humphreys, Korea, Private Rock was found guilty of sexual assault and abusive sexual contact, sentenced to 21 months confinement, and was dishonorably discharged and required to register as a sex offender.

Staff Sergeant Convicted of Indecent Video Recording

Army CID initiated this investigation in April 2018 upon notification that a hidden camera was discovered in the female locker room at the Moncrief Army Health Clinic on Fort Jackson, South Carolina. Staff Sergeant Joshua Boudreaux was identified as a suspect and his fingerprints were recovered on the evidence found within the locker room. During an interview, Staff Sergeant Boudreaux admitted to purchasing a video camera system and installing it in the women's locker room near the shower to record images of women in a state of undress for his own gratification.

On November 7, 2019, in a general court-martial at Fort Sam Houston, Texas, Staff Sergeant Boudreaux pleaded guilty to indecent visual recording and was sentenced to 6 months confinement, reduced from E-6 to E-1, and was dishonorably discharged and required to register as a sex offender.

Soldier Convicted of Raping Unconscious Victim

Army CID initiated this investigation in March 2019 upon notification of an alleged sexual assault involving an activity duty soldier. The victim reported attending a party where she was provided an alcoholic beverage by Private First Class Austin Roe and later awoke with the feeling that she had been sexually assaulted, but had no memory of the incident. A review of the surveillance cameras within the building revealed that Private First Class Roe carried the victim, who appeared unconscious throughout the video footage, out of the building and to her room. Army CID agents interviewed Private First Class Roe and he admitted that it was possible he engaged in sexual acts with the victim while she was unconscious. Additionally, U.S. Army Criminal Investigation Laboratory analysis of the victim's sexual assault forensic examination kit found the presence of Private First Class Roe's DNA on the victim's body.

On March 11, 2020, in a general court-martial at Fort Leavenworth, Kansas, Private First Class Roe was found guilty of sexual assault and sentenced to 28 months confinement, a dishonorable discharge, reduction in rank to E-1. He was required to register as a sex offender.

NAVY

Naval Audit Service

The mission of the Naval Audit Service (NAVAUDSVC) is to provide independent and objective audit services and products to assist Department of the Navy leadership in assessing risk to improve efficiency, accountability, and program effectiveness. All of the NAVAUDSVC audit work is designed to address significant Department of the Navy issue areas that merit additional oversight. During the first half of FY 2020, the NAVAUDSVC published audits that address such significant and potentially high-profile areas as military base housing (which was of congressional interest), force protection, cyber operations, and contract administration.

Naval Criminal Investigative Service Port Visit Support Program Impact on Force Protection Vulnerabilities for Selected Ship Visits at Ports Outside the Continental United States

The NAVAUDSVC determined whether the Naval Criminal Investigative Service (NCIS) Port Visit Support (PVS) program has a valuable impact on the Navy's ability to protect ships visiting outside the continental United States (OCONUS) ports and is operating effectively and efficiently in support of customers and stakeholders.

The NAVAUDSVC determined that the NCIS PVS program has had a valuable impact on the Navy's ability to protect ships transiting OCONUS ports. However, the NAVAUDSVC found opportunities for improvement regarding the management of the PVS program. The audit identified concerns with the internal tracking database, to include unsupported or inaccurate information, and incomplete fields. The NAVAUDSVC also found that the database did not track some data elements that could quantify risks associated with not providing PVS services as intended. Also, the audit found the Secretariat Review Board budget submissions lacked appropriate support for some of NCIS's requests, which led to the denial of their submission requests.

Without accurate data and metrics, NCIS cannot determine how well the program is executing its mission, and may not be able to accurately identify and/or quantify the risks associated with the PVS program. Without these metrics, NCIS also cannot provide sufficient support in their budget/staffing requests. If NCIS cannot adequately support its requests for additional resources, it risks not having sufficient agents to perform PVS functions, such as arriving to an elevated-threat-level port with sufficient lead time to identify, detect, and provide timely and actionable information to the warfighter on all possible imminent or emergent threats to ships and personnel. This situation may impact the ability of commanders to make effective decisions. These conditions occurred because internal controls to ensure the accuracy of the NCIS internal database were either not in place or not being conducted. In addition, NCIS did not program the database to track certain data elements that may help them better determine the level of PVS support needed and to quantify the risk in obtaining/providing proactive information to the warfighter. Furthermore, NCIS did not provide sufficient justification/metrics in recent Secretariat Review Board submissions, and NCIS has not been able to hire enough personnel to cover attrition.

The NAVAUDSVC made five recommendations to address the PVS program concerns, including establishing controls to ensure Port Visit database data completeness and accuracy; and metrics to justify its budget requests in the next Program Objective Memorandum/Secretariat Review Board submissions. NCIS agreed with the recommendations and plans appropriate corrective actions.

Report No. N2020-0003

Veterans Crisis Line Link for Suicide Prevention on Navy Web Sites

The NAVAUDSVC determined whether Navy home pages contain the required working link to the Veterans Crisis Line for suicide prevention in accordance with guidance.

The NAVAUDSVC determined that 62 percent of Navy home pages reviewed did not contain the required Veterans Crisis Line link for suicide prevention in accordance with Secretary of the Navy Instruction 5720.44C. This Instruction requires that all Navy command and activity home pages, the logical entry point of the command or activity Web site, contain a hyperlink to the Veterans Crisis Line. This occurred because the guidance was unclear and there was a lack of oversight. As a result, when suicide crisis links and phone numbers are not prominently advertised on Navy Web sites, there is a missed opportunity to facilitate and encourage sailors, civilians, and veterans to seek assistance in a critical time of need.

The NAVAUDSVC recommended that the Navy Chief of Information: (1) establish internal controls and oversight to ensure all Navy Web sites display the required Veterans Crisis Line link; and (2) update Secretary of the Navy Instruction 5720.44C to establish an appropriate Veterans Crisis Line icon. Management agreed with the recommendations and initiated a plan of action to implement corrective actions.

Report No. N2020-0001

Department of the Navy Implementation of Recommendations from the Investigation into the Shooting Incident at the Washington Navy Yard

The NAVAUDSVC determined whether the Navy effectively implemented the recommendations from the Secretary of the Navy-directed investigative report, "Investigation into the Fatal Shooting Incident at the Washington Navy Yard on 16 September 2013 and Associated Security, Personnel, and Contracting Policies and Practices."

In July 2015, the Government Accountability Office (GAO) issued Report No. GAO-15-543, “Insider Threats: DoD (Department of Defense) Should Improve Information Sharing and Oversight to Protect U.S. Installations.” GAO evaluated the extent to which the Navy had implemented the 15 recommendations and reported that the Navy had fully implemented 13 of the 15 recommendations identified in the in-depth investigation of the events leading up to, and during, the Washington Navy Yard incident. To avoid duplication of efforts, the NAVAUDSVC focused its audit on the two remaining recommendations, which involved training and oversight and administration of personnel security aspects of the Navy contracts.

The NAVAUDSVC determined that additional corrective action is needed to comply with the recommendation regarding oversight and administration of personnel security aspects of the Navy contracts. The responsibility for implementing this action within the office of the Assistant Secretary of the Navy for Research, Development, and Acquisition was not clear. Based on conversations with the Deputy Under Secretary of the Navy and Assistant Secretary of the Navy for Research, Development, and Acquisition representatives, personnel security program audits are not the Navy’s responsibility. The Defense Security Service is the cognizant security agency under the National Industry Security Program and is responsible for assessing and monitoring the contractors, licensees, and grantees who require access to classified information. In addition, the Defense Security Service conducts personnel security investigations each year. Therefore, the Assistant Secretary of the Navy for Research, Development, and Acquisition does not believe the audits of the personnel security program requirements are their responsibility.

The NAVAUDSVC agreed with the response from the Assistant Secretary of the Navy for Research, Development, and Acquisition and considers the recommendation closed.

Report No. N2020-0004

Navy Public-Private Venture Military Base Housing

The NAVAUDSVC determined whether the Navy’s end-to-end process for responding to resident service calls for housing at selected bases was timely and customer satisfaction was achieved. Public-Private Venture (PPV) partners are responsible for the daily operations and responding to service

calls. The Secretary of the Navy requested that the NAVAUDSVC perform this audit in response to media reports and congressional hearings on reported poor conditions and low resident satisfaction with Navy PPV military base housing. The NAVAUDSVC performed an accelerated review that focused on the Navy’s oversight of the end-to-end process at five locations that accounted for 16,211 of the 39,287 Navy privatized housing units.

The NAVAUDSVC determined that significant opportunities existed to improve Navy oversight of the end-to-end service call process and PPV military family housing program, policy guidance, and control environment. Concerns with data reliability of PPV partners’ management system existed. Additionally, response and/or completion times may be misleading, and 36 percent of all service calls reviewed did not fall under criteria covered by the business agreements with the PPV partners. In 2017, the Navy validated and approved an incentive fee for a PPV Partner that should not have been paid due to not meeting agreed-to timeframes on response and completion of service calls, and the partner stated that they did not track response times. The NAVAUDSVC also identified that 71 of 212 (33 percent) service calls had an issue reoccurring one to six times, which supported the need to identify quality of work performed. Significant opportunities to improve Navy oversight of the PPV housing program included areas of monitoring, documentation, staffing, standardization of performance metrics (including timeliness and incentive fees), training, and use of more advanced data analytics to identify emerging trends and systemic issues.

The NAVAUDSVC made 12 recommendations to address internal control weaknesses and enhance the management, execution, and oversight of the Navy’s PPV military housing program. Management agreed with the recommendations and corrective actions are being implemented.

Report No. N2020-0006

U.S. Marine Corps Public-Private Venture Military Base Housing

The NAVAUDSVC determined whether the Marine Corps’ end-to-end process for responding to resident service calls for housing at selected bases was timely and customer satisfaction was achieved. The Public-Private Venture (PPV) partners are responsible for the daily operations and responding to service calls. The Secretary of the Navy requested that the NAVAUDSVC perform this audit in response

to media reports and congressional hearings on reported poor conditions and low resident satisfaction of Marine Corps PPV military base housing. The NAVAUDSVC performed an accelerated review that focused on the oversight of the end-to-end process at two locations that accounted for 12,999 of 23,289 Marine Corps privatized housing units.

The NAVAUDSVC determined that significant opportunities existed to improve Marine Corps oversight of the end-to-end service call process and PPV military family housing program, policy guidance, and control environment. Concerns with data reliability of PPV partners' management system existed. Additionally, response and/or completion times may be misleading, in part due to the additional service call classifications created by the partners that are not specified in the business agreements. In 2017 and 2018, Naval Facilities Engineering Command validated and approved incentive fees for a property manager to be paid from the PPV portfolio for timely response and completion of service calls; however, the NAVAUDSVC could not independently verify the validation and approval process to ensure the partner met the agreed-to timelines. In addition, the business agreements reviewed lacked an indicator for quality. Significant opportunities to improve Marine Corps oversight of the PPV housing program included areas of monitoring, staffing, standardization of performance metrics for incentive fees, and training.

The NAVAUDSVC made eight recommendations to address internal control weaknesses and enhance the management, execution, and oversight of the Marine Corps PPV military housing program. Management agreed with the recommendations and corrective actions are being implemented.

Report No. N2020-0012

Navy Aviation Incentive Pay

The NAVAUDSVC determined whether Aviation Incentive Pay (AvIP) was being managed in compliance with the applicable guidance and regulations.

The NAVAUDSVC determined that Navy Personnel Command needed to improve controls over its AvIP payments to produce better program results and ensure that AvIP was managed in compliance with guidance and regulations. Specifically, out of 262 sample items for FY 2018, the NAVAUDSVC determined that 24 officers were improperly paid a net amount of \$22,895. Twenty officers were overpaid by \$25,656 and 4 officers were underpaid by \$2,760. The NAVAUDSVC projected that approximately

2.1 percent of officers who received continuous AvIP in FY 2018 were overpaid by \$201,000. The NAVAUDSVC also projected that approximately 12.8 percent of officers who received aeromedical AvIP in FY 2018 were overpaid by \$114,000. This occurred due to facets of the AvIP process being manual and labor intensive, which may have resulted in the identified payment errors. In addition, officers sometimes did not submit flight hours verification and commanding officer endorsement letters before retiring or separating from the Navy. Further, Office of the Chief of Naval Operations Instruction 7220.18, which is used to determine AvIP eligibility, has not been updated since 2010 for changes to the program. The NAVAUDSVC also found a lack of segregation of duties. For example, users are allowed to make changes to the automated system for AvIP without supervisory tracking or approval. Lack of proper oversight and controls can lead to erroneous AvIP payments going undetected. Further, if officers do not have their AvIP paid correctly, it could hurt program retention by deterring officers from staying in the military.

The NAVAUDSVC made six recommendations to address weaknesses and to enhance the management, execution, and oversight of the Navy's AvIP Program. Management agreed with the recommendations and anticipates completion of corrective actions by November 2020.

Report No. N2020-0010

Navy Cyber Defense Operations Command Continuity of Operations Plan

The NAVAUDSVC determined whether the Navy Cyber Defense Operations Command (NCDOC) had an adequate Continuity of Operations Plan (COOP) in place for the defense of Navy computer networks and systems.

The NAVAUDSVC determined that, while NCDOC does have a COOP in place, it was not adequate to ensure the defense of Navy computer networks and systems. The NAVAUDSVC also identified that the NCDOC COOP Instruction did not include required elements outlined in Secretary of the Navy Instruction and was not reviewed and updated as changes warranted. Furthermore, the NCDOC COOP did not fully address risk management as required, and NCDOC's Managers' Internal Control Program was missing required elements outlined in Secretary of the Navy guidance. These conditions occurred because NCDOC did not adhere to, misinterpreted, and was not aware of, Secretary of the Navy guidance for each of these

requirements. Without a relevant and reliable COOP, appropriate risk management planning, and a fully functional Manager's Internal Control Program, NCDOC will not be prepared during a COOP event.

The NAVAUDSVC made five recommendations to update, validate, and reissue the NCDOC COOP as needed; apply and document a risk-based framework during the readiness and preparedness phase; and incorporate missing requirements in the NCDOC MIC Program. Management planned corrective actions that meet the intent of all recommendations.

Report No. N2020-0013

Timely Materials Availability for Maintenance and Repair of Navy Facilities

The NAVAUDSVC determined whether the process for ordering and receiving material necessary for maintaining and repairing Navy facilities are effective and efficient. Timeliness of materials is essential for warfighters and shore commanders as there are risks of delays and potential shutdowns in utilities, transportation, and facilities maintenance functions if materials were not available when required. The NAVAUDSVC judgmentally selected 10 Navy installations across five regions to assess the timeliness of materials to support Navy operations and maintenance.

The NAVAUDSVC determined that the material ordering and receiving process for maintaining and repairing Navy facilities was not always effective or efficient. The NAVAUDSVC identified that 40 percent of maintenance materials used for repairing Navy facilities were not received by the required delivery date. Specifically, Navy personnel did not effectively document essential data in the management information system, maintain separation of duties, retain supporting documentation, or consistently document materials received. These conditions occurred because Naval Facilities Engineering Command and Naval Supply Systems Command did not update their memorandum of agreement to reflect the current supply chain management environment; provide sufficient guidance and oversight; provide adequate training on the overall process and use of the management information system; and ensure sufficient buyer billets. As a result of not having an effective and efficient process for ordering and receiving materials necessary for maintaining and repairing Navy facilities, repairs are delayed and the Navy is at risk of potentially shutting down facilities, which impacts the Navy's mission and operations related to combat readiness.

The lack of separation of duties and supporting documentation could lead to potential fraud, waste, or abuse, and may affect audit readiness of the Navy.

The NAVAUDSVC made 22 recommendations to Naval Facilities Engineering Command and Naval Supply Systems Command to update the memorandum of agreement and strengthen internal controls, execution, and oversight of the Navy's material ordering and receiving process for maintaining and repairing facilities. Management agreed to implement all recommendations.

Report No. N2020-0002

Department of the Navy Base Operating Support Contract at Public Works Department U.S. Naval Academy, Annapolis

The NAVAUDSVC determined whether the base operating support services contract at the Public Works Department at the U.S. Naval Academy, Annapolis, was effectively administered in accordance with contracting policies and procedures.

The NAVAUDSVC determined that Naval Facilities Engineering Command Washington did not have sufficient internal controls in place to ensure the base operating support contract at Public Works Department, U.S. Naval Academy, Annapolis, was effectively administered in accordance with contracting policies and procedures. The NAVAUDSVC found that the contractor had not established or maintained a sufficient preventive maintenance program, and that performance assessment representatives (PARs) did not sufficiently and consistently document surveillance on the Performance Assessment Worksheets. In addition, the NAVAUDSVC found that PARs did not conduct performance assessments for each contract specification item as required, and that functional assessment plans did not have measurable performance standards and were not used by the PARs. The NAVAUDSVC also determined that monthly performance assessment summaries were not accurate or completed by PARs per annex/sub-annex, and the Performance Assessment Board did not always discuss or document the contractor's performance rating. Furthermore, indefinite delivery/indefinite quantity orders either did not contain any supporting documentation to support that the price was fair and reasonable or were missing sufficient supporting documentation, the quality control program was not sufficient, and the follow-on base operating support contract is taking an unusually long time to be awarded. By not implementing sufficient

internal controls and maintaining sufficient supporting surveillance documentation, the Navy does not have assurance that it acquired necessary goods and services, or received the goods or services for which it paid, and is vulnerable to fraud, waste, abuse, and mismanagement. These internal control weaknesses occurred because responsible activities did not provide sufficient guidance, training, and oversight over the administration of the base operating support contract at Public Works Department, U.S. Naval Academy, Annapolis.

The NAVAUDSVC made 10 recommendations to address weaknesses and to enhance the management, execution, and oversight of the Public Works Department U.S. Naval Academy, Annapolis Base Operating Support contract. Management agreed to take action on all 10 recommendations.

Report No. N2020-0009

New Weapons Platforms Infrastructure Integration

The NAVAUDSVC determined whether the Navy infrastructure integration for new weapons platforms (vehicle, air, sea or surface, structure or person that carries, contains or includes multiple information systems) was adequate.

The NAVAUDSVC determined that the Navy's acquisition process for new weapons platforms did not always result in timely or adequate integration of the infrastructure to support the deployment of those platforms, as intended by Office of the Secretary of Defense and Navy criteria.

The NAVAUDSVC identified platforms with inadequate or untimely improvements to the airfields, power supplies, hangar size and configuration, pier support, and/or other infrastructure. These conditions occurred because the Program Offices, Naval Facilities Engineering Command Integrated Product Support, and Naval Facilities Engineering Command regional and installation planners did not coordinate advance planning in a standard, consistent manner. Naval Facilities Engineering Command personnel did not communicate infrastructure requirements timely to the appropriate level within the Naval Facilities Engineering Command enterprise for global risk mitigation. Program Offices also did not always identify infrastructure requirements or assumed the use of existing infrastructure without considering the platforms' characteristics or the infrastructure

condition, configuration, capacity, and/or age. Program Offices did not always fund infrastructure requirements that were uniquely associated with their platforms as part of the total ownership cost of the new warfare platform. Finally, the Navy has not specifically defined standard facility planning requirements, processes, documents, and roles and responsibilities across Systems Commands.

The NAVAUDSVC made eight recommendations, including to develop standard facility planning processes that when implemented should improve internal controls over weapon systems facilities planning. Management took or plans appropriate corrective actions on all recommendations.

Report No. N2020-0016

NAVAL CRIMINAL INVESTIGATIVE SERVICE

Significant Investigative Cases

Staff Sergeant Convicted of Child Sexual Abuse

NCIS initiated this joint investigation with Honolulu Police Department in Hawaii in February 2019 upon notification that Staff Sergeant David Moralez was suspected of molesting his 8-year-old daughter. The Honolulu Police Department initiated the investigation after Staff Sergeant Moralez's spouse filed a complaint accusing him of sexually abusing their daughter. Honolulu Police Department released investigative jurisdiction to NCIS, and agents forensically interviewed the victim, who stated that Staff Sergeant Moralez raped and sexually molested her on multiple occasions in exchange for candy.

On March 10, 2020, in a judge-alone general court-martial at Kaneohe Bay, Hawaii, Staff Sergeant Moralez pleaded guilty to rape and sexual abuse of a child. He was sentenced to 27 years confinement, a dishonorable discharge, forfeiture of all pay and allowances, and reduction to E-1, and was required to register as a sex offender.

Navy Petty Officer Sentenced for His Role in Money Laundering Scheme

NCIS initiated this joint investigation with the Alabama Securities Commission in September 2017 to investigate an alleged money laundering scheme in which Ms. Bettye Hays defrauded investors of approximately \$1.1 million. The investigation revealed that, in 2016, Ms. Hays became involved in an online romantic relationship with an individual purporting to be an Army general stationed in Iraq. This individual was actually part of a Nigeria-based financial scam group. Financial investigative measures revealed that Ms. Hays solicited \$1.1 million from her clients at Principal Securities Investing and MetLife, her former employer, to be placed into investments to benefit non-profit organizations and ultimately provide a return on investment for her clients. However, the non-profits did not actually exist and Ms. Hays knew this to be a fraud scheme. Further investigation identified that Petty Officer Second Class Darlington Otowan was part of the larger financial scam group and provided bank accounts to enable laundering of the stolen funds. Ms. Hays wired funds to various entities, including Otowan Auto Sales, a fictitious business that Petty Officer Second Class Otowan created. Petty Officer Second Class Otowan would send the money to an account operated by his mother in Nigeria under the guise that he was part of a money exchange business. From August 2016 through March 2017, Petty Officer Second Class Otowan received 29 wire transfers totaling more than \$777,286 from Ms. Hays. Petty Officer Second Class Otowan also received money from a series of schemes involving co-conspirators engaging in romantic correspondence with strangers and requesting that the strangers send them money, which was ultimately transferred into his account. NCIS served numerous subpoenas and an NCIS financial analyst traced the funds being laundered by Petty Officer Second Class Otowan across accounts held at multiple U.S.-based financial institutions. From November 2015 to June 2017, over \$1.4 million of suspected fraud proceeds passed through accounts affiliated with Petty Officer Second Class Otowan.

On May 7, 2019, in the U.S. District Court of Southern District of Alabama, Ms. Hays pleaded guilty to conspiracy to commit wire fraud and was sentenced to 3 years of supervised release and required to make restitution to the victims in the amount of \$957,663.00. On February 19, 2020, in the U.S. District Court for the Eastern District of Virginia, Petty Officer Second Class Otowan pleaded guilty to conspiracy to commit wire fraud and was sentenced to 18 months incarceration and

2 years' supervised release. In addition, Petty Officer Second Class Otowan was ordered to pay \$60,000 in forfeiture and \$777,286 in restitution to the victims. On March 20, 2020, Petty Officer Second Class Otowan was administratively separated from the Navy.

Marine's Death Leads to Conviction of Drug Traffickers

NCIS initiated this joint investigation in April 2017 after a Marine Corps corporal died from a fentanyl-related overdose. The Onslow County Sheriff's Office in Jacksonville, North Carolina, closed their death investigation as a drug-related overdose and did not pursue the supplier of the narcotics that resulted in the Marine corporal's death. NCIS led a death and narcotics investigation, which revealed that Corporals Marcos Villegas and Anthony Tognietti provided fentanyl-laced pills to the deceased corporal at a party in April 2017.

In May 2017, the Provost Marshal's Office at Camp Lejeune, North Carolina, responded to a physical altercation between Corporals Villegas and Tognietti, which led to the seizure of suspected narcotics. NCIS assumed control of the investigation and, during lab testing, the seized pills tested positive for fentanyl. During examination of Corporals Villegas' and Tognietti's digital media, conversations were discovered regarding the use, purchase, and sale of drugs with other Marines and another unknown supplier. Further investigation by NCIS with the U.S. Postal Inspection Service and the Drug Enforcement Administration linked the narcotics purchased by Corporals Villegas and Tognietti to Mr. Mohammed Allawi, a drug manufacturer and dark web distributor residing in Texas. During this investigation, NCIS executed multiple search warrants and monitored controlled conversations with a confidential Marine corporal.

On October 3, 2019, in the U.S. District Court for the Western District of Texas, Mr. Allawi pleaded guilty to multiple offenses, including conspiracy to distribute fentanyl resulting in death or serious bodily injury, and carrying a firearm during and in relation to drug trafficking and conspiracy to launder monetary instruments. He was sentenced to 30 years' incarceration and ordered to forfeit \$14,323,092. On December 17, 2019, in the U.S. District Court for the Eastern District of North Carolina, Corporal Villegas pleaded guilty to distribution of a quantity of a mixture and substance containing oxycodone and fentanyl. He was sentenced to 10 years' incarceration and was administratively discharged from the Marine Corps.

on October 1, 2019. On December 17, 2019, in the U.S. District Court for the Eastern District of North Carolina, Corporal Togniotti pleaded guilty to distribution of a quantity of oxycodone and fentanyl, and aiding and abetting. He was sentenced to 2.5 years' incarceration confinement and was administratively discharged from the Marine Corps on November 27, 2019.

AIR FORCE

Air Force Audit Agency

The Air Force Audit Agency's (AFAA) mission is to provide timely, relevant, and quality audit services enabling Air Force leadership to make informed decisions. These services focus on independent, objective, and quality audits that include reviewing and promoting the economy, effectiveness, and efficiency of operations; assessing and improving Air Force fiduciary stewardship and the accuracy of financial reporting; and evaluating programs and activities to assist management with achieving intended results. The AFAA is committed to the Air Force core values: Integrity First, Service Before Self, and Excellence In All We Do. To support Air Force decision makers and customers at all levels, the AFAA conducts enterprise-level audits to support Air Force senior leaders, while installation-level audit teams provide audit services and support to installation commanders. To execute its mission, the AFAA has 639 personnel authorized at nearly 50 worldwide locations.

During FY 2020, the AFAA continued to focus audit planning efforts on top Air Force priorities. The FY 2020 AFAA Audit Plan provided prioritized audit topics that align with the Secretary of the Air Force and senior leader goals and priorities, major command concerns, and Air Force operational priorities. The AFAA's primary focus is to provide Air Force leadership continual updates and assessments on the enterprise portfolio perspective by providing ongoing status of open audit recommendations; identifying conditions impacting the Air Force enterprise; and highlighting continuing issues within the portfolio requiring attention.

Since the Air Force centralized audit liaison and recommendation tracking functions under the Auditor General of the Air Force, the Air Force has more efficiently allocated audit resources to focus on critical Air Force priorities. The centralization improved

the AFAA's ability to provide greater coordination and oversight for the status and implementation of all Government Accountability Office, DoD OIG, and the AFAA audit report recommendations made to Air Force officials. By partnering with Air Force and DoD OIG officials, the AFAA facilitated closure of 30 DoD OIG recommendations, continuing to maintain an average age of 16 months for open recommendations.

From October 1, 2019, through March 31, 2020, the AFAA published 46 enterprise-level audit reports that included 139 recommendations and over \$300 million in audit-estimated potential monetary benefits to Air Force senior officials. The AFAA identified potential material weakness issues in 5 of the 46 reports. Furthermore, installation-level audit teams published 254 audit reports with 1,193 recommendations and an additional \$99 million in audit-estimated potential monetary benefits to installation commanders. The following paragraphs highlight a few of the most significant AFAA Air Force-level audit reports issued during the period.

Support Equipment Repairs Requirements

The AFAA validated support equipment repair requirements. As of October 2018, the FY 2019 Depot Purchased Equipment Maintenance Brochure contained over \$563.6 million in support equipment repair requirements for FYs 2021 through 2025.

The AFAA determined that Air Force personnel did not properly manage support equipment repair requirements to accurately compute and properly support repair requirements for any of the 33 program control numbers reviewed. This occurred because Air Force personnel did not properly manage support equipment repair requirements due to inadequate guidance and oversight procedures related to computing and supporting repair requirements in the Centralized Access for Data Exchange system. As a result, the repair requirements in the FY 2019 Depot Purchased Equipment Maintenance Brochure were overstated by \$157 million over the Future Years Defense Plan.

The AFAA recommended that the Commander of the Air Force Materiel Command require personnel to establish clear roles and responsibilities to compute and support repair requirements; procedures to develop and maintain supporting documentation for all program control numbers in the Centralized Access for Data Exchange system; procedures in logistics guidance to review and update repair requirements

annually; and oversight procedures for supervisors to validate item managers and production management specialists review and support requirements.

Management agreed to take appropriate corrective actions.

Report No. F2020-0002-L40000

Information Technology Hardware Asset Purchasing

The AFAA reviewed Information Technology (IT) hardware. Air Force financial managers identified IT hardware asset purchasing as an area prone to errors and the Air Force underwent a significant operating system upgrade beginning in January 2016 that required the replacement of an estimated 90 percent of Air Force IT hardware assets.

The AFAA determined that Air Force personnel did not optimize IT hardware asset purchasing to meet mission requirements. Additionally, Air Force personnel did not determine and budget for IT hardware asset requirements and purchases. These conditions occurred because personnel did not implement effective corrective actions to prevent the conditions identified in previous Air Force audit reports from recurring. As a result, management issued a memorandum prohibiting the purchase of IT hardware assets for the remainder of FYs 2019 through 2020, allowing the Air Force to put approximately \$68.6 million of FY 2020 funds to better use.

The AFAA reported this issue as a material weakness related to the effectiveness of controls in the areas of IT hardware asset purchasing guidance and oversight. The AFAA will include this weakness as an input to the Annual Statement of Assurance.

The AFAA recommended that the Office of the Deputy Chief Information Officer document and implement IT asset management strategy and policy to ensure effective IT hardware asset purchasing controls are in place; establish oversight internal controls to ensure organizations with oversight responsibilities enforce IT asset management; and report savings achieved on IT hardware asset purchases to Air Force Audit Agency Director of Staff Track and Liaison Team. Management agreed to take appropriate corrective actions.

Report No. F2020-0001-O10000

Contract Repair Requirements

The AFAA reviewed contract repair requirements. The Air Force uses the Secondary Item Requirements System to compute future weapon system spare part buy and repair requirements. As of March 2018, the Air Force had 3,557 national stock numbers with average annual (FYs 2018 through 2021) contract repair requirements of \$940 million.

The AFAA determined that Air Force personnel did not establish accurate contract repair requirements. Additionally, production management specialists did not use accurate source of repair percentages, repair cost data, or shop flow days for 51 of 90 sampled stock numbers. The identified inaccuracies contributed to spare parts requirement misstatements totaling \$27.4 million. In addition, inaccurate repair costs resulted in a \$60 million misstatement in the Air Force Working Capital Fund repair budget. This occurred due to inadequate processes and a lack of oversight regarding the process to accurately determine source of repair percentages, associated repair costs, and shop flow days. Correcting the identified errors will make \$10.3 million available to satisfy other Air Force Working Capital Fund requirements.

The AFAA recommended that the Commander of the Air Force Materiel Command require logistics personnel to correct source of repair percentages, associated repair costs, shop flow days, and repair cost discrepancies in the Automated Budget Compilation System for the next requirements computation cycle. Additionally, personnel should establish standard repeatable processes to address the documented conditions along with establishing proper oversight procedures. Management agreed to take appropriate corrective actions.

Report No. F2020-0006-L40000

Air Force Miscellaneous Payments

The AFAA reviewed miscellaneous payments management. Air Force miscellaneous payments are for valid non-recurring, non-contractual obligations for which regular payment methods are not feasible or appropriate.

The AFAA determined that Air Force personnel did not manage miscellaneous payments and personnel did not use available solutions to reduce miscellaneous payment processing costs. Additionally, Air Force personnel did not use electronic commerce to process

miscellaneous payments, incurring higher transaction fees for manual processing, and did not enforce individually billed account use for official travel. This occurred because Air Force officials had not taken formal action to implement the Defense Federal Acquisition Regulation Supplement requirement for electronic submission and processing of miscellaneous payments. Additionally, Air Force policy did not limit the issuance of centrally billed accounts or establish criteria for when to issue them. As a result, the AFAA estimates that using available solutions for processing miscellaneous payments would result in savings of approximately \$5 million annually, allowing the Air Force to put \$29.8 million to better use over the next 6 years.

The AFAA recommended that the Assistant Secretary of the Air Force (Financial Management and Comptroller) should direct the Deputy Assistant Secretary for Financial Operations personnel to use the electronic commerce capability within the Defense Enterprise and Accounting Management System to process miscellaneous payments, and establish policy for the issuance and periodic validation of centrally billed accounts for travel, to include criteria for appropriate Air Force exceptions to DoD policy, if applicable, and adherence to existing DoD policy. Management agreed to take appropriate corrective actions.

Report No. F2020-0007-L10000

Facilities Sustainment, Restoration, and Modernization Project Cost Estimating and Execution

The AFAA evaluated Facilities Sustainment, Restoration, and Modernization Project Cost Estimating and Execution (FSRM). Installation civil engineer programmers are required to ensure project cost estimate documentation is sufficient to allow an independent reviewer to understand the requirements, benefit, work classification, and total funded and unfunded costs. Additionally, supported cost estimates help reduce the number of FSRM projects requiring Air Staff-level reconsideration, second approvals, and subsequent reporting to Congress.

The AFAA determined that Air Force personnel did not support FSRM project cost estimates in accordance with guidance for 24 of 25 projects totaling \$58 million, and programmers did not document cost estimates in sufficient detail to allow an independent reviewer to understand the total funded and unfunded costs. These conditions occurred because, although

programmers were provided training, guidance did not exist to require use of the trained methods to support FSRM project cost estimates. Additionally, developing reliable initial project cost estimates was not a priority. As a result, 16 projects underestimated costs by \$19.3 million, and 8 projects overestimated costs by \$12.3 million.

The AFAA recommended that the Assistant Secretary of the Air Force for Installations, Environment, and Energy, coordinate with the Deputy Chief of Staff for Logistics, Engineering, and Force Protection to require that civil engineer programmers use the Life Cycle Cost Estimating and/or the Cost Engineering training courses and use the Project Review and Validation checklist to validate FSRM project cost estimates prior to entering into the data systems. Management agreed to take appropriate corrective actions.

Report No. F2020-0001-O20000

AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

Significant Investigative Cases

Senior Airman Convicted of Possession and Distribution of Child Pornography

AFOSI initiated this investigation in September 2018 upon notification that Senior Airman John Plaster had uploaded sexually explicit videos and pictures of a juvenile to Pornhub.com and Reddit.com against her wishes. Further investigation and subsequent forensic review of Senior Airman Plaster's digital media revealed that he had stolen the victim's online persona to obtain sexually explicit images of an additional victim that were also uploaded to Pornhub.com and Reddit.com. Forensic exploitation of Senior Airman Plaster's cell phone further revealed that he downloaded over 1,000 images of children being sexually exploited, of which 83 victims were previously confirmed by the National Center for Missing and Exploited Children.

On January 7, 2020, in a general court-martial at Eielson Air Force Base, Alaska, Senior Airman Plaster pleaded guilty to multiple counts of viewing, possession, and distribution of child pornography. He was sentenced to confinement for 54 months, dishonorable discharge, and reduction to E-1, and was required to register as a sex offender.

Air Force Physician Convicted of Sexually Abusing Patients

AFOSI initiated this investigation in June 2017 upon notification from a Sexual Assault and Response Coordinator that an individual had reported that she was a victim of abusive sexual contact. AFOSI interviewed the victim, who stated that, while attending a medical appointment at Spangdahlem Air Base, Germany, for a sinus infection, the attending physician, Captain Jonathon Solomon, made unnecessary and excessive contact with her breasts with his hands. The victim believed that Captain Solomon had reviewed her medical records and noted that she had undergone a breast augmentation, which may have caused him to conduct the examination for his own gratification. Based on the initial allegation, AFOSI agents conducted screening interviews of 411 previous female patients who received medical care from Captain Solomon. AFOSI identified four additional victims who described behavior during their examinations that was abusive sexual contact and outside the realm of standard medical practices.

On November 8, 2019, in a general court-martial at Spangdahlem Air Base, Germany, Captain Solomon was found guilty of multiple counts of abusive sexual contact, sentenced to 9 years confinement, forfeiture of all pay and allowances, and a dismissal, and was required to register as a sex offender.

Joint Investigation Recovers \$38.3 Million

AFOSI initiated this joint investigation with DCIS in June 2016 upon notification of DoD OIG contract disclosure 2016-1563, submitted by Lockheed Martin Aeronautics Company in Fort Worth, Texas. Lockheed Martin Corporation discovered unmatched material receipts related to 9,700 items with a total value of \$70.5 million. Of those items, approximately \$43.5 million were on cost and time and materials contracts across various programs, including the F-22 and F-35 programs. A complete review of the discrepancies revealed that the discrepancy between the two cost-reimbursable contracts resulted in a loss to the Government of \$38.3 million.

This investigation resulted in an administrative recovery of \$38.3 million paid to the U.S. Government by Lockheed Martin Aeronautics.

5. APPENDIXES



REPORTING REQUIREMENTS

The Inspector General Act of 1978, as amended, states that each Inspector General shall no later than April 30 and October 31 of each year prepare semiannual reports summarizing the activities of the office during the immediately preceding 6-month periods ending March 31 and September 30. The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages. The Inspector General Empowerment Act of 2016, Public Law 114-317, Section 4(c), amended Section 5(a) of the IG Act to require additional reporting requirements.

REFERENCES	REQUIREMENTS	PAGE
Section 4(a)(2)	"review existing and proposed legislation and regulations...make recommendations..."	84-85
Section 5(a)(1)	"description of significant problems, abuses, and deficiencies..."	8-82
Section 5(a)(2)	"description of recommendations for corrective action...with respect to significant problems, abuses, and deficiencies..."	8-82
Section 5(a)(3)	"identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed..."	122-155
Section 5(a)(4)	"a summary of matters referred to prosecutive authorities and the prosecution and convictions which have resulted."	40-47
Section 5(a)(5)	"a summary of each report made to the [Secretary of Defense] under section 6(b)(2)... "instances where information requested was refused or not provided."	N/A
Section 5(a)(6)	"a listing, subdivided according to subject matter, of each audit report, inspection report, and evaluation report issued" showing dollar value of questioned costs and recommendations that funds be put to better use.	117
Section 5(a)(7)	"a summary of each particularly significant report..."	8-82
Section 5(a)(8)	"statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the total dollar value of questioned costs..."	117
Section 5(a)(9)	"statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management..."	118
Section 5(a)(10)	"a summary of each audit report, inspection report, and evaluation report issued before the commencement of the reporting period — (A) for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report; (B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and (C) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations."	122-155
Section 5(a)(11)	"a description and explanation of the reasons for any significant revised management decision..."	N/A
Section 5(a)(12)	"information concerning any significant management decision with which the Inspector General is in disagreement..."	N/A
Section 5(a)(13)	"information described under section 804(b) of the Federal Financial Management Improvement Act of 1996..." (instances and reasons when an agency has not met target dates established in a remediation plan)	N/A
Section 5(a)(14)	"an appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period..."	171
Section 5(a)(15)	"a list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete..."	171
Section 5(a)(16)	"a list of any peer reviews conducted by [DoD OIG] of another Office of Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review...that remain outstanding or have not been fully implemented..."	171

REFERENCES	REQUIREMENTS	PAGE
Section 5(a)(17)	<p>“statistical tables showing—</p> <p>(A) the total number of investigative reports issued during the reporting period;</p> <p>(B) the total number of persons referred to the DOJ for criminal prosecution during the reporting period;</p> <p>(C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and</p> <p>(D) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities...”</p>	172
Section 5(a)(18)	“a description of the metrics used for developing the data for the statistical tables under paragraph (17)...”	172
Section 5(a)(19)	<p>“a report on each investigation conducted by the Office involving a senior Government employee where allegations of misconduct were substantiated, including a detailed description of –</p> <p>(A) the facts and circumstances of the investigation; and</p> <p>(B) the status of the disposition of the matter, including –</p> <p>(i) if the matter was referred to the DOJ, the date of the referral; and</p> <p>(ii) if the DOJ declined the referral, the date of the declination...”</p> <p>[Senior Government Employee – GS-15 or O-6] and above]</p>	48-172
Section 5(a)(20)	“a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation, and what, if any, consequences the establishment imposed to hold the official accountable...”	54-67
Section 5(a)(21)	<p>“a detailed description of any attempt by the establishment to interfere with the independence of the Office, including—</p> <p>(A) with budget constraints designed to limit capabilities of the Office; and</p> <p>(B) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and...”</p>	N/A
Section 5(a)(22)	<p>“detailed description of the particular circumstances of each—</p> <p>inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and</p> <p>investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public.”</p>	N/A
Section 5(b)(2)	“statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of disallowed costs...”	118
Section 5(b)(3)	“statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision...”	118
Section 5(b)(4)	“a statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year...”	122-155
Section 5 note	“an annex on final completed contract audit reports...containing significant audit findings...”	156-170
Section 8(f)(1)	<p>“(A) information concerning the number and types of contract audits...”</p> <p>“(B) information concerning any Department of Defense audit agency that...received a failed opinion from an external peer review or is overdue for an external peer review...”</p>	120-171

AUDIT, INSPECTION, EVALUATION, AND INVESTIGATION REPORTS ISSUED

DoD OIG

<http://www.dodig.mil/reports.html/>

Naval Audit Service

www.secnav.navy.mil/navaudsvc/Pages/default.aspx

Army Audit Agency

www.army.mil/aaa

Air Force Audit Agency

www.affaa.af.mil

	DoD OIG	Military Departments	Total
Countering China, Russia, Iran, and North Korea	7	0	7
Countering Global Terrorism	7	4	11
Ensuring the Welfare and Well-Being of Service Members and Their Families	1	15	16
Ensuring Ethical Conduct	6	5	11
Financial Management: Implementing Timely and Effective Actions to Address Financial Management Weaknesses Identified During the First DoD-Wide Financial Statement Audit	29	27	56
Enhancing DoD Cyberspace Operations and Capabilities	4	4	8
Enhancing Space-Based Operations, Missile Detection and Response, and Nuclear Deterrence	3	0	3
Improving Supply Chain Management and Security	4	21	25
Acquisition and Contract Management: Ensuring That the DoD Gets What It Pays For On Time, at a Fair Price, and With the Right Capabilities	14	19	33
Providing Comprehensive and Cost-Effective Health Care	1	1	2
Other	1	12	13
Total	77	108	185

Countering China, Russia, Iran, and North Korea

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-025	Evaluation of the Algorithmic Warfare Cross Functional Team	11/7/2019
DoD OIG	DODIG-2020-028	Audit of Brigade Combat Team Readiness	11/18/2019
DoD OIG	DODIG-2020-045	Evaluation of the DoD Counterintelligence Workforce Capacity Development	12/27/2019
DoD OIG	DODIG-2020-047	Audit of Surge Sealift Readiness Reporting	1/22/2020
DoD OIG	DODIG-2020-054	Audit of Munitions Distribution to the Joint Forces Throughout the Republic of Korea	1/28/2020
DoD OIG	DODIG-2020-055	Evaluation of U.S. European Command's Warning Intelligence Capabilities	1/28/2020
DoD OIG	DODIG-2020-056	Audit of Readiness of Arleigh Burke-Class Destroyers	1/31/2020

Countering Global Terrorism

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-043	Audit of Jordan Border Security Program Oversight	12/20/2019
DoD OIG	DODIG-2020-051	Evaluation of DoD Efforts to Counter Small Unmanned Aircraft Systems	1/22/2020
DoD OIG	DODIG-2020-061	Audit of the DoD's Accountability of Counter-Islamic State of Iraq and Syria Train and Equip Fund Equipment Designated For Syria	2/13/2020
DoD OIG	DODIG-2020-062	Evaluation of Force Protection Screening, Vetting, and Biometric Operations in Afghanistan	2/13/2020
DoD OIG	DODIG-2020-065	Evaluation of Combined Joint Task Force-Operation Inherent Resolve's Military Information Support Operations	2/25/2020
DoD OIG	DODIG-2020-075	Audit of United States Military Equipment Retrograded from Syria	3/31/2020
DoD OIG	DODIG-2020-077	Evaluation of Niger Air Base 201 Military Construction	3/31/2020
USAAA	A-2020-0006-AXZ	Atlantic Resolve Rotational Forces	11/5/2019
USAAA	A-2020-0014-FIZ	Management of Troop School Operations	12/16/2019
USAAA	A-2020-0017-FIZ	Training of Warrior Tasks and Battle Drills	12/17/2019
NAVAUDSVC	N2020-0003	Naval Criminal Investigative Service Port Visit Support Program Impact on Force Protection Vulnerabilities for Selected Ship Visits at Ports Outside the Continental United States	10/11/2019

Ensuring the Welfare and Well-Being of Service Members and Their Families

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-006	Evaluation of the V-22 Engine Air Particle Separator	11/7/2019
USAAA	A-2020-0003-FIZ	Army Fire Apparatus	10/28/2019
USAAA	A-2020-0004-AXZ	U.S. Department of State Leased Housing Expenditures	11/7/2019
USAAA	A-2020-0005-AXZ	Firefighter Support in Europe—Staffing	11/14/2019
USAAA	A-2020-0029-FIZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Internal Controls in Family Housing Partnership Agreements	1/21/2020
USAAA	A-2020-0030-FIZ	The Army's Implementation of the Reserve Health Readiness Program	1/25/2020
USAAA	A-2020-0042-FIZ	Unaccompanied Personnel Housing	2/26/2020
USAAA	A-2020-0040-FIZ	Objective Training—Initial Operating Capability	2/28/2020
USAAA	A-2020-0047-BOZ	Overseas Housing Allowance, U.S. Army Reserve—Puerto Rico	3/24/2020
NAVAUDSVC	N2020-0001	Veterans Crisis Line Link for Suicide Prevention on Navy Web Sites	10/2/2019
NAVAUDSVC	N2020-0004	Department of the Navy Implementation of Recommendations from the Investigation into the Shooting Incident at the Washington Navy Yard	10/29/2019
NAVAUDSVC	N2020-0006	Navy Public-Private Venture Military Base Housing	11/6/2019
NAVAUDSVC	N2020-0012	U.S. Marine Corps Public-Private Venture Military Base Housing	1/24/2020
NAVAUDSVC	N2020-0014	Navy Submarine Duty Pay	2/5/2020
AFAA	F2020-0001-R00000	Drug Demand Reduction Program, Ramstein AB, Germany	12/11/2019
AFAA	F2020-0004-O40000	Sexual Assault Response	1/29/2020

Ensuring Ethical Conduct

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-004	Whistleblower Reprisal Investigation Valiant Integrated Services, Limited Liability Company U.S. Embassy, Baghdad, Iraq	10/15/2019
DoD OIG	DODIG-2020-038	Report of Investigation Mr. Guy B. Roberts Senior Executive Service Assistant Secretary of Defense Nuclear, Chemical, Biological Defense Programs	12/10/2019
DoD OIG	DODIG-2020-044	Evaluation of DoD Processes and Procedures for Issuing Post Government Employment Opinions in Compliance with Section 847 Requirements	12/20/2019
DoD OIG	DODIG-2020-064	Evaluation of DoD Law Enforcement Organization Submissions of Criminal History Information to the Federal Bureau of Investigation	2/21/2020
DoD OIG	DODIG-2020-073	Evaluation of the Department of Defense's Handling of Incidents of Sexual Assault Against (or Involving) Cadets at the United States Military Academy	3/24/2020
DoD OIG	DODIG-2020-076	Evaluation of Department of Defense Voting Assistance Programs for Calendar Year 2019	3/31/2020
USAAA	A-2020-0001-BOZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Suspected Larceny at Vermont Army National Guard	10/2/2019
USAAA	A-2020-0020-BOZ	Nonaudit Service: Global Combat Support System-Army Data, Fort Drum	12/19/2019
USAAA	A-2020-0021-BOZ	Nonaudit Service: Global Combat Support System-Army Data, Fort Hood	12/19/2019
USAAA	A-2020-0022-BOZ	Nonaudit Service: U.S. Army Criminal Investigation Command (CID) Assist for Investigation, Time and Attendance, Schofield Barracks	1/13/2020
USAAA	A-2020-0023-BOZ	Nonaudit Service: U.S. Army Criminal Investigation Command Assist for Investigation, Fort Belvoir Overtime	1/14/2020

Financial Management: Implementing Timely and Effective Actions to Address Financial Management Weaknesses Identified During the First DoD-Wide Financial Statement Audit

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-001	Transmittal of the Independent Service Auditor's Report on the System Supporting the Delivery of Munitions Inventory Management Services for the Period October 1, 2018, Through June 30, 2019	10/17/2019
DoD OIG	DODIG-2020-005	Transmittal of Independent Auditors' Report on the Defense Logistics Agency Military Construction Funds Sub-Allotted to the U.S. Army Corps of Engineers—Military Programs Financial Statements and Related Notes for FY 2019 and FY 2018	11/5/2019
DoD OIG	DODIG-2020-008	Transmittal of the Independent Auditor's Reports on the DoD Medicare-Eligible Retiree Health Care Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/7/2019
DoD OIG	DODIG-2020-009	Transmittal of the Independent Auditor's Reports on the Defense Health Agency - Contract Resource Management Financial Statements and Related Notes for FY 2019 and FY 2018	11/7/2019
DoD OIG	DODIG-2020-011	Transmittal of the Independent Auditor's Reports on the U.S. Navy General Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-012	Transmittal of the Independent Auditor's Reports on the U.S. Department of the Navy Working Capital Fund Financial Statements and Related Notes for FY 2019 and 2018	11/8/2019
DoD OIG	DODIG-2020-013	Transmittal of the Independent Auditor's Report on the U.S. Special Operations Command Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-014	Transmittal of the Independent Auditor's Report on the United States Transportation Command Transportation Working Capital Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-015	Transmittal of the Independent Auditor's Reports on the U.S. Marine Corps General Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-016	Transmittal of the Independent Auditor's Reports on the U.S. Air Force General Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-017	Transmittal of the Independent Auditor's Reports on the U. S. Air Force Working Capital Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-018	Transmittal of the Independent Auditor's Reports on the Defense Health Program Enterprise Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-019	Transmittal of the Independent Auditor's Report on the Military Retirement Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-020	Transmittal of the Independent Auditors' Report on the U.S. Department of the Army Working Capital Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-021	Transmittal of the Independent Auditors' Report on the U.S. Department of the Army General Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-022	Transmittal of the Independent Auditor's Reports on the Defense Logistics Agency National Defense Stockpile Transaction Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-023	Transmittal of the Independent Auditor's Report on the Defense Logistics Agency Working Capital Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-024	Transmittal of the Independent Auditor's Reports on the Defense Logistics Agency General Fund Financial Statements and Related Notes for FY 2019 and FY 2018	11/8/2019
DoD OIG	DODIG-2020-027	Transmittal of Independent Auditors' Report on the U.S. Army Corps of Engineers—Civil Works Financial Statements and Related Notes for FY 2019 and FY 2018	11/13/2019
DoD OIG	DODIG-2020-031	Independent Auditor's Report on the Department of Defense FY 2019 and FY 2018 Basic Financial Statements	11/15/2019
DoD OIG	DODIG-2020-032	Transmittal of Independent Auditors' Report on the Army Military Construction Funds Sub-Allotted to the U.S. Army Corps of Engineers—Military Programs Financial Statements and Related Notes for FY 2019 and FY 2018	11/22/2019
DoD OIG	DODIG-2020-033	Transmittal of Independent Auditors' Report on the Defense Health Agency Military Construction Funds Sub-Allotted to the U.S. Army Corps of Engineers—Military Programs Financial Statements and Related Notes for FY 2019	11/25/2019
DoD OIG	DODIG-2020-034	Transmittal of Independent Auditors' Report on the United States Special Operations Command Military Construction Funds Sub-Allotted to the U.S. Army Corps of Engineers—Military Programs Financial Statements and Related Notes for FY 2019	11/26/2019
DoD OIG	DODIG-2020-035	Followup Audit of the Army's Implementation of the Acquire-to-Retire and Budget-to-Report Business Processes in the General Fund Enterprise Business System	11/26/2019
DoD OIG	DODIG-2020-050	System Review Report on the Army Internal Review Program	1/15/2020
DoD OIG	DODIG-2020-052	Transmittal of the Independent Auditor's Reports on the Defense Information Systems Agency Working Capital Fund Financial Statements and Related Notes for FY 2019 and FY 2018	1/21/2020
DoD OIG	DODIG-2020-053	Transmittal of the Independent Auditor's Reports on the Defense Information Systems Agency General Fund Financial Statements and Related Notes for FY 2019 and FY 2018	1/21/2020
DoD OIG	DODIG-2020-057	Independent Auditor's Report on the FY 2019 DoD Performance Summary Report for the Funds Obligated for National Drug Control Program Activities	1/30/2020
DoD OIG	DODIG-2020-058	Independent Auditor's Report on the FY 2019 DoD Detailed Accounting Report for the Funds Obligated for National Drug Control Program Activities	1/30/2020
USAAA	A-2020-0009-BOZ	General Officer Retirement Pay	11/19/2019
USAAA	A-2020-0028-BOZ	Incentives for Army National Guard Soldiers	1/22/2020
USAAA	A-2020-0035-BOZ	Corrective Action Plans, U.S. Army Materiel Command	2/7/2020
USAAA	A-2020-0033-BOZ	Implementation of the Army's Enterprise Risk Management Process	2/10/2020
USAAA	A-2020-0041-FIZ	Time-Sensitive Report: Notification of ADA Violation—Audit of the Accounting for Army Environmental Restoration Program: Funding Personnel Requirements, U.S. Army Installation Management Command	2/28/2020
USAAA	A-2020-0045-BOZ	Audit of Uncollected Reimbursables—Training	3/17/2020

Agency	Report Number	Report Title	Date
NAVAUDSVC	N2020-0005	Accountability Over Cash and Other Monetary Assets at Selected Navy Personnel Support Detachments Outside the Continental United States	11/6/2019
NAVAUDSVC	N2020-0007	Accountability Over Night Vision Devices at Selected Department of the Navy Commands	11/20/2019
NAVAUDSVC	N2020-0010	Navy Aviation Incentive Pay	1/6/2020
NAVAUDSVC	N2020-0011	Naval War College Professors' Travel Expenditures	1/16/2020
NAVAUDSVC	N2020-0018	Emergency and Extraordinary Expense Funds at the Office of Naval Intelligence	3/26/2020
AFAA	F2020-0001-L30000	Agreed-Upon Procedures - Government Purchase Card Transactions	10/2/2019
AFAA	F2020-0002-O10000	Cybersecurity Workforce Improvement Program	10/25/2019
AFAA	F2020-0001-L10000	Agreed-Upon Procedures, OMB A-123 Munitions Test of Effectiveness	10/30/2019
AFAA	F2020-0002-L10000	Agreed-Upon Procedures, OMB A-123 Civilian Pay Test of Design	10/30/2019
AFAA	F2020-0003-L10000	Agreed-Upon Procedures, OMB A-123 Military Equipment: Aircraft Test of Effectiveness	10/30/2019
AFAA	F2020-0005-L10000	Air Force Office of Special Investigation Emergency and Extraordinary Expense Funds	10/31/2019
AFAA	F2020-0003-O10000	Risk Management Framework Weather Systems	12/3/2019
AFAA	F2020-0004-O10000	Agreed-Upon Procedures, Project Management Resource Tool	12/10/2019
AFAA	F2020-0005-O10000	Risk Management Framework Resourcing and Implementation	12/23/2019
AFAA	F2020-0006-L10000	Official Representation Funds	12/31/2019
AFAA	F2020-0002-O40000	Accuracy of Air Reserve Component Pay After Duty Status Changes	1/10/2020
AFAA	F2020-0003-O40000	Assignment Incentive Payments	1/22/2020
AFAA	F2020-0007-L10000	Air Force Miscellaneous Payments	2/11/2020
AFAA	F2020-0004-O20000	Agreed-Upon Procedures, Shared Energy Savings Account - Phase I	2/20/2020
AFAA	F2020-0008-O10000	Networked Data Protection	2/24/2020
AFAA	F2020-0009-O10000	Agreed-Upon Procedures, Weighted Airmen Promotion System—Test of Design and Effectiveness	3/25/2020

Enhancing DoD Cyberspace Operations and Capabilities

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-007	Audit of U.S. Army Corps of Engineers Compliance With the Digital Accountability and Transparency Act of 2014	11/7/2019
DoD OIG	DODIG-2020-010	Audit of DoD Compliance With the Digital Accountability and Transparency Act of 2014	11/7/2019
DoD OIG	DODIG-2020-067	Followup Audit on Corrective Actions Taken by DoD Components in Response to DoD Cyber Red Team-Identified Vulnerabilities and Additional Challenges Facing DoD Cyber Red Team Missions	3/13/2020
DoD OIG	DODIG-2020-068	Audit of Security Controls Over the Department of Defense's Global Command and Control System-Joint Information Technology System	3/18/2020
USAAA	A-2020-0018-AXZ	Use of Privileged Access Tokens	12/13/2019
USAAA	A-2020-0036-AXZ	Army Information Technology Requirements—Training Program Evaluation Group (TT PEG)	2/27/2020
NAVAUDSVC	N2020-0013	Navy Cyber Defense Operations Command Continuity of Operations Plan	1/28/2020
AFAA	F2020-0001-O30000	Fly Away Security	10/17/2019

Enhancing Spaced-Based Operations, Missile Detection and Response, and Nuclear Deterrence

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-039	Combatant Command Integration of Space Operations Into Military Deception Plans	12/13/2019
DoD OIG	DODIG-2020-066	Audit of the Department of Defense Supply Chain Risk Management Program for Nuclear, Command, Control, and Communications Systems	3/2/2020
DoD OIG	DODIG-2020-074	Evaluation of the United States Air Force Enterprise Ground Services	3/25/2020

Improving Supply Chain Management and Security

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-030	Audit of Navy and Defense Logistics Agency Spare Parts for F/A-18 E/F Super Hornets	11/19/2019
DoD OIG	DODIG-2020-037	Audit of the Defense Logistics Agency's Purchases of Aviation Critical Safety Items	12/3/2019
DoD OIG	DODIG-2020-071	Audit of the Department of Defense's Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States	3/23/2020
DoD OIG	DODIG-2020-072	Audit of DoD Hotline Allegations Concerning the Defense Microelectronics Activity	3/24/2020
USAAA	A-2020-0010-AXZ	Army Corrosion Prevention and Control Program	11/25/2019
USAAA	A-2020-0015-BOZ	Logistics Cost Sharing—Korea	12/5/2019
USAAA	A-2020-0019-AXZ	Management and Accountability of Fuel Operations in Europe, U.S. Army Europe	1/7/2020
USAAA	A-2020-0026-AXZ	Management of Ammunition Supply Points, CONUS; U.S. Army Sustainment Command	1/9/2020
USAAA	A-2020-0025-AXZ	Property Accountability at U.S. Army Test and Evaluation Command	1/10/2020
USAAA	A-2020-0034-BOZ	Independent Auditor's Report on the Examination of the Government Purchase Card Program	2/6/2020
USAAA	A-2020-0044-BOZ	Corrosion Control, Pacific Theater	3/31/2020
NAVAUDSVC	N2020-0002	Timely Materials Availability for Maintenance and Repair of Navy Facilities	10/8/2019
NAVAUDSVC	N2020-0017	United States Marine Corps Military Construction Projects Proposed for Fiscal Year 2021	3/20/2020
AFAA	F2020-0001-L20000	Base Stock Level Engines	10/23/2019
AFAA	F2020-0002-O30000	Deployment Sourcing for Weather Operations	11/7/2019
AFAA	F2020-0001-L40000	Air Forces Central Container Management Program Air Force Central Command - AOR	11/14/2019
AFAA	F2020-0002-O20000	Privatized Housing Fire and Police Services	1/7/2020
AFAA	F2020-0002-L40000	Support Equipment Repair Requirements	1/28/2020
AFAA	F2020-0003-L40000	Container Management	1/28/2020
AFAA	F2020-0003-O20000	Classified	1/29/2020
AFAA	F2020-0004-L40000	Aviation Fuels Management	2/6/2020
AFAA	F2020-0005-L40000	Critical Safety Items Sustainment	2/10/2020
AFAA	F2020-0006-L40000	Contract Repair Requirements	2/10/2020
AFAA	F2020-0003-L20000	FY18-20 Distribution of Depot Maintenance Workload	2/28/2020
AFAA	F2020-0007-L40000	Suspended Assets	3/30/2020

Acquisition and Contract Management: Ensuring That the DoD Gets What It Pays For On Time, at a Fair Price, and With the Right Capabilities

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-002	Quality Control Review of the KPMG LLP FY 2017 Single Audit of the John Hopkins University	10/9/2019
DoD OIG	DODIG-2020-003	Audit of the DoD's Use of Additive Manufacturing for Sustainment Parts	10/17/2019
DoD OIG	DODIG-2020-036	Evaluation of Contracting Officer Actions on Defense Contract Audit Agency Reports that Disclaim an Opinion	11/26/2019
DoD OIG	DODIG-2020-040	Audit of Cost Increases and Schedule Delays for Military Construction Projects at Joint Region Marianas	12/11/2019
DoD OIG	DODIG-2020-026	Audit of the DoD Requirements for the National Maintenance Strategy—Ground Vehicle Support Contract	12/13/2019
DoD OIG	DODIG-2020-041	Risk Assessment of the DoD's Grant Closeout Process	12/16/2019
DoD OIG	DODIG-2020-042	Audit of the Service Acquisition Executives' Management of Defense Acquisition Category 2 and 3 Programs	12/20/2019
DoD OIG	DODIG-2020-046	Audit of DoD Personal Property Program Related to Household Goods Shipments	1/6/2020
DoD OIG	DODIG-2020-049	Evaluation of Defense Contract Management Agency Contracting Officer Actions on Penalties Recommended by the Defense Contract Audit Agency	1/10/2020
DoD OIG	DODIG-2020-059	Evaluation of Weather Support Capabilities for the MQ-9 Reaper	2/5/2020
DoD OIG	DODIG-2020-060	Audit of Contract Costs for Hurricane Recovery Efforts at Navy Installations	2/12/2020
DoD OIG	DODIG-2020-063	Audit of DoD Service-Disabled Veteran-Owned Small Business Contract Awards	2/18/2020
DoD OIG	DODIG-2020-070	Quality Control Review of the Defense Contract Audit Agency and Deloitte & Touche Fiscal Year 2016 Single Audit of the Aerospace Corporation	3/17/2020
DoD OIG	DODIG-2020-069	Audit of the Army's Base Life Support Contract for Camp Taji, Iraq	3/18/2020
USAAA	A-2020-0002-AXZ	Army's Efforts to Implement the Sustainment Policy Reform Initiative, Acquisition Reform Initiative #5	10/21/2019
USAAA	A-2020-0007-FIZ	Time-Sensitive Report: Notification of a Potential Antideficiency Act Violation—Audit of the Accounting for Army Environmental Restoration Program: Funding Personnel Requirements, Aberdeen Proving Ground	11/7/2019
USAAA	A-2020-0008-FIZ	Time-Sensitive Report: Notification of a Potential Antideficiency Act Violation—Audit of the Accounting for Army Environmental Restoration Program: Funding Personnel Requirements, U.S. Army Environmental Command	11/7/2019
USAAA	A-2020-0013-BOZ	Independent Auditor's Report on the Agreed Upon Procedures Attestation of Contractor Invoicing at Fort Sill Dining Facilities	11/18/2019
USAAA	A-2020-0011-FIZ	Hurricane Debris Removal Operations	11/19/2019
USAAA	A-2020-0024-AXZ	Army Investment in Science and Technology	1/22/2020
USAAA	A-2020-0032-BOZ	Nonaudit Service: Government Purchase Card Transactions; Melbourne, Florida	1/27/2020
USAAA	A-2020-0031-AXZ	Depot-Level Maintenance Workload Reporting—FY 18	2/10/2020
USAAA	A-2020-0027-AXZ	Technology Maturity Assessments of Acquisition Category (ACAT) II and III Programs	2/18/2020
USAAA	A-2020-0037-AXZ	Implementation of the Acquisition Enterprise Metrics, Acquisition Reform Initiative #8	2/20/2020
USAAA	A-2020-0038-BOZ	Other Transaction Authority (OTA) Control Environment	2/27/2020
USAAA	A-2020-0039-FIZ	Contracted Resource Efficiency Managers	3/4/2020
USAAA	A-2020-0043-BOZ	Reachback Contracting Support	3/26/2020
NAVAUDSVC	N2020-0009	Department of the Navy Base Operating Support Contract at Public Works Department U.S. Naval Academy, Annapolis	1/6/2020

Agency	Report Number	Report Title	Date
AFAA	F2020-0001-O20000	Facilities Sustainment, Restoration, and Modernization Project Cost Estimating and Execution	10/3/2019
AFAA	F2020-0001-O10000	Information Technology Hardware Asset Purchasing	10/17/2019
AFAA	F2020-0004-L10000	Spare Engine Valuation	10/23/2019
AFAA	F2020-0002-L30000	AbilityOne Contract Management	1/14/2020
AFAA	F2020-0002-L20000	Depot Capital Investment Program	2/12/2020

Providing Comprehensive and Cost-Effective Health Care

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-048	Audit of Controls Over Opioid Prescriptions at Selected DoD Military Treatment Facilities	1/10/2020
USAAA	A-2020-0012-FIZ	Installation Ambulance Services	1/7/2020

Other

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2020-029	Audit of a Classified Program	11/13/2019
USAAA	A-2020-0016-BOZ	USAAA Independent Review of the Independent Auditor's Report of the American Red Cross FY19 Financial Statements	12/7/2019
NAVUDSVC	N2020-0016	New Weapons Platforms Infrastructure Integration	3/10/2020
AFAA	F2020-0001-A00900	Classified	10/4/2019
AFAA	F2020-0002-A00900	Classified	12/13/2019
AFAA	F2020-0001-O40000	Military Personnel Appropriation Man-Days	12/17/2019
AFAA	F2020-0006-O10000	Public Affairs and Visual Information Displaced Missions	12/23/2019
AFAA	F2020-0007-O10000	General Officers Quarters Management	1/6/2020
AFAA	F2020-0003-A00900	Classified	1/13/2020
AFAA	F2020-0003-O30000	Classified	1/28/2020
AFAA	F2020-0004-A00900	Classified	2/21/2020
AFAA	F2020-0003-L30000	Acquisition Professional Development Program (APDP)	2/24/2020
AFAA	F2020-0004-L30000	Marketing and Recruiting Programs	3/5/2020

Partially fulfills the requirement of the Inspector General Act of 1978, as amended, 5 U.S.C. Appendix, § 5(a)(6).

REPORTS WITH QUESTIONED COSTS AND FUNDS RECOMMENDED TO BE PUT TO BETTER USE

Reports Issued	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
DODIG-2020-042 Audit of the Service Acquisition Executives' Management of Defense Acquisition Category 2 and 3 Programs	12/20/2019	\$56,900,000	\$0	\$410,300,000
DODIG-2020-059 Evaluation of Weather Support Capabilities for the MQ-9 Reaper	2/5/2020	\$17,716,000	\$17,716,000	\$0
DODIG-2020-063 Audit of DoD Service-Disabled Veteran-Owned Small Business Contract Awards	2/18/2020	\$876,800,000	\$876,800,000	\$0
DODIG-2020-069 Audit of the Army's Base Life Support Contract for Camp Taji, Iraq	3/18/2020	\$36,433,245	\$36,433,245	\$43,372,911
DODIG-2020-072 Audit of DoD Hotline Allegations Concerning the Defense Microelectronics Activity	3/24/2020	\$0	\$0	\$35,800,000
DODIG-2020-077 Evaluation of Niger Air Base 201 Military Construction	3/31/2020	\$102,700,000	\$0	\$0
Total		\$1,105,249,245*	\$945,649,245*	\$489,472,911

* The total Questioned Costs and Unsupported Costs includes an additional \$14.7 million related to a For Official Use Only report.

Partially fulfills the requirement of the Inspector General Act of 1978, as amended, 5 U.S.C. Appendix, § 5(a)(6).

FOLLOWUP ACTIVITIES

Decision status of DoD OIG issued audit, inspection, and evaluation reports and dollar value of recommendations that funds be put to better use.

Status	Number	Funds Put to Better Use (in thousands)
A. For which no management decision had been made by the beginning of the reporting period	0	\$0
B. Which were issued during the reporting period.	77	\$1,594,722 ¹
Subtotals (A+B)	77	\$1,594,722
C. For which a management decision was made during the reporting period.	77	
(i) dollar value of recommendations that were agreed to by management.		\$717,922 ^{2,3}
- based on proposed management action		
- based on proposed legislative action		
(ii) dollar value of recommendations that were not agreed to by management.		\$876,800 ⁴
D. For which no management decision has been made by the end of the reporting period.	0	0
Reports for which no management decision was made within 6 months of issue (as of March 31, 2020).	0	0

1. The DoD OIG issued audit reports during the period involving \$1.1 billion in “questioned costs.”
2. On these audit reports management has agreed to take the recommended actions, but the amount of agreed monetary benefits cannot be determined until those actions are completed.
3. Includes \$228 million in “questioned costs.”
4. The entire \$876.8 million is “questioned costs.”

Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, §§ 5(a)(8),(9) and (10).

STATUS OF ACTION ON CENTRAL INTERNAL AUDITS AS OF MARCH 31, 2020

Status	Number	Funds Put to Better Use (in thousands)
DoD OIG		
Number of Reports Open as of October 1, 2019	318	\$0
Number of Reports Issued During October 1, 2019 – March 31, 2020	77	\$1,594,722 ¹
Number of Reports Closed During October 1, 2019 – March 31, 2020	85	\$72,823 ²
Number of Reports Open as of March 31, 2020	310	\$0 ³
Military Departments		
Number of Reports Open as of October 1, 2019	416 ⁴	\$5,182,152
Number of Reports Issued During October 1, 2019 – March 31, 2020	123	\$411,930
Number of Reports Closed During October 1, 2019 – March 31, 2020	140	\$867,214
Number of Reports Open as of March 31, 2020	399	\$3,928,121

1. The DoD OIG opened audit reports during the period involving \$1.1 billion in “questioned costs.”
2. Included are recouped “questioned costs” of \$700 thousand.
3. On certain reports with estimated monetary benefits of \$6.5 billion, the DoD OIG agreed that the resulting monetary benefits can only be estimated after completion of management action, which is ongoing.
4. Incorporates retroactive adjustments.

Partially fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, §§ 5(b)(2), and (3).

CONTRACT AUDIT REPORTS ISSUED¹

October 1, 2019 through March 31, 2020

Type of Audit ²	Reports Issued	Dollars Examined (in millions)	Questioned Costs (in millions) ³	Funds Put to Better Use (in millions)
Incurring Costs, Ops Audits, Special Audits	773	\$29,723.0	\$386.6	\$— ⁴
Forward Pricing Proposals	343	\$63,421.9	—	\$3,626.6 ⁵
Cost Accounting Standards	131	\$878.3	\$4.3	—
Defective Pricing	11	(Note 6)	\$84.4	—
Totals	1,258	\$94,023.2	\$475.3	\$3,626.6

- This schedule represents Defense Contract Audit Agency (DCAA) contract audit reports issued during the six months ended March 31, 2020. This schedule includes any audits that DCAA performed on a reimbursable basis for other government agencies and the associated statistics may also be reported in other OIGs' Semiannual Reports to Congress. Both "Questioned Costs" and "Funds Put to Better Use" represent potential cost savings. DCAA provided the data we have reported in the schedule. However, we have not verified the accuracy of the data. Accordingly, the data is subject to change. The total number of assignments completed during the six months ending March 31, 2020 was 4,753. The number of audit reports issued is less than the number of completed assignments because some assignments are part of a larger audit or because the scope of work performed does not constitute an audit or attestation engagement under generally accepted government auditing standards.
- This schedule summarizes the DCAA audits into four principal types, which are defined as:
 - Incurring Costs – Audits of direct and indirect costs charged to Government contracts to determine whether the costs on unsettled flexibly-priced contracts comply, in all material respects, with contract terms pertaining to accumulating and billing incurred amounts. Also included under incurred cost audits are Operations Audits, which evaluate a contractor's operations and management practices to identify opportunities for increased efficiency and economy; and Special Audits, which include audits of terminations and claims.
 - Forward Pricing Proposals – Audits of estimated future costs of proposed contract prices, proposed contract change orders, costs for redeterminable fixed-price contracts, and costs incurred but not yet covered by definitized contracts.
 - Cost Accounting Standards – A review of a contractor's cost impact statement required due to changes to disclosed practices, failure to consistently follow a disclosed or established cost accounting practice, or noncompliance with a Cost Accounting Standard.
 - Defective Pricing – A review to determine whether contracts are based on current, complete and accurate cost or pricing data (the Truth in Negotiations Act).
- Questioned costs represent costs that DCAA has questioned because they do not comply with rules, regulations, laws, and/or contractual terms.
- Represents recommendations associated with Operations Audits where DCAA has expressed an opinion that funds could be used more effectively if management took action to implement cost reduction recommendations.
- Represents potential cost reductions that may be realized during contract negotiations.
- Defective pricing dollars examined are not reported because the original value was included in the audits associated with the original forward pricing proposals.

Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, § 8(f)(1).

STATUS OF ACTION ON POST-AWARD CONTRACT AUDITS¹

	Number of Reports	Costs Questioned ⁷ (in millions)	Costs Sustained ⁸ (in millions)
Open Reports			
Within Guidelines ²	360	\$1,404.3	N/A ⁹
Overage, greater than 6 months ³	848	\$5,455.4	N/A
Overage, greater than 12 months ⁴	546	\$4,348.9	N/A
Under Criminal Investigation ⁵	62	\$107.3	N/A
In Litigation ⁶	220	\$1,438.3	N/A
Total Open Reports	2,036	\$12,754.2	N/A
Dispositioned (Closed) Reports	251	\$355.2	\$193.3 (54.4%) ¹⁰
All Reports	2,287	\$13,109.4	N/A

1. We are reporting on the status of significant post-award contract audits in accordance with DoD Instruction 7640.02, "Policy for Follow-up on Contract Audit Reports," April 15, 2015. The data in the table represents the status of Defense Contract Audit Agency post-award reports, including reports on incurred costs, defective pricing, equitable adjustments, accounting and related internal control systems, and Cost Accounting Standard noncompliances. The DoD Components provided the data. We have not verified the accuracy of the provided data.
2. Contracting officers assigned to take action on these reports met the resolution and disposition time frames established by OMB Circular A-50, "Audit Follow-up," and DoD Instruction 7640.02. OMB Circular A-50 and DoD Instruction 7640.02 require that contracting officers resolve audit reports within 6 months. Generally, contracting officers resolve an audit when they determine a course of action that they document in accordance with agency policy. DoD Instruction 7640.02 also requires that a contracting officer disposition an audit report within 12 months. Generally, contracting officers disposition a report when they negotiate a settlement with the contractor, or they issue a final decision pursuant to the Disputes Clause.
3. Contracting officers have not resolved these overage reports within the 6-month resolution requirement.
4. Contracting officers have not dispositioned these overage reports within the 12-month disposition requirement.
5. Contracting officers have deferred action on these reports until a criminal investigation is complete.
6. Contracting officers have deferred action on these reports until related ongoing litigation is complete.
7. Costs Questioned represents the amount of audit exception, potential cost avoidance, or recommended price adjustment in the audit report.
8. Costs Sustained represents the questioned costs, potential cost avoidance, or recommended price adjustment sustained by contracting officers. Contracting officers report Cost Sustained when they disposition a report.
9. Not applicable
10. For the 6-month period ended March 31, 2020, contracting officers sustained \$193.3 million (54.4 percent) of the \$355.2 million questioned in the dispositioned reports. The 54.4 percent sustention rate represents an increase from the 37.9 percent rate reported for the period ended September 30, 2019.

Fulfills requirement of DoD Instruction 7640.02, Enclosure 2, Section (1)(d).

STATUS OF REPORTS WITH ACTION PENDING AS OF MARCH 31, 2020

Report: D-2006-077, DoD Personnel Security Clearance Process at Requesting Activities, 4/19/2006

Description of Action: Update DoD Personnel Security Clearance Program policies to include information on investigative responsibilities, security clearance systems, submission processes, levels of security clearances, and training requirements.

Reason Action Not Completed: Awaiting the issuance of revised Army related guidance, Army Regulation 380-67, which is undergoing a legal sufficiency review.

Principal Action Office: Army

Report: D-2009-062, Internal Controls Over DoD Cash and Other Monetary Assets, 3/25/2009

Description of Action: Develop policy to ensure the U.S. Treasury account symbols are used only as intended and revise the DoD Financial Management Regulation to reflect implementation of the related changes.

Reason Action Not Completed: Waiting to receive evidence that new U.S. Treasury Accounts (deposit accounts) were established for each Military Service and Treasury Index 97 (Other Defense Organization) to document the balance of disbursing officers' cash held outside of the U.S. Treasury, or that these new accounts have been added to the U.S. Treasury's Federal Account Symbols and Titles Book.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: D-2010-026, Joint Civilian Orientation Conference Program, 12/9/2009

Description of Action: Update DoD Instruction 5410.19 to clarify how to administer and manage the Joint Civilian Orientation Conference program.

Reason Action Not Completed: Extensive time required to coordinate revision of DoD Instruction 5410.19.

Principal Action Office: Assistant Secretary of Defense for Public Affairs

Report: D-2011-060, Marine Corps Inventory of Small Arms Was Generally Accurate but Improvements Are Needed for Related Guidance and Training, 4/22/2011

Description of Action: Update the small arms accountability guidance in Marine Corps Order 5530.14A.

Reason Action Not Completed: Delayed while awaiting the release of DoD Directive 5210.56, "Arming and the Use of Force," DoD Instruction 5200.08, "Security of DoD Installations and Resources," and DoD Instruction 5200.08-R "Physical Security Program." These DoD policy documents provide DoD-level physical security policy to the Services and influence the entire content of Marine Corps Order 5530.14A.

Principal Action Office: Marine Corps

Report: DODIG-2012-017, U.S. Naval Academy Officials Did Not Adhere to Contracting and Gift Policies, 11/7/2011

Description of Action: Record all in-kind gifts into the Naval History and Heritage Command inventory system and require the U.S. Naval Academy Museum Director to use the software system.

Reason Action Not Completed: The U.S. Naval Academy Museum does not have access to the Department of the Navy Heritage Asset Management System because a cloud-based server was lost due to a major hardware failure. Chief Information Officer and Space and Naval Warfare Systems Command technicians and the contractor are in the process of installing and reconfiguring the system software to ensure the application is available to all system users.

Principal Action Office: Navy

Report: DODIG-2012-082, DoD Can Improve Its Accounting for Residual Value From the Sale of U.S. Facilities in Europe, 5/4/2012

Description of Action: Revise DoD Instruction 4165.69 to require that future residual value settlement negotiations analyze and document how the residual value settlement amount was determined.

Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, § 5(b)(4). For this reporting period, there were disallowed costs of \$3 billion on reports over 12 months old with final action pending.

Reason Action Not Completed: Delayed efforts to revise DoD Instruction 4165.69 due to legislative changes.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2012-107, Defense Finance and Accounting Service Needs to Improve the Process for Reconciling the Other Defense Organizations' Fund Balance With Treasury, 7/9/2012

Description of Action: Develop a systems infrastructure that will allow retrieval of detailed transactions that support open appropriations; reconciliations between transactions supporting the amounts on the Cash Management Report and Other Defense Organizations' (ODO) accounting systems; and monthly transaction-level reconciliations for the ODOs.

Reason Action Not Completed: Department 97 Reconciliation and Reporting Tool Increment 3 is under development and will add six new reconciliations, funding/receipt/suspense data, and be hosted on a Defense Information Systems Agency Secure Internet Protocol Router platform to support sensitive activities' data. Implementation date is dependent on when Defense Information Systems Agency can provide the platform and the appropriate accreditation can be acquired.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2012-122, DoD Should Procure Compliant Physical Access Control Systems to Reduce the Risk of Unauthorized Access, 8/29/2012

Description of Action: Revise Chief of Naval Operations Instruction 5530.14E to require installation security personnel to be involved during site surveys.

Reason Action Not Completed: Corrective actions are ongoing to revise Chief of Naval Operations Instruction 5530.14E.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Navy

Report: DODIG-2013-005, Performance Framework and Better Management of Resources Needed for the Ministry of Defense Advisors Program, 10/23/2012

Description of Action: Develop a performance management framework to cover Ministry of Defense Advisors' program office responsibilities, including advisor recruiting, training, and deployment performance indicators to assess progress and measure program results.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Security Cooperation Agency

Report: DODIG-2013-031, Audit of the F-35 Lightning II Autonomic Logistics Information Systems (ALIS), 12/10/2012

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: F-35 Joint Program Office

Report: DODIG-2013-035, Better Reporting and Certification Processes Can Improve Red Teams' Effectiveness, 12/21/2012

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2013-050, Recovering Organizational Clothing and Individual Equipment From Civilians and Contractor Employees Remains a Challenge, 2/22/2013

Description of Action: Complete the records review and perform final adjudication of unreturned organizational clothing and individual equipment issued to civilians and contractors. Require DoD Components to include proper language in new contracts and modify existing contracts to hold contracting companies liable for unreturned organizational clothing and individual equipment.

Reason Action Not Completed: DoD OIG has not received evidence that demonstrates the implementation of corrective actions.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2013-070, Defense Agencies Initiative Did Not Contain Some Required Data Needed to Produce Reliable Financial Statements, 4/19/2013

Description of Action: Revise DoD Financial Management Regulation guidance to require costs of programs reported in the Statement of Net Cost to be accounted for by program costs and not by appropriation, enabling the use of the Program Indicator Code attribute.

Reason Action Not Completed: The Director, Business Processes and Systems Modernization disagreed, stating that until the majority of DoD systems are

upgraded to collect costs based on missions and output performance measures, revision of the DoD Financial Management Regulation to report the Statement of Net Cost in any other manner would be misleading or confusing. Coordination on followup discussion between the Office of Business Processes and Systems Modernization and the OIG is ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2013-072, Data Loss Prevention Strategy Needed for the Case Adjudication Tracking System, 4/24/2013

Description of Action: Develop a plan and funding to move the disaster recovery site outside of the National Capital Region.

Reason Action Not Completed: Defense Manpower Data Center is working with the National Background Investigation System and Defense Information Systems Agency to set-up the permanent continuity of operations infrastructure at the Defense Information Systems Agency Defense Enterprise Computing Center.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2013-078, TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce, 5/1/2013

Description of Action: Perform a comprehensive review of Tricare Management Activity's compliance with the recommendation to develop a time-phased plan for all acquisition workforce personnel who did not attain position required certifications within allowed timeframes to obtain certifications, and as appropriate, initiate administrative action to remove them from acquisition-related positions.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2013-082, Hotline Allegation Regarding the Failure to Take Action on Material Management and Accounting System (MMAS) Audit Findings, 5/29/2013

Description of Action: Re-evaluate the determination that the costs of complying with Standard 2 outweigh the benefits, and document adequate rationale for any disagreements with the auditor in accordance with DoD Instruction 7640.02. Reassess the

appropriateness of the March 15, 2013, agreement with the contractor on the master production schedule accuracy calculation.

Reason Action Not Completed: Resolution of agreed-upon corrective actions to implement two report recommendations remains ongoing.

Principal Action Office: Navy

Report: DODIG-2013-097, Improvements Needed in the Oversight of the Medical-Support Services and Award-Fee Process Under the Camp As Sayliyah, Qatar, Base Operation Support Services Contract, 6/26/2013

Description of Action: Revise Army Regulation 40-68, "Clinical Quality Management," to align the regulation with supervision requirements set forth in Federal Acquisition Regulation 37.4.

Reason Action Not Completed: Extensive time required to coordinate and issue revised guidance.

Principal Action Office: Army

Report: DODIG-2013-100, Contract Administration of the Subsistence Prime Vendor Contract for Afghanistan Improved, but Additional Actions are Needed, 7/2/2013

Description of Action: Initiate corrective actions to recover premium transportation fees and provide a refund to the Army after litigation is completed.

Reason Action Not Completed: An Armed Services Board of Contract Appeals case remains in litigation.

Principal Action Office: Defense Logistics Agency

Report: DODIG-2013-102, Improved Oversight of Communications Capabilities Preparedness Needed for Domestic Emergencies, 7/1/2013

Description of Action: Establish oversight procedures, including performance metrics, to verify that National Guard units report the readiness status of personnel and equipment for the Joint Incident Site Communications Capability system in a timely manner.

Reason Action Not Completed: Awaiting supporting documentation to verify distribution of updated standard operating procedures to the 54 states, territories, and Washington, D.C.

Principal Action Office: National Guard Bureau

Report: DODIG-2013-112, Assessment of DoD Long-Term Intelligence Analysis Capabilities, 8/5/2013

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence and Security

Report: DODIG-2013-119, Better Procedures and Oversight Needed to Accurately Identify and Prioritize Task Critical Assets, 8/16/2013

Description of Action: Develop and implement a Defense Critical Infrastructure Program net-centric approach to facilitate asset information sharing among the DoD Components and Defense Critical Infrastructure Sector Lead Agents.

Reason Action Not Completed: Development of the Mission Assurance Risk Management System to facilitate enhanced asset information sharing among components is ongoing.

Principal Action Office: Assistant Secretary of Defense for Homeland Defense and Global Security

Report: DODIG-2013-123, Army Needs To Improve Mi-17 Overhaul Management and Contract Administration, 8/30/2013

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Extensive time required to implement corrective actions.

Principal Action Office: Army

Report: DODIG-2013-130, Army Needs to Improve Controls and Audit Trails for the General Fund Enterprise Business System Acquire-to-Retire Business Process, 9/13/2013

Description of Action: Review all real property data in the General Fund Enterprise Business System to ensure the system contains the correct data going forward. Track costs associated with this effort and other data cleansing efforts so they can be calculated as part of the cost of the General Fund Enterprise Business System implementation or as part of the Army's audit readiness efforts.

Reason Action Not Completed: Real property assets that failed specific business rules and were subject to a specific action need to be provided and validated. The Installation Management community is still validating and correcting the nine plant replacement

value data elements. Final costs reported in the General Fund Enterprise Business System as depreciation expense are yet to be provided.

Principal Action Office: Army

Report: DODIG-2014-001, MV-22 Squadrons Could Improve Reporting of Mission Capability Rates and Readiness, 10/23/2013

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: DODIG-2014-019, Assessment of Continental United States Based Nuclear Response Task Force Programs, 12/3/2013

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Northern Command

Report: DODIG-2014-038, Air Force Life Cycle Management Center Could Not Identify Actual Cost of F119 Engine Spare Parts Purchased From Pratt and Whitney, 2/10/2014

Description of Action: Develop a process to identify and document actual spare part costs for 2010 and each subsequent year for use in determining fair and reasonable prices.

Reason Action Not Completed: Actions to implement the Defense Property Accountability System with the contractor's Special Access Program system (System, Applications & Products in Data Processing) that the Air Force will use to capture actual historical cost/price information are ongoing.

Principal Action Office: Air Force

Report: DODIG-2014-049, DoD Considered Small Business Innovation Research Intellectual Property Protections in Phase III Contracts, but Program Improvements Are Needed, 3/27/2014

Description of Action: Address inconsistencies between the Defense Federal Acquisition Regulation Supplement and the Small Business Administration Policy Directive regarding intellectual property; and address proposed revisions to the Defense Federal Acquisition Regulation Supplement clauses to clarify and better implement the initiation and extension of the protection period as provided in the Small Business Administration Small Business Innovation Research Policy Directive.

Reason Action Not Completed: Small Business Administration is developing a policy directive on intellectual property protections and published a Notice of Proposed Amendments in the Federal Register. Once comments are adjudicated, a rule is published in the Federal Register, and the policy directive is finalized, the DoD will make any necessary changes to the DoD Federal Acquisition Regulation Supplement.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Under Secretary of Defense for Research and Engineering

Report: DODIG-2014-055, Investigation of a Hotline Allegation of a Questionable Intelligence Activity Concerning the Joint Improvised Explosive Device Defeat Organization Counter-Improvised Explosive Device Operations/Intelligence Integration Center, 4/4/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Defense Threat Reduction Agency

Report: DODIG-2014-060, An Assessment of Contractor Personnel Security Clearance Processes in the Four Defense Intelligence Agencies, 4/14/2014

Description of Action: Develop and issue an overarching policy governing operation of the System of Record for Personnel Security Clearances, including identification of the categories of investigations to be titled and indexed, and the retention criteria.

Reason Action Not Completed: DoD OIG awaits a status report on actions taken to finalize the overarching policy that addresses the agreed-upon recommendations.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, OSD General Counsel

Report: DODIG-2014-066, Logistics Modernization Program System Not Configured to Support Statement of Budgetary Resources, 5/5/2014

Description of Action: Approve the baseline configuration of the Logistics Modernization Program system Budget-to-Report business process based on Army certification that the Army has implemented the appropriate DoD United States Government Standard General Ledger Transaction Library transactions for recording budgetary accounts for the Army Working Capital Fund.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2014-083, Insufficient Infrastructure Support to the Fixed Submarine Broadcast System, 6/23/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: DODIG-2014-090, Improvements Needed in the General Fund Enterprise Business System Budget-to-Report Business Process, 7/2/2014

Description of Action: Verify that the General Fund Enterprise Business System posting logic documentation is accurate and complete, and use it to validate General Fund Enterprise Business System general ledger account postings.

Reason Action Not Completed: The Army has not validated that general ledger account postings programmed in the General Fund Enterprise Business System comply with the U.S. Standard General Ledger.

Principal Action Office: Army

Report: DODIG-2014-093, Inspection of the Armed Forces Retirement Home, 7/23/2014

Description of Action: Under the authority given to the Secretary of Defense in section 411(d)(3), title 24, United States Code, issue a directive type memorandum for immediate action (followed by a revision of DoD Instruction 1000.28, "Armed Forces Retirement Home," February 1, 2010) to codify the results.

Reason Action Not Completed: Revision of DoD Instruction 1000.28 is in the process of being finalized and published.

Principal Action Office: DoD Chief Management Officer

Report: DODIG-2014-096, Improvements Needed in Contract Administration of Mi-17 Cockpit Modification Task Order, 7/28/2014

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2014-100, Assessment of DoD Wounded Warrior Matters: Selection and Training of Warrior Transition Unit and Wounded Warrior Battalion Leaders and Cadre, 8/22/2014

Description of Action: Provide the action plan on future Wounded Warrior Regiment staffing and manning requirements.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Marine Corps

Report: DODIG-2014-101, Delinquent Medical Service Accounts at Brooke Army Medical Center Need Additional Management Oversight, 8/13/2014

Description of Action: Send dispute letters to Texas Medicaid and Healthcare Partnership for all claims denied for missing the 95-day filing requirement; provide U.S. Army Medical Command all Medicaid-eligible claims denied by Texas Medicaid Health Partnership for missing the 95-day filing requirement to identify the value and impact of those claims to Brooke Army Medical Center; and meet with Department of Health and Human Services to discuss difficulties Brooke Army Medical Center has encountered with denied claims and reimbursement levels from the Texas Medicaid and Healthcare Partnership.

Reason Action Not Completed: Defense Health Agency and U.S. Army Medical Command are working together to develop a plan to review and process the delinquent medical service accounts debt.

Principal Action Office: Army

Report: DODIG-2014-118, Improvements Needed in Contract Award of Mi-17 Cockpit Modification Task Order, 9/19/2014

Description of Action: Review all locally issued policies for consistency, currency, accuracy, elimination and streamlining. Also recoup payments made to contractor for Mi-17 manuals not accepted or delivered to the Government.

Reason Action Not Completed: Awaiting results of review on locally issued policies and corrective actions taken or updated guidance issued. Final legal decision on whether the \$216,345 identified as potential monetary benefits will be recouped from the contractor has not been determined.

Principal Action Office: Army

Report: DODIG-2014-121, Military Housing Inspections - Japan, 9/30/2014

Description of Action: Issue DoD guidance to resolve inconsistencies among the Military Services for assessing, remediating, and preventing mold and assessing and mitigating radon.

Reason Action Not Completed: DoD OIG followup review to verify the implementation of corrective actions is ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-001, Assessment of the Department of Defense Prisoner of War/Missing in Action Accounting Community, 10/17/2014

Description of Action: Under Secretary of Defense for Personnel and Readiness will establish DoD-wide policy regarding the disinterment of unknowns from past conflicts.

Reason Action Not Completed: DoD OIG awaits the final issuance of the updated Mortuary Affairs policy.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-002, Assessment of DoD-Provided Healthcare for Members of the United States Armed Forces Reserve Components, 10/8/2014

Description of Action: Develop Defense Health Affairs line-of-duty forms to provide procedural instructions to implement controls outlined in DoD Instruction 1241.01.

Reason Action Not Completed: Publication of Defense Health Agency procedural instruction has been impacted by section 702 of the Fiscal Year 2017 National Defense Authorization Act, which resulted in changes to responsibilities and authorities of the Defense Health Agency and the Military Department Surgeons General, and required further updates to Department Health Agency guidance. Publication of the Department Health Agency-Procedural Instruction and issuance of new line-of-duty forms is anticipated in FY 2020.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-004, Assessment of DoD Long-Term Intelligence Analysis Capabilities Phase II, 10/10/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence and Security

Report: DODIG-2015-006, Policy Changes Needed at Defense Contract Management Agency to Ensure Forward Pricing Rates Result in Fair and Reasonable Contract Pricing, 10/9/2014

Description of Action: Provide training to the administrative contracting officer community on: 1) the need to document in the contract case file the cost analysis performed and the data and information related to the contracting officer's determination of fair and reasonable Forward Pricing Rate Recommendation and Forward Pricing Rate Agreement rates; 2) use of the revised Pre-negotiation Memorandum template; and 3) any revisions made to DCMA Instruction 809, "Records Management," to ensure the Government contract case file is sufficient to constitute a complete history of a Forward Pricing Rate Recommendation and Forward Pricing Rate Agreement transaction.

Reason Action Not Completed: Corrective actions are ongoing as training is being offered and submittal of documentation that training course material includes required use of the Pre-negotiation Memorandum template is pending.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2015-011, Evaluation of the Defense Criminal Investigative Organizations' Defense Incident-Based Reporting System Reporting and Reporting Accuracy, 10/29/2014

Description of Action: Ensure Defense Incident-Based Reporting System data submitters provide accurate and complete data submissions within 15 workdays after the end of each month, and that error corrections are completed within 30 days of Defense Manpower Data Center notifications and are tracked to completion as required by DoD Manual 7730.47-M, volume 1.

Reason Action Not Completed: Deployment of the Naval Justice Information System (NJIS) has been delayed due to data migration issues between Consolidated Law Enforcement Operations Center (CLEOC) and NJIS. Defense Criminal Investigative Service is working on the ability to input required Defense Incident-Based Reporting data into the Case Reporting Information Management System.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Navy, and Defense Criminal Investigative Service

Report: DODIG-2015-013, Military Housing Inspections - Republic of Korea, 10/28/2014

Description of Action: Issue DoD guidance to resolve inconsistencies among the Military Services for assessing, remediating, and preventing mold, and assessing and mitigating radon.

Reason Action Not Completed: DoD OIG followup review to verify the implementation of corrective actions is ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-016, Department of Defense Suicide Event Report (DoDSER) Data Quality Assessment, 11/14/2014

Description of Action: Revise DoD and Service guidance to provide policy and procedures for data collection, and for submission and reporting of suicide events data.

Reason Action Not Completed: DoD Instruction 6490.16, "Defense Suicide Prevention Program," published in November 2017, does not address requiring suicide event boards or multidisciplinary approach to obtain data for DoD Suicide Event Report submissions. Corrective actions are ongoing due to the Military Departments developing or updating their own departmental guidance.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness; Assistant Secretary of Defense for Health Affairs; Army, Navy, and Marine Corps

Report: DODIG-2015-031, The Services Need To Improve Accuracy When Initially Assigning Demilitarization Codes, 11/7/2014

Description of Action: Revise DoD demilitarization program guidance. Require the Services to establish controls to assign accurate demilitarization codes.

Reason Action Not Completed: DoD Manual 4160.28, volume 1, “Defense Demilitarization: Program Administration” does not contain required elements that fully address the recommendation. Corrective actions are ongoing due to the Services developing or updating their own departmental guidance.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2015-045, DoD Cloud Computing Strategy Needs Implementation Plan and Detailed Waiver Process, 12/4/2014

Description of Action: Develop a waiver process providing detailed guidance on how to obtain a Global Information Grid waiver for cloud computing in the DoD.

Reason Action Not Completed: DoD Instruction 8010.01, “DoD Information Network Transport,” published in September 2018, does not provide guidance on obtaining a Global Information Grid waiver for cloud computing in the DoD.

Principal Action Office: DoD Chief Information Officer

Report: DODIG-2015-046, Navy Commands Need to Improve Logical and Physical Controls Protecting SIPRNET Access Points, 12/10/2014

Description of Action: Update Department of the Navy policy to implement at least the minimum requirements for performing a risk assessment as required by DoD Manual 5200.01, volume 3.

Reason Action Not Completed: Update of Secretary of the Navy Manual 5510.36 is still ongoing.

Principal Action Office: Navy

Report: DODIG-2015-052, Air Force Life Cycle Management Center’s Management of F119 Engine Spare Parts Needs Improvement, 12/19/2014

Description of Action: F-22/F119 Program Office will develop a plan with Defense Contract Management Agency to formally accept all Government-owned property when contract performance ends, and ensure this plan clarifies current Defense Contract Management Agency acceptance responsibilities.

Reason Action Not Completed: Extensive time required to implement corrective actions.

Principal Action Office: Air Force

Report: DODIG-2015-053, Naval Supply Systems Command Needs to Improve Cost Effectiveness of Purchases for the Phalanx Close-In Weapon System, 12/19/2014

Description of Action: Provide the results of the Defense Contract Audit Agency followup audit on the Material Management and Accounting Systems, and the variation in quantity analysis for years 4 and 5 of the Close-In Weapon Systems Performance Based Logistics 3 contract.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2015-056, Opportunities to Improve the Elimination of Intragovernmental Transactions in DoD Financial Statements, 12/22/2014

Description of Action: The Business Integration Office will create a full cost estimate for full implementation of the Invoice Processing Platform (now G-Invoicing) across the DoD. Also, the DoD Comptroller/Chief Financial Officer will revise DoD Financial Management Regulation, volume 6B, chapter 13, to mandate the use of G-Invoicing for Buy/Sell transactions.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, and the Defense Finance and Accounting Service are revising the DoD Financial Management Regulation. In addition, the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, is revising DoD Instruction 4000.19 in collaboration with the acquisition community.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2015-057, Title is Classified, 12/19/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2015-062, DoD Needs Dam Safety Inspection Policy to Enable the Services to Detect Conditions That Could Lead to Dam Failure, 12/31/2014

Description of Action: Establish DoD dam safety inspection policy that is in accordance with the Federal Guidelines for Dam Safety, which define inspection frequency, scope, and inspector qualifications and outline the need to develop and maintain inspection support documentation.

Reason Action Not Completed: DoD OIG is coordinating with DoD officials as they finalize their respective corrective actions to ensure they meet the intent and conclude with the closure of their respective DoD OIG recommendations.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2015-064, Assessment of Intelligence Support to In-Transit Force Protection, 1/2/2015

Description of Action: Update the 2003 Memorandum of Understanding to reflect DoD policy and requirements with the Force Protection Detachment program and the Embassy's Country Team environment. Also, ensure that the Joint Counterintelligence Training Academy completes and fields the Force Protection Detachment computer-based training course.

Reason Action Not Completed: Corrective actions are ongoing to revise the memorandum of understanding between the Bureau of Diplomatic Security, Department of State, and the Office of the Under Secretary of Defense for Intelligence and Security. The revised memorandum of understanding is currently with the Department of State legal counsel.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, Defense Intelligence Agency

Report: DODIG-2015-065, Evaluation of the Defense Sensitive Support Program, 1/5/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2015-070, Evaluation of Alternative Compensatory Control Measures Program, 1/28/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2015-072, Improvements Needed for Navy's Triannual Review, 1/22/2015

Description of Action: Develop standard queries for the budget submitting offices to ensure completeness of data extracted for triannual reviews. Develop and implement Navy triannual review standard procedures, based on Marine Corps best practices, to compile a universe of obligations for the budget submitting offices to use in performing the triannual review.

Reason Action Not Completed: Navy Office of Budget officials continue to work with Navy system owners to find an automated solution to develop data sets from multiple Navy accounting systems and alleviate the manual data call method currently in use.

Principal Action Office: Navy

Report: DODIG-2015-078, Evaluation of the Defense Criminal Investigative Organizations' Compliance with the Lautenberg Amendment Requirements and Implementing Guidance, 2/6/2015

Description of Action: Revise DoD Instruction 6400.06 to incorporate language requiring commanders and supervisors to advise all employees (military and civilian) found to have a qualifying conviction to dispose of their privately owned firearms and ammunitions in accordance with the law.

Reason Action Not Completed: DoD Instruction 6400.06 is currently in formal coordination for re-issuance and is on track to be signed in FY 2020.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-081, Evaluation of Department of Defense Compliance with Criminal History Data Reporting Requirements, 2/12/2015

Description of Action: Submit the missing 304 fingerprints and 334 final disposition reports to the Federal Bureau of Investigation for inclusion in the Integrated Automated Fingerprint Identification System.

Reason Action Not Completed: Actions are ongoing toward finalizing efforts to obtain and submit the remaining missing fingerprints and final disposition reports to the Federal Bureau of Investigation for inclusion in the Integrated Automated Fingerprint Identification System/Next Generation Identification database.

Principal Action Office: Navy

Report: DODIG-2015-090, Evaluation of Aircraft Ejection Seat Safety When Using Advanced Helmet Sensors, 3/9/2015

Description of Action: Ensure consistent documentation of aircraft ejection data to increase the data available for ejections with helmet mounted devices and/or night vision goggles to improve the safety risk analysis. Also, review and update Joint Service Specification Guide 2010-11 to reflect changes in policy and technology that have occurred in the last 16 years.

Reason Action Not Completed: The Navy and Air Force continue to coordinate updates to the Joint Service Specification Guide 2010-11 and are working through differences on interpretation of requirements and their impact of escape system performance.

Principal Action Office: Navy, Air Force

Report: DODIG-2015-092, F-35 Lightning II Program Quality Assurance and Corrective Action Evaluation, 3/11/2015

Description of Action: Conduct periodic Critical Safety Item Program evaluations of Lockheed Martin and its suppliers to ensure compliance with public law and the Joint Service Critical Safety Item Instruction.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: F-35 Joint Program Office

Report: DODIG-2015-102, Additional Actions Needed to Effectively Reconcile Navy's Fund Balance With Treasury Account, 4/3/2015

Description of Action: Develop a reconciliation process that is based on detail-level transaction data from the Department of the Navy's general ledger systems. Design and implement controls within the end-to-end Fund Balance With Treasury business process for resolving amounts reported on the "Statement of Differences-Disbursements."

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2015-107, Challenges Exist for Asset Accountability and Maintenance and Sustainment of Vehicles Within the Afghan National Security Forces, 4/17/2015

Description of Action: Perform a reconciliation to ensure vehicle information is accurate and complete and assess the accuracy of property transfer records.

Reason Action Not Completed: Corrective actions are ongoing to reconcile information in the Operational Verification of Reliable Logistics Oversight Database against information in the Security Cooperation Information Portal to ensure vehicle information is accurate and complete. Actions are also ongoing to verify the accuracy of property transfer records pending the Security Assistance Office's completion of its reconciliation process.

Principal Action Office: U.S. Central Command

Report: DODIG-2015-111, F-35 Engine Quality Assurance Inspection, 4/27/2015

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: F-35 Joint Program Office

Report: DODIG-2015-114, Navy Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance, 5/1/2015

Description of Action: Policy memorandum is being drafted that will require Naval Sea Systems Command business units to complete Contractor Performance Assessment Reports (CPARs) within 120 days of the end of the contract performance period. It will also require Naval Sea Systems Command offices responsible for any contract requiring CPARs to ensure the contract is properly registered in the Contractor Performance Assessment Reporting System (CPARS). Additionally, it will require first-line managers above the contracting officer's representative to review CPARs prior to sending them to the contractor for review, and that all contracting officer's representatives complete CPARS training.

Reason Action Not Completed: Policy memorandum continues to be staffed.

Principal Action Office: Navy

Report: DODIG-2015-117, U.S. Cyber Command and Military Services Need to Reassess Processes for Fielding Cyber Mission Force Teams, 4/30/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Marine Corps

Report: DODIG-2015-122, Naval Air Systems Command Needs to Improve Management of Waiver Requests, 5/15/2015

Description of Action: Update Secretary of the Navy Instruction 5000.2E and Secretary of the Navy Manual M-5000.2 to emphasize that program managers must request waivers whenever they do not meet any of the 20 criteria the Navy guidance requires programs to meet to certify readiness for initial operational test and evaluation.

Reason Action Not Completed: Review of new policy language is being conducted by key stakeholders within the Navy Test and Evaluation community.

Principal Action Office: Navy

Report: DODIG-2015-128, Army Needs to Improve Processes Over Government-Furnished Material Inventory Actions, 5/21/2015

Description of Action: Develop a business process and the Logistics Modernization Program posting logic to identify and track Army Working Capital Fund inventory provided to contractors as Government-furnished material within the Logistics Modernization Program system.

Reason Action Not Completed: There is a delay caused by upgrading the system and posting logic.

Principal Action Office: Army

Report: DODIG-2015-134, Assessment of the U.S. Theater Nuclear Planning Process, 6/18/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2015-142, Navy's Contract/Vendor Pay Process Was Not Auditable, 7/1/2015

Description of Action: Update the Department of the Navy's system business processes to ensure transactions are processed in compliance with the Statement of Federal Financial Accounting Standards 1.

Reason Action Not Completed: DoD OIG is coordinating with Navy officials to determine the current status of efforts toward gathering cost estimates to fund and schedule necessary system changes.

Principal Action Office: Navy

Report: DODIG-2015-143, Patriot Express Program Could Be More Cost-Effective for Overseas Permanent Change of Station and Temporary Duty Travel, 7/6/2015

Description of Action: Implement controls in the Defense Travel System for checking Patriot Express availability and to automatically route all travel orders for travel outside of the continental United States to transportation office personnel to check Patriot Express availability.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2015-148, Rights of Conscience Protections for Armed Forces Service Members and Their Chaplains, 7/22/2015

Description of Action: Ensure that programs of instruction for commissioned and noncommissioned officers include the updated guidance regarding religious accommodations contained in DoD Instruction 1300.17.

Reason Action Not Completed: Coordination to update Secretary of the Navy Instruction to include the updated guidance regarding religious accommodations contained in DoD Instruction 1300.17 is ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Navy

Report: DODIG-2015-159, Followup Audit: More Improvements Needed for the Development of Wounded Warrior Battalion-East Marines' Recovery Plans, 8/7/2015

Description of Action: Initiate a performance review of the Wounded Warrior Regiment contracting officers for the Recovery Care Coordinator contract to determine whether administrative actions are warranted. Conduct a thorough review of the contracting file to determine whether any further courses of action are warranted.

Reason Action Not Completed: Pending submission of the contracting file review to determine whether any administrative actions are warranted.

Principal Action Office: Marine Corps

Report: DODIG-2015-162, Continental United States Military Housing Inspections - National Capital Region, 8/13/2015

Description of Action: Conduct an effective root cause analysis and implement a corrective action plan for all identified electrical, fire protection, environmental health, and safety deficiencies.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2015-168, Air Force Commands Need to Improve Logical and Physical Security Safeguards That Protect SIPRNET Access Points, 9/10/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2015-172, Naval Sea Systems Command Needs to Improve Management of Waiver and Deferral Requests, 9/14/2015

Description of Action: Revise Secretary of the Navy Instruction 5000.2E, "Department of the Navy Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System," September 1, 2011, after the Vice Chairman, Joint Chiefs of Staff, revises the Joint Capabilities Integration and Development System Manual in response to Recommendation 1.

Reason Action Not Completed: DoD management has taken action to address the recommendations and provided supporting documentation to the DoD OIG that is currently under review.

Principal Action Office: Joint Chiefs of Staff, Navy

Report: 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, 9/30/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Defense Security Cooperation Agency

Report: DODIG-2015-181, Continental United States Military Housing Inspections-Southeast, 9/24/2015

Description of Action: Update policy to ensure that Army publications properly and consistently address radon assessment and mitigation requirements. Conduct an effective root cause analysis and perform corrective actions for all fire protection deficiencies identified.

Reason Action Not Completed: DoD OIG followup review to verify the implementation of corrective actions is ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army, Navy

Report: DODIG-2016-002, DoD Needs a Comprehensive Approach to Address Workplace Violence, 10/15/2015

Description of Action: Revise the Defense Federal Acquisition Regulation Supplement to address interim and final contractor requirements for the prevention of workplace violence. Revise policies and procedures and integrate existing programs to develop a comprehensive DoD-wide approach to address prevention and response to workplace violence.

Reason Action Not Completed: Awaiting updates to the Defense Federal Acquisition Regulation Supplement case and issuance of updated policy addressing workplace violence.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2016-019, Small Business Contracting at Marine Corps Systems Command Needs Improvement, 11/10/2015

Description of Action: Establish guidance for contracting officers for reviewing, approving, and administering subcontracting plans, and verifying contractors submit the required subcontracting reports to the Electronic Subcontracting Reporting System.

Reason Action Not Completed: Marine Corps Systems Command has not provided evidence to support they have revised standard operating procedures for small business subcontracting.

Principal Action Office: Marine Corps

Report: DODIG-2016-026, Combat Mission Teams and Cyber Protection Teams Lacked Adequate Capabilities and Facilities to Perform Missions, 11/24/2015

Description of Action: Develop a doctrine, organization, training, materiel, leadership and education, personnel, facilities, and policy framework that address strategies to build, grow, and sustain the Cyber Mission Force. Formalize an agreement to focus capability development on functional and mission areas consistent with results of the mission alignment board.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Marine Corps, U.S. Cyber Command

Report: DODIG-2016-054, Navy Controls for Invoice, Receipt, Acceptance, and Property Transfer System Need Improvement, 2/25/2016

Description of Action: Review the Invoice, Receipt, Acceptance, and Property Transfer system to verify that the Defense Logistics Agency's automated control for inactive users is working properly, and ensure separated employees' user accounts were automatically disabled.

Reason Action Not Completed: Interface issues occurred between Invoice, Receipt, Acceptance, and Property Transfer and the Defense Enrollment Eligibility Reporting System that prevented automatic de-activation of accounts for departing personnel. The DoD OIG awaits evidence that demonstrates that interface issues have been resolved, and the automated control for inactive users is working properly and ensuring separated employees' user accounts were automatically disabled.

Principal Action Office: Navy

Report: DODIG-2016-061, U.S. Army Military Surface Deployment and Distribution Command Needs to Improve its Oversight of Labor Detention Charges at Military Ocean Terminal Sunny Point, 3/16/2016

Description of Action: Recoup charges for time charged as safety briefings erroneously charged as labor detention time.

Reason Action Not Completed: U.S. Transportation Command issued a debt notification letter to the vendor requesting repayment of the total overpayment amounts and is in the process of seeking payment from the contractor.

Principal Action Office: U.S. Transportation Command

Report: DODIG-2016-064, Other Defense Organizations and Defense Finance and Accounting Service Controls Over High-Risk Transactions Were Not Effective, 3/28/2016

Description of Action: The DoD Deputy Chief Financial Officer and Deputy Chief Management Officer, through the Financial Improvement Audit Readiness Governance Board, will: 1) review the strategy's implementation plan to track progress and assist with addressing implementation challenges; and 2) develop a supplemental memorandum of agreement to further define specific roles and responsibilities, audit response, internal controls, performance metrics, and quality assurance plans.

Reason Action Not Completed: Corrective actions are still ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Assistant Secretary of Defense for Health Affairs

Report: DODIG-2016-066, Improvements Could Be Made in Reconciling Other Defense Organizations' Civilian Pay to the General Ledger, 3/25/2016

Description of Action: Develop a formal plan to reconcile civilian pay records or review reconciliations for the remaining 14 Other Defense Organizations. Revise existing standard operating procedures to clearly describe the civilian pay reconciliation process. Also, centralize the Other Defense Organizations' civilian pay reconciliation process.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2016-072, DoD Needs to Improve Screening and Access Controls for General Public Tenants Leasing Housing on Military Installations, 4/1/2016

Description of Action: Issue or update guidance specifying the queries required to access the National Crime Information Center and the Interstate Identification Index files and conduct background checks in accordance with Service regulations.

Reason Action Not Completed: Updated guidance is in draft and in the process of being published.

Principal Action Office: Air Force

Report: DODIG-2016-079, Delinquent Medical Service Accounts at Landstuhl Regional Medical Center Need Additional Management Oversight, 4/28/2016

Description of Action: Review, research, and pursue collection on the delinquent medical service accounts that remain open.

Reason Action Not Completed: Defense Health Agency and U.S. Army Medical Command are working together to develop a plan to review and process the delinquent medical service accounts debt.

Principal Action Office: Army

Report: DODIG-2016-080, Army's Management of Gray Eagle Spare Parts Needs Improvement, 4/29/2016

Description of Action: Use existing Defense Logistics Agency inventory, when possible, before purchasing spare parts from the contractor.

Reason Action Not Completed: DoD OIG has not received evidence that demonstrates the Army's use of existing Defense Logistics Agency inventory before purchasing parts from the contractor.

Principal Action Office: Army

Report: DODIG-2016-081, Evaluation of U.S. Intelligence and Information Sharing with Coalition Partners in Support of Operation Inherent Resolve, 4/25/2016

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2016-086, DoD Met Most Requirements of the Improper Payments Elimination and Recovery Act in FY 2015, but Improper Payment Estimates Were Unreliable, 5/3/2016

Description of Action: Coordinate with all reporting activities to determine the source of all disbursed obligations and whether they are subject to improper payment reporting requirements.

Reason Action Not Completed: Long term corrective actions are still ongoing to determine the source of all disbursed obligations not reviewed for improper payments and whether they are subject to improper payment reporting requirements.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2016-087, Air Force Civil Engineer Center Management of Energy Savings Performance Contracts Needs Improvement, 5/4/2016

Description of Action: Validate Joint Base Charleston energy savings performance contract savings achieved for performance years 2 through 8 as statutorily mandated, and recommend the contracting officer take appropriate contractual action, such as recovering unrealized guaranteed energy savings or buying out the remaining portion of the contract.

Reason Action Not Completed: Waiting to receive evidence that the Air Force reviewed and validated the yearly contractor claimed energy savings stated in the annual measurement and verification reports.

Principal Action Office: Air Force

Report: DODIG-2016-091, Evaluation of the Accuracy of Data in the DoD Contract Audit Follow-Up System, 5/13/2016

Description of Action: Revise agency procedures and internal controls to include the "Qualifications or Unresolved Cost" data field in the Defense Contract Audit Agency monthly report list of reportable audits.

Reason Action Not Completed: The Defense Contract Management Agency needs to implement programming changes in the Contract Audit Follow-up system to accept the new data field. Once this action is completed the Defense Contract Audit Agency can start including this information as part of the monthly report list the Defense Contract Audit Agency sends to the Defense Contract Management Agency.

Principal Action Office: Defense Contract Audit Agency

Report: DODIG-2016-094, Audit of the DoD Healthcare Management System Modernization Program, 5/31/2016

Description of Action: Perform a schedule analysis to determine whether the December 2016 initial operational capability deadline is achievable.

Reason Action Not Completed: The Program Executive Officer for Defense Healthcare Management Systems has not provided sufficient documentation to support their statement that the DoD Healthcare Management System Modernization program achieved the initial operational capability deadline.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2016-098, Evaluation of Foreign Officer Involvement at the United States Special Operations Command, 6/15/2016

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2016-099, U.S. Special Operations Command Controls Over the Requirements Development Process for Military Construction Projects Need Improvement, 6/17/2016

Description of Action: Revise U.S. Special Operations Command Directive 415-1 to require Components to maintain documentation to fully support scope calculations and cost estimates for military construction requirements.

Reason Action Not Completed: Coordination to update U.S. Special Operations Command Directive 415.1 is ongoing.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2016-103, Improvements Needed in Managing Army Suspense Accounts, 6/27/2016

Description of Action: Determine and obtain approval to establish special and deposit fund accounts that will replace account 3875.002 and revise the DoD Financial Management Regulation to reflect the changes in how the special fund and deposit fund accounts are to be used.

Reason Action Not Completed: Waiting for the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, to provide accounting policies establishing new fund accounts to move three of the five revenue accounts from suspense account 3875.002. Also, requests to establish special fund accounts for the remaining two revenue accounts are being routed to the Office of Management and Budget for approval.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2016-104, Improvements Needed in Managing Department of the Navy Suspense Accounts, 6/30/2016

Description of Action: Ensure revenue activities related to the Department of the Navy recycling, agricultural leasing, forestry, and trademark program transactions are properly recorded and presented in appropriate Treasury accounts.

Reason Action Not Completed: Corrective actions are ongoing to draft a directive memorandum and establish a strategy to properly execute programs within Operations and Maintenance appropriations.

Principal Action Office: Navy

Report: DODIG-2016-107, Advanced Arresting Gear Program Exceeded Cost and Schedule Baselines, 7/5/2016

Description of Action: Perform cost-benefit analyses to determine whether the Advanced Arresting Gear Program is an affordable solution for Navy aircraft carriers before deciding to go forward with the system on future aircraft carriers.

Reason Action Not Completed: Navy has not provided the approved Acquisition Decision Memorandum to substantiate implementation of recommendation.

Principal Action Office: Navy

Report: DODIG-2016-108, Army Needs Greater Emphasis on Inventory Valuation, 7/12/2016

Description of Action: Establish policies and procedures focused on computing inventory valuation at moving average cost (MAC), including monitoring MAC values for National Item Identification Numbers at plants and making supported corrections of MAC values.

Reason Action Not Completed: DoD OIG awaits evidence that supports the incorporation of procedures focused on computing inventory valuation at MAC, monitoring MAC values, and making supported corrections of MAC values.

Principal Action Office: Army

Report: DODIG-2016-112, Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance, 7/25/2016

Description of Action: Develop and implement organization-wide procedures that identify specific timeframes and steps for Contractor Performance Assessment Reporting System officials to perform to ensure they prepare performance assessment reports within 120 days, and include the 60-day contractor comment period.

Reason Action Not Completed: Corrective actions still ongoing toward developing and implementing procedures that meet recommendation intent.

Principal Action Office: Army

Report: DODIG-2016-114, Actions Needed to Improve Reporting of Marine Corps, Navy, and Air Force Operating Materials and Supplies, 7/26/2016

Description of Action: Develop a plan to perform complete, quarterly reconciliations of Army-held Operating Materials and Supplies-Ammunition using the Combat Ammunition System once it is capable of receiving transaction-level data from the Army.

Reason Action Not Completed: The replacement Accountable Property System of Record is undergoing user acceptance testing and has been delayed. Planned fielding of the capability is expected to be completed by May 2020.

Principal Action Office: Air Force

Report: DODIG-2016-116, Navy Needs to Establish Effective Metrics to Achieve Desired Outcomes for SPY-1 Radar Sustainment, 8/1/2016

Description of Action: Consult and establish an agreement with Advanced Traceability and Control and the operational commands when reevaluating the SPY-1 radar's product support strategy and designing the performance metrics included in future performance-based logistics contracts.

Reason Action Not Completed: Awaiting award of Navy contract to determine whether the recommendation has been addressed.

Principal Action Office: Navy

Report: DODIG-2016-120, Joint Improvised-Threat Defeat Agency Needs to Improve Assessment and Documentation of Counter-Improvised Explosive Device Initiatives, 8/9/2016

Description of Action: Conduct a review to ensure the Checkpoint database includes supporting documentation for each initiative at each management decision point.

Reason Action Not Completed: Long term corrective actions are ongoing.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2016-125, Evaluation of the DoD Nuclear Enterprise Governance, 9/19/2016

Description of Action: Update and reissue the Joint Nuclear Operations Doctrine.

Reason Action Not Completed: Awaiting the issuance of revised Joint Publication 3-72.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2016-126, Improvements Needed In Managing the Other Defense Organizations' Suspense Accounts, 8/25/2016

Description of Action: Revise the DoD Financial Management Regulation so that it is consistent with the Treasury Financial Manual and Office of Management and Budget guidance, and instructs agencies on how to properly account for revenue-generating, Thrift Savings Plan, and tax transactions.

Reason Action Not Completed: Extensive revisions to the DoD Financial Management Regulation are required.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Defense Finance and Accounting Service

Report: DODIG-2016-130, The Navy Needs More Comprehensive Guidance for Evaluating and Supporting Cost-Effectiveness of Large-Scale Renewable Energy Projects, 8/25/2016

Description of Action: Develop guidance to include the Navy's best practices for assessing the cost-effectiveness of large-scale renewable energy projects financed through third parties in the U.S. Pacific Command area of responsibility, and develop a timeline and establish parameters for the post hoc review of existing large-scale renewable energy projects.

Reason Action Not Completed: Waiting for the Navy to provide documentation to show guidance aligning with DoD Instruction 4170.11, and that new guidance for future execution of large-scale renewable energy projects has been issued.

Principal Action Office: Navy

Report: DODIG-2016-133, Evaluation of Integrated Tactical Warning/Attack Assessment Ground-Based Radars, 9/8/2016

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2017-002, Consolidation Needed for Procurements of DoD H-60 Helicopter Spare Parts, 10/12/2016

Description of Action: Perform a cost-benefit analysis to determine whether the procurement responsibility for all H-60 spare parts, including those procured under performance-based logistics and contractor logistics support contracts, should be transferred to the Defense Logistics Agency, as originally required by Base Realignment and Closure Act 2005 Recommendation 176.

Reason Action Not Completed: Awaiting finalized cost benefit analysis study results.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2017-004, Summary Report-Inspections of DoD Facilities and Military Housing and Audits of Base Operations and Support Services Contracts, 10/14/2016

Description of Action: Perform comprehensive, independent inspections of installations to verify compliance with all applicable health and safety requirements. Also, establish a joint-Service working group that meets periodically to identify improvements in facility inspection and maintenance programs.

Reason Action Not Completed: Installation site visit inspections are anticipated to be completed by third quarter FY 2020.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army, Air Force

Report: DODIG-2017-014, Acquisition of the Navy Surface Mine Countermeasure Unmanned Undersea Vehicle (Knifefish) Needs Improvement, 11/8/2016

Description of Action: Develop capability requirements in the Knifefish capability production document relating to communication interface and launch and recovery operations between the Knifefish system and the Littoral Combat Ship, unless the Knifefish is no longer required.

Reason Action Not Completed: Capability production document is being developed.

Principal Action Office: Navy

Report: DODIG-2017-015, Application Level General Controls for the Defense Cash Accountability System Need Improvement, 11/10/2016

Description of Action: Develop and implement procedures that require information system security officers to comply with certification requirements at an organizational level consistent with those established in DoD Manual 8570.01-M, "Information Assurance Workforce Improvement Program."

Reason Action Not Completed: Business Enterprise Information Services Office personnel have not provided evidence to support that information system security officers obtained the applicable DoD-required certifications.

Principal Action Office: Defense Finance and Accounting Service

Report: DODIG-2017-019, Improvements Needed in Managing Air Force Suspense Accounts, 11/10/2016

Description of Action: Revise the DoD Financial Management Regulation to account for revenue-generating programs, Uniformed Services Thrift Savings Plan contributions, and payroll tax withholdings.

Reason Action Not Completed: Defense Finance and Accounting Service resubmitted a legislative proposal requesting special fund accounts for revenue-generating programs and discussions are ongoing with the Office of the Secretary of Defense and the Services. The impacted chapters of the DoD Financial Management Regulation are the responsibility of the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; therefore, once solutions are identified, the Defense Finance and Accounting Service will work

with the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, to update the DoD Financial Management Regulation. The target completion date is FY 2020.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Defense Finance and Accounting Service

Report: DODIG-2017-030, U.S. Special Operations Command Needs to Improve Management of Sensitive Equipment, 12/12/2016

Description of Action: Update U.S. Special Operations Command (USSOCOM) guidance to include specific procedures for establishing sensitive equipment accountability. Also, conduct a 100-percent inventory of sensitive equipment to establish a sensitive equipment baseline and reconcile inventory discrepancies.

Reason Action Not Completed: Revision of USSOCOM Directive 700-2, "Special Operations Major Force Program-11 Material Management," and USSOCOM Directive 700-33, "Supply Chain Reports and Metrics," is still ongoing. USSOCOM continues working to implement the Defense Property Accountability System warehouse module to account for all wholesale level inventory. USSOCOM has initiated planning for the implementation of the 100-percent baseline inventory to ensure only those inventory items that are physically on hand are captured and input into the Inventory Accountable Property System of Record in the Defense Property Accountability System.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2017-033, Assessment of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip the Kurdish Security Forces in Iraq, 12/14/2016

Description of Action: Conduct periodic reviews to monitor readiness and take necessary actions to maintain acceptable readiness for the Kurdish Security Forces brigade sets.

Reason Action Not Completed: DoD management has taken action to address the recommendation and provided supporting documentation to the DoD OIG that is currently under review.

Principal Action Office: U.S. Central Command

Report: DODIG-2017-038, Assessment of Warriors in Transition Program Oversight, 12/31/2016

Description of Action: Revise DoD Instruction 1300.24, "Recovery Coordination Program," to delineate the Office of Warrior Care Policy's role in providing Recovery Coordination Program oversight reports to effectively monitor program performance and promote accountability.

Reason Action Not Completed: The Office of the Deputy Assistant Secretary of Defense for Health Services Policy and Oversight continues to work on updating DoD Instruction 1300.24.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2017-043, Management of Excess Material in the Navy's Real-Time Reutilization Asset Management Facilities Needs Improvement, 1/23/2017

Description of Action: Update Naval Supply Systems Command Publication 485 to require users requisitioning material to use the Navy Enterprise Resource Planning system before using the alternative methods, which should ensure the Navy maximizes use of excess consumable material available in Real-Time Reutilization Asset Management facilities.

Reason Action Not Completed: The Naval Supply Systems Command Commander is awaiting full implementation of the updated Naval Supply Systems Command Publication 485, volume 1.

Principal Action Office: Navy

Report: DODIG-2017-045, Medical Service Accounts at U.S. Army Medical Command Need Additional Management Oversight, 1/27/2017

Description of Action: Review uncollectible medical service accounts to ensure all collection efforts have been exhausted.

Reason Action Not Completed: Defense Health Agency and U.S. Army Medical Command are working together to develop a plan to review and process the delinquent medical service accounts debt.

Principal Action Office: Army

Report: DODIG-2017-049, Unclassified Report of Investigation on Allegations Relating to U.S. Central Command Intelligence Products, 1/31/2017

Description of Action: Update Joint Publication 2-0 to bring it into compliance with the 2015 version of Intelligence Community Directive 203. The Expressions of Uncertainties in Appendix A and Figure A-1 should match Intelligence Community Directive 203's expressions of likelihood or probability (Para D.6.e.(2)(a)).

Reason Action Not Completed: Awaiting issuance of Joint Publication 2-0.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2017-055, Evaluation of Defense Contract Management Agency Contracting Officer Actions on Defense Contract Audit Agency Incurred Cost Audit Reports, 2/9/2017

Description of Action: Improve controls for ensuring the completeness and accuracy of negotiation documents in accordance with Federal Acquisition Regulation 42.705-1(b)(5), DoD Instruction 7640.02, and Defense Contract Management Agency Instruction 125. Improve the management review of contracting officer actions to better ensure contracting officers assess penalties for expressly unallowable costs or document a waiver of penalties that complies with Federal Acquisition Regulation 42.709-5.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2017-056, U.S. European Command Needs to Improve Oversight of the Golden Sentry Program, 2/17/2017

Description of Action: Update the security checklists to include instructions on how Security Cooperation Organization Golden Sentry program managers should verify that the recipient country complied with the security checklist requirements, and update the Defense Institute of Security Cooperation Studies' Security Cooperation Management Overseas training course to address the use of security checklists.

Reason Action Not Completed: Pending completion of the End-Use Monitoring policy guidance in the Security Assistance Management Manual to provide the Security Cooperation Organization additional guidance regarding the use of the security checklists.

In addition, the Defense Security Cooperation Agency plans to draft and publish, through the Security Cooperation Information Portal, detailed instructions for Security Cooperation Organization regarding when, where, and how the checklists should be used; who should use the checklists; and how that person should verify the recipient country complied with security checklists requirements. Additionally, update of the Defense Institute of Security Cooperation Studies' Security Cooperation Management Overseas training course to address the use of security checklists is pending.

Principal Action Office: Defense Security Cooperation Agency

Report: DODIG-2017-057, Army Officials Need to Improve the Management of Relocatable Buildings, 2/16/2017

Description of Action: Revise Army Regulation 420-1 to align the Army's definition of relocatable buildings to the definition in DoD Instruction 4165.56, "Relocatable Buildings," which would eliminate the requirement for analysis of the disassembly, repackaging, and nonrecoverable costs of relocatable buildings. Develop additional policy for circumstances in which requirements would dictate that relocatable buildings are appropriate, instead of modular facilities or other minor construction. Convert six non-relocatable buildings identified in the DoD OIG final report from relocatable to real property at Joint Base Lewis-McChord, Washington.

Reason Action Not Completed: Corrective actions are still ongoing to update Army Regulation 420-1 to align the Army's definition of relocatable buildings. Reclassification of the six relocatable buildings as real property will be performed once the Army issues the updated relocatable policy.

Principal Action Office: Army

Report: DODIG-2017-060, Defense Commissary Agency Purchases of Fresh Produce in Guam, 2/28/2017

Description of Action: Re-evaluate transportation options to address the price increase of bagged salad at the Guam commissaries. Also revise Defense Commissary Agency Directive 40-4 to require the documentation of quality reviews on fresh produce in the Pacific.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Commissary Agency

Report: DODIG-2017-061, Evaluation of the National Security Agency Counterterrorism Tasking Process Involving Second Party Partners, 3/1/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: National Security Agency

Report: DODIG-2017-063, Surface Electronic Warfare Improvement Program, 3/13/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: DODIG-2017-067, Navy Inaccurately Reported Costs for Operation Freedom's Sentinel in the Cost of War Reports, 3/16/2017

Description of Action: Develop and implement standard operating procedures that cover end-to-end Cost of War reporting processes. These standard operating procedures should include, at a minimum, procedures for the receipt, review, and reporting of obligations and disbursements for Operation Freedom's Sentinel to ensure costs are accurately reflected in the Cost of War reports.

Reason Action Not Completed: Corrective actions are still ongoing.

Principal Action Office: Navy

Report: DODIG-2017-069, Ineffective Fund Balance With Treasury Reconciliation Process for Army General Fund, 3/23/2017

Description of Action: Army and Defense Finance and Accounting Service Indianapolis personnel will work with Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, personnel to review the number of days required to perform the Army General Fund Balance With Treasury reconciliation and update the DoD Financial Management Regulation.

Reason Action Not Completed: Update to the DoD Financial Management Regulation is targeted for third quarter FY 2020.

Principal Action Office: Army, Defense Finance and Accounting Service

Report: DODIG-2017-070, Evaluation of the National Airborne Operations Center Mission Sustainment and Modernization, 3/23/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2017-075, The Army Needs to More Effectively Prepare for Production of the Common Infrared Countermeasure System, 4/26/2017

Description of Action: Revise the capability development document for the Common Infrared Countermeasure system to clarify that the requirements developer and the acquisition milestone decision authority must have concurrence from the Joint Requirements Oversight Council, as validation authority, before lowering threshold (minimum) values of any primary system requirement.

Reason Action Not Completed: Changes to the capability development document for the Common Infrared Countermeasure system are still under revision.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2017-078, The DoD Did Not Comply With the Improper Payment Elimination and Recovery Act in FY 2016, 5/8/2017

Description of Action: Coordinate with the DoD Improper Payments Elimination and Recovery Act reporting components to verify that all payments are assessed for the risk of improper payments or are reporting estimated improper payments, and to report consistent, accurate, complete, and statistically valid improper payment estimates in compliance with all Improper Payments Elimination and Recovery Act and Office of Management and Budget requirements.

Reason Action Not Completed: DoD OIG is conducting a followup audit on DoD compliance with the Improper Payments and Recovery Act requirements.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2017-087, U.S.-Controlled and-Occupied Military Facilities Inspection-Camp Lemonnier, Djibouti, 6/2/2017

Description of Action: Conduct a root cause analysis and implement a corrective action plan for all electrical deficiencies identified in this report. Ensure that all facility operations and maintenance comply with Unified Facilities Criteria and National Fire Protection

Association standards. Provide the DoD OIG a copy of the analysis and corrective action plan within 90 days of the issuance of this report.

Reason Action Not Completed: Corrective actions are ongoing to correct all electrical deficiencies identified in the DoD OIG report.

Principal Action Office: Navy

Report: DODIG-2017-090, The Army Needs to Improve Controls Over Chemical Surety Materials, 6/7/2017

Description of Action: Revise DoD Instruction 5210.65 to define acceptable inventory practices and to provide guidance on appropriate segregation of duties.

Reason Action Not Completed: Draft DoD Instruction 5210.65 is undergoing a DoD Office of General Counsel legal sufficiency review.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2017-092, Audit of the Defense Contract Audit Agency Field Detachment, 6/14/2017

Description of Action: Conduct a risk assessment on the missing Defense Contract Audit Agency security incident information and work with the Defense Contract Audit Agency Security Officer to prioritize security vulnerabilities for remediation and establish timelines for completion. Develop and implement a formalized automated process to request, initiate, approve, debrief, and maintain personnel special access program accesses. Perform an annual assessment of field detachment staffing and facility requirements for audit oversight of classified and special access programs operations based on established criteria.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Defense Contract Audit Agency

Report: DODIG-2017-093, Control Systems Supporting Tier I Task Critical Assets Lacked Basic Cybersecurity Controls, 6/15/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2017-094, Audit of Air Force Munitions Requirements and Storage Facilities in the Republic of Korea, 6/26/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2017-095, U.S. Army's Management of the Heavy Lift VII Commercial Transportation Contract Requirements in the Middle East, 6/26/2017

Description of Action: Implement a systemic process for collecting Heavy Lift asset usage and establish a consistent schedule for analyzing usage information in order to use quantitative and qualitative factors when forecasting requirement quantities on future task orders. Update requirement review process standard operating procedures to ensure requirements packages that are submitted to the review boards include all information necessary for the validation authority to make an informed decision.

Reason Action Not Completed: Corrective actions are still ongoing toward implementing a new transportation system of record to forecast requirements.

Principal Action Office: Army

Report: DODIG-2017-099, Evaluation of Department of Defense Efforts to Build Counterterrorism and Stability Operations Capacity of Foreign Military Forces with Section 1206/2282 Funding, 7/21/2017

Description of Action: Designate a lead manager and management office with the responsibility to coordinate, synchronize, and integrate relevant activities, with sufficient operating authority over DoD implementing components, to ensure effective management control in program execution. Issue updated instructions to support effective program implementation, execution, and management oversight. Ensure that DoD Components responsible for implementing 10 U.S.C. § 2282 comply with DoD security cooperation directives and procedures for documenting and retaining records pursuant to that authority.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Policy, Defense Security Cooperation Agency

Report: DODIG-2017-104, Followup on DoD OIG Report No. DODIG-2015-013, "Military Housing Inspections - Republic of Korea," October 28, 2014, 7/20/2017

Description of Action: Conduct an effective root cause analysis and perform corrective actions for 646 deficiencies identified; ensure that the deficiencies do not exist in other housing units; ensure inspection, maintenance, and repair programs are in compliance with applicable codes and standards for fire protection systems, electrical systems, and environmental health and safety; ensure sufficient qualified resources are assigned and available to inspect and verify that all housing buildings and units are in compliance with fire protection, electrical, and environmental health and safety requirements; and ensure that housing management policies are implemented and procedures are followed.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Air Force

Report: DODIG-2017-105, Evaluation of U.S. and Coalition Efforts to Enable the Afghan Ministry of Defense to Develop Its Oversight and Internal Control Capability, 8/4/2017

Description of Action: Update the Ministerial Internal Control Program advisory training to ensure that U.S. and Coalition advisors for the Ministry of Defense, Afghan National Army Corps, and subordinate commands can train, advise, and assist in the development and implementation of the Ministerial Internal Control Program.

Reason Action Not Completed: U.S. Central Command has not provided evidence of pre-deployment training plans for the Army and Defense Security Cooperation Agency.

Principal Action Office: U.S. Central Command

Report: DODIG-2017-106, Evaluation of the Air Force and Navy Explosive Ordnance Disposal Capabilities to Respond to a Nuclear Weapon Accident or Incident, 7/28/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment; Joint Chiefs of Staff; Navy, Air Force

Report: DODIG-2017-107, Followup Audit: U.S. Naval Academy Museum Management of Heritage Assets, 8/7/2017

Description of Action: Complete a baseline inventory of all U.S. Naval Academy Museum assets and document the inventory results. Also, provide progress updates to the U.S. Naval Academy Superintendent on completion of the baseline inventory. Prepare and complete a transfer agreement for any artifacts that were physically transferred to the Smithsonian Museum. If the artifacts are not permanently transferred, then these artifacts should be recorded as loaned items in the U.S. Naval Academy Museum inventory.

Reason Action Not Completed: Full reconciliation of Found-in-Collection artifacts will not be completed until the baseline inventory is complete. Estimated completion date is third quarter FY 2020.

Principal Action Office: Navy

Report: DODIG-2017-108, United States Transportation Command Triannual Reviews, 8/9/2017

Description of Action: Develop and implement procedures to execute triannual reviews in accordance with DoD Financial Management Regulation, volume 3, chapter 8. Process and procedure requirements, at a minimum, should include detailed review requirements to ensure that each commitment, obligation, account payable, unfilled customer order, and account receivable is properly recorded in the general ledger, and ensure reports are prepared for submission in the DoD standard format and contain the valid, accurate, and complete status of each fund balance. Additionally, the processes and procedures should identify staff positions responsible for executing proper triannual reviews.

Reason Action Not Completed: Corrective actions are ongoing to develop and implement processes and procedures to execute triannual reviews as recommended.

Principal Action Office: U.S. Transportation Command

Report: DODIG-2017-114, Documentation to Support Costs for Army Working Capital Fund Inventory Valuation, 8/24/2017

Description of Action: Develop a process to maintain credit values given for returns for credit and unserviceable credit transactions.

Reason Action Not Completed: Extensive time required to revise and coordinate policy guidance.

Principal Action Office: Army

Report: DODIG-2017-117, Joint Requirements Oversight Council Procurement Quantity Validation Process for Major Defense Acquisition Programs, 9/6/2017

Description of Action: Require subordinate boards to obtain input and reviews from advisers and stakeholders to assess and review procurement quantity.

Reason Action Not Completed: Actions are ongoing to update the Joint Requirements Oversight Council Administrative Guide to require subordinate boards to obtain input and reviews from advisers and stakeholders to assess and review procurement quantity.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2017-121, U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements, 9/21/2017

Description of Action: Review the current implementation and execution of the Acquisition and Cross-Servicing Agreement program and update DoD Directive 2010.9, "Acquisition and Cross-Servicing Agreements," November 24, 2003. Develop a training program for the implementation of the Acquisition and Cross-Servicing Agreement program and execution of Acquisition and Cross-Servicing Agreement authorities.

Reason Action Not Completed: Pending final approval of a congressionally mandated organizational restructuring plan.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2017-123, The Troops-to-Teachers Program, 9/28/2017

Description of Action: Develop and implement policies to define Troops-to-Teachers program requirements for participant eligibility, and implement, manage, and oversee the Troops-to-Teachers grant program to ensure the planned way forward complies with regulations. Develop procedures for reviewing participant applications that align with newly developed Troops-to-Teachers policy and provide training for all Government and contract employees working with the Troops-to-Teachers program after new policy and procedures are created.

Reason Action Not Completed: Long-term corrective actions are on schedule. The Office of the Assistant Secretary of Defense for Readiness, Force Education and Training, Voluntary Education has begun drafting a DoD Instruction to establish policy, assign responsibilities, and prescribe procedures for determining participant eligibility, and to implement, manage, and oversee grants for the Troops-to-Teachers program in accordance with 10 U.S.C. 1154. The Office of the Under Secretary of Defense for Personnel and Readiness plans to issue interim guidance for implementing the Troops-to-Teachers program.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2017-125, Naval Facilities Engineering Command Southwest and Marine Corps Base Camp Pendleton Officials' Use of Utility Energy Service Contracts, 9/28/2017

Description of Action: Direct the Installation Energy Manager of the Marine Corps Base Camp Pendleton Energy Office to develop and implement a process to track realized energy savings for Utility Energy Services Contracts.

Reason Action Not Completed: Corrective actions are ongoing to adopt contracting procedures and energy project guidance that specifically recommends the use of performance assurance plans to guarantee achievement of the annual estimated savings for Utility Energy Services Contracts.

Principal Action Office: Marine Corps

Report: DODIG-2018-018, Implementation of the DoD Leahy Law Regarding Allegations of Child Sexual Abuse by Members of the Afghan National Defense and Security Forces, 11/16/2017

Description of Action: Establish the specific process by which DoD Leahy Law credible information determinations are made and implement a records management policy for all alleged gross violations of human rights in Afghanistan.

Reason Action Not Completed: Corrective actions are ongoing to issue a clarification memorandum on the application of the DoD Leahy Law in Afghanistan that includes the checklist for the gross violation of human rights credibility determination process.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2018-020, DoD Compliance With the Digital Accountability and Transparency Act of 2014, 11/8/2017

Description of Action: Develop Digital Accountability and Transparency Act processes, procedures, and internal controls to ensure compliance with Office of Management and Budget and Department of the Treasury Government-wide data elements.

Reason Action Not Completed: The DoD continues to work with the Office of Management and Budget and the Department of the Treasury to document Government-wide acceptable methods for determining the data used for certain data elements that have been identified for potential security concerns.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2018-021, U.S. Army Corps of Engineers Compliance With the Digital Accountability and Transparency Act of 2014, 11/8/2017

Description of Action: Develop Digital Accountability and Transparency Act processes and procedures for ensuring U.S. Army Corps of Engineers financial data is collected, validated, reconciled, and reported in accordance with Office of Management and Budget Memorandum No. M-17-04.

Reason Action Not Completed: U.S. Army Corps of Engineers continues to work with the Office of Management and Budget to standardize the reporting of program activity codes and program activity titles. This process will include requesting that the Office of Management and Budget provide clarification regarding OMB Memorandum No. M-17-04, relative to the authoritative source to validate program activity codes and titles for specific fiscal year transactions.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2018-025, Defense Hotline Allegations on the Surface Electronic Warfare Improvement Program Block 3 Costs, 11/9/2017

Description of Action: Establish an approved Engineering and Manufacturing Development phase cost baseline estimate to consistently measure and control costs for Surface Electronic Warfare Improvement Program Block 3 and verify that Northrop Grumman adequately meets the established Engineering and Manufacturing Development phase baseline estimate to minimize existing or future problems.

Reason Action Not Completed: Coordination and approval of the Engineering and Manufacturing Development phase baseline is ongoing.

Principal Action Office: Navy

Report: DODIG-2018-029, Follow-up Audit: Basic Expeditionary Airfield Resources Support and Repair Spare Kits, 11/16/2017

Description of Action: Revise Air Force Instruction 25-101 to add a process to reconcile Basic Expeditionary Airfield Resources and repair spare part kit inventories with requirements.

Reason Action Not Completed: Air Force Guidance Memorandum 2019-01 addressing Air Force Instruction 25-101 did not include the process for reconciling Basic Expeditionary Airfield Resources support and repair spare kit-on-hand inventories with requirements.

Principal Action Office: Air Force

Report: DODIG-2018-035, Evaluation of Fingerprint Card and Final Disposition Report Submissions by Military Service Law Enforcement Organizations, 12/4/2017

Description of Action: Submit automated data regarding felony convictions, including drug offenders and convicted domestic violence offenders; actively reviewing data; submitting final disposition reports; and assisting affected Army commands to identify and address resourcing needs for submission of automated fingerprint cards through LiveScan technology. Develop a "Fingerprint Verification Plan" to correct previous fingerprint submission deficiencies and to prevent future submission failures. Also, review all Air Force Office of Special Investigations criminal investigative databases and files to ensure all fingerprint cards and final disposition reports for anyone investigated for, or convicted of, qualifying offenses until at least 1998 have been reported to the Federal Bureau of Investigation Criminal Justice Information Services in compliance with DoD and Federal Bureau of Investigation requirements.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army, Air Force, Navy, Marine Corps, and Defense Criminal Investigative Service

Report: DODIG-2018-036, DoD's Response to the Patient Safety Elements in the 2014 Military Health System Review, 12/14/2017

Description of Action: Determine the actionable root causes for staffing survey results being below national average in the "Hospital Survey on Patient Safety Culture" and take appropriate actions to improve those factors that pose a risk to patient safety.

Reason Action Not Completed: Corrective actions are ongoing to finalize a Patient Safety Program plan to identify Military Health System-wide (direct care system) actionable causal factors underlying the low staffing dimension scores and to design, implement, and evaluate improvement strategies.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Assistant Secretary of Defense for Health Affairs, Army, Air Force

Report: DODIG-2018-037, Evaluation of the Long Range Strike-Bomber Program Security Controls, 12/1/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2018-041, The Defense Finance and Accounting Service Financial Reporting Process for Other Defense Organizations' General Funds, 12/15/2017

Description of Action: Manage the development of a universe of Other Defense Organizations' General Fund transactions through a Universe of Transactions database, and develop a process narrative and process map that describes the detailed processes for the Other Defense Organizations' General Fund compilation process. Also, categorize the system-generated journal vouchers in accordance with DoD Financial Management Regulation, volume 6A, chapter 2, section 020208, "Journal Voucher Preparation," August 2011.

Reason Action Not Completed: Resolution of agreed-upon corrective actions to implement report recommendation remains ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Defense Finance and Accounting Service

Report: DODIG-2018-042, Evaluation of Army Recovered Chemical Warfare Materiel Response Actions, 12/14/2017

Description of Action: Issue policy to replace the Army Interim Guidance and direct the Commander of the U.S. Army Corps of Engineers to update Engineering Pamphlet 75-1-3 to comply with Army Regulation 25-30.

Reason Action Not Completed: Awaiting issuance of DoD Manual 5101.17 and Army Corps of Engineers update to Engineering Pamphlet 75-1-3.

Principal Action Office: Army

Report: DODIG-2018-047, Follow-up to Under Secretary of Defense for Intelligence Evaluation, 12/18/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2018-050, Naval Facilities Engineering Command Administration of Selected Energy Savings Performance Contracts, 12/19/2017

Description of Action: Require oversight of the energy savings performance contracts by developing quality assurance surveillance plans tailored to the specific energy conservation measures in energy savings performance contracts, and monitor energy savings performance contract programs to ensure consistent award and administration throughout the DoD.

Reason Action Not Completed: The Office of the Deputy Assistant Secretary of Defense for Energy is finalizing its Oversight of Third-Party Financed Energy Projects guidance, which will direct DoD Components to strengthen post-award oversight of third party-financed energy projects, particularly measurement and verification and performance assurance programs and processes.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2018-052, The Army Demilitarization Program, 12/19/2017

Description of Action: Office of the Assistant Secretary of the Army (Financial Management and Comptroller) works with the Army Materiel Command and Joint Munitions Command to review the current disposal estimation methodology, make improvements as needed, and disclose a supported estimate in the year-end FY 2018 financial statements and related notes.

Reason Action Not Completed: Pending development of procedures to annually determine a reasonable and supportable estimate for the cost to dispose of the demilitarization stockpile and report the associated liability in the Army General Fund Financial Statements and related notes.

Principal Action Office: Army

Report: DODIG-2018-057, The [Redacted] Financial Statement Compilation Adjustments and Information Technology Corrective Action Plan Validation Process, 1/27/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2018-058, Progress of U.S. and Coalition Efforts to Train, Advise, and Assist the Afghan Air Force, 1/4/2018

Description of Action: Coordinate with Combined Security Transition Assistance Command-Afghanistan to modify aircraft Contractor Logistics Support agreements to put more emphasis on building Afghan aircraft maintenance capability, increasing Afghan responsibility for daily aircraft maintenance, and identifying transition criteria for Afghan-led maintenance within the Afghan Air Force.

Reason Action Not Completed: No action has been taken in updating and modifying aircraft contractor logistics support to identifying transition criteria, as well as a list of identified contract modifications necessary to facilitate the transition from contractor logistics support.

Principal Action Office: U.S. Central Command

Report: DODIG-2018-063, Navy and Marine Corps Management of Relocatable Buildings, 1/29/2018

Description of Action: Update DoD Instruction 4165.56, "Relocatable Buildings," to include details and illustrated examples on how to properly classify relocatable buildings based on the definition and interim facility requirement.

Reason Action Not Completed: Update of DoD Instruction 4165.56 is ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy, Marine Corps

Report: DODIG-2018-069, Navy's Single-Award Indefinite-Delivery Indefinite-Quantity Contracts, 2/1/2018

Description of Action: Provide updated instructions to the workforce, through training or updated guidance, on any areas requiring clarification to ensure the application of Federal and DoD requirements. The updated instructions should clearly define what information must be in the determination and findings document to ensure that the stand-alone document fully supports a single-award determination, and the processes used to report a determination and findings document to Congress and Defense Procurement and Acquisition Policy.

Reason Action Not Completed: Corrective actions are ongoing to create a Navy-Marine Corps Acquisition Regulations Supplement annex detailing Navy procedures to report a determination and findings document.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2018-070, Summary Report of DoD Compliance With the Berry Amendment and the Buy American Act, 2/6/2018

Description of Action: Update guidance to re-emphasize the requirement to incorporate and enforce the Berry Amendment and the Buy American Act provisions and clauses in applicable solicitations and contracts; Defense Financial Acquisition Regulation Supplement requirements regarding exceptions to the Berry Amendment; and that the various electronic contract writing systems used by the Military Services and Defense Logistics Agency should incorporate the requirements of the Berry Amendment and the Buy American Act, such as including clauses and posting award and exceptions notices, into their electronic systems.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2018-072, Defense Commissary Agency's Purchases of Fresh Produce for Japan and South Korea, 2/12/2018

Description of Action: Conduct a business case analysis or detailed market research on the current Pacific fresh produce purchase process to identify potential opportunities to lower fresh produce prices and to improve produce quality for customers.

Reason Action Not Completed: Awaiting receipt of business case analysis or detailed market research on the current Pacific fresh produce purchase process.

Principal Action Office: Defense Commissary Agency

Report: DODIG-2018-074, The U.S. Navy's Oversight and Administration of the Base Support Contracts in Bahrain, 2/13/2018

Description of Action: Update delegation procedures to ensure the procuring contracting officer explicitly assigns all contract administration functions immediately after award; train contracting officer's representatives on contract file contents; and institute proactive procedures to ensure the contractor's compliance with Combatting Trafficking in Persons requirements.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2018-076, Chemical Demilitarization-Assembled Chemical Weapons Alternatives Program, 2/22/2018

Description of Action: Analyze the rework performed at the Pueblo Chemical Agent-Destruction Pilot Plant and the Blue Grass Chemical Agent-Destruction Pilot Plant to determine the cost of additional rework. Also, based on the cost of additional construction rework, either recoup funds paid by the Government or obtain other appropriate consideration.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2018-077, Financial Management and Contract Award and Administration for the Armed Forces Retirement Home, 2/21/2018

Description of Action: Quantify the impact each major capital project has on the Armed Forces Retirement Home Trust Fund balance and describe the effects on the resident population of the Armed Forces Retirement Home. In addition, establish a threshold at which it considers a capital project to be a major capital project and require that the Armed Forces Retirement Home detail how the major capital project risks will be isolated, minimized, monitored, and controlled to prevent problems associated with investment cost, schedule, and performance.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: DoD Chief Management Officer

Report: DODIG-2018-078, Defense Commissary Agency Oversight of Fresh Produce Contracts in Japan and South Korea, 2/22/2018

Description of Action: Develop policies and procedures defining roles and responsibilities regarding contract quality assurance and surveillance on the Japan and South Korea produce contracts. The policies and procedures should provide guidance on how Defense Commissary Agency personnel should oversee and verify the surveys, and calculate and verify contract fill rates before the information is used for contract performance evaluation.

Reason Action Not Completed: The Defense Commissary Agency has not provided evidence to support that they have developed defined policies and procedures that provide guidance on how Defense Commissary Agency personnel should oversee and conduct the market basket surveys, as well as calculating and verifying contract fill rates.

Principal Action Office: Defense Commissary Agency

Report: DODIG-2018-079, Followup Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs, 2/22/2018

Description of Action: Develop a plan and timeline to ensure the Military Departments implement DoD Form 3024, "Annual Periodic Health Assessment." Once DoD Form 3024 has been implemented, determine whether the Periodic Health Assessment and Individual Medical Readiness programs are adequate to satisfy service members' Service Treatment Record annual review requirement.

Conduct periodic checks of Service Treatment Records transferred to the Department of Veterans Affairs in order to ensure compliance with the timeliness and completeness requirements in DoD Instruction 6040.45, "DoD Health Record Life Cycle Management." The periodic checks should include Service Treatment Records of separated personnel from every Military Department.

Reason Action Not Completed: Pending verification of DoD Form 3024 implementation and awaiting evidence of periodic Service Treatment Record checks conducted to ensure completeness.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2018-089, Contracting Strategy for F-22 Modernization, 3/21/2018

Description of Action: Review DoD Instruction 5000.02, "Operation of the Defense Acquisition System," and relevant acquisition guidance and revise, as necessary, to allow for the implementation of agile software development methods on programs that include both hardware and software. Compile lessons learned from DoD programs implementing agile software development methods to share with other DoD programs.

Reason Action Not Completed: Waiting to receive evidence that the Office of the Under Secretary of Defense for Acquisition and Sustainment has reviewed and revised DoD guidance based on lessons learned and best practices; and has compiled and shared lessons learned with other DoD programs.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2018-090, Summary Report on U.S. Direct Funding Provided to Afghanistan, 3/21/2018

Description of Action: Determine the most effective way to manage and oversee the administration and expenditure of U.S. direct funding to the Afghan Ministry of Defense and Ministry of Interior.

Reason Action Not Completed: Actions are still ongoing to identify and implement a more effective approach.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2018-092, DoD Emergency Management Programs in the U.S. Africa Command, 3/28/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Air Force, Navy

Report: DODIG-2018-094, Logical and Physical Access Controls at Missile Defense Agency Contractor Locations, 3/29/2018

Description of Action: The Missile Defense Agency Director agreed to establish a separate technical evaluation factor in the source selection process to assess the offerors' approach to securing their networks and systems prior to contract award.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Missile Defense Agency

Report: DODIG-2018-095, Defense Human Resources Activity Reimbursable Agreements, 3/27/2018

Description of Action: Implement procedures to maintain a centralized database containing reimbursable agreements and related funding documents for reimbursable agreements that went into effect before FY 2017. Develop and implement a plan to identify and correct all misstated account balances converted from the Defense Business Management System.

Reason Action Not Completed: DoD OIG followup review to verify the implementation of corrective actions is ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2018-096, Followup Audit: The Defense Enrollment Eligibility Reporting System Security Posture, 3/30/2018

Description of Action: Update the Defense Enrollment Eligibility Reporting System server anti-virus software in accordance with National Institute of Standards and Technology Special Publication 800-53 requirements. Establish a centralized procedure for out-processing terminated personnel. Identify and appoint trusted agents responsible for revoking access for out-processing terminated personnel. Identify and disable all unused ports supporting the Defense Enrollment Eligibility Reporting System servers and establish a standardized schedule for ports and protocol scans.

Reason Action Not Completed: Pending verification of automated anti-virus updates implemented by Defense Manpower Data Center personnel.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2018-097, U.S. European Command Efforts to Integrate Cyberspace Operations Into Contingency Plans, 3/30/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff, Under Secretary of Defense for Intelligence and Security

Report: DODIG-2018-099, Army Internal Controls Over Foreign Currency Accounts and Payments, 3/29/2018

Description of Action: Update the Army accounting systems once the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, issues DoD standard general ledger transactions and guidance for recording foreign currency exchange rate gains and losses as required by DoD Regulation 7000.14-R, "DoD Financial Management Regulation," volume 6a, chapter 7. Implement controls to ensure the Italy Finance Office maintains proper separation of duties between personnel responsible for payroll system maintenance and personnel in the Local National Payroll Office and Accounting Office.

Reason Action Not Completed: Pending verification of the updated accounting system to record foreign currency exchange rate gains and losses.

Principal Action Office: Army

Report: DODIG-2018-100, U.S. Special Operations Command's Management of Excess Equipment, 3/29/2018

Description of Action: Update U.S. Special Operations Command guidance to include detailed procedures for reporting and updating Special Operations-Peculiar equipment authorizations and allocations in the U.S. Special Operations Command Table of Equipment Distribution and Allowance.

Reason Action Not Completed: Corrective actions to modify and implement new policies and procedures are ongoing.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2018-101, DoD Reporting of Charge Card Misuse to Office of Management and Budget, 4/3/2018

Description of Action: Develop quality assurance procedures to evaluate whether the purchase card information received from the Military Services and Defense agencies is accurate and complete. Also, conduct monthly statistically valid samples of reviewed transactions to determine whether accurate conclusions were made on the validity of the transactions and their compliance with applicable criteria.

Reason Action Not Completed: Corrective actions are ongoing to implement quality control procedures and update guidance that identifies the government purchase card data to be provided, and the method of collection and calculation.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2018-106, Controls Over the Guam Base Operations Support Services Contract, 4/16/2018

Description of Action: Review Naval Facilities Engineering Command Marianas' contract oversight procedures to identify lessons learned that will be applied to ongoing and future Base Operations and Support Services contracts.

Reason Action Not Completed: Corrective actions are ongoing to complete review of Naval Facilities Engineering Command Marianas' contract oversight procedures.

Principal Action Office: Navy

Report: DODIG-2018-107, Expeditionary Fast Transport Capabilities, 4/25/2018

Description of Action: Assist the Program Executive Office Ships with reviews to identify if the deficiencies on delivered Expeditionary Fast Transport vessels were corrected. If the deficiencies were not corrected, implement a plan to correct the deficiencies on delivered Expeditionary Fast Transports, where appropriate.

Reason Action Not Completed: Waiting for the Military Sealift Command to provide documentation to show reviews were conducted and appropriate corrections were implemented in the delivered fleet.

Principal Action Office: Navy

Report: DODIG-2018-109, Protection of Patient Health Information at Navy and Air Force Military Treatment Facilities, 5/2/2018

Description of Action: Implement appropriate configuration changes to enforce the use of a Common Access Card to access all systems that process, store, and transmit patient health information or obtain a waiver that exempts the systems from using Common Access Cards. Configure passwords for all systems that process, store, and transmit patient health information to meet DoD length and complexity requirements. Also, develop a plan of action and milestones and take appropriate steps to mitigate known network vulnerabilities in a timely manner, and develop and maintain standard operating procedures for granting access, assigning and elevating privileges, and deactivating user access.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Air Force, Navy

Report: DODIG-2018-110, Defense Contract Management Agency's Information Technology Contracts, 4/25/2018

Description of Action: Develop internal controls to ensure contracting officials develop Performance Work Statements for service acquisitions that include performance requirements in terms of defined deliverables, contractor performance objectives and standards, and a quality assurance plan. Develop internal controls to ensure contracting officials develop acquisition plans.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2018-113, Army and Marine Corps Joint Light Tactical Vehicle, 5/2/2018

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Report is For Official Use Only.

Principal Action Office: Army

Report: DODIG-2018-115, DoD FY 2017 Compliance With the Improper Payments Elimination and Recovery Act Requirements, 5/9/2018

Description of Action: Coordinate with reporting Components to implement procedures to ensure that all improper payments testing is completed on time

and that estimates are based on 12 months of data as required by Office of Management and Budget Circular No. A-123.

Reason Action Not Completed: Waiting for documentation from the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, to verify procedures were implemented that ensured the Components completed their 12 months of improper payment training and submitted the results on time to the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, for the Agency Financial Report.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Army

Report: DODIG-2018-117, Department of the Navy Qualified Recycling Programs, 5/10/2018

Description of Action: Develop guidance on the Navy's qualified recycling program to provide oversight and instructions regarding assessments, financial reviews, and compliance. Navy Financial Operations guidance will include procedures for timely deposit and end-to-end data reconciliations ensuring revenue and expense are properly recorded and reported in the financial statements. The guidance will also address compliance with segregation of duties and placement of mitigating controls, annual reviews of business plans, and proper check endorsement and receipt of non-cash vendor payment procedures.

Reason Action Not Completed: Waiting to receive evidence that guidance for overseeing the qualified recycling program has been developed and implemented.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2018-119, DoD Oversight of Logistics Civil Augmentation Program in Afghanistan Invoice Review and Payment, 5/11/2018

Description of Action: Develop a cost control evaluation guide to monitor the contractor's performance and cost-control procedures. Also, on December 27, 2017, the Defense Contract Management Agency Divisional Administrative Contracting Officer requested that the Defense Contract Audit Agency perform an accounting system audit. Based on the audit findings, Army Contracting Command-Rhode Island will coordinate with the Defense Contract Audit Agency to ensure transparent supporting documentation is provided with each submitted voucher.

Reason Action Not Completed: Waiting to receive evidence that the Defense Contract Audit Agency has completed an accounting system audit or that the Army has coordinated with the Defense Contract Audit Agency to require transparent billing detail from the contractor.

Principal Action Office: Army

Report: DODIG-2018-120, The Treasury Index 97 Cash Management Report, 5/23/2018

Description of Action: Develop a comprehensive Treasury Index 97 Fund Balance With Treasury account reconciliation process that incorporates the entire Fund Balance With Treasury universe of transactions (funding, collections, disbursements, and transfers of funds) in accordance with the DoD Financial Management Regulation. Require DoD disbursing stations to report transaction-level data to the Department of the Treasury on a daily basis. Also, improve the Cash Management Report process to produce one consolidated Cash Management Report that reports all the Other Defense Organizations financial activity.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Navy; Defense Finance and Accounting Service

Report: DODIG-2018-121, Air Force's F-15 Eagle Passive/Active Warning and Survivability System, 5/21/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2018-122, U.S. Strategic Command Facility Construction Project, 5/31/2018

Description of Action: Conduct a comprehensive after-action review following the completion of the transition of all missions and personnel to the U.S. Strategic Command replacement facility. Enter lessons learned identified in the U.S. Strategic Command after-action review in the Military Missions Lessons Learned tool. Also, issue a memorandum directing contracting personnel to comply with Federal Acquisition Regulation subpart 42.15 for the U.S. Strategic Command Facility Construction Project.

Reason Action Not Completed: Completion of the military construction portion of the project is anticipated to be FY 2020.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment; Army, Air Force, U.S. Strategic Command

Report: DODIG-2018-123, U.S. Special Operations Command Reporting of General Equipment on Its Financial Statements, 6/4/2018

Description of Action: Request Component Special Operations Command personnel provide read-only access to their property systems to confirm that the U.S. Special Operations Command has all the critical data elements it needs to accurately report and support the U.S. Special Operations Command General Equipment and Accumulated Depreciation account balances.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2018-125, The Fort Bliss Hospital Replacement Military Construction Project, 6/6/2018

Description of Action: Issue guidance to improve technical expertise and discipline for medical infrastructure projects and improve understanding of performance specifications and extensions of design and performance metrics for projecting a project at risk. Also, issue interim guidance for Engineering Regulation 415-1-17, "Construction Contractor Performance Evaluations," January 24, 2012, in accordance with the Federal Acquisition Regulation subpart 42.15 requirements.

Reason Action Not Completed: Waiting for updated policy and training guidance that improves technical expertise and discipline for medical infrastructure projects, understanding of performance specifications and extensions of design, and performance metrics for projecting a project at risk. Additionally, interim guidance for Engineering Regulation 415-1-17 has not been received.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army

Report: DODIG-2018-129, Department of the Navy Civilian Pay Budget Process, 6/20/2018

Description of Action: Establish and implement controls for the civilian pay budget process to ensure that budget officials document the calculations and assumptions used to support each Program Budget Information System adjustment made to civilian pay requirements.

Reason Action Not Completed: Corrective actions are ongoing to include requirements for budget officials to fully document the calculations and assumptions used to support their budget adjustments in the Department of the Navy's Fiscal Year 2020 President's Budget guidance.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2018-130, Procurement Quantities of the AH-64E Apache New Build and Remanufacture Helicopter Programs, 6/25/2018

Description of Action: Prepare and retain supporting documentation for decisions to approve the Army Acquisition Objective in accordance with DoD Instruction 5015.2. Review and determine whether the Operational Readiness Float

and Repair Cycle Float calculation in Army Regulation 750-1 should be updated.

Reason Action Not Completed: Corrective actions are ongoing to issue guidance on retaining supporting documentation and using simplified demand-based formulas to determine the number of AH-64Es necessary for the Operational Readiness Float and Repair Cycle Float.

Principal Action Office: Army

Report: DODIG-2018-132, Management of Army Equipment in Kuwait and Qatar, 6/29/2018

Description of Action: Update Technical Manual 38-470 to address specific guidance regarding changes to maintenance cycles when Army Prepositioned Stock equipment is moved from a controlled humidity to a non-controlled humidity environment or vice versa. Update Army Regulation 710-1, 710-2, 735-5, and Army Pamphlet 710-2-2 to clarify that the Army Prepositioned Stock Accountable Officer is the Stock Record Officer responsible for 100 percent accountability of Army Prepositioned Stock equipment.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2018-136, Followup Audit: Application Level General Controls for the Defense Cash Accountability System, 7/10/2018

Description of Action: Review and verify policies and procedures to execute periodic user reviews in accordance with the Defense Cash Accountability System Access Control Policy are operating effectively by documenting that 100 percent of sensitive users are reviewed each quarter and 100 percent of authorized users are reviewed within the last year.

Reason Action Not Completed: Waiting to receive documented access control results of the quarterly sensitive user reviews and annual authorized user review, and verify that these reviews captured 100 percent of Defense Cash Accountability System users.

Principal Action Office: Defense Finance and Accounting Service

Report: DODIG-2018-137, Command Cyber Readiness Inspections at Air Force Squadrons, 7/11/2018

Description of Action: Develop guidance to describe and standardize the teamwork, roles, and responsibilities needed for cyber inspection readiness and compliance in its Department that includes the mitigation of vulnerabilities identified during command cyber readiness inspections.

Reason Action Not Completed: The Air Force continues to work on coordinating, drafting, and revising policy that establishes roles and responsibilities for oversight of cyber readiness inspections. The policy includes timelines for mitigating vulnerabilities identified during routine vulnerability management inspections and command cyber readiness inspections in accordance with established U.S. Cyber Command timeframes and DoD Instruction 8510.01.

Principal Action Office: Air Force

Report: DODIG-2018-140, Acquisition of the Navy's Mine Countermeasures Mission Package, 7/25/2018

Description of Action: Correct performance deficiencies identified in prior testing of the Airborne Laser Mine Detection System, Airborne Mine Neutralization System, and Coastal Battlefield Reconnaissance Analysis Block I systems and demonstrate progress toward achieving its full portfolio of mission operations, while mitigating the risk of costly retrofits.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2018-141, United States Marine Corps Aviation Squadron Aircraft Readiness Reporting, 8/8/2018

Description of Action: Revise Marine Corps Order 3000.13A to include a clear definition of present state, clarify how the number of mission-capable aircraft should be reported in the mission essential task assessment, and how a mission essential task should be properly reported as resourced. Implement training on reporting readiness in accordance with revised Marine Corps Order 3000.13A for reporting units and organizations. Also, implement procedures to ensure that intermediate commands verify the completeness and accuracy of their subordinate units' readiness reports.

Reason Action Not Completed: Corrective actions are ongoing to revise Marine Corps Order 3000.13A.

Principal Action Office: Marine Corps

Report: DODIG-2018-142, U.S. Africa Command and U.S. European Command Integration of Operational Contract Support, 8/9/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. European Command, U.S. Africa Command

Report: DODIG-2018-143, Air Force Space Command Supply Chain Risk Management of

Strategic Capabilities, 8/14/2018

Description of Action: Conduct a detailed review of supply chain risk management for the Air Force Satellite Control Network, Family of Advanced Beyond Line-of-Sight Terminals, and Global Positioning System programs, and all other programs deemed critical to the Air Force Space Command, to ensure compliance with DoD Instruction 5200.44, "Protection of Mission Critical Functions to Achieve Trusted Systems and Networks (TSN)," November 5, 2012 (Incorporating Change 2, Effective July 27, 2017). If deficiencies are identified, Air Force Space Command officials must develop a plan of action with milestones to correct the deficiencies.

Reason Action Not Completed: Waiting to receive evidence that the Air Force Space Command has completed a supply chain risk management review in accordance with DoD supply chain risk management policy, and that a plan of action exists to correct identified deficiencies.

Principal Action Office: Air Force

Report: DODIG-2018-144, Evaluation of Intelligence Support to Protect U.S. Nuclear Weapons in Europe, 8/10/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Air Force

Report: DODIG-2018-145, Air Force C-5 Squadrons' Capability to Meet U.S. Transportation Command Mission Requirements, 8/13/2018

Description of Action: Request the Air Force Manpower Analysis Agency to create a C-5 logistics composite model to identify aircraft maintenance authorization ratios that better align with current C-5 maintenance needs for use in determining future authorization levels.

Reason Action Not Completed: Corrective actions are ongoing to complete a review that focuses on proper future maintenance authorization ratios.

Principal Action Office: Air Force

Report: DODIG-2018-151, Military Sealift Command's Maintenance of Prepositioning Ships, 9/24/2018

Description of Action: Update the technical drawings and manuals for the Military Sealift Command prepositioning fleet. Revise Military Sealift Command policies so that all system users are provided initial and annual refresher training on the proper use of the Shipboard Automated Maintenance Management system. Training should include the use of the different modules and the feedback log. Also, review and modify all contracts to require formal Shipboard Automated Maintenance Management system training for all users, clarify vague requirements, and align contract language with Military Sealift Command procedures.

Reason Action Not Completed: Extensive time required to implement corrective actions.

Principal Action Office: Navy

Report: DODIG-2018-152, Management of Prepositioned Stock in U.S. European Command, 9/17/2018

Description of Action: Update Army Technical Manual 38-470 to include requirements that specify who is responsible for maintaining controlled humidity levels and performing inspections for the controlled humidity facilities.

Reason Action Not Completed: Update to the Army Technical Manual 38-470 is still ongoing

Principal Action Office: Army, Marine Corps

Report: DODIG-2018-153, Armed Forces Retirement Home Support Functions, 9/24/2018

Description of Action: Ensure that the Armed Forces Retirement Home Chief Information Officer implements recommendations from previous assessments about outstanding security-control deficiencies and review actions necessary to ensure compliance.

Reason Action Not Completed: Corrective actions are ongoing to conduct an assessment regarding employee privacy data and work with cross-agency service providers to ensure the latest National Institute of Standards and Technology standards are implemented across all systems.

Principal Action Office: DoD Chief Management Officer

Report: DODIG-2018-157, Followup on DoD OIG Report No. DODIG-2013-099, "Compliance with Electrical and Fire Protection Standards of U.S. Controlled and Occupied Facilities in Afghanistan," July 18, 2013 at Kandahar Airfield, 9/28/2018

Description of Action: Ensure inspection, testing, and maintenance of engineered fire protection systems in density facilities, in accordance with Unified Facilities Criteria 3-601-02.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: U.S. Central Command

Report: DODIG-2018-159, Evaluation of the Integrated Tactical Warning and Attack Assessment System, 9/26/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff, U.S. Strategic Command

Report: DODIG-2018-160, Evaluation of the Space-Based Segment of the U.S. Nuclear Detonation Detection System, 9/28/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force, Cost Assessment and Program Evaluation

Report: DODIG-2018-162, Evaluation of the Airborne Intelligence, Surveillance, and Reconnaissance Processing, Exploitation, and Dissemination Process in Support of Operation Inherent Resolve, 9/27/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence and Security

Report: DODIG-2019-004, DoD Oversight of Bilateral Agreements With the Republic of the Philippines, 11/2/2018

Description of Action: Input and track all Acquisition and Cross-Servicing Agreement transactions from October 1, 2016, to present, and all future transactions, including the 57 line items the United States Indo-Pacific Command identified, in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System. Designate an Acquisition and Cross-Servicing Agreement Finance Program Manager and ensure that the individual completes the Joint Knowledge Online-Training that will provide access and the basic instruction for the Acquisition and Cross-Servicing Agreement Finance Program Manager to build, track, and manage transactions in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Air Force, Marine Corps

Report: DODIG-2019-016, DoD Actions Taken to Implement the Cybersecurity Information Sharing Act of 2015, 11/8/2018

Description of Action: Issue DoD-wide policy implementing the Cybersecurity Information Sharing Act of 2015 requirements, including a requirement for the DoD Components to document barriers to sharing cyber threat indicators and defensive measures and take appropriate actions to mitigate the identified barriers.

Reason Action Not Completed: Corrective actions are ongoing to issue Cybersecurity Information Sharing Act implementation policy.

Principal Action Office: DoD Chief Information Officer, National Security Agency, Defense Information Systems Agency, Air Force, U.S. Cyber Command

Report: DODIG-2019-019, Evaluation of Contracting Officer Actions on Contractor Pricing Proposals Deemed Inadequate by Defense Contract Audit Agency, 11/14/2018

Description of Action: Provide refresher training to contracting personnel at eight DoD buying commands on the requirements for distributing and filing the negotiation memorandums in accordance with Federal Acquisition Regulation 15.406-3(b) and Defense Federal Acquisition Regulation Supplement and Procedures, Guidance, and Information 215.406-3(a)(11).

Reason Action Not Completed: Corrective actions are still ongoing.

Principal Action Office: Army, Navy

Report: DODIG-2019-029, DoD Task Orders Issued Under One Acquisition Solution for Integrated Services Contracts, 11/27/2018

Description of Action: Develop policy to ensure proper verification and documentation of labor categories, education, and work experience of contractor personnel performing work on One Acquisition Solution for Integrated Services and other indefinite-delivery, indefinite-quantity services contracts. In addition, any deviations from qualifications should be clearly identified and documented. Require the contracting officer to determine if the employees met the labor categories specified in task order W31P4Q-15-F-0007 and, if not, take appropriate corrective action, including the recovery of improper payments; and report all improper payments to the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, Accounting and Finance Policy Directorate and notify the DoD OIG.

Reason Action Not Completed: Corrective actions are ongoing to include Defense Federal Acquisition Regulation Supplement and Procedures, Guidance, and Information 216.505-70 language into the DoD Contracting Officer's Representative Handbook.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army

Report: DODIG-2019-031, Evaluation of the Defense Threat Reduction Agency's Counterintelligence Program, 11/21/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, Defense Threat Reduction Agency

Report: DODIG-2019-032, Evaluation of Combatant Command Intelligence Directorate Internal Communications Processes, 12/4/2018

Description of Action: Examine current DoD intelligence training and education policies. Also, establish an analytic integrity policy, and include an introduction to its analytic ombudsman program as part of newcomer orientation.

Reason Action Not Completed: Corrective actions are ongoing to publish draft DoD Manual 3305. AM, "DoD All-Source Analysis Accreditation and Certification," and develop an analytic integrity policy for U.S. Africa Command

Principal Action Office: Under Secretary of Defense for Intelligence and Security, U.S. Africa Command

Report: DODIG-2019-034, Security Controls at DoD Facilities for Protecting Ballistic Missile Defense System Technical Information, 12/10/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2019-037, DoD Management of Software Applications, 12/13/2018

Description of Action: Develop an enterprise-wide process for conducting the software application rationalization process throughout the DoD. Conduct periodic reviews to ensure DoD Components are regularly validating the accuracy of their inventory of owned and in use software applications and that DoD Components are eliminating duplicate and obsolete software applications.

Reason Action Not Completed: Corrective actions are ongoing to address identified weaknesses and improve the efficiency and effectiveness of DoD business and information technology applications.

Principal Action Office: DoD Chief Information Officer

Report: DODIG-2019-038, Follow-up of Delinquent Medical Service Account Audits, 12/19/2018

Description of Action: Implement guidance for all Services to review uncollectible accounts and obtain approval from the proper authority to terminate debt, and require all Services to develop procedures to review and process their old delinquent accounts. Develop a process to improve billing of Medicare and Medicaid claims to ensure reimbursement for services provided to beneficiaries.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, Army, Navy

Report: DODIG-2019-039, Reporting of Improper Payments for the Defense Finance and Accounting Service Commercial Pay Program, 12/21/2018

Description of Action: Conduct a risk assessment of government purchase card payments and, as necessary, develop and implement procedures to ensure that DoD government purchase card payments are reviewed for improper payments and that the results are reported to the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, for inclusion in the DoD's annual Agency Financial Report. Update the DoD Financial Management Regulation, volume 4, chapter 14, to define the types of payments in the Defense Finance and Accounting Service Commercial Pay program and identify which Components are responsible for testing and reporting improper payments estimates for each type of commercial payment within the Defense Finance and Accounting Service Commercial Pay program.

Reason Action Not Completed: DoD OIG annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions is ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Defense Finance and Accounting Service

Report: DODIG-2019-040, U.S. Air Forces in Europe Plans for the Procurement and Pre-Positioning of Deployable Air Base Kits, 12/27/2018

Description of Action: Ensure a program manager is designated at least at the Director level for the Deployable Air Base Kits program so that a single organization maintains responsibility for coordinating with the multiple organizations supporting the program, requesting progress reports on individual storage facility construction and equipment category procurement, and tracking overall program execution. Direct the program manager to review and update the Deployable Air Base Kits program plan at least semi-annually, which includes the construction of storage facilities, procurement of all seven equipment categories, and pre-positioning to ensure that all 24 kits are on track to be procured and pre-positioned by the U.S. European Command end date.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Air Force

Report: DODIG-2019-041, DoD Civilian Pay Budgeting Process, 1/3/2019

Description of Action: Update the DoD Financial Management Regulation, volume 2A, chapters 1 and 3, to include: 1) recurring instructions from the Budget Estimate Submission guidance and President's Budget guidance that are not unique to a particular year; 2) a guide from the Defense Finance and Accounting Service's payroll system's gross reconciliation codes to the OP-8 and OP-32 budget exhibit line items and personnel categories; 3) further clarification for calculating full-time equivalents and straight-time hours worked; and 4) a requirement to include variable costs in the Services' and Defense agencies' budget requests.

Reason Action Not Completed: Corrective actions are ongoing to include the recommended updates in the DoD Financial Management Regulation, volume 2A, chapters 1 and 3.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2019-042, Evaluation of Social Media Exploitation Procedures Supporting Operation Inherent Resolve, 12/28/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Central Command, Defense Intelligence Agency

Report: DODIG-2019-047, Navy and Marine Corps Backup Aircraft and Depot Maintenance Float for Ground Combat and Tactical Vehicles, 1/18/2019

Description of Action: Require the Naval Air Systems Command F/A-18 and T-45 program offices to implement a plan to incorporate future program changes, as necessary. The plan should include the effects of delayed replacement programs and extension of the service life on aircraft maintenance, spare parts, and aircraft inventory management during replacement aircraft acquisition planning. Also, Naval Operations for Warfare Systems should implement a communication plan to keep dependent weapon system's divisions and program offices up to date on changes in quantity and delivery schedule.

Reason Action Not Completed: Corrective actions to develop life-cycle sustainment and communication plans are ongoing.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2019-054, Evaluation of Special Access Programs Industrial Security Program, 2/11/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2019-055, Evaluation of Integrated Joint Special Technical Operations, 2/11/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Deputy Secretary of Defense, Joint Chiefs of Staff, Under Secretary of Defense for Policy, National Security Agency

Report: DODIG-2019-056, Accounting and Financial Reporting for the Military Housing Privatization Initiative, 2/12/2019

Description of Action: Issue interim policy until the Department of the Treasury updates the U.S. Standard General Ledger and coordinate with the Treasury to update the U.S. Standard General Ledger with guidance on how to record equity investments in Military Housing Privatization Initiative projects, including the cash and real property contributed; sales of equity investments; and equity investment profits and losses allocated to the Military Departments for Military Housing Privatization Initiative projects.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Under Secretary of Defense for Acquisition and Sustainment; Army; Air Force; Navy

Report: DODIG-2019-058, Summary and Follow-up Report on Audits of DoD Energy Savings Performance Contracts, 2/14/2019

Description of Action: Identify and validate all past and active contractor-claimed energy savings included in contractor post installation and measurement and verification reports not previously validated.

Reason Action Not Completed: Waiting to receive evidence that the Air Force reviewed and validated the contractor-claimed energy savings stated in the annual measurement and verification reports.

Principal Action Office: Navy, Air Force

Report: DODIG-2019-060, Review of Parts Purchased From TransDigm Group, Inc., 2/25/2019

Description of Action: Incorporate the requirements from the Defense Pricing and Contracting Acting Principal Director memorandum issued on March 22, 2019, titled, "Process and Reporting Requirements Pertaining to Contractor Denial of Contracting Officer Requests for Data Other than Certified Cost or Pricing Data" into the Defense Federal Acquisition Regulation Supplement and the Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information. Also, establish a team of functional experts to analyze data reported as a result of the revised and updated memorandum. The team of functional experts will: 1) assess parts and contractors deemed to be at high risk for unreasonable pricing and identify trends; and 2) perform price analysis and cost analysis of high risk parts to identify lower cost alternatives or fair and reasonable pricing for future procurements.

Reason Action Not Completed: Corrective actions are ongoing to incorporate the expanded requirements of the Defense Pricing and Contracting policy memorandum into the Defense Federal Acquisition Regulation Supplement. Also, waiting to receive evidence that the team of functional experts is assessing parts and contractors deemed to be high risk for unreasonable pricing and performing price and cost analyses of high-risk parts to identify lower cost alternatives.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2019-061, Audit of the DoD's Implementation of Recommendations on Screening and Access Controls for General Public Tenants Leasing Housing on Military Installations, 3/7/2019

Description of Action: Update guidance requiring installations to document the background check approval process to include the process to be followed when renewing lease agreements.

Reason Action Not Completed: Corrective actions are ongoing to update the access control instruction.

Principal Action Office: Army, Navy

Report: DODIG-2019-062, Audit of Management of Government-Owned Property Supporting the F-35 Program, 3/13/2019

Description of Action: Review the accounting and management actions of the F-35 Program Office for F-35 Program Government property. Establish and enforce a process to ensure that government-furnished property lists are coordinated and properly captured at the beginning of the proposal phase. Coordinate with the contractor to obtain property data and develop procedures to ensure that all property records are continuously updated in the Accountable Property System of Record. Develop a plan for transitioning contractor-acquired property procured on past contracts to government-furnished property on contract actions as required by the Defense Federal Acquisition Regulation Supplement.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, F-35 Joint Program Office

Report: DODIG-2019-063, Followup Audit on the Military Departments' Security Safeguards Over Secret Internet Protocol Router Network Access Points, 3/18/2019

Description of Action: Report is classified.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: DoD Chief Information Officer, Army, Navy, Air Force

Report: DODIG-2019-065, Evaluation of DoD Voting Assistance Programs for 2018, 3/25/2019

Description of Action: Develop and implement written voting policies to support all eligible Uniformed Services personnel and their family members, including those in deployed, dispersed, and tenant organizations.

Reason Action Not Completed: Corrective actions are ongoing for the Navy and combatant commands to publish a written voting plan that satisfies DoD Instruction 1000.04, "Federal Voting Assistance Program (FVAP)."

Principal Action Office: Navy, U.S. Cyber Command, U.S. Northern Command, U.S. Southern Command

Report: DODIG-2019-066, Summary Audit of Systemic Weaknesses in the Cost of War Reports, 3/22/2019

Description of Action: Develop and implement a review process to verify that DoD Components develop, review, update, and implement their Cost of War standard operating procedures for accurate and consistent reporting of war-related overseas contingency operation costs.

Reason Action Not Completed: DoD OIG has not received evidence that demonstrates the implementation of a review process to verify that DoD Components are in compliance with DoD Financial Management Regulation, volume 12, chapter 23 requirements.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Army; Navy; Air Force

SECTION 845 ANNEX AUDIT REPORTS WITH SIGNIFICANT FINDINGS

DoD OIG

Audit Report No. DODIG-2020-063	Date: February 18, 2020
Subject: Audit of DoD Service-Disabled Veteran-Owned Small Business Contract Awards	
Report: \$876.8 million in Questioned Cost (\$876.8 million in Unsupported Costs)	
The DoD OIG determined that DoD contracting activities awarded Service-Disabled Veteran-Owned Small Business (SDVOSB) contracts to ineligible contractors and did not implement procedures to ensure compliance with SDVOSB subcontracting requirements after award. In sum, the DoD OIG determined that the DoD awarded \$876.8 million in contracts to contractors that were not eligible for the SDVOSB set-aside program; therefore, the DoD OIG considered the \$876.8 million as questioned costs.	

Audit Report No. DODIG-2020-069	Date: March 18, 2020
Subject: Audit of the Army's Base Life Support Contract for Camp Taji, Iraq	
Report: \$36.4 million in Questioned Costs (\$36.4 million in Unsupported Costs) and \$43.4 million in Funds Put to Better Use	
The DoD OIG determined that, for the Camp Taji Base Life Support contracts, Combined Joint Task Force–Operation Inherent Resolve (CJTF-OIR) did not define DoD- and Army-specific requirements for base life support services; the 408th Contracting Support Brigade and Army Contracting Command–Rock Island each awarded contracts that caused CJTF-OIR to pay for services that it did not use; and CJTF-OIR's contract oversight personnel did not verify the accuracy of the contractor's invoices. The DoD OIG estimated that CJTF-IR paid \$36.4 million on base life support services for personnel on leave or temporary duty status and therefore not present at Camp Taji. Additionally, the DoD OIG estimated that \$43.4 million of future Camp Taji base life contract costs that CJTF-OIR could put to better use. CJTF-OIR could avoid these costs through December 2023, by modifying the contract to prohibit payment for personnel not consuming base life support services.	

DCAA

Audit Report No. 04981-2019Y17200001	Date: October 4, 2019
Subject: Independent Audit Report on Claimed Amounts for Subcontract under Prime Contract Dated August 8, 2018	
Prepared For: U.S. Army Corps of Engineers	
Report: \$27.7 Million Questioned Costs	
The audit of the contractor's claim identified a total of \$27.7 million in total questioned costs. Significant questioned costs were not identified in any one cost category. However, costs were questioned in relation to warranty costs, claimed delay days, productivity loss, and labor costs. These costs were questioned in accordance with various FAR requirements including FAR 31.201-2, Determining Allowability; FAR 31.201-4, Determining Allocability; and FAR 31.205-47, Costs Related to Legal and Other Proceedings.	

Audit Report No. 01221-2019F17200001	Date: October 17, 2019
Subject: Independent Audit Report of Certified Subcontractor Claims dated June 13, 2017, and August 10, 2018, under Prime Contract	
Prepared For: U.S. Army Corps of Engineers	
Report: \$12.4 Million Total Questioned Costs	
The audit of the contractor's claim identified a total of \$12.4 million in questioned costs. The examination found the contractor did not adequately support the claimed subcontractor costs. The contractor was unable to provide the necessary supporting documentation to justify its claimed delays. As a result, the contractor's claim was questioned, in its entirety, due to noncompliance with contract terms and the FAR.	

Audit Report No. 04531-2017E10100001	Date: October 21, 2019
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Year (FY) 2017	
Prepared For: Defense Contract Management Agency	
Report: \$12.6 Million Total Questioned Costs	
The FY 2017 incurred cost audit resulted in a total of \$12.6 million in questioned costs. The questioned costs were identified as lease costs, claimed rent related depreciation, intercompany costs, and legal costs. These costs were questioned in accordance with various FAR regulations including, but not limited to, FAR 31.205-11, Depreciation; and FAR 31.201 2, Determining Allowability.	

Audit Report No. 02801-2018P42000005	Date: November 8, 2019
Subject: Independent Audit Report on Certified Cost or Pricing Data Resulting in Price Agreement on Contract	
Prepared For: United States Army	
Report: \$56.1 Million Total Questioned Costs	
The audit of the contractor's compliance with 10 USC § 2306a, Truth in Negotiations Act, resulted in a recommended price adjustment of \$56.1 million because the contractor did not submit accurate, complete, and current cost or pricing data related to direct labor hours. The noncompliance led to a significant overstatement of labor hours that increased the negotiated contract amount. Significant adjustments of \$51.9 million were recommended as a result of the contractor failing to disclose that the contract's direct labor rates were significantly lower than represented in the proposal.	

Audit Report No. 06851-2019C17900001	Date: January 15, 2020
Subject: Independent Audit Report on Proposed Overtime Premium Amounts on Unsettled Flexibly Priced Contract for Calendar Years (CYs) 2014-2017	
Prepared For: United States Air Force	
Report: \$12.4 Million Questioned Costs	
The examination of the proposed costs for CY 2014-2017 identified a total of \$12.4 million in questioned costs. The contractor proposed unallowable costs related to direct overtime premiums as part of Other Direct Costs and incoming Intercompany Work Orders. Significant questioned costs of \$12.1 million were identified in the Intercompany Work Order costs and were found to be noncompliant with FAR 31.201-2, Determining Allowability; and the listed contract terms.	

Audit Report No. 03521-2019S17200001	Date: February 7, 2020
Subject: Independent Audit Report on Claimed Amounts in Dispute Claim Under Contract	
Prepared For: Naval Facilities Southeast	
Report: \$25.4 Million Questioned Costs	
<p>The audit of the proposed claim resulted in a total of \$25.4 million in questioned costs. Significant questioned costs of \$14.8 million were identified in claimed subcontract costs due to the contractor not producing supporting documentation. These costs were found to be noncompliant with FAR 31.201-2, Determining Allowability; and FAR 31.201-3, Determining Reasonableness. Other questioned cost categories included insurance recovery costs, costs associated with contract completion, and other direct costs.</p>	

Audit Report No. 04581-2019A17200001	Date: February 27, 2019
Subject: Independent Audit Report on Claimed Amounts and Disruption Claim for Equitable Adjustment dated October 5, 2018	
Prepared For: U.S. Army Corps of Engineers	
Report: \$160 Million Questioned Costs	
<p>The audit of the proposed claim resulted in a total of \$160 million in questioned costs. The contractor did not provide necessary records or adequate documentation to support the claimed costs. A total of \$126.3 million in significant questioned costs was identified—\$98 million in subcontractor pass-through claims, \$15.3 million in claimed additional direct impact costs, and \$13 million in general and administrative costs. Additional questioned costs were identified in several other cost categories including change order costs, salaried supervision costs, supplementation of site work costs.</p>	

Audit Report No. 01571-2018D10100001	Date: March 11, 2020
Subject: Independent Audit Report on Proposed Amounts on Selected Unsettled Federal Awards for FY 2018	
Prepared For: U.S. Army Medical Research Acquisition Activity	
Report: \$16.6 Million Questioned Costs	
<p>The FY 2018 incurred cost audit resulted in a total of \$16.6 million in questioned costs. Costs were questioned in relation to general and administrative costs, domestic travel costs, proposed international program costs, and foreign travel costs.</p>	

Audit Report No. 05211-2017A42000001	Date: March 13, 2020
Subject: Independent Audit Report on Certified Cost or Pricing Data Resulting in Price Agreement on Contract	
Prepared For: Naval Air Station Command	
Report: \$22 Million Recommended Price Adjustment	
<p>The audit of the contractor's compliance with 10 USC § 2306a, Truth in Negotiations Act, resulted in a recommended price adjustment of \$22 million. Significant adjustments totaling \$13.2 million were recommended as a result of the contractor failing to disclose accurate, complete, and current cost or pricing data. The contractor did not disclose historical labor hour actuals and updated price agreements with subcontractors which resulted in a recommended price adjustment.</p>	

Audit Report No. 01111-2018U10100003	Date: March 16, 2020
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2018	
Prepared For: Defense Contract Management Agency	
Report: \$41.9 Million Questioned Costs	
<p>The questioned costs for the FY 2018 incurred cost audit totaled \$41.9 million. A total of \$37.7 million in significant questioned costs was identified—\$22.6 million in subcontractor costs and \$15.1 million in claimed other direct costs. These costs were determined to be unallowable because they were above the contract ceiling and therefore noncompliant with FAR 31.201-2, Determining Allowability. Other lesser questioned costs included direct labor costs, overhead expenses, and direct material costs.</p>	

Audit Report No. 01321-2017P10100001	Date: March 17, 2020
Subject: Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2017	
Prepared For: Defense Contract Management Agency	
Report: \$19.3 Million Questioned Costs	
<p>The audit of FY 2017 incurred cost proposal resulted in a total of \$19.3 million in questioned costs. Significant questioned costs of \$16.6 million were identified in claimed direct costs that were incurred outside the period of performance and determined to be noncompliant pursuant to FAR 31.201-2, Determining Allowability. Additional questioned costs were identified in bonus costs, fringe paid time off costs, and rent costs.</p>	

RESULTS OF PEER REVIEWS

Peer Review of Department of Defense Office of the Inspector General by U.S. Department of Housing and Urban Development Office of Inspector General

The U.S. Department of Housing and Urban Development OIG conducted an external peer review of DoD OIG audit operations and issued a final report on September 27, 2018. The DoD OIG received a peer review rating of pass. The system review report contained no recommendations.

Peer Review of the United States Army Internal Review Program

The DoD OIG reviewed the system of quality control for the United States Army Internal Review Program in effect for the period ending December 31, 2018. The United States Army Internal Review Program received an External Peer Review rating of pass with deficiencies. The deficiencies identified, however, did not rise to the level of a significant deficiency because they were not systemic. There are seven outstanding recommendations.

INVESTIGATIVE REPORTS ISSUED

IG Empowerment Act of 2016 Additional Semiannual Report to Congress SAR Reporting Requirements

17. Statistical Table		
17A	the total number of investigative reports issued during the reporting period	224
17B	the total number of investigations referred to the Department of Justice for criminal prosecution during the reporting period	70
17C	the total number of investigations referred to State and local prosecuting authorities for criminal prosecution during the reporting period	2
17D	the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities	166

18. Description of the metrics used for developing the data for the statistical tables under paragraph (17)	
17A	In accordance with DCIS policy (SAM Ch. 28.18.a), each investigation is concluded with a “Report of Investigation” (ROI). Hence, this metric is actually the count of the investigations closed during the reporting period. This includes Regular Investigations only with Case Close Dates between 10/1/2019 through 3/31/2020. There are instances when DCIS does not authorize the ROI, in such events, a Case Termination should be used (also in accordance with written DCIS policy). This metric does NOT include other types of reports authorized by DCIS to include Information Reports, Case Initiation Reports, Case Summary Updates, Interview Form 1s, Significant Incident Reports, etc.
17B	DCIS tracks referrals to DOJ at the investigation level and not the suspect/person/entity level. The number reported is the total number of investigations referred to the Department of Justice for criminal prosecution during the reporting period. There were 70 investigations referred to DOJ for criminal prosecution. These investigations involved 146 suspects, (66) businesses and (79) individuals.
17C	DCIS tracks referrals for prosecution at the investigation level and not the suspect/person/entity level. The number reported is the total number of investigations referred to State and Local prosecuting authorities for criminal prosecution during the reporting period. There were 2 investigations referred to State/Local prosecuting authorities for criminal prosecution. These investigations involved 3 suspect(s), (0) businesses and (3) individuals.
17D	Includes any Federal Indictment, Federal Information, State/Local Charge, Foreign Charge, Article 32 UCMJ, or Federal Pre-Trial Diversion occurring between 10/1/2019 through 3/31/2020. This excludes any sealed charges. Only validated charges are included. Precluding Adjudicative Referral may have occurred in current SAR period or in previous period. This differs from Criminal Charges as reported in SAR Highlights section because the SAR Highlights includes a 6 month “look back” period to include previously unreported criminal charges (charges occurring between 04/1/2019 and 9/30/2019 but were not previously reported).

Partially fulfills requirements of the Inspector General Act of 1978, as amended, 5. U.S.C., Appendix, §§ 5(17), (18), (19).

ACRONYMS

AA&E	Arms, Ammunition, and Explosives	DCIE	Defense Council on Integrity and Efficiency
ACAT	Acquisition Category	DCIS	Defense Criminal Investigative Service
ADR	Alternative Dispute Resolution	DCMA	Defense Contract Management Agency
AFAA	Air Force Audit Agency	DHA	Defense Health Agency
AFOSI	Air Force Office of Special Investigations	DISES	Defense Intelligence Senior Executive Service
AFSPC	Air Force Space Command	DLA	Defense Logistics Agency
AI	Administrative Investigations	DMEA	Defense Microelectronics Activity
AM	Additive Manufacturing	DOJ	Department of Justice
ANDSF	Afghan National Defense and Security Forces	DOS	Department of State
Army CID	Army Criminal Investigation Command	DRRS-N	Defense Readiness Reporting System–Navy
ARMS	Advanced Reconfigurable Manufacturing for Semiconductors	DRRS-S	Defense Readiness Reporting System–Strategic
ASA(FM&C)	Assistant Secretary of the Army (Financial Management and Comptroller)	DTR	Defense Transportation Regulation
ASD(NCB)	Assistant Secretary of Defense for Nuclear, Chemical, and Biological Defense Programs	DTRA	Defense Threat Reduction Agency
ASP	Ammunition Supply Point	EA	East Africa
AvIP	Aviation Incentive Pay	EAPS	Engine Air Particle Separator
BCT	Brigade Combat Team	EGS	Enterprise Ground Services
BLS	Base Life Support	ERM	Enterprise Risk Management
BOS-I	Base Operations Support–Integrator	ESA	Engineering Support Activity
CDP	Contractor Disclosure Program	EVAL	Evaluations
CID	Criminal Investigation Command. Criminal Investigation Division when not referring to Army Criminal Investigation Command	FAR	Federal Acquisition Regulation
CIGIE	Council of the Inspectors General on Integrity and Efficiency	FBI	Federal Bureau of Investigation
CISA	Cybersecurity Information Sharing Act	FSRM	Facilities Sustainment, Restoration, and Modernization
CIVPAY	Civilian Pay	FVAP	Federal Voting Assistance Program
CJIS	Criminal Justice Information Services	GAO	Government Accountability Office
CJTF-OIR	Combined Joint Task Force–Operation Inherent Resolve	GCCS-J	Global Command and Control System–Joint
CNRC	Commander, Navy Recruiting Command	GFEB	General Fund Enterprise Business System
COOP	Continuity of Operations Plan	GSSAP	Geosynchronous Space Situational Awareness Program
CPARS	Contractor Performance Assessment Reporting System	IG	Inspector General
COCOM	Combatant Command	ISIS	Islamic State of Iraq and Syria
COP-OCO	Comprehensive Oversight Plan–Overseas Contingency Operations	ISO	Investigations of Senior Officials
CPC	Corrosion Prevention and Control	ISPA	Intelligence and Special Program Assessments
CSTC-A	Combined Security Transition Command–Afghanistan	IT	Information Technology
CTEF-S	Counter-Islamic State of Iraq and Syria Train and Equip Fund Equipment Designated for Syria	JAF	Jordanian Armed Forces
DATA Act	Digital Accountability and Transparency Act	JBSP	Jordan Border Security Program
DCAA	Defense Contract Audit Agency	JBSS	Jordan Border Security System
		JIOCEUR	Joint Intelligence Operations Center Europe
		JRM	Joint Region Marianas
		MARAD	Maritime Administration
		MCIO	Military Criminal Investigative Organization
		MCS	Military and Commercial Spaces, Inc.
		MILCON	Military Construction

MISO	Military Information Support Operations
MME	Morphine Milligram Equivalents
MSC	Military Sealift Command
MTF	Military Treatment Facility
NATO	North Atlantic Treaty Organization
NAVFAC	Naval Facilities Engineering Command
NAVAUDSVC	Naval Audit Service
NCDOC	Navy Cyber Defense Operations Command
NCIS	Naval Criminal Investigative Service
NDU	National Defense University
NFR	Notice of Finding and Recommendations
NMS-GVS	National Maintenance Strategy—Ground Vehicle Support
NWA	North and West Africa
OCO	Overseas Contingency Operations
OCONUS	Outside the Continental United States
OFS	Operation Freedom’s Sentinel
OIG	Office of Inspector General
OIR	Operation Inherent Resolve
OLAC	Office of Legislative Affairs and Communications
OMB	Office of Management and Budget
OPE-P	Operation Pacific Eagle—Philippines
OSBP	Office of Small Business Programs
PAR	Performance Assessment Representative
PPV	Public-Private Venture
PVS	Port Visit Support
REM	Resource Efficiency Manager
RHRP	Reserve Health Readiness Program
RPAT	Redistribution Property Accountability Team
SAPRO	Sexual Assault Prevention and Response Office

SAR	Semiannual Report
SBA	Small Business Administration
SDDC	Military Surface Deployment and Distribution Command
SDF	Syrian Democratic Forces
SDVOSB	Service-Disabled Veteran-Owned Small Business
SES	Senior Executive Service
SHARP	Sexual Harassment/Assault Response and Prevention
SMC	Space and Missile Systems Center
SOJTF-OIR	Special Operations Joint Task Force—Operation Inherent Resolve
S&T	Science and Technology
TPE	Theater-Provided Equipment
TSC	Theater Sustainment Command
UAS	Unmanned Aircraft System
USAAA	U.S. Army Audit Agency
USACE	U.S. Army Corps of Engineers
USAFRICOM	U.S. Africa Command
USAID	U.S. Agency for International Development
USARC	U.S. Army Reserve Command
U.S.C.	United States Code
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
USEUCOM	U.S. European Command
USMA	U.S. Military Academy
USTRANSCOM	U.S. Transportation Command
VA	Department of Veterans Affairs
VSO	Vetted Syrian Opposition
WPC	Whistleblower Protection Coordinator
WRI	Whistleblower Reprisal Investigations
WTBD	Warrior Tasks and Battle Drills

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE



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