

Newsletter



Recently Issued Reports (to view report, if available, please click on title)

Audit of the Department of Defense Strategic Planning for Overseas Civilian Positions

This audit determined that the DoD's strategic planning efforts to hire its overseas civilian workforce require improvement to more effectively align the DoD's human capital programs with the DoD's global mission and ongoing operations. Office of the Under Secretary of Defense for Personnel and Readiness and the DoD Component human resource officials did not conduct consistent strategic planning efforts for the overseas civilian workforce, including identifying vacancies by matching individual personnel to authorized and budgeted positions, or conducting skills gap analyses based on individual geographic locations to facilitate collaboration across DoD Components to achieve mission objectives. For the 14 overseas duty stations reviewed, DoD Components inconsistently identified and hired the overseas civilian workforce needed to support the DoD's global mission. Each of the 14 overseas duty stations reviewed lacked detailed written procedures related to hiring overseas civilian personnel and faced persistent challenges to management of overseas civilian personnel, including additional time required to onboard personnel, vacancy rates of up to 39 percent, and gaps between outgoing and incoming personnel. Therefore, the DoD did not have reasonable assurance that it was hiring an overseas civilian workforce adequate to support its readiness, global mission, and ongoing operations.

Evaluation of U.S. Central Command and U.S. Special Operations Command Implementation of the Administrative Requirements Related to the Department of Defense's Law of War Policies

This evaluation determined that, while the U.S. Central Command (USCENTCOM) and the U.S. Special Operations Command (USSOCOM) included Law of War principles in training and exercises, USCENTCOM and USSOCOM policies need to be updated to reflect current DoD policy on Law of War. Furthermore, both commands can improve training for their subordinate components or joint commands, and USCENTCOM can improve its exercises and reporting processes. This evaluation also determined that USCENTCOM

Recently Issued Reports *(cont'd)*

reported most, but not all, allegations of Law of War violations to the Chairman of the Joint Chiefs of Staff and the Secretary of Defense, in accordance with DoD Law of War policy. Proper reporting and investigation of reportable Law of War incidents is important to upholding the reputation of the U.S. military when conducting operations in a manner consistent with international law.

Review of the Department of Defense's Role, Responsibilities, and Actions to Prepare for and Respond to the Protest and Its Aftermath at the U.S. Capitol Campus on January 6, 2021

This review concluded that the actions the DoD took before January 6, 2021 to prepare for the planned protests in Washington, D.C., on January 5 and 6, 2021 were appropriate, supported by requirements, consistent with the DoD's roles and responsibilities for Defense Support of Civil Authorities (DSCA), and compliant with laws, regulations, and other applicable guidance. This review also concluded that the DoD's actions to respond to the U.S. Capitol Police request for assistance on January 6, 2021 were appropriate, supported by requirements, consistent with the DoD's roles and responsibilities for DSCA, and compliant with laws, regulations, and other applicable guidance. In addition to these conclusions, this review also included several observations and recommendations regarding how the DoD could improve its command structure, command and control architecture, communications systems, planning, and training during future DSCA missions within Washington, D.C.

Upcoming Reports Significant reports expected to be issued within the next 30 days include:

Audit of the Business Model for TransDigm Group Inc. and Its Impact on Department of Defense Spare Parts Pricing

This audit determines whether TransDigm Group Inc.'s business model impacted the DoD's ability to pay fair and reasonable prices for spare parts.

Audit of the Defense Health Agency's Reporting of Improper Payment Estimates for the Military Health Benefits Program

This audit determines whether the Defense Health Agency accurately identified and reported improper payments as required by the Payment Integrity Information Act of 2019. The Payment Integrity Information Act of 2019 defines an improper payment as any payment that should not have been made, was made in an incorrect amount, was made to ineligible recipients, or was made for ineligible goods or services. The Payment Integrity Information Act of 2019 also considers payments as improper when they did not have the required supporting documentation at the time of disbursement.

Audit of the Protection of Military Research Information and Technologies Developed by Department of Defense Academic and Research Institutions

This audit determines whether contractors conducting military research and developing technologies for the DoD have security controls in place to protect controlled unclassified information stored on their networks from insider and external cyber threats. Controlled unclassified information is information created or possessed on behalf of the Government that requires safeguarding or dissemination controls according to applicable laws, regulations, and Government-wide policies.

Upcoming Reports (cont'd)

Audit of TRICARE Telehealth Payments

This audit determines whether the Defense Health Agency paid for telehealth services in accordance with Federal and DoD guidance.

Audit of the Office of Net Assessment's Contract Administration Procedures

This audit determines whether Washington Headquarters Services and the DoD Office of Net Assessment administered Office of Net Assessment contracts in compliance with applicable Federal and DoD policies.

Audit of the Department of Defense Foreign Military Sales Acquisition Process

This audit determines whether the DoD managed the acquisition of Defense articles and services to meet partner nation foreign military sales requirements, and whether the metrics used by DoD Components maximize the results of the foreign military sales acquisition process. In addition, the audit focuses on the timeliness of the DoD foreign military sales acquisition process and the accuracy of foreign military sales acquisition data that the DoD reported to Congress.

Audit of the Department of Defense's Implementation of Cybersecurity Reciprocity Within the Risk Management Framework Process

This audit determines whether DoD Components leveraged cybersecurity reciprocity to reduce redundant test and assessment efforts when authorizing information technology through the Risk Management Framework process. Reciprocity is an agreement to accept and reuse another organization's (either internal or external to the DoD) security assessments to share information, thereby reducing the time and resources required for authorizing information technology systems to operate on the DoD Information Network.

Defense Criminal Investigative Service Highlights

(to view DOJ press release, if available, please click on title)



Former U.S. Army Employee Sentenced for Kickback Scheme to Steer Government Contracts

On November 10, 2021, a former civilian employee of the Directorate of Public Works at Camp Arifjan, Kuwait, was sentenced to 2 years in prison for a kickback scheme to steer Government contracts for work at Camp Arifjan, Kuwait. Ephraim Garcia previously admitted that he conspired with Gandhiraj Sankaralingam to steer Government contracts to Sankaralingam's company, Gulf Link Venture Company (Gulf Link). In his position, Garcia was involved in the solicitation, award, and management of certain Government contracts related to facilities support at Camp Arifjan. In 2015, Garcia and Sankaralingam met an employee of the prime contractor responsible for base support services and offered to pay the prime contractor employee in exchange for his assistance in steering subcontracts worth over \$3 million to Gulf Link. Rather than agree to the scheme, the prime contractor employee reported the kickback offer to authorities. In August 2020, Sankaralingam was charged with conspiracy to offer a kickback and with paying illegal gratuities to Garcia. Sankaralingam remains a fugitive. The DoD OIG's Defense Criminal Investigative Service (DCIS) investigated this matter jointly with the U.S. Army Criminal Investigation Division.

Defense Criminal Investigative Service Highlights (cont'd)

Pharmaceutical Manufacturer Agrees to Pay \$12.7 Million to Resolve Allegations of False Claims

On November 9, 2021, Virginia-based pharmaceutical manufacturer Kaleo, Inc. agreed to resolve allegations that it caused the submission of false claims for the drug Evzio and provided kickbacks to prescribers. Kaleo manufactured and sold Evzio, which is used to reverse an opioid overdose. Evzio was the highest-priced drug of its kind on the market, and insurers frequently required the submission of prior authorization requests before they would approve coverage for it. Prosecutors contend that Kaleo directed doctors prescribing Evzio to send prescriptions to certain preferred pharmacies that, in turn, submitted false claims for Evzio to insurance entities. The pharmacies allegedly submitted false and misleading prior authorization requests for Evzio and dispensed the drug without collecting or attempting to collect co-pays from Government beneficiaries. Prosecutors argue that Kaleo deliberately ignored this pharmacy misconduct and kept directing business to them. In addition, Evzio sales representatives provided doctors' offices with frequent deliveries of food and beverages, as well as occasional holiday gifts, with no connection to any official company business. DCIS investigated this matter jointly with the Department of Health and Human Services OIG, Federal Bureau of Investigation, Office of Personnel Management OIG, and U.S. Postal Service OIG.

Former Metallurgist Lab Director Pharmaceutical Manufacturer Agrees to Pay \$12.7 Million to Resolve Allegations of False Claims

On November 8, 2021, the former Director of Metallurgy at Bradken Inc. pleaded guilty to major fraud against the United States after falsifying test results that measured the strength and toughness of steel used in Navy submarines. According to case records, Bradken is the Navy's leading supplier of high-yield steel for submarines. The Navy requires that the steel meet certain standards for strength and toughness to ensure that it does not fail under circumstances such as collisions. For 30 years, the company's Tacoma, Washington, foundry produced many castings that failed lab tests and consequently did not meet the Navy's standards. As Director of Metallurgy, Elaine Thomas falsified test results to hide the fact that the steel had failed for over 240 productions of steel, which represent a substantial percentage of the castings Bradken produced for the Navy. Court filings indicate that there is no evidence that Bradken's management was aware of the fraud until May 2017. Thomas is scheduled to be sentenced on February 14, 2022, and faces up to 10 years in prison along with a \$1 million fine. Bradken entered into a civil settlement and paid over \$10.8 million to resolve the matter. DCIS investigated this matter jointly with the Naval Criminal Investigative Service and Defense Contract Audit Agency.

Announced Projects (to view the announcement letters, if available, please click on the title)

Audit of the Department of Defense's Implementation of the Department of Defense Digital Modernization Strategy

The objective of this audit is to determine the DoD's progress in implementing the actions planned to achieve the goals of the DoD Digital Modernization Strategy.

Audit of the Department of Defense's Management of Dwell Time for Service Members in the Reserve Components

The objective of this audit is to determine whether Service members in Reserve Components, mobilized in support of the DoD's global mission requirements, received sufficient dwell periods to recuperate and retrain in accordance with DoD and Service-level policies.

Audit of Department of Defense Grants and Cooperative Agreements With Coronavirus Aid, Relief, and Economic Security Act Obligations

The objective of this audit is to determine whether the DoD obligated Coronavirus Aid, Relief, and Economic Security Act funding to grants and cooperative agreements for appropriate expenses incurred in preventing, preparing for, or responding to coronavirus disease–2019.

Evaluation of the United States Special Operations Command Armed Overwatch Program

The objective of this evaluation is to determine the extent to which the U.S. Special Operations Command Armed Overwatch program is meeting established (operational and mission) program requirements. This evaluation will focus on USSOCOM, the Joint Special Operations Command, the U.S. Air Force Special Operations Command, and other DoD Components that are supporting the procurement and development of the Armed Overwatch program

Evaluation of the Department of Defense’s Use of the Civil Reserve Air Fleet in Support of Afghanistan Noncombatant Evacuation Operations

The objective of this evaluation is to determine the extent to which the U.S. Transportation Command planned and used the Civil Reserve Air Fleet in support of noncombatant evacuation operations in Afghanistan in accordance with public law and DoD and Service policies.

Evaluation of the Military Criminal Investigative Organizations’ Adult Sexual Assault Investigations

The objective of this evaluation is to determine the extent to which the Military Criminal Investigative Organizations investigate reports of sexual assault with adult victims, as required by DoD, Service, and Military Criminal Investigative Organization policies. The evaluation scope will consider sexual assault investigations with adult victims that were opened on or after January 1, 2019, and closed (completed and adjudicated) on or before December 31, 2020.